



Financial Results

for the six months up to 31 March 2016



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Introduction



The Group delivered a strong operational performance for the period. This has been brought about by:

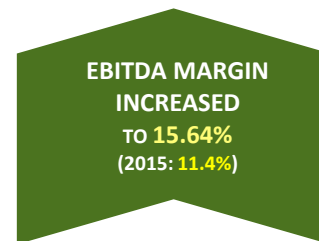
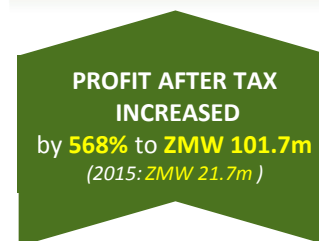
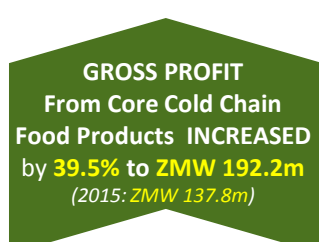
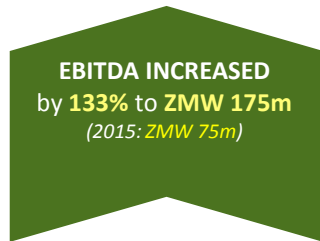
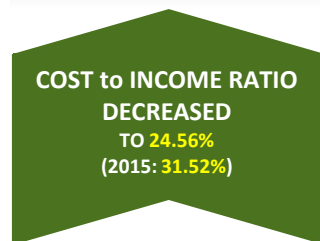
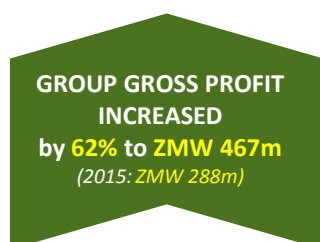
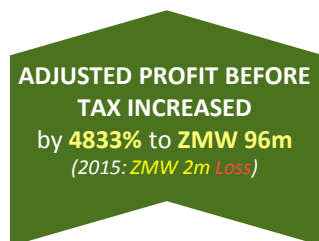
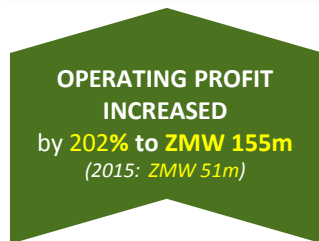
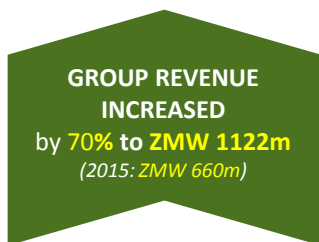
- Continued focus on the strategic core business: the production, processing, distribution and retailing of its cold chain food products.
- Aggressive expansion of its retail network.
- Effective cost control throughout the Group.

This combined with a relatively stable exchange rate and the final settlement reached with the Zambian Revenue Authority (ZRA) over the historical disputed Zamanita tax liability, has resulted in a Net Profit After Tax of ZMW 101,7 million (2015: ZMW 21,7 million Loss).

It is pleasing to have achieved these excellent results despite the challenging economic environment.



