

Financial Results

for the year ended 30 September 2015



Feeding a growing continent

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Zambeef at a Glance



Our vision and strategy

Our vision is to be one of the most accessible and affordable quality protein provider in the Southern Africa region, delivered through the Group's extensive retail and distribution network.

Retail and cold chain

- Agreement with Shoprite to manage the Shoprite butcheries throughout Zambia, Nigeria and Ghana.
- 86 retail outlets, four macro outlets, three wholesale centres, six fast food outlets and 26 Shoprite butcheries in Zambia.
- 19 Shoprite butcheries, six self-operated stores and two processing plants in West Africa.

Manufacturing and processing

- One of the leading stock feed producers in Zambia, with a capacity of 13,750 M.T. p.m.
- Wheat mill with a capacity to mill 30,000 M.T. of wheat p.a.
- One of the largest tanneries in Zambia, with a processing capacity of 100,000 hides p.a.
- One of the largest shoe plants in Zambia with a processing capacity of 80,000 pairs p.a.
- Meat processing plants with a capacity to process over 700 M.T. of processed meats p.m.

Meat and dairy

- One of the largest suppliers of beef in Zambia.
- Seven beef abattoirs and three feedlots
 - capacity to slaughter 100,000 cattle p.a.
 - Capacity to feedlot 24,000 grainfed cattle p.a.
- One of the largest chicken and egg producers in Zambia
 - 6.7 million chickens p.a.
 - Over 39 million eggs p.a.
- One of the largest piggeries, pig abattoir and pork processing plants in Zambia
 - Capacity to slaughter 100,000 pigs p.a.
- Dairy farm

Farming

- Approximately 8,120 Ha irrigated and approximately 8,480 Ha rainfed, arable, developed land available for planting each year.
- Double cropping of irrigated land means Zambeef can plant 24,720 Ha p.a.
- 125,000 M.T. storage capacity.

Operational Highlights

- Strong performance from **core cold chain food products** division
 - Market-driven strategy
 - new macro outlets.
- Further progress in **West Africa**
 - 3 new Shoprite stores
 - 8 expected
- RCL Foods Ltd **hatchery** joint venture and Zamchick
- **Disposal** of our edible oils business, Zamanita Ltd, to Cargill for USD27m



Financial Highlights

Revenue

↑ 4% (USD) ↑ 25% (ZMW)

2015: USD220 million

2015: ZMW1,555 million

Gross Profit

↑ 12% (USD) ↑ 34% (ZMW)

2015: USD94 million

2015: ZMW667 million

Operating Profit

↑ 140% (USD) ↑ 189% (ZMW)

2015: USD23 million

2015: ZMW162 million

Net cash inflow from operating activities

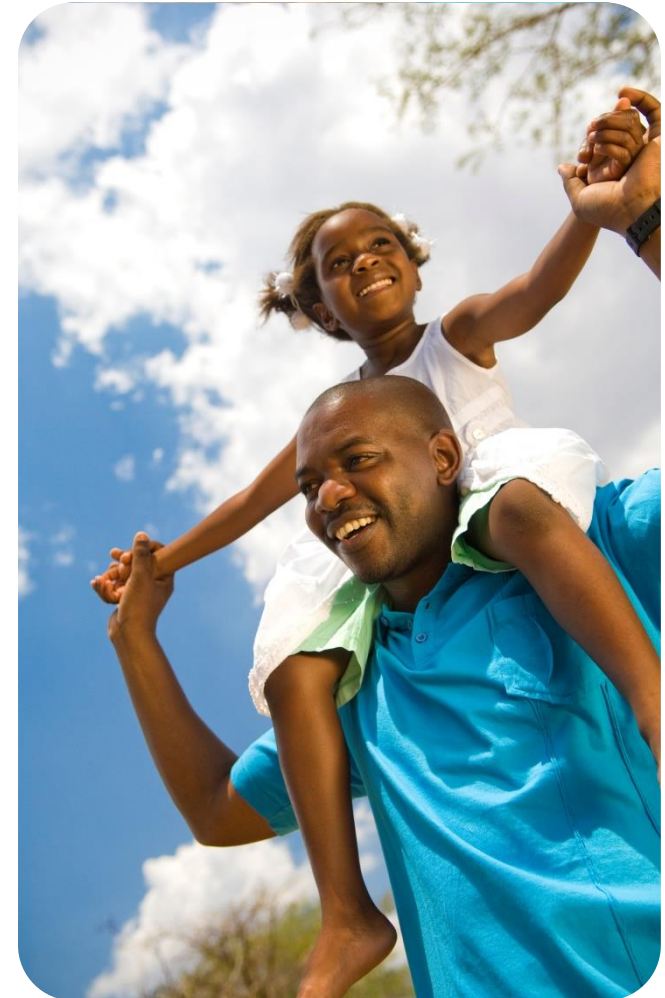
↑ 171% (USD) ↑ 223% (ZMW)

