



Zambeef Products plc
 (“Zambeef” or the “Group”)

Unaudited Results for the Six Months Ended 31 March 2015

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 2015.

Key Financial Highlights

Revenue	Down 6.8% to USD130.7m	(2014: USD140.2m)
Gross Profit	Increased 9.2% to USD 50.1m	(2014: USD 45.9m)
EBITDA	Increased 36.3% to USD 11.6m	(2014: USD 8.5m)
Adjusted Pre Tax Profit/Loss *	USD 0.1m* profit	(2014: USD 3.2m* loss)
Pre Tax Profit/Loss	USD 3.0m loss	(2014: USD 6.5m loss)
Net Cash Inflow Before Financing	USD 9.6m inflow; up 139%	(2014: USD 4.0m inflow)

* adjusted to exclude unrealised foreign exchange differences

Note: key financial highlights include the results of Zamanita to enable comparisons with the prior period on a like-for-like basis. The sale of the Group’s interests in Zamanita was completed on 1st June 2015.

Key Points

- Overall, financial performance for the Group improved on the same period in the previous financial year, with gross profits up 9.2% to USD50m.
- Gross margins increased from 32.7 per cent. for March 2014 to 38.3 per cent. for March 2015.
- EBITDA increased by 36.3% to USD12m (excluding Zamanita) and by 67.3% to USD14m (including Zamanita).
- Net cash inflow from operating activities increased by 131% to USD26m; and net cash inflow before financing increased by 139% to USD9.6m.
- Gross profits from core cold chain food product divisions increased by 28.7% to USD21.3m.
- Administrative expenses continued to be tightly controlled with administrative costs (including depreciation) increasing by 7% in ZMW and decreasing by 6% in USD terms.
- Zambian Kwacha depreciated by 21.5% against the US Dollar, resulting in exchange losses of ZMW51.6m (USD8.0m); and also adversely impacting divisions with USD denominated inputs.
- Zamanita disposal completed on 1 June 2015, for USD26.4m (with third party debt of USD11.1m remaining in Zamanita), allowing the Group to unlock value/capital gain and reduce gearing.

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

“We are pleased to announce that the financial performance for the first half of 2015 is up on 2014. In addition, the completion of the Zamanita disposal on 1 June 2015 has allowed Zambeef to unlock value, capital gains and reduce gearing for the Group.

“Operating in some of the fastest growing parts of the world, where both populations are increasing and real incomes growing rapidly, Zambeef has a clear intention to be an important player in meeting this increased demand for food products. Our strong platform now enables Zambeef to focus on driving the core business, the retailing of cold chain meat and dairy products delivered through the Group’s extensive processing, distribution and retail network.”

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Notes to Editors

Information on Zambeef

The Zambeef Group is one of the largest integrated agri-businesses in Zambia, involved in the primary production, processing, distribution and retailing of beef, chicken, pork, milk, eggs, dairy products, flour and stock feed, throughout Zambia, as well as Nigeria and Ghana. The Group is also one of the largest cereal row cropping operations in Zambia, with approximately 8,120 hectares of irrigated and approximately 8,480 hectares of rain-fed, arable, developed land available for planting each year.

The Group has approximately 6,200 employees.

Further information can be found on www.zambeefplc.com

This publication is in line with standard practice for London Stock Exchange AIM listed Companies.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CHAIRMAN'S REPORT

Overview

I am pleased to report that, in the six month period ended 31 March 2015, Zambeef has taken a number of large steps forward. The financial performance is significantly up on the first half of 2014 while on 1 June 2015, Zambeef also concluded the sale of its subsidiary company, Zamanita Ltd, in line with the strategic aim of unlocking value and capital gains from within the Group and reducing the dollar gearing of the business. Some of the highlights of the financial performance include the following:

- The business was strongly cash generating with net cash inflow before financing increasing by 171 per cent. (USD 139 per cent.) to ZMW61 million (USD10 million);
- EBITDA, excluding Zamanita' increased by 56 per cent. (USD 36 per cent) to ZMW75 million (USD12 million) and by 92 per cent. (USD 67 per cent.) to ZMW92 million (USD14 million) including Zamanita's results;
- Administrative expenses continued to be tightly controlled, with administrative costs, including depreciation increasing by 7 per cent. In ZMK and decreasing by 6 per cent. In USD.

Despite these positive results, the 22 per cent. Depreciation of the Kwacha during the period resulted in exchange losses of ZMW52 million (USD8 million) and a Group loss of ZMW22 million (USD3 million).

During the period, Zambia enjoyed another peaceful election with the election of our 6th President. In addition Zambia was ranked under the Global Peace Index as the most peaceful country in Africa, while the Economist ranked Zambia as the twelfth fastest growing economy in the world in 2014. As a result Zambia remains an exciting place in which to do business, This also applies to West Africa, where our operations in Nigeria and Ghana are entering a period of rapid growth, driven by Shoprite's plan to increase their stores from the current 16 stores to 31 by the end of 2016.

Strategic Priorities

Zambeef's aim is to be a major food provider for the African continent. In relation to this some key strategic priorities are as follows:

1. **Expanding the production, processing, distribution and retailing of meat and dairy products in Zambia**
This remains the core business of Zambeef and is a key focus area of management. Zambeef will be building a new processing and distribution hub in the Copperbelt while continuing to expand and upgrade its retailing and distribution network. At the same time capex will be directed to ensure bottlenecks are avoided in the production and processing of these products. It is pleasing to note that during the period gross profits from the beef, chicken, pork, milk, eggs and fish operations increased by 48 per cent. In Kwacha terms and 29 per cent. In US Dollar terms.
2. **Unlocking value and capital gains from within the Group and reduce dollar debt and gearing**
In order to reduce earnings volatility from any rapid exchange rate movements, the unlocking of value from within the business and reducing US Dollar debt is a key priority. In relation to this it is pleasing to report the completion of the disposal of Zamanita Ltd to Cargill Holdings B.V. on 1 June 2015. The final consideration paid to Zambeef was USD26.4 million while USD11.1m of debt was left in Zamanita. The Group will continue to explore other opportunities to reduce debt and unlock value.
3. **Forging strategic alliances and partnerships with acknowledged industry leaders**
In order to continue to grow our business in Zambia, the Southern Africa Development Community (SADC) and West Africa, we will continue to explore opportunities to develop alliances and partnerships with industry leaders in the areas in which we operate. We are pleased to report that our joint venture with RCL Foods Ltd is progressing well, with our new hatchery and stock feed plant due to be in production before the end of the financial year. This will provide strong growth for our poultry operations, while complementing our stock feed operations by allowing the sale of day old chicks together with stock feed to third parties and the small scale farming sector in Zambia. We are pleased to have attracted a company with Cargill's profile to acquire Zamanita and hope to establish a good working relationship with Cargill going forward. Our relationship with Shoprite, both in Zambia and West Africa, continues to work well and allows Zambeef to benefit from the continued expansion of Shoprite in these parts of Africa.
4. **Developing the business into a regional food supplier**
Zambeef continues to look to put a wider range of its products into the SADC region and to develop its Zambian production base into an efficient production base which is efficient in supplying the wider SADC region. This period has seen Zambeef expand its cold chain food products exports into the region and continued focus will be paid to this going forward.

CHAIRMAN'S REPORT (CONTINUED)**Conclusion and Outlook**

With Zambeef operating in some of the fastest growing parts of the world where both populations are increasing and real incomes growing, the demand for food will continue to increase. Zambeef has a clear intention to be an important player in meeting this increased demand for food products. With the disposal of Zamanita, we are pleased that management will be able to pay increased focus on driving the core business of Zambeef, which is the production, processing, distribution and retailing of cold chain meat and dairy products delivered through the Group's extensive retail network. In addition the disposal of Zamanita will reduce US Dollar gearing and hence make our earnings less susceptible to rapid exchange rate movements.

Finally I would like to thank the entire Zambeef's Board and all of its employees for their hard work towards achieving our goal of being a major food producer for Africa.