Highlights



GROUP REVENUE

2016: ZMW 1122m

70%

2015: ZMW 660m

GROSS PROFIT

2016: ZMW 467m

62%

2015: ZMW 288m

OPERATING PROFITS

2016: ZMW 155m

202%

2015: ZMW 51m

PROFIT AFTER TAX

2016: ZMW 101.7m

568%

2015: ZMW (21.7)m

EBITDA

2016: ZMW 175m

133%

2015: ZMW 75m

ADJUSTED PROFIT BEFORE TAX

2016: ZMW 96m

4833%

2015: ZMW (2)m



2016 interim financials



Abridged Income Statement



	31 March 2016	31 March 2015	
	ZMW'000	ZMW'000	% Change
Revenue	1 121 605	659 811	69.99%
Cost Of Sales	(654 159)	(371 573)	-76.05%
Gross Profit	467 446	288 238	62.17%
Other Income	-	-	-
Administrative Expenses	(312 145)	(236 850)	-31.79%
Administrative Expenses (excluding depreciation)	(275 515)	(207 998)	-32.46%
Depreciation	(36 630)	(28 852)	-26.96%
Operating Profit	155 301	51 388	202.21%
Finance Costs	(60 357)	(26 717)	-125.91%
Foreign Exchange Losses	15 602	(49 162)	131.74%
Unrealised	14 738	(15 847)	193.00%
Realised	864	(33 315)	102.59%
Profit/(loss) Before Taxation	110 546	(24 491)	551.37%
Income Tax	(8 827)	(3 841)	129.81%
Profit/(loss) from discontinued operations		6 620	
Profit/(loss) After Taxation	101 719	(21 712)	568.49%
Adjusted Profit/(Loss) Before Taxation	95 808	(2 024)	4833.40%
EBITDA	175 365	75 220	133.14%
Gross Profit Margin	41.68%	43.68%	-4.60%
Cost to Income Ratio	24.56%	31.52%	22.08%
EBITDA Margin	15.64%	11.40%	37.15%
Operating Profit Margin	13.85%	7.79%	77.78%
Net Profit Margin	9.07%	-3.29%	375.60%
Interest Cover by EBITDA	2.91	2.82	3.20%



Abridged Balance Sheet



	31 March 2016	31 March 2015
	ZMW'000	ZMW'000
Non-Current Assets	1 982 433	1 786 757
Current Assets	793 538	658 626
Total Assets	2 775 971	2 445 383
Capital and Reserves	1 549 613	1 368 993
Non-Current Liabilities	478 335	435 794
Current Liabilities	748 023	640 596
Total Equity and Liabilities	2 775 971	2 445 383
Ratios		
Current Ratio	1.06	1.03
Total Debt/Equity Ratio	57.35%	78.63%



Abridged Cash Flow



	31 March 2016	31 March 2015
	ZMW'000	ZMW'000
Profit/(loss) Before Taxation	110 546	(24 491)
EBITDA	175 365	75 220
Movement in Working Capital	(87 507)	92 955
Cash inflow/(outflow) from Operating Activities	87 857	168 175
Cash inflow/(outflow) from/(on) investment activities	(83 422)	(107 162)
Cash inflow/(outflow) before financing activities	4 436	61 013
Cash inflow/(outflow) from financing	(125 613)	(97 828)
Cash at the beginning of the year	(190 648)	(147 868)
Effects of exchange rate changes	41 706	(6 607)
Cash at the end of the year	(270 119)	(191 290)



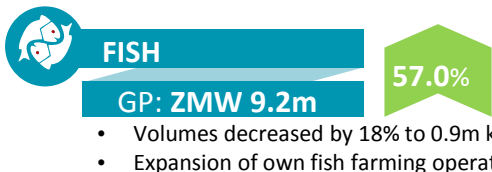
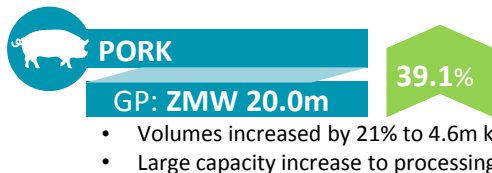
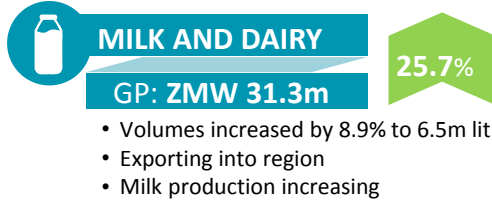
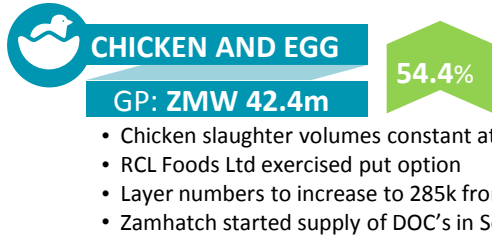
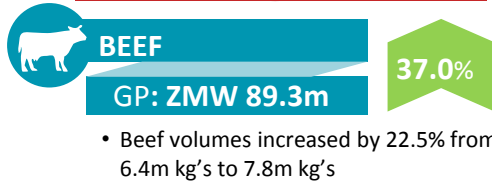
Divisional Revenue and Gross Profit



