



("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 audited final results for the year ended 30 September, 2016.

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Total Group	
	Audited	
	30-Sep-16	30-Sep-15
	ZMW'000	ZMW'000
Revenue	2,376,148	1,554,872
Gross Profit	875,946	666,713
Operating profit	187,593	162,078
Exchange Gains/(loss) on translating foreign currency transaction and balances	58,345	(142,358)
Finance costs	(111,346)	(55,295)
Profit/(loss) before taxation	134,592	(35,575)
Taxation charge	(10,798)	(4,661)
Group profit/(loss) for the year from continued operations	123,794	(40,236)
Profit/(loss) from discontinued operations	33,592	(14,377)
Total Profit/(loss) for the Period	157,386	(54,613)
Group profit/(loss) attributable to:		
Equity holders of the parent	137,103	(63,614)
Non-controlling interest	20,283	9,001
	157,386	(54,613)
Other comprehensive income/(loss):		
Exchange (losses) on translating presentational currency	(86,511)	186,567
Total comprehensive income	70,875	131,954
Total comprehensive income attributable to:		
Equity holders of the parent	52,292	121,212
Non-controlling interest	18,583	10,742
	70,875	131,954
Earnings Per Share (Ngwee)		
Basic and diluted earnings/(loss) per share	54.80	(25.66)

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 September	Audited	
	2016	2015
	ZMW'000	ZMW'000
ASSETS		
Goodwill	157,922	15,699
Property, plant and equipment	1,769,966	1,833,630
Plantation development expenditure	94,302	80,824
Biological assets	48,480	34,006
Biological assets (current asset)	187,026	155,192
Deferred tax assets	28,366	25,344
Inventories	544,739	412,239
Trade and other receivables	113,151	210,229
Amounts due from related companies	10,543	8,893
Income tax recoverable	1,759	4,571
Cash and cash equivalents	64,806	-
Total assets	3,021,060	2,780,627
EQUITY AND LIABILITIES		
Capital and reserves	2,128,323	1,475,292
Interest bearing liabilities	377,957	560,225
Obligations under finance leases	51,182	26,842
Deferred liability	10,442	9,254
Deferred taxation	4,039	8,115
Assets held for disposal	-	-
Collateral management agreement	118,849	91,852
Trade and other liabilities	322,133	372,333
Amounts due to related companies	313	44,478
Taxation payable	7,822	1,588
Cash and cash equivalents	-	190,648
Total equity and liabilities	3,021,060	2,780,627

ABRIDGED GROUP STATEMENT OF CASH FLOW

	Audited	Audited
	ZMW'000	ZMW'000
Net cash inflow from operating activities	131,148	263,625
Net cash (outflow)/inflow (on)/from investing activities	266,415	(21,714)
Net cash outflow on financing	(178,389)	(268,542)
(Decrease)/increase in cash and cash equivalents	219,177	(26,631)
Cash and cash equivalents at beginning of period	(190,648)	(147,868)
Effects of exchange gains on balances held in foreign currencies	36,280	(16,149)
Cash and cash equivalents at end of period	64,806	(190,648)

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

(i) In Zambian Kwacha	Issued share capital ZMW'000s	Share premium ZMW'000s	Preference share capital ZMW'000s	Foreign exchange reserve ZMW'000s	Revaluation reserve ZMW'000s	Retained earnings ZMW'000s	Total attributable to owners of the parent ZMW'000s	Non-controlling interest ZMW'000s	Total equity ZMW'000s
At 30 September 2015	2,480	506,277	-	188,332	504,671	239,449	1,441,209	34,083	1,475,292
Profit for the year	-	-	-	-	-	137,103	137,103	20,283	157,386
Transfer of surplus depreciation					(18,906)	18,906	-	-	-
Exchange gain on translating presentational currency				(84,811)			(84,811)	(1,700)	(86,511)
Total comprehensive income	-	-	-	(84,811)	(18,906)	156,009	52,292	18,583	70,875
Non-controlling interest shares acquired	-	-	-	-	-	22,177	22,177	(60,282)	(38,105)
Shares issued	526	618,735	1,000				620,261	-	620,261
Total Transactions with owners	526	618,735	1,000	-	-	22,177	642,438	(60,282)	582,156
At 30 September 2016	3,006	1,125,012	1,000	103,521	485,765	417,635	2,135,939	(7,616)	2,128,323

Key Financial Highlights

USD ('000)	2016	2015
Revenue	219,404	220,237
Gross Profit	80,881	94,436
EBITDA	29,228	21,176
Operating Profit	17,321	22,958
Net Profit/(loss)	14,531	(7,734)
Long Term Debt	29,292	37,810
Average Exchange rate	10.83	7.06

Key Highlights

- 10.8% growth in cold chain volumes has delivered a strong financial performance leading to record profitability for the Group:
 - Profit After Tax of ZMW157.4 million (USD14.5 million), compared with a loss of ZMW54.6 million (USD7.7 million) for the same period last year;
 - EBITDA has increased by 111.1% in ZMW terms (38% in USD), from ZMW149.5 million to ZMW316.6 million (USD21.2 million to USD29.2 million);
 - Administrative costs as a percentage of turnover improved from 28.2% (2015) to 25.7% (2016), as a result of more effective cost management;
 - Group debt reduced by 24% from USD72 million (2015) to USD55 million (2016);
 - Gearing reduced significantly from 60% (2015) to 26% (2016);
 - Debt-to-EBITDA ratio has improved from 4.24 (2015) to 1.7 (2016).
- Successful completion of the USD65 million CDC Group PLC equity investment into Zambeef.

- Cash settlement (USD23.4m) of RCL Foods Ltd put options in Zam Chick Ltd and Zamhatch Ltd, giving Zambeef full control of its poultry operations.
- Strong performance from the Cold Chain Food Products division, achieved through a market-driven strategy involving continued roll out of new macro outlets.
- During the year, Zambeef's total retail network increased from 154 outlets to 171 outlets.
- Final settlement reached with the Zambia Revenue Authority (ZRA) over the historical and disputed Zamanita Ltd tax liability, resulting in a write-back to the profit and loss account of approximately ZMW34 million (USD3.1 million).

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

"Zambeef has ended the financial year in a strong position. A 10.8% volume growth in cold chain food products and a 15.3% volume growth in stock feed has delivered record profits through efficient delivery of our strategic priorities, and a platform has been created from which to continue sustainable long term growth. The balance sheet has been significantly strengthened as a result of CDC having made a substantial investment in the Group.

Zambeef now has the ability once again to invest in growing its business, accelerate the roll-out of its new macro stores and expand its cold chain foods production capacity in order to meet the growing demand for its products, both in Zambia and in the surrounding SADC/COMESA regions.

Zambeef operates in a dynamic expanding market, where the demand for its products, both locally and in neighboring countries, is expected to grow rapidly in order to meet the needs of an increasing population.

We are entering into a new era for Zambeef, and I am confident that the Group is well positioned to take advantage of the opportunities that lie ahead."

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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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