

Following the completion of the post audit technical review by the external auditors, a number of changes were made to the 2018 Annual Financial Statements to ensure full compliance with IFRS. Although the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position remain materially unchanged, the EBITDA figure included in the Consolidated Statement of Cash Flows increased by ZMW 65.5 million (US\$ 6.6 million) as a result of revised disclosure. However, the Cash and Cash Equivalents amount as at the end of the financial year remains unchanged. The following announcement is otherwise unchanged from that published by the Company on 21 November 2018.

Zambeef Products plc
 (“Zambeef” or the “Group”)
 Full year results for the year ended 30 September 2018

ROBUST FIGURES AND STRONG MARGIN GROWTH AS GROUP EXECUTES ON STRATEGY

Zambeef (AIM: ZAM), the fully integrated cold chain foods and retail business with operations in Zambia, Nigeria and Ghana, today announces its audited results for the year ended 30 September 2018.

Financial Highlights.

(Figures in 000's)	2018 USD	2017 USD	% Change	2018 ZMW	2017 ZMW	% Change
Revenue	280,301	255,796	9.6%	2,780,589	2,435,182	14.2%
Gross Profit	96,689	83,889	15.3%	959,159	798,631	20.1%
Admin Expenses	(84,767)	(74,788)	(13.3%)	(840,889)	(711,978)	(18.1%)
Operating Profit	11,922	9,102	31.0%	118,270	86,653	36.5%
Share of loss equity accounted investment	(75)	-	N/A	(742)	-	N/A
Finance Costs	(7,078)	(9,234)	23.3%	(70,215)	(87,904)	20.1%
Exchange Gains/(Losses)	(1,946)	704	(376.3%)	(19,302)	6,701	(388.0%)
Profit/(Loss) Before Tax	2,823	572	393.5%	28,011	5,450	414%
Tax	(429)	(110)	(289.5%)	(4,257)	(1,049)	(305.8%)
Profit from Continuing Operations	2,394	462	418.2%	23,754	4,401	439.7%
Profit/(Loss) from Discontinued Operations	(1,337)	(119)	N/A	(13,261)	(1,133)	N/A
Profit After Discontinued Operations Adjusted Profit Before Tax (*)	1,057	343	208.5%	10,493	3,268	221.1%
EBITDA	29,677	18,239	62.7%	294,390	173,629	69.6%
Gross Profit Margin	34.5%	32.8%		34.5%	32.8%	
EBITDA Margin	10.6%	7.1%		10.6%	7.1%	
Debt/Equity (Gearing)	22.0%	21.8%		22.0%	21.8%	
Debt-To-EBITDA	1.9	3.5		2.3	3.6	

(*) adjusted to exclude unrealised foreign exchange differences and losses.

Performance Overview

- The Group has delivered a solid financial performance, driven by:
 - Good volume and margin growth in the Retail and Cold Chain Food Products division and Stockfeed division
 - Return to profitability at the Masterpork, Nigeria and Wheat Mill operations
 - Continued divestment of non-core assets to reduce debt (as evidenced by the reduction in the Debt-To-EBITDA ratio) and provide for additional cash to invest in the Group's operations
- As planned, 10 new Zambeef Macro retail stores were successfully opened across strategic locations in Zambia and three in-store Shoprite butcheries were opened
- 18 sites were purchased for development with plans to open 10 new Macro outlets each year over the next three years
- The Group closed 14 small retail stores as part of its ongoing drive to optimise revenue and efficiencies across the division
- Key capital expenditure operations throughout the period focused on:
 - The expansion of the retail network
 - The commissioning of the new Copperbelt processing and distribution hub to improve efficiencies in the Copperbelt and North Western Province operations
 - Completing the expansion of the breeding farm and hatcheries to increase day-old chick production from 344,000 to 430,000 birds per week
 - Completing the new stock feed plant at Mpongwe to ensure additional stock feed capacity
- Strategic priorities for the Group in FY19 remain unchanged:
 - Continue the strong start to the year which has delivered revenue, margin and volume growth through expanding retail network and addressing supply constraints in the CCFP and stockfeed operations
 - Committed to employing EBITDA to fund working capital, capital expenditure for financially viable projects and to service debt
 - Further reducing gearing and dollar debt, in order to help to mitigate foreign exchange and interest rate risk exposures
 - Continue works on E&S/Food Safety strategies
 - Improving cash conversion from strong working capital control and tight control on Capex with effective managerial responsibility – no further debt is intended to be raised in the near future, and the Group expects to generate positive free cash flow in FY19

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

“Zambia’s economy remained relatively stable for the majority of the financial year to September 30, 2018. However, September saw the Kwacha suffer significant depreciation as economic conditions weakened amid wide concerns for emerging markets. Notwithstanding this downturn the Group’s results were encouraging, with revenue in Zambian Kwacha increasing by 14.2% year-on-year. The Group experienced robust volume and margin growth in the Retail and Cold Chain Food Products division and Stockfeed division, which together underpinned revenue growth.”

“Despite these temporary macro concerns, which are now abating, the new financial year has started well for Zambef with continued revenue, margin and volume growth. The Group expects to continue to grow US\$ earnings in 2019, and generate positive free cash in the financial year. It remains committed to employing EBITDA to fund working capital, capital expenditure for financially viable projects, and to service debt and, as a result, the Group does not intend to raise further debt in the near future. In line with its stated strategic objectives, it plans to continue to reduce its debt levels in the medium term, which will help to mitigate foreign exchange and interest rate risk exposures.”