2015: USD37 million

2015: ZMW264 million

Reduction in gearing

From USD118m to USD72m



Challenges

Exchange losses

↓ 20m loss (USD) ↓ 142m loss (ZMW)

- 2014: USD3.9m loss
- 2014: ZMW22.6m loss

Profit before tax

↓ 5m loss (USD) ↓ 35.6m loss (ZMW)

- 2014: USD1.7m loss
- 2014: ZMW9.8m loss



2015 Financials



Abridged Income Statement



	30 September 2015	30 September 2014	
	USD'000	USD'000	% Change
Revenue	220 237	211 588	4.09%
Cost Of Sales	(125 801)	(127 108)	1.03%
Gross Profit	94 436	84 480	11.79%
Other Income	100	467	-78.53%
Administrative Expenses	(71 578)	(75 395)	5.06%
Administrative Expenses (excluding depreciation)	(62 081)	(66 433)	6.55%
Depreciation	(9 497)	(8 962)	-5.97%
Operating Profit	22 958	9 552	140.36%
Finance Costs	(7 832)	(7 358)	-6.44%
Foreign Exchange Losses	(20 164)	(3 856)	-422.98%
Unrealised	(6 639)	(3 294)	-101.55%
Realised	(13 525)	(562)	-2308.41%
Profit/(loss) Before Taxation	(5 038)	(1 662)	-203.12%
Income Tax	(660)	182	-461.79%
Profit on discontinued operations	(2 036)	(1 995)	-2.06%
Profit/(loss) After Taxation	(7 734)	(3 435)	-125.12%
Adjusted Profit/(Loss) Before Taxation	1 601	1 632	-1.88%
EBITDA	21 176	18 259	15.97%
Gross Profit Margin	42.88%	39.93%	7.40%
Cost to Income Ratio	28.19%	31.40%	10.22%
EBITDA Margin	9.62%	8.63%	11.42%
Operating Profit Margin	10.42%	4.51%	130.92%
Net Profit Margin	-3.51%	-1.62%	-116.28%
Interest Cover by EBITDA	2.70	2.48	8.95%



Abridged Balance Sheet



	30 September 2015	30 September 2014
	USD'000	USD'000
Non-Current Assets	165 515	257 182
Current Assets	65 818	115 538
Total Assets	231 333	372 720
Capital and Reserves	122 736	214 249
Non-Current Liabilities	42 952	63 374
Current Liabilities	65 645	95 096
Total Equity and Liabilities	231 333	372 720
Ratios		
Current Ratio	1.00	1.21
Total Debt/Equity Ratio	60.34%	56.27%

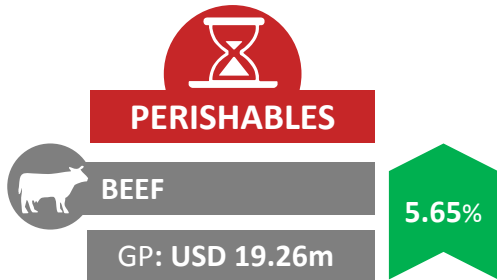


Abridged Cash Flow

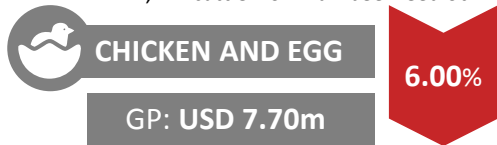
	30 September 2015	30 September 2014
	USD'000	USD'000
Profit Before Taxation	(5 038)	(3 598)
EBITDA	21 176	18 259
Movement in Working Capital	16 185	(4 456)
Cash inflow/(outflow) from Operating Activities	37 361	13 803
Cash inflow/(outflow) from/(on) investment activities	(3 551)	(16 992)
Cash inflow/(outflow) before financing activities	33 810	(3 189)
Cash inflow/(outflow) from financing	(35 674)	(10 069)
Cash at the beginning of the year	(23 583)	(8 311)
Effects of exchange rate changes	9 586	(2 014)
Cash at the end of the year	(15 861)	(23 583)