Dr Jacob Mwanza
Chairman

8 June 2015

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

JOINT CHIEF EXECUTIVES' REVIEW

Overview

It is pleasing to report that the first six months of the 2015 financial year have seen a significant improvement in the performance over the same period last year and the trading momentum generated in the second six months of the last financial year has continued. Gross profits increased by 25.3 per cent. (USD 9.2 per cent.) from ZMW258 million (USD46 million) to ZMW323 million (USD50 million) while EBITDA increased by 56.4 per cent. (USD 36.3 per cent.) from ZMW48 million (USD 8.5m) to ZMW75 million, (USD 11.6m) excluding Zamanita for 2015. Cash generated from operations increased by 165 per cent. (USD 131 per cent.) from ZMW63 million (USD11 million) to ZMW168 million (USD26 million) while net free cash flow increased by 171 per cent. (USD 139 per cent.) from ZMW23 million (USD4 million) to ZMW61 million (USD10 million).

These excellent underlying results were however impacted by the depreciation of the Zambian Kwacha during this six month period by 22 per cent. from ZMW6.27/USD at 30 September 2014 to ZMW7.62/USD at 31 March 2015. This resulted in exchange losses of ZMW52 million (USD8 million), with a loss after tax for the half year of ZMW22 million (USD3 million). These exchange losses fully vindicate the strategic decision taken by Zambeef to reduce US Dollar denominated debt in the group which will result in Zambeef being less vulnerable to rapid exchange rate fluctuations in the future. In line with this strategy it is pleasing to report the completion of the sale of Zamanita to Cargill on 1 June 2015.

Disposal of Zamanita

The disposal of Zamanita Ltd was completed on 1 June 2015, with Zambeef being paid USD26.43 million for 100 per cent. of the issued share capital of Zamanita Ltd. In addition the debt retained in Zamanita was USD11.1 million on completion. This disposal will allow Zambeef to focus on growing its core business, which is the retailing of cold chain meat and dairy products, delivered through the Group's extensive processing, distribution and retail network. Furthermore, the disposal will allow Zambeef to unlock value, via a reduction in overall gearing (particularly US Dollar denominated debt) and, in so doing, reduce exchange rate exposure and interest costs.

Cold Chain Food Products Business

Increased focus on Zambeef's core business, which is the processing, distribution and retailing of cold chain meat and dairy products, has seen strong growth in these business units. The combined gross profit of beef, chicken, pork, milk, eggs and fish has increased by 48 per cent. (USD 29 per cent.). This part of the business will remain a priority in terms of capital expenditure and management focus. New projects being worked on include a new processing and distribution hub in Kitwe as well as wholesale depots in Solwezi, Mongu and Lusaka.

New Hatchery and Stock Feed Plant

The new hatchery, breeder farm and stock feed plant being built at Mpongwe Farm, as a joint venture with RCL Foods Ltd of South Africa, is progressing well. The first day old chicks will come on line in September 2015, with an initial capacity of 220,000 chicks per week, increasing to 320,000 chicks per week over the following 12 months. The new stock feed plant should be operational before the end of the financial year. This project will take Zambeef's chicken operations to a new level and the benefits from this will start flowing through during the 2016 financial year.

OPERATIONAL REVIEW

The two tables below provide a summary of the segmental and divisional performance.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES
JOINT CHIEF EXECUTIVES' REVIEW (CONTINUED)

Table 1: Segmental and Divisional Turnover

TURNOVER	2015 (USD'000)	2014 (USD'000)	% change	2015 (ZMW'000)	2014 (ZMW'000)	% change
Cropping	25,333	28,315	(11)	163,654	159,412	3
Beef	28,362	30,125	(6)	183,219	169,611	8
Stock feed	29,238	27,566	6	188,880	155,194	22
Edible Oils	22,228	32,006	(31)	143,595	180,193	(20)
Chicken and egg	15,200	15,814	(4)	98,191	89,032	10
Milk & dairy	7,521	6,680	13	48,584	37,608	29
West Africa	9,512	8,757	9	61,447	49,300	25
Pork	11,439	8,749	31	73,894	49,256	50
Fish and Leather	4,970	3,853	29	32,104	21,694	48
Mill & bakery	4,736	6,822	(31)	30,594	38,410	(20)
Total	158,539	168,687		1,024,162	949,710	
Less: Intra/Inter Group Sales	(27,877)	(28,457)		(180,084)	(160,214)	
Group Total	130,662	140,230	(7)	844,078	789,496	7

Table 2: Segmental and Divisional Gross profit

GROSS PROFIT	2015 (USD'000)	2014 (USD'000)	% change	2015 (ZMW'000)	2014 (ZMW'000)	% change
Cropping	15,132	13,553	12	97,750	76,303	28
Beef	10,091	7,534	34	65,189	42,421	54
Stock feed	4,836	4,898	(1)	31,241	27,578	13
Edible oils	4,577	6,206	(26)	29,566	34,942	(15)
Chicken and egg	4,254	4,035	5	27,483	22,714	21
Milk & dairy	3,855	3,364	15	24,904	18,937	32
West Africa	2,328	2,486	(6)	15,036	13,997	7
Pork	2,225	1,130	97	14,372	6,364	126
Fish and Leather	1,783	1,274	40	11,519	7,168	61
Mill & bakery	994	1,372	(28)	6,422	7,724	(17)
Group Total	50,075	45,852	9	323,482	258,148	25

Capital expenditure

During the period, we invested ZMW131 million (USD20 million) of capital in the business. This capital expenditure has primarily been on the Zamhatch Ltd breeder farm, hatchery and stock feed project (ZMW90 million/USD14 million). Other large capital expenditure items include farm equipment in the cropping division (ZMW15 million/USD2 million), upgrading and expanding of the retail network and distribution fleet (ZMW12 million/USD2 million), increasing capacity at the Zam Chick processing plant and increasing the production capacity for broiler chickens (ZMW4 million/USD1 million) and the palm project (ZMW9 million/USD1 million).

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

JOINT CHIEF EXECUTIVES' REVIEW (CONTINUED)

DIVISIONAL REVIEW

Taking each of our business areas in turn as follows:

Cropping

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	25,333	28,315	(11)	163,654	159,412	3	16
Gross profit	15,132	13,553	12	97,750	76,303	28	30

The cropping division has been the strongest performing division during this period with gross profits strongly up in both US Dollar and Kwacha terms. Despite heavy late rains that delayed combining and resulted in soya yields reducing, this division continues to go from strength to strength. During this period a total of 16,124 Ha (2014 - 15,791 Ha) were planted. This was made up of 11,778 Ha (2014 - 11,360 Ha) of soya, 636 Ha (2014 - 300 Ha) of maize silage, 2,428 Ha (2014 - 2,786 Ha) of commercial maize and 1,283 Ha (2014 - 1,345 Ha) of Green crops consisting of Rhodes grass, Sun hemp and Pearl Millet.

The farms are fully mechanized, utilising the latest precision farming techniques. Zambia's abundance of water has enabled Zambeef to develop the irrigation potential of its farms and reduce the weather risk. Mpongwe farm continues to produce yields comparable with any part of the world. This has resulted in the decision to locate the new chicken expansion and stock feed plant at Mpongwe farm, in order to add value to the cropping offtake from this highly efficient farm, and create a Zambian poultry operation that can be competitive into the region. The challenge will be for the cropping division to keep pace with this increased demand.

Chiawa has a comparative advantage in accessing the Zimbabwean market as a result of its location, just 15km from the Zimbabwe border. This division can look forward to the future with confidence.

Beef

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	28,362	30,125	(6)	183,219	169,611	8	18
Gross profit	10,091	7,534	34	65,189	42,421	54	20

The beef division has had a strong six months with gross profits up in 54 per cent in Kwacha terms and 34 per cent in US Dollar terms. The period saw an increase in choice beef slaughters from 9,694 cattle to 9,890 cattle, while standard beef slaughters reduced from 21,670 to 17,582. This division is a key focus of management in terms of driving real growth. The supply of beef remains strong and Zambeef is looking to increase sales both within Zambia and into the region.

With Zambeef planning a new processing and distribution hub in the Copperbelt to become operational next year and with further expansion and upgrade of its retail network and exports growing into the SADC region, this division is expected to grow further.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

JOINT CHIEF EXECUTIVES' REVIEW (CONTINUED)

Stock feed (Novatek)

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	29,238	27,566	6	188,880	155,194	22	18
Gross profit	4,836	4,898	(1)	31,241	27,578	13	10

Novatek has continued to grow and increase its market share through providing top quality stock feed at competitive prices. The period has seen strong growth in turnover in both Kwacha and US Dollar terms while gross profits have increased in Kwacha but remained broadly constant in US Dollar terms. This is a commendable performance during a period of rapid devaluation of the Kwacha. With a large proportion of inputs being US Dollar denominated, this division will always have its margins squeezed in periods of rapid devaluation.

