



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

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

In accordance with the requirements of the Securities and Exchange Act No. 38, Zambeef Products PLC announces its unaudited results for the six months ended 31 March 2016.

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Total Group Unaudited Mar-16 ZMW'000	Unaudited Mar-15 ZMW'000
Revenue	1,121,605	659,811
Gross Profit	467,446	288,239
Operating profit	155,301	51,388
Exchange Gains/(loss) on translating foreign currency transaction and balances	15,602	(49,162)
Finance costs	(60,357)	(26,717)
Profit/(loss) before taxation	110,546	(24,491)
Taxation charge	(8,827)	(3,841)
Group profit/(loss) for the year from continued operations	101,719	(28,332)
Profit for the year from assets held for disposal	-	6,620
Total Profit/loss for the Period	101,719	(21,712)
Group profit/(loss) attributable to:		
Equity holders of the parent	90,285	(24,429)
Non-controlling interest	11,434	2,717
	101,719	(21,712)
Other comprehensive income/(loss):		
Exchange losses	(52,198)	22,587
Total comprehensive income	49,521	875
Total comprehensive income/(loss) to:		
Equity holders of the parent	36,692	(1,801)
Non-controlling interest	12,829	2,676
	49,521	875
	Ngwee	Ngwee
Earnings Per Share (Ngwee)		
Basic and diluted earnings/(loss) per share	36.41	(12.51)

**ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 March**

	Unaudited 2016 ZMW'000	Unaudited 2015 ZMW'000
ASSETS		
Goodwill	15,699	15,699
Property, plant and equipment	1,820,210	1,439,492
Plantation development expenditure	87,336	75,422
Biological assets	404,904	241,231
Deferred tax assets	24,569	28,343
Assets held for disposal	-	318,961
Inventories	277,809	243,802
Trade and other receivables	138,408	77,629
Amounts due from related companies	5,569	-
Income tax recoverable	1,467	4,804
Total assets	2,775,971	2,445,383
EQUITY AND LIABILITIES		
Capital and reserves	1,549,613	1,368,993
Interest bearing liabilities	474,884	421,269
Obligations under finance leases	26,804	20,908
Deferred liability	9,366	7,842
Deferred taxation	7,243	12,707
Assets held for disposal	-	163,917
Collateral management agreement	75,788	123,802
Trade and other liabilities	292,930	157,947
Amounts due to related companies	64,187	17,471
Taxation payable	5,037	3,764
Cash and cash equivalents	270,119	146,763
Total equity and liabilities	2,775,971	2,445,383

ABRIDGED GROUP STATEMENT OF CASH FLOW

	Unaudited 2016 ZMW'000	Unaudited Mar - 2015 ZMW'000
Net cash inflow/(outflow) from operating activities	87,858	168,175
Net cash (outflow)/inflow (on)/from investing activities	(83,422)	(107,162)
Net cash outflow on financing	(125,613)	97,828
(Decrease)/increase in cash and cash equivalents	(121,177)	(36,815)
Cash and cash equivalents at beginning of period	(190,648)	(147,868)
Effects of exchange gains on balances held foreign currencies	41,706	(6,606)
Cash and cash equivalents at end of period	(270,119)	(191,289)

Key Financial Highlights

	(ZMW '000)	H1 2016	(ZMW '000)	H1 2015
Revenue			1,121,605	659,811
Gross Profit			467,446	288,239
EBITDA			175,365	75,220
Adjusted Pre Tax Profit / loss*			95,808	(2,024)
Pre Tax Profit / Loss			110,546	(24,492)

* adjusted to exclude unrealised foreign exchange differences

Highlights:

- Significant improvement in operational performance, driven by:
 - Continued focus on the core business: production, processing, distribution and retailing of cold chain food products
 - Aggressive expansion of the retail network
 - Effective cost control
- Operating profit increased over 200% to ZMW 155.3m (2015: ZMW 51.4m), an increase of 72% in USD terms to USD 13.7m (2015: USD 8.0m)
- Final settlement reached with the Zambian Revenue Authority (ZRA) over the historical disputed Zamanita tax liability, leading to a write-back to the Profit and Loss Account of approximately ZMW 34 million (USD3.5 million)
- Investment of ZMW 84 Million (USD7.4million) in the Zamhatch breeder farm and new stock feed facility, eliminating supply bottlenecks in the egg, pork, beef and chicken divisions and expanding the retail store network
- Two new macro outlet stores opened during the period and a further two stores have been upgraded and renovated to Zambeef macro outlet standards. A further five sites are currently under construction and are expected to be operational in this calendar year. Another five sites have been acquired and are awaiting planning permission
- The Group continued to benefit from its concession agreement with Shoprite for in-store Meat Market butchereries in Zambia and West Africa. Shoprite has expanded with seven new stores in Zambia and West Africa. A further seven Shoprite stores are due to open before the end of the year

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

“The excellent interim operating performance, achieved within a challenging macro-economic environment, is a tribute to the hard work, skill, dedication and professionalism of all management and staff. I would like to register our gratitude. Their efforts, driven by the Board’s clear strategic focus, will enable Zambeef to achieve its vision of becoming a major provider of cold chain food products to Zambia and the region.”

“With the strong focus on the retailing operations, Zambeef is confident that this robust performance will continue, demonstrating the resilience of the Group’s business model. As a consequence of this strong operational performance, the Board is confident of meeting full year expectations.”

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

Further information can be found on www.zambeefplc.com

Sponsoring Broker



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