Divisional Review



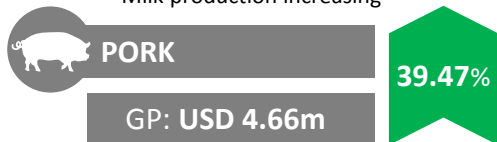
- Beef sales increased by 410t to 14,110t
- 57,945 cattle slaughtered
- 22,221 cattle from Zambeef feedlot



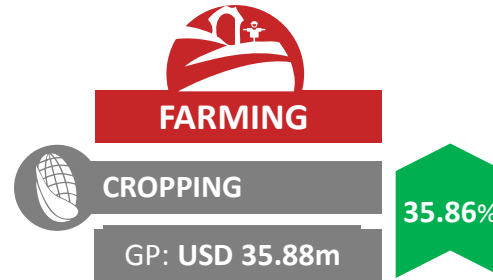
- Volumes increased by 12.45% to 10.6m kg's
- Expansion of value added range
- Individually Quick Frozen Portions (IQF)
- Zamhatch started supply of DOC's in Sept 2015



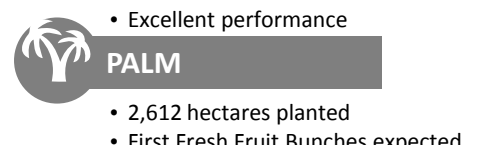
- Volumes increased by 16% to 12.3m litres
- Product range expanded
- Exporting into region
- Milk production increasing



- Second fastest growing division in Zambeef
- Volumes increased by 38% to 9.1m kg's
- Completion of upgrades to processing plant



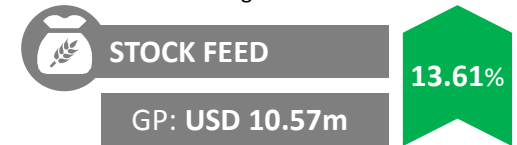
- 24,174 Ha planted – predominantly soya, wheat and maize
- Excellent performance



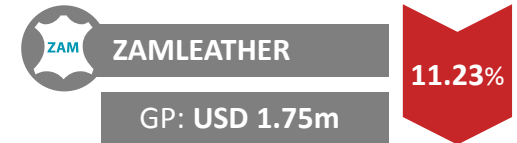
- 2,612 hectares planted
- First Fresh Fruit Bunches expected 2016



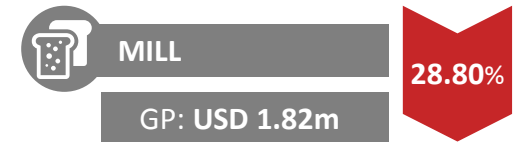
- Crushed 34,050 M.T.
- Challenges – Exchange Rate; increased imports
- Sold to Cargill 1 June 2015



- Increased market share
- Increased feed sales volumes by 10% y-o-y
- Second and third pelleting lines commissioned to increase pelleting capacity