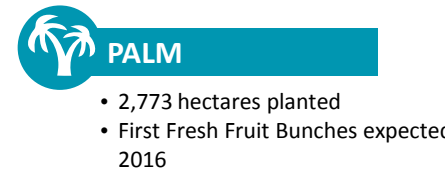
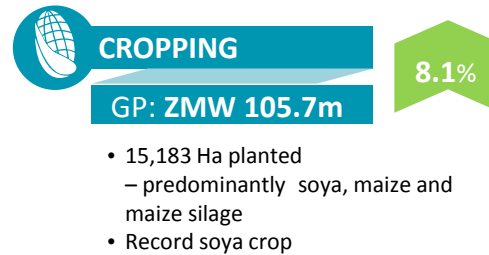
	2016	2015				2016	2015					
	Revenue	Revenue		2016	2015	Gross Profit	Gross Profit		2016	2015	2016	2015
Segment	ZMW'000	ZMW'000	% Change	% of Group	% of Group	ZMW'000	ZMW'000	% Change	% of Group	% of Group	GP %	GP %
Beef	249 347	183 219	36.09%	19.38%	21.81%	89 293	65 189	36.98%	19.10%	22.62%	35.81%	35.58%
Chicken	118 135	82 778	42.71%	9.18%	9.86%	36 153	21 564	67.65%	7.73%	7.48%	30.60%	26.05%
Pork	109 369	73 894	48.01%	8.50%	8.80%	19 993	14 372	39.11%	4.28%	4.99%	18.28%	19.45%
Milk	60 114	48 584	23.73%	4.67%	5.78%	31 301	24 904	25.69%	6.70%	8.64%	52.07%	51.26%
Fish	24 267	16 599	46.19%	1.89%	1.98%	9 229	5 880	56.95%	1.97%	2.04%	38.03%	35.42%
Eggs	15 672	15 413	1.68%	1.22%	1.84%	6 275	5 918	6.03%	1.34%	2.05%	40.04%	38.40%
Cold Chain Food Products	576 904	420 487	37.20%	44.85%	50.06%	192 244	137 827	39.48%	41.13%	47.82%	33.32%	32.78%
Stock Feed	364 176	148 208	145.72%	28.31%	17.65%	104 846	25 564	310.13%	22.43%	8.87%	28.79%	17.25%
Crop-Row Crops	129 404	163 654	-20.93%	10.06%	19.49%	105 667	97 750	8.10%	22.61%	33.91%	81.66%	59.73%
Master Meats Nigeria	90 894	51 452	76.66%	7.07%	6.13%	21 736	12 711	71.00%	4.65%	4.41%	23.91%	24.70%
Master Meats Ghana	17 597	9 995	76.05%	1.37%	1.19%	4 660	2 325	100.44%	1.00%	0.81%	26.48%	23.26%
West Africa	108 491	61 447	76.56%	8.43%	7.32%	26 396	15 036	75.55%	5.65%	5.22%	24.33%	24.47%
Mill	49 768	30 594	62.67%	3.87%	3.64%	11 456	6 422	78.39%	2.45%	2.23%	23.02%	20.99%
Leather	17 298	15 505	11.56%	1.34%	1.85%	3 688	5 639	-34.59%	0.79%	1.96%	21.32%	36.37%
Edible Oils	40 380	-	0.00%	3.14%	0.00%	23 149	-	0.00%	4.95%	0.00%	57.33%	0.00%
Other	107 446	46 100	0.00%	8.35%	5.49%	38 294	12 061	0.00%	8.19%	4.18%	35.64%	0.00%
	1 286 421	839 896	53.16%	100.00%	100.00%	467 446	288 238	62.17%	100.00%	100.00%	36.34%	34.32%
Less: Intra/Inter Group Sales	164 816	180 085	-8.48%									
Group Total	1 121 605	659 811	69.99%			467 446	288 238	62.17%			41.68%	43.68%