With the new stock feed plant and hatchery due to open in September, allowing Novatek to sell stock feed and day old chicks together, this division is expected to continue to generate strong growth. In response, Zambeef is expanding its retail footprint for its stock feed operations as well with all new wholesale depots having sections for stock feed and day old chick sales. In addition with the Kwacha having stabilized and a period of greater stability in the currency expected, margins should normalize.

Edible oils

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	22,228	32,006	(31)	143,595	180,193	(20)	14
Gross profit	4,577	6,206	(26)	29,566	34,942	(15)	9

Zamanita has had a difficult six months. These operations tend to be negatively impacted by rapid exchange rate depreciation, as the input costs are largely US Dollar denominated. As a result it is difficult to pass on the increased costs in times of rapid devaluation. As a result both turnover and gross profits were well down on the same period last year.

For the six months to 31 March 2015, Zamanita produced 23,466 tons of soya cake, compared to 31,443 tons for the same period last year. Oil sales were also down from 10,686 tons to 7,472 tons.

A lot of work has gone into bringing the Zamanita facilities and operations to the standard they are at today and developing a market for the Zamanita production both in Zambia and the wider region.

Chicken & Egg

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	15,200	15,814	(4)	98,191	89,032	10	10
Gross profit	4,254	4,035	5	27,483	22,714	21	8

Demand for chicken has been strong and this period has seen an increase in gross profits in both Kwacha and US Dollar terms. Chicken slaughters increased by 16 per cent. from 2,784,934 birds to 3,295,251 birds. Zam Chick is looking to invest further in expanding its chicken slaughtering and processing facilities as well as increase its broiler production ability. Strong growth is expected to continue in this division.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**JOINT CHIEF EXECUTIVES' REVIEW (CONTINUED)**

The egg division's sales volumes remained at 21 million eggs during the period. Demand remains good and consideration will be given to expanding the egg production base to fulfil this increased demand.

The breeder farm and hatchery project proceeds well and Zamhatch expects to begin producing day old chicks during September 2015, starting at 220,000 per week and increasing to 320,000 per week over the following 12 months. The benefits of this project will be seen in 2016 but this is an important development, which will have a material impact on the chicken operations.

Milk and Dairy

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	7,521	6,680	13	48,584	37,608	29	5
Gross profit	3,855	3,364	15	24,904	18,937	32	8

The milk division had another excellent six months with strong growth in turnover and gross profits in both Kwacha and US Dollar terms. Milk production has increased through increased cow numbers and improved yields, while demand has continued to grow. Total milk products sold increased by 17 per cent. from 6.3 million litres to 7.5 million litres over the same period last year. Demand continues to be strong and this period has seen the start of exports into the SADC region.

The capacity in the milk processing plant has been increased from 35,000 litres per day to 100,000 litres per day. Ongoing capital expenditure will be incurred in increasing the milk production as well as relieving bottle necks in the factory to catch up with demand. This division can look confidently forward and is expected to continue to show strong growth.

West Africa

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	9,512	8,757	9	61,447	49,300	25	6
Gross profit	2,328	2,486	(6)	15,036	13,997	7	5

Zambeef's West Africa operations continue to grow in line with Shoprite's increasing footprint in the region, as the West African operations continue to be driven largely by the roll out of Shoprite stores. Shoprite currently has 11 stores in Nigeria and five stores in Ghana with a further 14 stores in Nigeria and one store in Ghana due to open before the end of 2016. As a result the West Africa operation is expected to grow significantly for the next two years.

The last six months have been a difficult period in Nigeria with Presidential elections, fuel prices dropping significantly affecting the whole Nigerian economy and the Naira depreciating by 22.7 per cent. against the US Dollar between 31 March 2014 and 31 March 2015. The Ghanaian Cedi has performed even worse, depreciating by 36.7 per cent. over the same period. As a result trading conditions have been difficult with gross profits up in Kwacha but down in US Dollars. With elections over it is hoped that a more stable period will follow enabling positive growth in both profitability and turnover for the West African operations.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

JOINT CHIEF EXECUTIVE'S REVIEW (CONTINUED)

Pork

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	11,439	8,749	31	73,894	49,256	50	7
Gross profit	2,225	1,130	97	14,372	6,364	126	4

Masterpork has had an excellent six months period with both turnover and gross profits showing strong growth in both Kwacha and US Dollar terms. Masterpork has increased sales in volume terms by 44 per cent., increasing from 2,623 tons to 3,782 tons. A real effort has been made to increase the pork range in Zambeef's retail network and, with pork being competitively priced, demand has increased strongly.

During this period Masterpork brought on line new equipment to keep up with demand. Further capex will be required to bring in more capacity. Strong growth can be expected from Masterpork going forward and it is pleasing that exports into the SADC region started during this period.

Other Divisions (Fish & Leather)

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	4,970	3,853	29	32,104	21,694	48	3
Gross profit	1,783	1,274	40	11,519	7,168	60	4

Fish:

Turnover and gross profits increased strongly during this period with gross profits up 60 per cent. (USD 78 per cent.). Zambeef has worked hard to obtain a secure and reliable supply base and fish continues to be an attractive protein. This division is expected to grow and Zambeef will continue to work closely to strengthen its supply base.

Zamleather:

Zamleather continues to grow with volumes processed increasing by 4 per cent. from 47,024 hides to 48,999, while shoe sales increased by 13 per cent. from 37,264 pairs to 42,022 pairs. This division has grown in both turnover and gross profits in Kwacha and US Dollars. The division continues to explore opportunities to sell more value-added leather products both in Zambia and the region. However it is getting close to capacity and further capex will be required if this division is to continue to grow.

Mill

	Six months to 31 March 2015 <i>USD'000s</i>	Six months to 31 March 2014 <i>USD'000s</i>	% change	Six months to 31 March 2015 <i>ZMW'000s</i>	Six months to 31 March 2014 <i>ZMW'000s</i>	% change	% of Group (2015)
Revenue	4,736	6,822	(31)	30,594	38,410	(20)	3
Gross profit	994	1,372	(28)	6,422	7,724	(17)	2

Strong early wheat prices resulted in Zambeef selling wheat immediately after combining and reducing its third party flour sales. This resulted in less wheat being available for milling in the wheat mill and as a result both turnover and gross profit reduced significantly in this division.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**JOINT CHIEF EXECUTIVES' REVIEW (CONTINUED)****Zampalm**

The palm project continues to make good progress. Zampalm currently has 2,612 Ha planted with a further 200 Ha due to be planted at the end of this year. The mill has been erected and the first 168 Ha of palms planted in 2011 is expected to start yielding fruit for processing later in the year.

Conclusion and outlook

Zambeef can be pleased that the business is once again generating strong net cash inflows from operations and free cash flow. Management's strong focus on the core business, namely the processing, distribution and retailing of cold chain meat and dairy products has shown real benefits with the beef, chicken, pork, milk, eggs and fish divisions increasing gross profits by 48 per cent. (USD 29 per cent.) over the same period in 2014. The cropping operations continue to go from strength to strength and are now the largest contributor to Zambeef's gross profits (17 per cent.). These farming assets take full advantage of Zambia's fertile soils and abundant water resources. West Africa is expected to embark on a period of fast growth, with Shoprite looking to double its retail network in the region before the end of 2016. In addition the new breeder farm and hatchery will commence operations before the end of the financial year, which is expected to generate further strong growth for the business. Despite the rapid depreciation in the Kwacha during the period resulting in large exchange losses, Zambeef has made real progress on its intention to reduce gearing (particularly US Dollar debt) with the disposal of Zamanita, which will reduce the earnings volatility from rapid movements in exchange rates.

Zambeef will continue to target investment in the high margin parts of the business and look for opportunities to unlock value and capital from within the Group to further reduce debt and gearing. Zambeef can look forward to the future with confidence and will continue to strive to be one of the leading food suppliers to the SADC/COMESA region.