- Only operational tannery in Zambia
- Demand for shoes high



- Bakery closed
- Reduced volumes
- Reduced flour prices

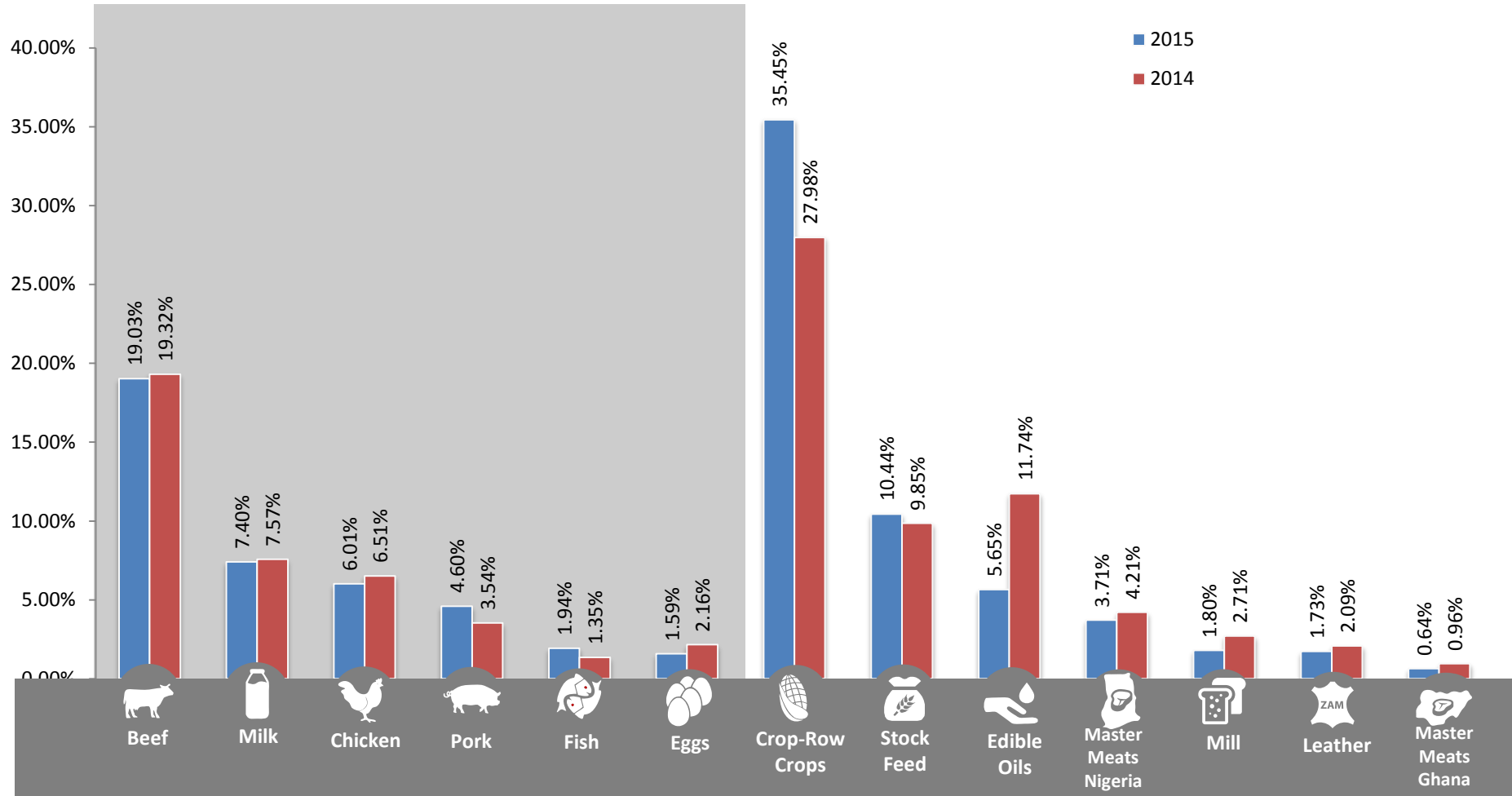
Segmental Summary



