



**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 Act 2016, Zambeef Products PLC announces its unaudited results for the six months ended 31 March 2017.**

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME	TOTAL GROUP		ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION	UNAUDITED	
	Unaudited 31-Mar-17 ZMW'000	Unaudited 31-Mar-16 ZMW'000		31-Mar-17 ZMW'000	31-Mar-16 ZMW'000
Revenue	1,161,318	1,121,605	<b>ASSETS</b>		
Gross Profit	377,624	445,912	Goodwill	166,801	15,699
Operating profit	44,160	121,709	Property, plant and equipment	1,837,941	1,820,210
Exchange Gains/(loss) on translating foreign currency transaction and balances	6748	15602	Plantation development expenditure	100,277	87,336
Finance costs	-45,128	-60,357	Biological assets	51,541	34,619
Profit/(loss) before taxation	5,780	76,954	Biological assets (current asset)	373,280	370,285
Taxation charge	-556	-8,827	Deferred tax assets	41,013	24,569
Group profit/(loss) for the year from continued operations	5224	68127	Investments	-	-
Profit from discontinued operations	-	33,592	Assets held for disposal	-	-
Total Profit/loss for the Period	5,224	101,719	Inventories	372,975	277,809
Group profit/(loss) attributable to:			Trade and other receivables	131,497	138,408
Equity holders of the parent	5,519	90,285	Amounts due from related companies	2,727	5,569
Non-controlling interest	-295	11,434	Income tax recoverable	1,569	1,467
	5,224	101,719	<b>TOTAL ASSETS</b>	<b>3,079,621</b>	<b>2,775,971</b>
			<b>EQUITY AND LIABILITIES</b>		
Earnings Per Share (Ngwee)	1.84	22.86	Capital and reserves	2,123,000	1,549,613
Basic and diluted earnings/(loss) per share	0	13.55	Interest bearing liabilities	310,895	474,884
<b>Total EPS</b>	<b>1.84</b>	<b>36.41</b>	Obligations under finance leases	55,855	26,804
			Deferred liability	11,037	9,366
			Deferred taxation	8,630	7,243
			Assets held for disposal	-	-
			Collateral management agreement	68,008	75,788
			Trade and other liabilities	238,757	292,930
			Amounts due to related companies	-	64,187
			Taxation payable	12,046	5,037
			Cash and cash equivalents	251,393	270,119
			<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,079,621</b>	<b>2,775,971</b>
			<b>ABRIDGED GROUP STATEMENT OF CASH FLOW</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>
				6 months to	6 Months to
				31-Mar-17	31-Mar-16
				K'000	K'000
			Net cash inflow/(outflow) from operating activities	(28,261)	87,858
			Net cash (outflow)/inflow (on)/from investing activities	(135,340)	(83,422)
			Net cash outflow on financing	(144,669)	(125,613)
			(Decrease)/increase in cash and cash equivalents	(308,270)	(121,177)
			<b>Cash and cash equivalents at beginning of period</b>	<b>64,806</b>	<b>(190,648)</b>
			Effects of exchange gains on balances held foreign currencies	(7,929)	41,706
			<b>Cash and cash equivalents at end of period</b>	<b>(251,393)</b>	<b>(270,119)</b>