Carl Irwin
Joint Chief Executive Officer

Francis Grogan
Joint Chief Executive Officer

Date: 8 June 2015

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2015**

		Unaudited		Audited
		Mar 2015	Mar 2014	Sept 2014
Group	Notes	USD'000s	USD'000s	USD'000s
Revenue	5(ii)	102,138	140,230	279,465
Net (loss)/gain arising from price changes in fair value of biological assets	9	(4,380)	(2,761)	131
Cost of sales		(53,137)	(91,617)	(185,207)
Gross profit	5(ii)	44,621	45,852	94,389
Administrative expenses		(36,683)	(43,228)	(84,033)
Other income		19	77	484
Operating profit		7,957	2,701	10,840
Exchange losses on translating foreign currency transactions and balances		(7,610)	(5,239)	(5,834)
Finance costs		(4,136)	(3,999)	(8,604)
Loss before taxation	5(ii)	(3,789)	(6,537)	(3,598)
Taxation (charge)/credit	6(f)	(595)	(259)	163
Group loss for the period from continued operations		(4,384)	(6,796)	(3,435)
Profit for the period from assets held for disposal	12	1,025		
Total loss for the period		(3,359)	(6,796)	(3,435)
Group profit/(loss) attributable to:				
Equity holders of the parent		(3,780)	(7,275)	(4,185)
Non-controlling interest		421	479	750
		(3,359)	(6,796)	(3,435)
Other comprehensive income				
Exchange losses on translating presentational currency		(35,069)	(31,259)	(36,664)
Total comprehensive income/(loss) for the period		(38,428)	(38,055)	(40,099)
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent		(37,535)	(38,080)	(40,178)
Non-controlling interest		(893)	25	79
		(38,428)	(38,055)	(40,099)
Earnings/(loss) per share		Cents	Cents	Cents
Basic and diluted earnings/(loss) per share from continued operations	7	(1.94)	(2.93)	(1.69)
Basic and diluted earnings/(loss) per share from discontinued operations	7	0.41	-	-
Total	7	(1.52)	-	-

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 2015

	Share capital <i>USD'000s</i>	Share premium <i>USD'000s</i>	Revaluation reserve <i>USD'000s</i>	Foreign exchange translation reserve <i>USD'000s</i>	Retained earnings <i>USD'000s</i>	Total attributable to owners of the parent <i>USD'000s</i>	Non- controlling Interest <i>USD'000s</i>	Total equity <i>USD'000s</i>
At 1 October 2013	61	123,283	102,822	(44,102)	68,640	250,704	3,644	254,348
(Loss)/profit for the period	-	-	-	-	(7,275)	(7,275)	479	(6,796)
Transfer of surplus depreciation	-	-	(240)	-	240	-	-	-
Other comprehensive income								
Exchange losses on translating presentational currency	-	-	-	(30,805)	-	(30,805)	(454)	(31,259)
Total comprehensive income for the period	-	-	(240)	(30,805)	(7,035)	(38,080)	25	(38,055)
At 31 March 2014	61	123,283	102,582	(74,907)	61,605	212,624	3,669	216,293
Shares issued	335	-	-	-	(335)	-	-	-
Transactions with owners	335	-	-	-	(335)	-	-	-
Profit for the period	-	-	-	-	3,090	3,090	271	3,361
Transfer of surplus depreciation	-	-	(805)	-	805	-	-	-
Other comprehensive income:								
Exchange losses on translating presentational currency	-	-	-	(5,188)	-	(5,188)	(217)	(5,405)
Total comprehensive income for the period	-	-	(805)	(5,188)	3,895	(2,098)	54	(2,044)
At 30 September 2014	396	123,283	101,777	(80,095)	65,165	210,526	3,723	214,249
Profit/(loss) for the period	-	-	-	-	(3,780)	(3,780)	421	(3,359)
Transfer of surplus depreciation	-	-	(1,131)	-	1,131	-	-	-
Consolidation of Zamhatch Limited	-	-	-	-	-	-	3,836	3,836
Other comprehensive income								
Exchange losses on translating presentational currency	-	-	-	(33,755)	-	(33,755)	(1,314)	(35,069)
Total comprehensive income	-	-	(1,131)	(33,755)	(2,649)	(37,535)	2,943	(34,592)
At 31 March 2015	396	123,283	100,646	(113,850)	62,516	172,991	6,666	179,657

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31 MARCH 2015

	Notes	Unaudited		Audited
		31 Mar 2015 USD '000s	31 Mar 2014 USD '000s	30 Sept 2014 USD '000s
ASSETS				
Non – current assets				
Goodwill		2,060	2,565	2,504
Property, plant and equipment		188,910	236,875	232,231
Plantation development expenditure		9,924	9,376	10,831
Investment in Associate	8	-	1	3,800
Assets held for disposal	12	26,037	-	-
Biological assets	9	3,832	3,254	3,222
Deferred tax asset	6(j)	3,720	3,928	4,594
		<u>234,483</u>	<u>255,999</u>	<u>257,182</u>
Current assets				
Biological assets	9	27,826	34,852	22,648
Inventories		31,995	48,023	70,886
Trade and other receivables		10,187	18,927	19,511
Assets held for disposal	12	15,795	-	-
Amounts due from related companies		-	2,813	1,839
Income tax recoverable	6(h)	630	1,559	654
		<u>86,433</u>	<u>106,174</u>	<u>115,538</u>
Total assets		<u>320,916</u>	<u>362,173</u>	<u>372,720</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		396	61	396
Share premium		123,283	123,283	123,283
Assets held for disposal		10,633	-	-
Reserves		38,680	89,280	86,847
		<u>172,992</u>	<u>212,624</u>	<u>210,526</u>
Non-controlling interest		6,666	3,669	3,723
		<u>179,658</u>	<u>216,293</u>	<u>214,249</u>
Non – current liabilities				
Interest bearing liabilities	11	48,054	61,248	56,333
Obligations under finance leases		1,451	1,404	2,329
Deferred liability		1,029	1,227	1,192
Deferred tax liability	6(j)	1,668	3,772	3,520
Assets held for disposal	12	4,988	-	-
		<u>57,190</u>	<u>67,651</u>	<u>63,374</u>
Current liabilities				
Interest bearing liabilities	11	7,230	11,384	10,593
Collateral management agreement	11	16,247	14,440	24,829
Obligations under finance leases		1,293	1,405	793
Trade and other payables		20,728	30,961	34,816
Assets held for disposal	12	16,523	-	-
Amounts due to related companies		2,293	-	-
Taxation payable	6(h)	494	1,485	483
Cash, cash equivalents	10	19,260	18,554	23,583
		<u>84,068</u>	<u>78,229</u>	<u>95,097</u>
Total equity and liabilities		<u>320,916</u>	<u>362,173</u>	<u>372,720</u>

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2015**

	Unaudited		Audited
	6 months to 31 Mar 2015	6 months to 31 Mar 2014	Year to 30 Sept 2014
	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>
Cash inflow from operating activities			
Loss before taxation	(3,791)	(6,537)	(3,598)
Finance costs	4,136	3,998	8,605
Loss on disposal of property, plant and equipment	-	(214)	(365)
Depreciation	4,466	5,234	10,454
Fair value price adjustment	4,380	2,761	(131)
Net unrealised foreign exchange losses	2,453	3,302	3,294
Earnings before interest, tax, depreciation and amortisation	11,644	8,544	18,259
Increase in biological assets	(12,233)	(21,860)	(6,210)
Decrease in inventory	2,829	31,829	4,871
Decrease / (increase) in trade and other receivables	2,613	(9,601)	(10,299)
Decrease / (increase) in amount due from related companies	1,785	(2,735)	(1,961)
Increase / (decrease) in trade and other payables	1,791	6,054	10,697
Increase / (decrease) in amount due to related companies	2,704	(279)	(268)
Increase in deferred liability	62	127	116
Income tax paid	(277)	(816)	(1,402)
Cash inflow from assets held for sale	15,118	-	-
Net cash inflow from operating activities	26,036	11,263	13,803
Investing activities			
Purchase of property, plant and equipment	(18,425)	(6,244)	(10,905)
Expenditure on plantation development	(1,402)	(1,070)	(2,603)
Movement in investments	3,800	(1)	(4,052)
Cash outflow from assets held for sale	(450)	-	-
Proceeds from sale of assets	-	49	568
Net cash outflow on investing activities	(16,477)	(7,266)	(16,992)
Net cash inflow before financing	9,559	3,997	(3,189)
Financing			
Long term loans repaid	(4,146)	(3,558)	(8,469)
Receipt from long term loans	-	-	4,000
Receipt / (repayment) of short term funding	5,670	(6,205)	2,279
Lease finance	(57)	(79)	726
Finance costs	(4,136)	(3,998)	(8,605)
Cash inflow outflow from assets held for sale	(13,469)	-	-
Net cash outflow from financing	(16,138)	(13,840)	(10,069)
Decrease in cash and cash equivalents	(6,579)	(9,843)	(13,258)
Cash and cash equivalents at beginning of year	(23,583)	(8,311)	(8,311)
Effects of exchange rate changes on the balance of cash held in foreign currencies	5,058	(400)	(2,014)
Cash and cash equivalents at end of year (inc Zamanita)	(25,104)	(18,554)	(23,583)
Represented by:			
Cash in hand and at bank (inc Zamanita)	6,756	10,095	10,463
Bank overdrafts (inc Zamanita)	(31,860)	(28,649)	(34,046)
	(25,104)	(18,554)	(23,583)