% OF GROUP GROSS PROFIT

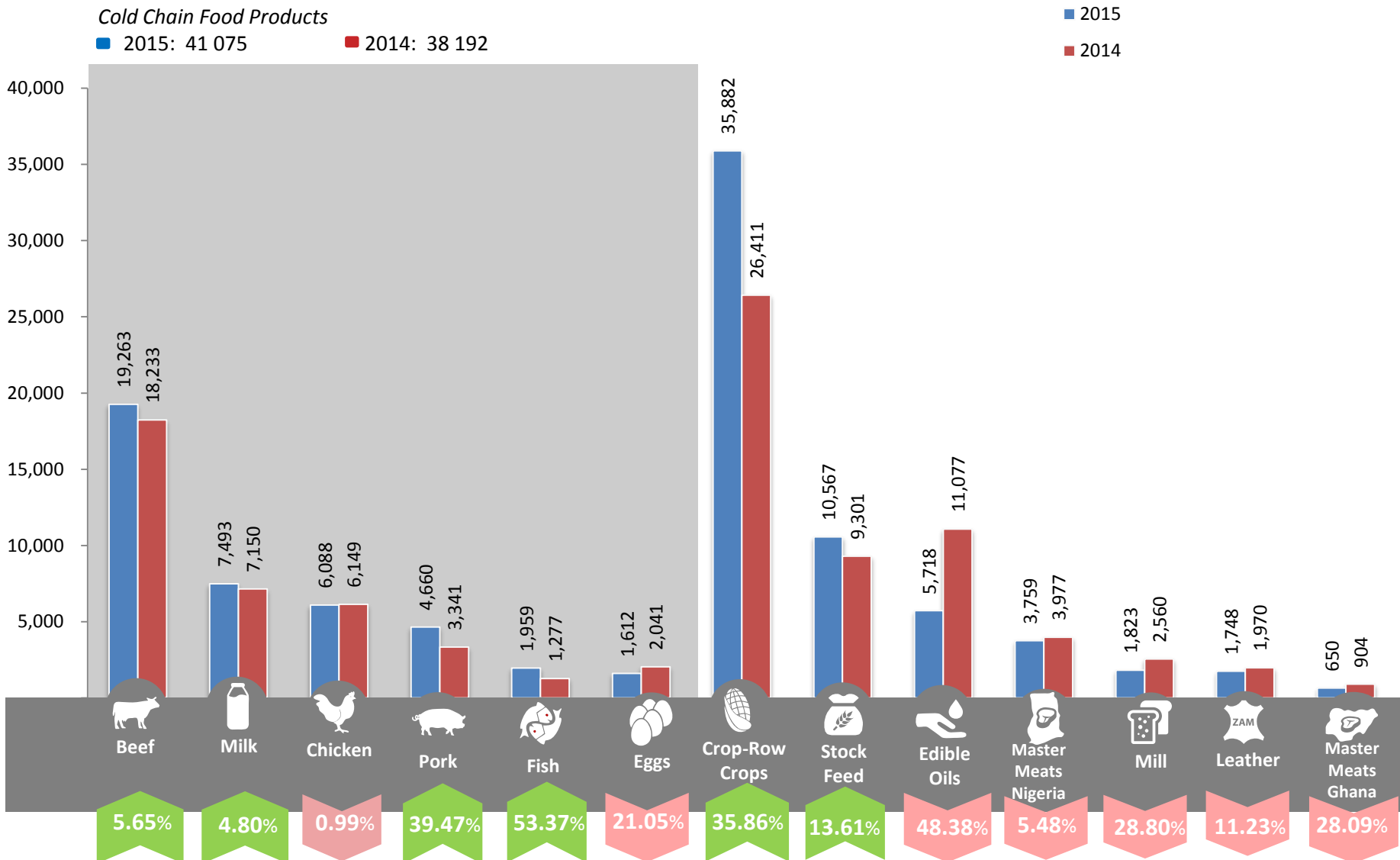
Cold Chain Food Products

■ 2015: 40.58% ■ 2014: 40.46%



Divisional 2015 & 2014 Gross Profit (USD'000)