Divisional Review

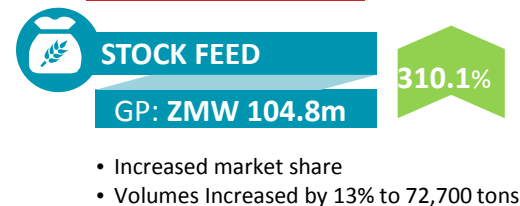
Cold Chain Food



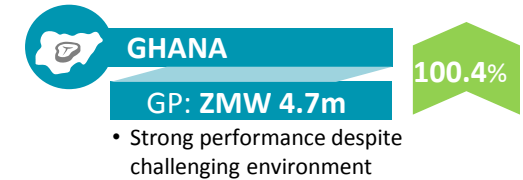
Farming



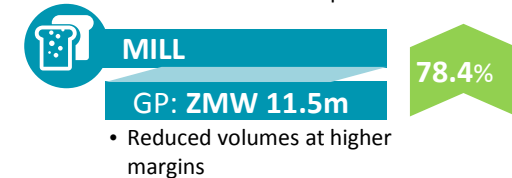
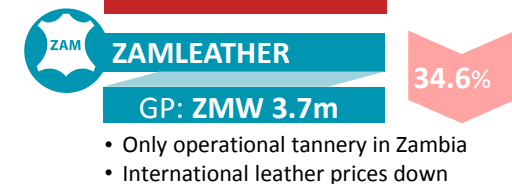
Stock Feed