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015

1. **The Group**

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 and flour. The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 8,120 Ha of irrigated row crops and 8,480 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 reporting date the current portion of long term loan amounts repayable amount to ZMW207.3 million (USD27.2 million) [30 September 2014: ZMW227.1 million (USD36.2 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. All current liabilities will be settled from the continued liquidation of stock and expected increase in income from the capital expenditure carried out.

(c) **Basis of presentation**

The information for the period ended 31 March 2015 and 31 March 2014 do not constitute statutory accounts. The figures for the year ended 30 September 2014 have been extracted from the 2014 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.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

2. Principal accounting policies (continued)

(d) Foreign currencies

(i) *Presentational and functional currency*

Zambeef Products PLC as a company has ten operating branches of which nine have a historical functional currency of Zambian Kwacha (ZMW) and one (the Mpongwe Farm Branch) has a functional currency of United States Dollars (USD) being an operational branch set up during the financial year ended 30 September 2012. Management have chosen a variant on the functional currency of Mpongwe due to the following factors:

- the majority of farm input costs (fertilizer, farming chemicals, agricultural machinery spares, etc.), which are primarily sourced from overseas, are driven by USD to ZMW exchange rate due to origin prices being USD;
- the pricing of Mpongwe's principal outputs (wheat, soya and maize) are significantly influenced by world USD denominated grain prices;
- the capital raised attached to the acquisition of the Mpongwe assets was denominated in foreign currency;
- the Mpongwe assets were purchased in USD;
- upon admission and dual listing on the AIM market of the London Stock Exchange (LSE), Zambeef was required to report in USD in addition to reporting in ZMW for the LuSE listing; and
- majority of financial liabilities associated with working capital funding and capital expenditure are sourced in USD and repayable in USD, with a substantial portion of the Company's term liabilities secured on the assets of Mpongwe.

In light of this, Mpongwe's assets and liabilities are translated to ZMW and consolidated with other branches of the Company for reporting and tax purposes in Zambia, with any differences arising out of translation posted as a capital reserve item and a non-distributable reserve.

The Group's reporting currency in Zambia is ZMW and the presentation of financial statements to Non-Zambian shareholders and for the purposes of being listed on the AIM market of the London Stock Exchange also necessitate the presentation of the financial statements in United States Dollars (USD).

(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 period 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:

ZMW:USD	Average exchange rate	Closing exchange rate
6 months ended 31 March 2014	5.63	6.12
Year ended 30 September 2014	5.88	6.27
6 months ended 31 March 2015	6.46	7.62

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

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

2. **Principal accounting policies (continued)**(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 the 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 period end. Statement of comprehensive income items have been translated at an average monthly rate for the period. Any differences arising from this procedure are taken to the foreign exchange reserve.

The following exchange rates have been applied:

	Average exchange rate	Closing exchange rate
ZMW:Nigeria Naira		
6 months ended 31 March 2014	28.51	26.63
Year ended 30 September 2014	27.55	26.16
6 months ended 31 March 2015	27.35	26.25
	Average exchange rate	Closing exchange rate
ZMW:Ghana Cedi		
6 months ended 31 March 2014	0.425	0.441
Year ended 30 September 2014	0.49	0.54
6 months ended 31 March 2015	0.51	0.50

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

The condensed interim consolidated financial statements are for the six months ended 31 March 2015 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 2014.

(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 2014.

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.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)****3. Critical accounting estimates and judgements (continued)**

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) High 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 2014.

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 Board of Directors ('BoD') 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 BoD to use for such purposes. The BoD 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 2015, 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:

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

5. Segmental reporting (continued)

Period ended 31 March 2015

(i) in US Dollars

Segment	Revenue <i>USD '000s</i>	Gross Profit <i>USD '000s</i>
Beef	28,362	10,091
Chicken	12,814	3,338
Pork	11,439	2,225
Crops - row crops	25,333	15,132
Stock feed	22,942	3,959
Eggs	2,386	916
Fish	2,570	910
Milk	7,521	3,855
Zamchick Inn	-	-
Edible oils	-	-
Bakery & flour	4,736	994
Leather/shoe	2,400	873
Master Meats (Nigeria)	7,965	1,968
Master Meats (Ghana)	1,547	360
Total	130,015	44,621
Less: intra/inter group sales	(27,877)	
Group total	102,138	44,621
Central operating costs		(36,664)
Operating profit		7,957
Foreign exchange losses		(7,610)
Finance costs		(4,136)
Loss before tax		(3,789)

Operating assets/(liabilities)

	Zambeef <i>USD'000s</i>	Retailing <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 and plantation development expenditure	125,818	21,036	5,654	16,282	30,044	198,834
Biological assets and inventories	45,095	6,853	1,285	3,832	6,588	63,653
Cash, cash equivalents and bank overdrafts	(20,137)	(3,063)	154	8	3,778	(19,260)

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015
(CONTINUED)

5. Segmental reporting (continued)

Period ended 31 March 2014

(i) in US Dollars

Segment	Revenue <i>USD'000s</i>	Gross Profit <i>USD'000s</i>
Beef	30,125	7,534
Chicken	13,067	3,072
Pork	8,749	1,130
Crops - row crops	28,315	13,553
Stock feed	27,566	4,898
Eggs	2,747	963
Fish	1,665	512
Milk and dairy	6,680	3,364
Edible oils	32,006	6,206
Mill and bakery	6,822	1,372
Leather and shoe	2,188	762
Master Meats (Nigeria)	7,172	2,036
Master Meats (Ghana)	1,585	450
Total	168,687	45,852
Less: intra/inter group sales	(28,457)	
Group total	140,230	45,852
Central operating costs		(43,151)
Operating profit		2,701
Foreign exchange losses		(5,239)
Finance costs		(3,999)
Loss before taxation		(6,537)

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 and plantation development expenditure	142,323	24,923	32,327	6,598	17,497	22,583	246,251
Biological assets and inventories	54,111	7,378	16,596	2,517	3,254	2,273	86,129
Cash, cash equivalents and bank overdrafts	(11,731)	(2,826)	(6,234)	252	28	1,957	(18,554)

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015
(CONTINUED)

5. Segmental reporting (continued)

Year ended 30 September 2014

(i) in US Dollars

Segment	Revenue <i>USD'000s</i>	Gross Profit <i>USD'000s</i>
Beef	58,806	18,233
Chicken	25,894	6,149
Pork	20,935	3,341
Crops	51,636	26,411
Stock feed	57,699	9,301
Eggs	5,496	2,041
Fish	3,646	1,277
Milk and dairy	14,011	7,150
Edible oils	53,859	11,076
Mill and bakery	12,201	2,560
Leather and shoe	4,983	1,970
Master Meats (Nigeria)	16,449	3,976
Master Meats (Ghana)	3,316	904
Total	328,931	94,389
Less: intra/inter group sales	(49,466)	
Group total	279,465	94,389
Central operating costs		(83,549)
Operating profit		10,840
Foreign exchange gains		(5,834)
Finance costs		(8,604)
Loss before tax		(3,598)

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	149,261	24,695	31,872	6,269	18,664	12,301	243,062
Biological assets and inventories	51,493	8,291	29,087	1,885	3,222	2,777	96,755
Cash, cash equivalents and bank overdrafts	(17,881)	(1,844)	(6,793)	15	39	2,881	(23,583)

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015
(CONTINUED)