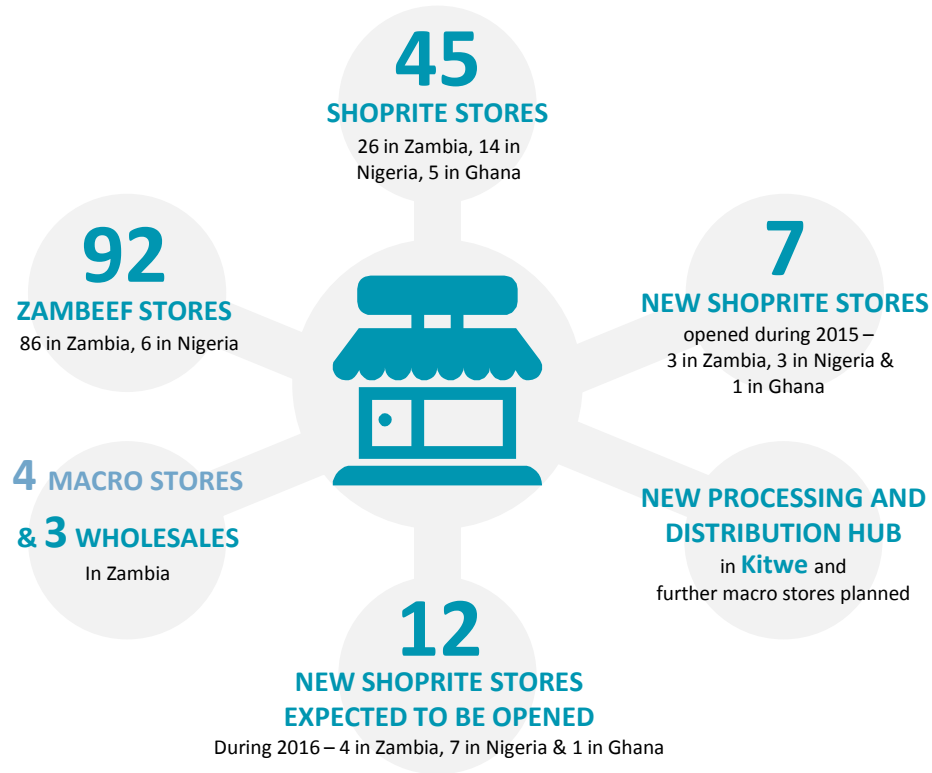
GROSS PROFIT (USD'000)



**CORE COLD CHAIN
FOOD PRODUCT
REVENUE**

 Beef	 Chicken
 Milk	 Pork
 Eggs	 Fish

19.7% to ZMW 906m
(2014: 757m)



Outlook



Strong operating performance of 2015 continued



Focus on Strategic Priorities:

Retailing of cold chain meat and dairy products

Unlocking value and capital gains within the group and reducing debt / gearing

Developing the business into a regional food supplier

Continued rollout of Zambeef Macro Outlets and retailing footprint in Zambia and West Africa



Chicken Breeder Farm, Hatchery and new Stock Feed Plant at Mpongwe Farm

Breeder farm and hatchery commenced production in September 2015

New Stock feed plant due to commence operation in March 2016



West African Expansion

8 new Shoprite stores due to open in 2016 Financial Year



Appendices



The Zambeef Platform in Africa



Operating in some of the fastest growing parts of the world

Zambia

- One of the fastest growing economies in Sub-Saharan Africa (“SSA”) in recent years.
- GDP growth averaging >6.5% over last five years and forecast to grow at c.5% over next three years.
- Current population of c.15.5 million.
- One of the world’s fastest growing populations, expected to reach 16 million by 2016.
- GDP per capita is expected to be \$ 1,093 at the end of 2016.

Nigeria

- Largest economy in Africa and ranked 23rd in the world in terms of GDP.
- GDP growth averaging >6% over last three years and expected to average >5% over next three years.
- GDP per capita doubled from \$1,400 (2000) to \$2,800 (2012).
- Africa’s most populous country – population increased from 120 million (2000) to 160 million (2010).
- Rapidly expanding consumer base, fuelled by an emerging middle class and high levels of urbanisation.

Ghana

- One of the fastest growing economies in SSA in recent years.
- GDP growth averaging >6% over the past 5 years and expected to grow at c.6% over next three years.
- Population of 26 million.



Why Invest In Africa?



	TODAY	FUTURE
GDP Growth	Currently 4.2% for 2015	Strengthening external demand is expected to support growth over the forecast period, with GDP growth projected to rise to 4.6% in 2016
Population	1.1 billion people in 2015	Estimated to increase to 1.4 billion in 2025 and 2.5 billion in 2050
Urbanisation	One third of the African population currently lives in cities	By 2035, expected to increase to 56% of the continent's population
Working Age Population	In 2015, 54% of Sub Saharan Africans were aged between 15 and 64. This represents 525 million people	By 2035, the number of Sub Saharan Africans reaching working age will exceed the rest of the world combined



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