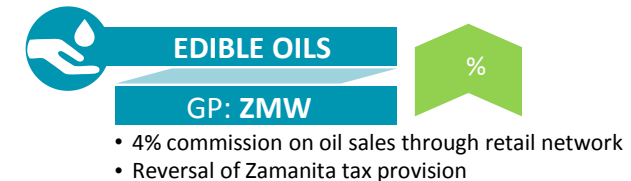
West Africa



OTHER



EDIBLE OILS



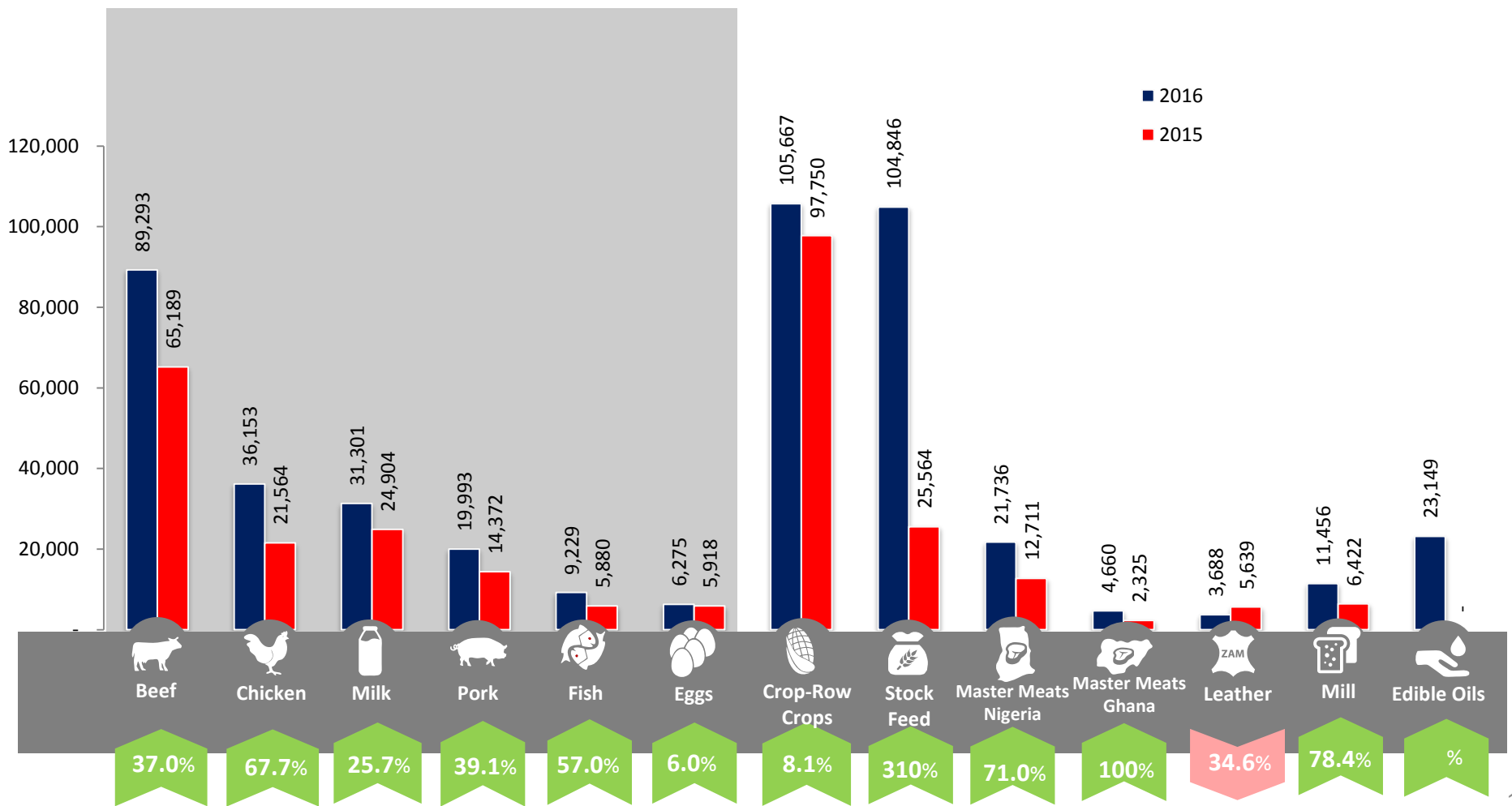


Divisional 2016 & 2015 Gross Profit (ZMW'000)

GROSS PROFIT (ZMW'000)