5. Segmental reporting (continued)

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

	31 Mar 2015		31 Mar 2014		30 Sept 2014	
	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	83,190	231,882	109,550	252,327	229,517	253,774
West Africa	9,512	2,601	8,757	3,672	19,766	3,408
Rest of world	9,436	-	21,923	-	30,182	-
	<u>102,138</u>	<u>234,483</u>	<u>140,230</u>	<u>255,999</u>	<u>279,465</u>	<u>257,182</u>

6. Taxation

	March 2015	March 2014	September 2014
	<i>ZMW'000s</i>	<i>ZMW'000s</i>	<i>ZMW'000s</i>
Income tax expense			
(a) Tax charge			
Current tax:			
Tax charge	2,082	1,774	4,642
Deferred tax:			
Deferred taxation (note 6(e))	1,759	(314)	(5,601)
Tax charge/(credit) for the period	<u>3,841</u>	<u>1,460</u>	<u>(959)</u>

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015
(CONTINUED)

6. Taxation (continued)

	March 2015 ZMW'000s	March 2014 ZMW'000s	September 2014 ZMW'000s
(b) Reconciliation of tax charge			
Loss before taxation	(24,491)	(36,802)	(21,159)
Taxation on accounting profit	(5,078)	(2,347)	(5,157)
Effects of:			
Permanent differences:			
Disallowable expenses	1,744	2,292	3,563
Timing differences:			
Capital allowances and depreciation	(4,027)	(11,912)	(6,846)
Livestock and crop valuations adjustment	1,660	405	(1,969)
Other income	(750)	(122)	(752)
Unrealised exchange gains/(losses)	4,802	1,674	1,920
Unrealised tax loss	3,731	11,784	13,883
Tax charge for the period	<u>2,082</u>	<u>1,774</u>	<u>4,642</u>
(c) Movement in taxation account			
Taxation payable at 1 October	(1,330)	2,362	2,141
Charge for the period	2,082	1,774	4,642
Taxation paid	(1,792)	(4,592)	(7,850)
Taxation payable/(recoverable) at the end of the period	<u>(1,040)</u>	<u>(456)</u>	<u>(1,067)</u>
Taxation payable	3,764	9,091	3,031
Taxation recoverable	<u>(4,804)</u>	<u>(9,547)</u>	<u>(4,098)</u>
Taxation payable as at 30 September	<u>(1,040)</u>	<u>(456)</u>	<u>(1,067)</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 2012. Quarterly tax returns for the year ended 30 September 2013 were made on the due dates during the period.

(e) Deferred taxation

	March 2015 ZMW'000s	March 2014 ZMW'000s	September 2014 ZMW'000s
Represented by:			
Biological valuation	6,255	5,767	8,254
Accelerated tax allowances	47,821	58,928	57,691
Provisions	(2,998)	-	(4,288)
Unrealised exchange losses	-	(33,478)	-
Tax loss	(66,713)	(32,168)	(68,386)
	<u>(15,636)</u>	<u>(951)</u>	<u>(6,729)</u>
Analysis of movement:			
Liability as at 1 October	(17,395)	(637)	(1,128)
Charge to profit and loss account (note 6(a))	1,759	(314)	(5,601)
(Asset)/liability as at the end of the period	<u>(15,636)</u>	<u>(951)</u>	<u>(6,729)</u>
Deferred tax asset	(28,343)	(24,037)	(28,802)
Deferred tax liability	12,707	23,086	22,073
	<u>(15,636)</u>	<u>(951)</u>	<u>(6,729)</u>

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015
(CONTINUED)

6. Taxation (continued)

	March 2015 <i>USD'000s</i>	March 2014 <i>USD'000s</i>	September 2014 <i>USD'000s</i>
Income tax expense			
(f) Tax charge			
Current tax:			
Tax charge	322	315	790
Deferred tax:			
Deferred taxation (note 6(j))	272	(56)	(953)
Tax (credit)/charge for the period	<u>595</u>	<u>259</u>	<u>(163)</u>
(g) Reconciliation of tax charge			
Profit/(loss) before taxation	(3,791)	(6,537)	(3,598)
Taxation on accounting profit	(786)	(383)	(877)
Effects of:			
Permanent differences:			
Disallowable expenses	270	375	606
Timing differences:			
Capital allowances and depreciation	(623)	(1,946)	(1,164)
Livestock and crop valuations adjustment	257	66	(335)
Other income	(116)	(20)	(128)
Unrealised exchange gains	743	274	327
Unrealised tax loss	577	1,925	2,361
Foreign exchange	-	24	-
Tax charge for the period	<u>322</u>	<u>315</u>	<u>790</u>
(h) Movement in taxation account			
Taxation payable at 1 October	(213)	402	402
Charge for the year	322	315	790
Taxation paid	(277)	(816)	(1,402)
Foreign exchange	31	25	39
Taxation payable as at the end of the period	<u>(137)</u>	<u>(74)</u>	<u>(171)</u>
Taxation payable	494	1,485	483
Taxation recoverable	(630)	(1,559)	(654)
Taxation payable as at 30 September	<u>(137)</u>	<u>(74)</u>	<u>(171)</u>

- (i) 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 2013. Quarterly tax returns for the year ended 30 September 2014 were made on the due dates during the period.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015
(CONTINUED)

6. Taxation (continued)

	March 2015	March 2014	September 2014
	USD'000s	USD'000s	USD'000s
(j) Deferred taxation			
Represented by:			
Biological valuation	821	942	1,316
Accelerated tax allowances	6,276	9,629	9,201
Provisions	(394)	-	(684)
Unrealised exchange losses	-	(5,470)	-
Tax loss	(8,755)	(5,257)	(10,907)
	<u>(2,052)</u>	<u>(156)</u>	<u>(1,074)</u>
Analysis of movement:			
Liability as at 1 October	(2,775)	(212)	(212)
Charge to profit and loss account (note 6(f))	272	(56)	(953)
Foreign exchange	451	112	91
(Asset)/liability as at the end of period	<u>(2,052)</u>	<u>(156)</u>	<u>(1,074)</u>
Deferred tax asset	(3,720)	(3,928)	(4,594)
Deferred tax liability	1,668	3,772	3,520
	<u>(2,052)</u>	<u>(156)</u>	<u>(1,074)</u>

7. 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:

	Mar 2015		Mar 2014		Sept 2014	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s	ZMW'000s	USD'000s
<u>Basic earnings per share</u>						
Loss for the period	(24,429)	(3,780)	(40,960)	(7,275)	(24,609)	(4,185)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>247,978</u>	<u>247,978</u>	<u>247,978</u>	<u>247,978</u>	<u>247,978</u>	<u>247,978</u>
Basic and diluted earnings/(loss) per share (Ngwee & US Cents)	(0.0981)	(1.52)	(16.52)	(2.93)	(0.0991)	(1.69)
From continued operations	(0.1251)	(1.94)				
From discontinued operations	0.0267	0.41				

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

8. Investments

	Mar 2015		Mar 2014		Sept 2014	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s	ZMW'000s	USD '000s
Zamhatch Limited	-	-	5	1	23,827	3,800

Zambeef Products Limited ("Zambeef") owns 49% of the issued share capital of Zamhatch Limited ("Zamhatch"). At the period end Zamhatch was still in the initial stages of development. It was ascertained that Zambeef exercises due influence over Zamhatch. Hence Zamhatch is now being consolidated into the Zambeef financial statements. Zambeef and Rainbow still own 49% and 51% respectively.

9. Biological assets

(a) 31 March 2015

Biological assets comprise standing crops, feedlot and standing cattle, dairy cattle, pigs, chickens and palm oil plantation. At 31 March 2015 there were 7,863 cattle (5,180 feedlot cattle, 637 standing cattle and 2,146 dairy cattle) and 455,286 chickens (184,220 layers and 271,066 broilers), and 4,238 pigs. A total of 12,527 feedlot cattle, 491 dairy cattle, 4,234 pigs and 1,158,129 chickens were culled during the period. The palm plantation is in developmental stage with current plantation size of 2,612 hectares.