**ABRIDGED GROUP STATEMENT OF MOVEMENTS IN EQUITY**

	Share capital	Share premium	Preference share capital	Revaluation reserve	Foreign exchange translation reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interest	Total equity
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
<b>At 31 March 2016</b>	2,480	506,277	-	498,393	134,739	336,012	1,477,901	71,712	1,549,613
Profit for the period	-	-	-	-	-	46,818	46,818	8,849	55,667
Transfer of surplus depreciation	-	-	-	-12,628	-	12,628	-	-	-
Removal of Zamhatch Limited	-	-	-	-	-	-	-	-24,800	-24,800
Exchange gains/(losses) on translating presentational currency	-	-	-	-	-31,218	-	-31,218	-3,095	-34,313
<b>Total comprehensive income for the period</b>	-	-	-	-12,628	-31,218	59,446	15,600	-19,046	-3,446
<b>Transactions with owners</b>									
Non-controlling interest shares acquired	-	-	-	-	-	22,177	22,177	-60,282	-38,105
Shares issued	526	618,735	1,000	-	-	-	620,261	-	620,261
<b>Total transactions with owners</b>	526	618,735	1,000	-	-	22,177	642,438	-60,282	582,156
<b>At 30 September 2016</b>	3,006	1,125,012	1,000	485,765	103,521	417,635	2,135,939	-7,616	2,128,323
Profit for the period	-	-	-	-	-	5,519	5,519	-295	5,224
Transfer of surplus depreciation	-	-	-	-9,318	-	9,318	-	-	-
Exchange gains on translating presentational currency	-	-	-	-	-9,827	-	-9,827	-720	-10,547
<b>Total comprehensive income for the period</b>	-	-	-	-9,318	-9,827	14,837	-4,308	-1,015	-5,323
<b>At 31 March 2017</b>	3,006	1,125,012	1,000	476,447	93,694	432,472	2,131,631	-8,631	2,123,000

**Key Financial Highlights**

<b>In USD'000</b>	<b>H1 2017</b>	<b>H1 2016</b>
Revenue	118,381	98,820
Gross Profit	38,494	39,287
EBITDA	12.5	11.64
Pre Tax Profit/(Loss)	590	6,780
Net Income	533	8,962
Exchange gain/(losses) on translating presentational currency	6,617	4,973
Total comprehensive income	7,150	13,935

**Highlights:**

- Half year performance characterised by a challenging economic environment in Zambia and a major drop in soft commodity prices significantly impacting the Group's financial performance
- Despite this, the Group has delivered a strong top line performance, driven by:
  - Excellent sales and volume growth in the Retail and Cold Chain Food Products ("CCFP") division
  - Continued aggressive expansion of this retail network
  - Robust operational performance from the Farming and Stock feed operations
- Two Macro outlets opened with a further eight expected to open this year
  - Aim to open 10-12 new Macro outlets each year
- Shoprite rollout of new stores continues which will increase the top line. This is in line with the agreement Zambef has with Shoprite to run their butcheries.
  - Zambia – three more expected in the second half
  - Nigeria – three new stores opened
  - Ghana – one new store opened in April 2017
- Second half of the year expected to see a significant number of key projects
  - Continue to grow the retail network and drive retail sales to help grow CCFP and stock feed operations
  - Commission new Copperbelt distribution hub which will increase capacity and improve efficiencies in the Copperbelt and North Western Province operations

- Complete expansion of breeding farm and hatchery to increase day-old chick production from 210,000 to 310,000 birds per week
  - Expand broiler processing operations to increase production by 30,000 birds per week
  - Commission new stock feed plant at Mpongwe to bring additional stock feed capacity on line
- Continue to look at ways of strengthening our balance sheet through disposal of non-core assets

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

*“The first six months of our financial year have been impacted by the challenging economic environment in Zambia and a major drop in soft commodity prices. Together this has had a significant negative impact on our financial performance in the period.*

*Rising inflation, Exchange Rate volatility and rapidly increasing interest rates resulted in the Bank of Zambia being forced to introduce strict control measures in order to stabilise the economy. These measures, which included tight control of the money supply and high interest rates, have resulted in a slowdown in consumer spending. However, as a consequence of these Government actions, inflation has reduced to single digit levels, the Kwacha has stabilised and the high interest rates we saw in the first half are starting to abate.*

*As a result of these improving economic indicators, and downward price pressure on certain consumer food products, we expect the business environment and consumer demand to improve in the second six months of this financial year. Against this background, Zambeef is well placed to take advantage of the improving macroeconomic conditions.*

*As reported at our 2016 Full Year results in November 2016, the principle focus of Zambeef for the foreseeable future will be on expanding our retailing and distribution footprint and on improving margins and restoring profitability. We will continue to expand the Cold Chain Food Production capacity to meet increasing consumer demand; complete the build out of the new stock feed plant at Mpongwe and continue to strengthen our balance sheet, through the disposal of non-core assets. While undoubtedly it is disappointing to report this first half performance I have full belief that the second half will see a return to more normal trading conditions and a much improved financial performance.”*

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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](http://www.zambeefplc.com)

**Sponsoring Broker**



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