Cold Chain Food Products

■ 2016: 192 244 ■ 2015: 137 827



Segmental Summary

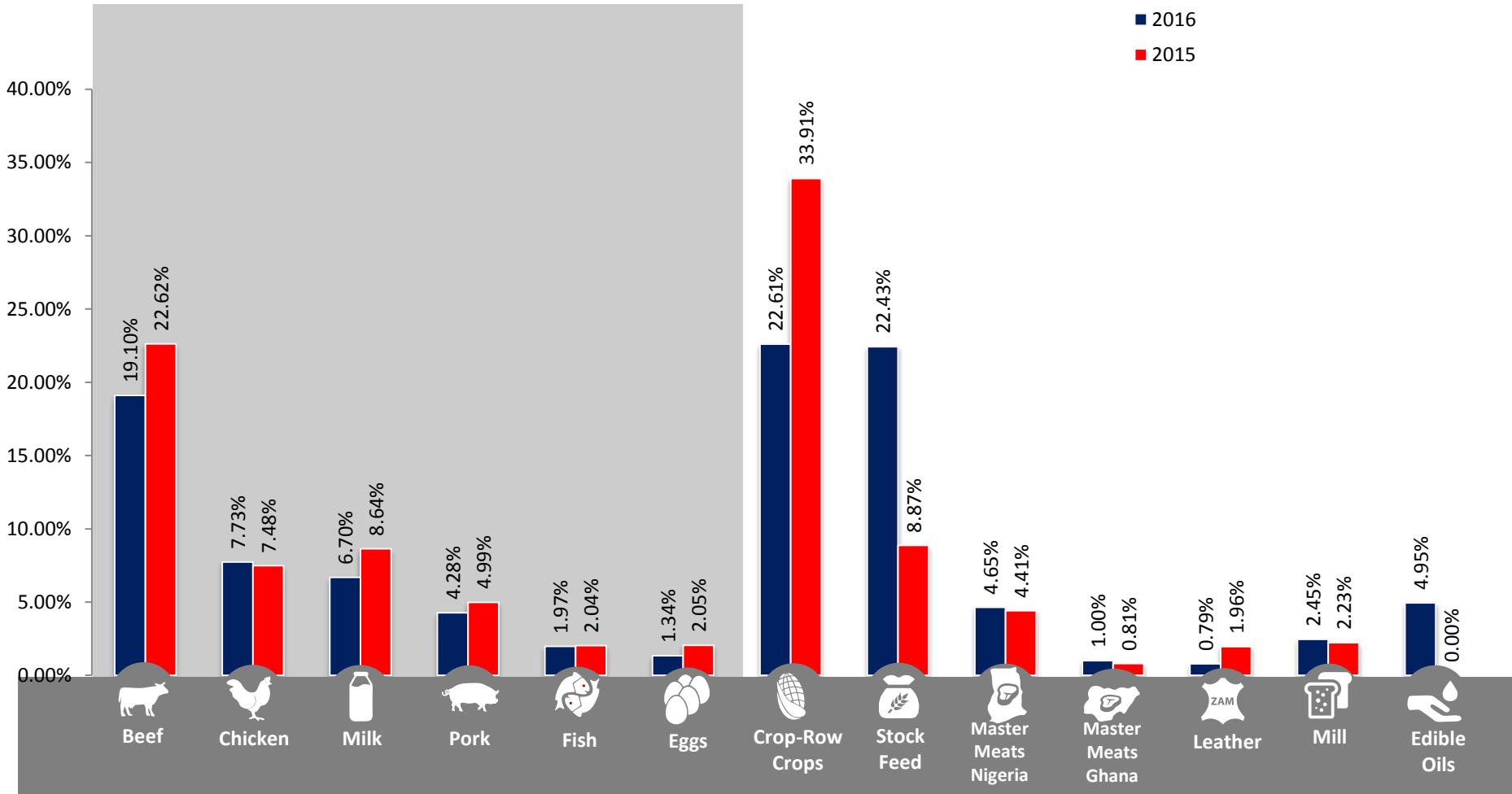


**% OF GROUP
GROSS PROFIT**

Cold Chain Food Products



■ 2016: 41.13% ■ 2015: 47.82%

■ 2016
■ 2015

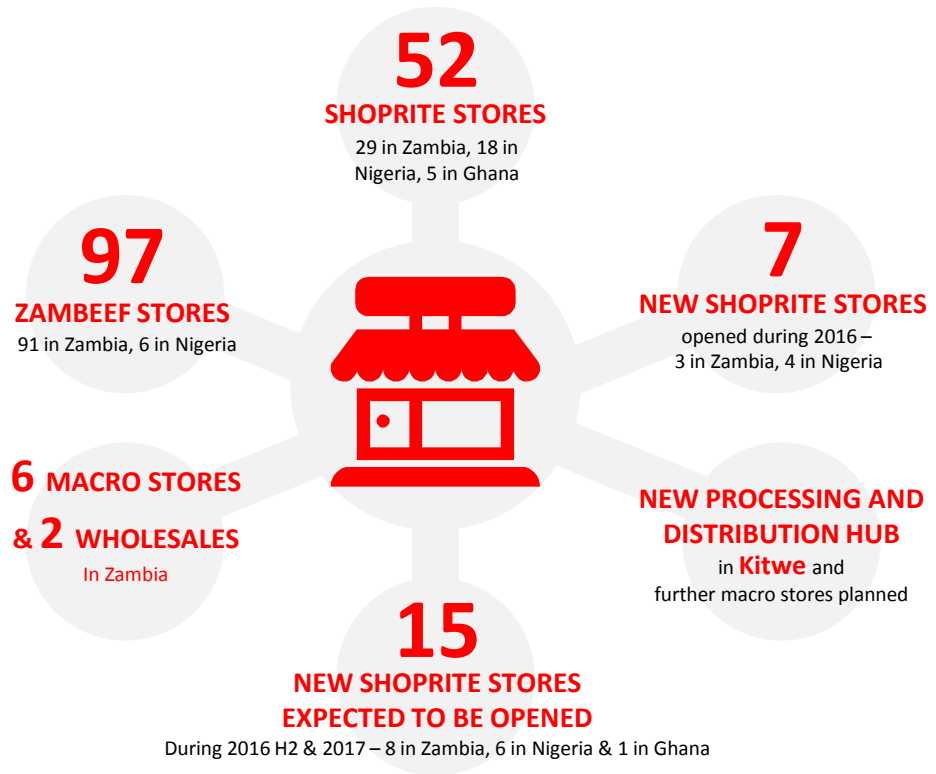




**CORE COLD CHAIN
FOOD PRODUCT
REVENUE**

 Beef	 Chicken
 Milk	 Pork
 Eggs	 Fish

29.7% to ZMW 611m
(2015: 471m)







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 September 2016



West African Expansion

4 new Shoprite stores due to open in H2 of 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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