(i) in Zambian Kwacha

	As at 1 October 2014	Increase due to purchases	Gains arising from fair value attributable to physical changes	Gains arising from fair value attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 31 Mar 2015
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Standing Crops	35,430	98,016	147,199	(28,298)	(111,807)	140,540
Feedlot cattle	70,874	34,749	10,156	-	(86,901)	28,878
Dairy Cattle	24,934	7,838	10,887	-	(12,634)	31,025
Pigs	2,750	2,978	1,737	-	(4,549)	2,916
Chickens	8,013	66,654	20,572	-	(86,564)	8,675
Palm Plantation	20,202	9,059	-	-	(64)	29,197
Total	162,203	219,294	190,551	(28,298)	(302,519)	241,231
Less: non-current biological assets	(20,202)	(9,059)	-	-	64	(29,197)
Total	142,001	210,235	190,551	(28,298)	(302,455)	212,034

(ii) in US Dollars

	As at 1 October 2014	Foreign exchange	Increase due to purchases	Gains arising From fair value attributable to physical changes	Gains arising from fair value attributable to price changes	Decrease due to Harvest/ transferred to inventory	As at 31 March 2015
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Standing Crops	5,651	(3,478)	15,173	22,786	(4,380)	(17,308)	18,444
Feedlot cattle	11,304	(1,013)	5,379	1,572	-	(13,452)	3,790
Dairy Cattle	3,976	(848)	1,212	1,685	-	(1,956)	4,069
Pigs	439	(82)	463	269	-	(704)	385
Chickens	1,278	(241)	10,318	3,185	-	(13,400)	1,140
Palm Plantation	3,222	(784)	1,402	-	-	(10)	3,830
Total	25,870	(6,446)	33,947	29,497	(4,380)	(46,830)	31,658
Less: non-current biological assets	(3,222)	784	(1,404)	-	-	10	(3,832)
Total	22,648	(5,662)	32,543	29,497	(4,380)	(46,820)	27,826

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

9. Biological assets (continued)

(b) 31 March 2014

Biological assets comprise standing crops, feedlot and standing cattle, dairy cattle, pigs, chickens and palm oil plantation. At 31 March 2013 there were 8,696 cattle (4,730 feedlot cattle, 1,862 standing cattle and 2,104 dairy cattle) and 392,482 chickens (188,109 layers and 204,373 broilers), and 3,765 pigs. A total of 11,540 feedlot cattle, 120 dairy cattle, 3,137 pigs and 982,116 chickens were culled during the period. The palm plantation is in developmental stage with current plantation size of 2,302 hectares.

(i) in US Dollars

	As at 1 Oct 2013	Foreign exchange	Increase due to purchases	Gains/(losses) arising from fair value attributable to physical changes	Gains arising from fair value attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 31 March 2014
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Standing Crops	5,951	(2,397)	15,026	26,560	(2,761)	(18,601)	23,778
Feedlot cattle	9,566	(1,007)	7,305	2,087	-	(12,431)	5,520
Dairy Cattle	3,930	(552)	1,556	996	-	(2,073)	3,857
Pigs	432	(60)	2	662	-	(621)	415
Chickens	1,517	(196)	13,217	1,024	-	(14,280)	1,282
Palm Plantation	2,229	(406)	1,431	-	-	-	3,254
Total	23,625	(4,618)	38,537	31,329	(2,761)	(48,006)	38,106
Less: non- current biological assets	(2,229)	406	(1,431)	-	-	-	(3,254)
Total	21,396	(4,212)	37,106	31,329	(2,761)	(48,006)	34,852

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

9. Biological assets (continued)

(c) 30 September 2014

Biological assets comprise standing crops, feedlot and standing cattle, dairy cattle, pigs, chickens and palm oil plantation. At 30 September 2013 there were 12,398 cattle (8,348 feedlot cattle, 1,897 standing cattle and 2,153 dairy cattle) and 372,394 chickens (181,323 layers and 191,071 broilers), and 3,562 pigs. A total of 14,510 feedlot cattle, 503 dairy cattle, 6,391 pigs and 2,108,423 chickens were culled during the year. The palm plantation is in developmental stage with current plantation size of 1,996 hectares.

(i) in US Dollars

	As at 1 October 2013 <i>USD'000s</i>	Foreign exchange <i>USD'000s</i>	Increase due to purchases <i>USD'000s</i>	Gains/ (losses) arising from fair value Attributable to physical changes <i>USD'000s</i>	Gains arising from fair value attributable to price changes <i>USD'000s</i>	Decrease due to harvest / transferred to inventory <i>USD'000s</i>	As at 30 September 2014 <i>USD'000s</i>
Standing Crops	5,951	(942)	29,583	21,951	131	(51,023)	5,651
Feedlot Cattle	9,567	(1,660)	22,233	5,752	-	(24,588)	11,304
Dairy Cattle	3,930	(638)	2,693	2,032	-	(4,041)	3,976
Pigs	432	(70)	939	460	-	(1,322)	439
Chickens	1,517	(230)	15,220	7,779	-	(23,008)	1,278
Palm oil plantation	2,229	(426)	1,419	-	-	-	3,222
Total	23,626	(3,966)	72,087	37,974	131	(103,982)	25,870
Less: Non- current biological assets	(2,229)	426	(1,419)	-	-	-	(3,222)
Total	21,397	(3,540)	70,668	37,974	131	(103,982)	22,648

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

10. Cash and cash equivalents

	March 2015		March 2014		September 2014	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Cash in hand and at bank	51,483	6,756	61,781	10,095	65,599	10,463
Bank overdrafts	(198,246)	(26,016)	(175,330)	(28,649)	(213,467)	(34,046)
	(146,763)	(19,260)	(113,549)	(18,554)	(147,868)	(23,583)

(a) Banking facilities

The Group has overdraft facilities totalling ZMW35.137 million (2014: ZMW35.137 million) and USD5.1 million (2014: USD5.1 million) with Citibank Zambia Limited. The Citibank overdrafts bear interest rates of Bank of Zambia Policy rate plus 4.15 per cent. for the Kwacha facility and 1 year USD LIBOR rate plus 3.5 per cent. for the USD facility.

The Group has overdraft facilities totalling ZMW24.5 million (2014: ZMW24.5 million) and USD7 million (2014: USD7 million) with Standard Chartered Bank Zambia Plc. The Standard Chartered Bank overdrafts bear interest rates of Bank of Zambia Policy rate plus 2.25 per cent. (ZMW20 million for Zamanita Limited) and Bank of Zambia Policy rate plus 2.25 per cent. (ZMW4.5 million for Zambef Products PLC) on the Kwacha facilities and 1 month USD LIBOR rate plus 3.6 per cent. (USD4 million for Zamanita Limited) and 1 month USD LIBOR rate plus 3.6 per cent. (USD3 million for Zambef Products PLC) on the USD facilities.

The Group has overdraft facilities totalling ZMW22.5 million (2014: ZMW22.5 million) and USD4 million (2014: USD4 million) with Zanaco Bank Plc. The Zanaco Bank overdrafts bear interest rate of Bank of Zambia Policy rate plus 3 per cent. on the Kwacha facility and 3 month USD LIBOR plus 4.25 per cent. on the USD facility.

The Group has overdraft facilities totalling ZMW42 million (2014: ZMW42 million) and USD1 million (2013: USD1 million) with Stanbic Bank Zambia Limited. The Stanbic Bank overdrafts bear interest rate of Bank of Zambia Policy rate plus 3 per cent. on the Kwacha facility and 3 month USD LIBOR rate plus 3.75 per cent. on the USD facility.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

10. Cash and cash equivalents (continued)

(b) Bank overdrafts

	March 2015		March 2014		September 2014	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Bank overdrafts represented by:						
Zanaco Bank PLC	(49,882)	(6,545)	(45,025)	(7,358)	(52,999)	(8,453)
Citibank Zambia Limited	(73,592)	(9,658)	(23,312)	(3,809)	(50,791)	(8,101)
Stanbic Bank Zambia Limited	(46,833)	(6,146)	(44,860)	(7,330)	(45,812)	(7,306)
Standard Chartered Bank Zambia PLC	(27,939)	(3,667)	(62,133)	(10,152)	(63,865)	(10,186)
	(198,246)	(26,016)	(175,330)	(28,649)	(213,467)	(34,046)

- (i) The Zambef Products Plc Company bank overdrafts are secured by a first floating charge/ debenture over all the assets of the Company. The floating charge/ debenture ranks pari passu between Standard Chartered Bank Zambia Plc (USD5 million), Citibank Zambia Limited (USD12.5 million), Zanaco Bank Plc (USD4 million and ZMW22.5 million), Stanbic Bank Zambia Limited (USD1 million and ZMW42 million) and DEG (USD5 million).
- (ii) The Zamanita facility is secured by a first ranking legal mortgage over stand 5960 and 5001 Mumbwa Road, Lusaka and a floating charge/ debenture over all other Zamanita assets.

All overdrafts are annual revolving facilities.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

11. Interest bearing liabilities

	31 Mar 2015		31 Mar 2014		30 September 2014	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s	ZMW'000s	USD'000s
DEG – Deutsde Investitious						
GUD Entwicklungsgesellschaft MBH (note (a))	144,285	18,935	118,391	19,345	132,573	21,144
Zanaco Bank Plc (note (b))	39,931	5,240	46,500	7,598	46,500	7,416
International Finance Corporation (note (d))	237,052	31,109	212,996	34,803	186,619	29,764
Standard Chartered Bank Zambia PLC (note (c))	123,803	16,247	154,994	25,326	209,610	33,431
	<u>545,071</u>	<u>71,532</u>	<u>532,881</u>	<u>87,072</u>	<u>575,302</u>	<u>91,755</u>
Less: short term portion of long term funding (repayable within next 12 months)	<u>(178,897)</u>	<u>(23,477)</u>	<u>(158,043)</u>	<u>(25,824)</u>	<u>(222,093)</u>	<u>(35,422)</u>
	<u>366,174</u>	<u>48,054</u>	<u>374,838</u>	<u>61,248</u>	<u>353,209</u>	<u>56,333</u>

(a) (i) DEG Term Loan 1

The Group has a loan facility of USDNil (2014: USD0.840 million and original amount USD5 million) from DEG. Interest on the loan is 2.75 per cent. above the 6 month USD LIBOR rate per annum payable six-monthly in arrears. The principal is repayable in 12 bi-annual instalments of USD416,000 commencing April 2009 and expired in October 2014.

The DEG loan is secured by a floating charge/debenture of USD5 million ranking pari passu with Citibank Zambia Limited (USD12.5 million), Standard Chartered Bank Zambia Plc (USD5 million) and Zanaco Bank Plc (USD4 million and ZMW22.5 million) and Stanbic Bank Zambia Limited (USD1 million and ZMW42 million).

(ii) DEG Term Loan 2

The Group has a loan facility of USD8.935 million (2014: USD12.505 million and original amount of USD25 million) from DEG. Interest on the loan is 4.55 per cent. above the 6 month USD LIBOR rate per annum payable six-monthly in arrears. The principal is repayable in 14 bi-annual instalments of USD1,785,000 commencing November 2010 and expiring in May 2017.

The USD25 million DEG term loan is secured by:

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

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)****11. Interest bearing liabilities (continued)****(iii) DEG Term Loan 3**

The group obtained a loan facility of USD10 million for the palm project from DEG. Interest on the loan is 4.25 per cent. above the 6 month USD LIBOR rate per annum payable 6 monthly in arrears. The capital is repayable in 14 biannual instalments of USD710,000 commencing May 2016 and expiring in November 2022.

The USD10 million DEG term loan is secured by:

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

(b) Zanaco Bank Plc

The Group has a loan facility of ZMW39.9 million (2014: ZMW46.5 million) with Zanaco Bank Plc. Interest on the loan is 4 per cent. above the Bank of Zambia policy rate per annum payable monthly in arrears. The principal is repayable in 7 annual instalments of ZMW6,642,857 commencing December 2014 and expiring in December 2020.

The loan is secured by a first ranking legal mortgage over Stand No. 4970, Industrial Area, Lusaka (Head Office).

(c) Standard Chartered Bank Zambia Plc

The Group (part of assets held for disposal) has a loan facility of USD3.8 million (2014: USD6.1 million and original amount of USD8 million) from Standard Chartered Bank Zambia Plc. Interest on the loan is 4.75 per cent. above the 3 month USD LIBOR rate per annum payable monthly in arrears. The principal is repayable in amounts of USD300,000 on a quarterly basis commencing April 2013 to December 2013 and thereafter 11 quarterly payments of USD566,667 commencing March 2014 and expiring in January 2017.

The loan is secured by a first ranking legal mortgage relating to stands 5960 and 5001 Mumbwa Road, Lusaka, (Zamanita premises) and floating debenture over all other assets of Zamanita. The disposal of Zamanita to Cargill involved Zamanita Limited maintaining the abovementioned loan.

The Group has structured agricultural facilities with an annual revolving limit totalling USD59 million (2014: USD59 million) with Standard Chartered Bank Zambia Plc. The purpose of the facilities is the financing of wheat, soya beans, maize and barley under collateral management agreements (CMA)/facilities against warehouse receipts (FAWR) and is for 365 days. The balance on the facilities at period end was USD18.68 million (2014: USD14.44 million). Interest on the facilities is 1 month USD LIBOR rate plus 3.15 per cent. per annum (for the USD34 million Zambeef CMA/FAWR) and 3 month USD LIBOR rate plus 4 per cent (for the USD24 million Zamanita CMA/FAWR) calculated on the daily overdrawn balances. The disposal of Zamanita to Cargill involved Zamanita Limited maintaining its portion of the abovementioned facility.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)****11. Interest bearing liabilities (continued)****(d) International Finance Corporation Loan****(i) International Finance Corporation Loan 1**

The Group has a loan facility of USD4.6 million (USD3.182 million in Zambia and USD1.418 million in Nigeria) [2014: USD4.455 million in Zambia and USD1.985 million in Nigeria and original amount of USD10 million] from IFC. Interest on the loan is 4.75 per cent. above the 6 month USD LIBOR rate per annum payable six-monthly in arrears. The principal is repayable in 11 equal bi-annual instalments of USD636,364 (Zambeef) and USD283,634 (Nigeria) commencing June 2012 and expiring in June 2017.

The portion of the loan attributable to Zambia is secured through a first ranking legal mortgage over Plot 9070, 9071 and 9074, off Mumbwa Road, Lusaka, (Novatek stock feed premises) 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.

(ii) International Finance Corporation Loan 2

The company has a loan facility of USD30 million (USD20 million in USD and USD10 million in ZMW). Interest on the loan is 4.75 per cent. above the 6 month USD LIBOR rate per annum for the USD facility and 4.45 per cent. above the 91 day Treasury Bill rate plus a variable swap margin for the Kwacha facility payable quarterly in arrears. The principal is repayable in 29 equal quarterly instalments of USD689,655 and ZMW1,710,345 commencing June 2015 and expiring in June 2022.

The loan is secured through a first ranking legal mortgage over Farm No. 4450, 4451 & 5388 (Mpongwe farm).

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

12. **Assets held for sale**

During the period management decided to sell a 100% owned subsidiary, Zamanita Limited (Zamanita). The sale is expected to be concluded on 1 June 2015. As such the assets and liabilities of Zamanita are disclosed in accordance with IFRS 5.

The income generated by assets held for sale was generated as follows:

	March 2015 ZMW'000	March 2015 USD'000
Revenue	184,267	28,524
Cost of sales	(149,024)	(23,069)
Administration costs	(24,570)	(3,802)
Other income	1	-
Operating profit	10,674	1,653
Finance Costs	(3,337)	(517)
Exchange losses	(2,419)	(374)
Profit from discontinued operation before tax	4,918	762
Tax (expense)/credit	1,702	263
Profit for the year	6,620	1,025

The assets and liabilities of the unit held for sale are as follows:

	March 2015 ZMW'000	March 2015 USD'000
Property, plant and equipment	198,404	26,037
Total non-current assets	198,404	26,037
Inventories	87,494	11,482
Trade and other receivables	32,863	4,313
Total current assets	120,357	15,795
Interest bearing liabilities	28,968	3,802
Deferred liability	80	10
Deferred income tax	8,964	1,176
Total non-current liabilities	38,012	4,988
Collateral management agreement	18,547	2,434
Trade and other payables	62,569	8,211
Taxation payable	263	35
Cash and cash equivalents	44,526	5,843
Total current liabilities	125,905	16,523

The cash flow effects of the unit held for sale are as follows:

	March 2015 ZMW'000	March 2015 USD'000
Cash inflow from operating activities	97,649	15,118
Cash outflow from investing activities	(2,907)	(450)
Cash outflow from financing activities	(87,002)	(13,469)

13. **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 other than the sale of a subsidiary, Zamanita Limited. The details of the assets and liabilities of Zamanita are detailed in note 12.