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Notes to Editors

The Zambef Group is one of the largest integrated cold chain food producers in Zambia, involved in the production, processing, distribution and retailing of beef, chicken, pork, milk, eggs, dairy products, fish, flour and stock feed. The Group also has large cereal row cropping operations (principally maize, soya beans and wheat), with approximately 7,971 hectares of row crops under irrigation, which are planted twice a year and a further 8,623 hectares of rain-fed/dry-land crops available for planting each year.

Further information can be found on www.zambefplc.com

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CHAIRMAN'S REPORT

Volume and margin growth in the Retail and Cold Chain Food Products division and Stockfeed division reflects continued success in the execution of the Group strategy.

THE ENVIRONMENT

Zambia's economy remained relatively stable for the majority of the financial year to September 30, 2018.

GDP grew by 3.9% in the 2017 calendar year (2016: 3.8%), helped by rising copper prices, a good crop harvest in the previous season, and moderating inflation. The economy is forecast to grow by 4% in 2019.

However, in September 2018 the Kwacha suffered significant depreciation as economic conditions weakened amid wide concerns for emerging markets. The Kwacha weakened during the period with the exchange rate ending the period at around ZMW 12.24/USD, having started the period under review at ZMW9.67/USD.

Notwithstanding the downturn in economic conditions in the second half of this financial year, the Group's results were encouraging, with revenue in Zambian Kwacha increasing by 14.2% year-on-year. The Group experienced robust volume and margin growth in the Retail and Cold Chain Food Products division and Stockfeed division, which together underpinned revenue growth.

As previously reported, Zambeef faced a number of external challenges during the year.

An outbreak of cholera during the rainy December and January months caused temporary closure of several Zambeef retail stores, along with those of other retailers, as part of the Zambian government's wider measures to control the disease. The financial impact on the Group was limited and Zambeef honoured its commitment to support local communities in partnering with the Ministry of Health donating chlorine, other disinfectants and cleaning materials to combat the spread of the disease.

In April 2018, an outbreak of Foot and Mouth Disease (FMD) was announced by the Ministry of Fisheries and Livestock. The Group's Kalundu Dairy was affected by the disease resulting in the loss of 175 cattle. The disease was contained and the herd declared FMD free on 12 July 2018. Zambeef confirmed at the time that the volume of milk being produced by the dairy herd had recovered to previous levels.

The financial impact of FMD was provided for in March 2018 and the Group received USD240,000 in insurance compensation for the 175 cattle lost.

In the second half of 2018, the common bacterial disease, Bacterial Leaf Streak (BLS), was detected in its winter wheat crop. As a result of the disease, wheat yields during the September 2018 harvest were lower than initial management expectation. However, commodity sales contracts during 2018 were concluded at higher than budgeted prices per ton, offsetting the financial losses resulting from BLS and resulting in the Cropping division's financial performance for the 2018 financial year exceeding original management expectation.

TRADING RESULTS

The Group achieved a Profit After Tax (excluding discontinued operations) of ZMW23.8 million (USD2.4 million) versus ZMW4.4 million (USD0.5 million) in the prior corresponding financial period. Volumes and gross margins increased in our core divisions of Retail and Cold Chain Food Products (CCFP) and Stockfeed.

This performance was encouraging given the significant increase in overheads during the period as a result of the Government's move to eliminate subsidies on fuel and electricity. We have also seen an increase in labour costs and costs from road tolls, licence fees, and levies on livestock and crops.

Retail and Cold Chain Food Products (CCFP)

Zambeef's chain of 206 retail outlets - both own-brand and within Shoprite supermarkets - remain at the heart of the business, with demand from consumers driving supply.

During the period, 10 new Zambeef Macro retail stores were successfully opened across strategic locations in Zambia and the Group closed 14 small retail stores as part of its ongoing drive to optimise revenue and efficiencies across the division.

The Retail and Cold Chain Food Products division delivered a very satisfactory EBITDA of ZMW193.5 million (2017: ZMW132.7 million) or USD19.5 million (2018: USD13.9 million), generating an EBITDA margin of 9.7% (2017: 7.0%).

The growth of this division will remain a core focus for the Group and supports its strategic ambitions to drive Cold Chain Food Products and Stockfeed volumes through the expanding retail stores network.

The group is pleased to report a return to profitability for the Masterpork and Master Meats Nigeria divisions in the last quarter of the 2018 financial year following management and operational restructuring.

Stockfeed

Zambeef's stockfeed operations continued to grow during the year, and the division remains a significant contributor to Group performance.

The Stockfeed division produced 200,846 tons of feed in 2018 compared to 155,795 tons in 2017, representing a 28.9% increase.

The new Novatek stockfeed plant in Mpongwe, which opened in 2017, has reached 44.4% capacity, compared with a target of 30%.

The Stockfeed division Gross Profit margin reduced from 25.2% to 23.2% compared to the prior corresponding financial period which was largely caused by an increase in soft commodity prices in H2 of 2018. This resulted in a reduction in Gross Profit from ZMW166.9 million to ZMW163.4 million (USD17.5 million to USD16.5 million).

Cropping

The Cropping division finished the year ahead of management expectations, despite the Bacterial Leaf Streak outbreak.

The Group is one of the largest cereal row cropping operations in Zambia, with approximately 7,787 hectares of row crops under irrigation, which are planted twice a year, and a further 8,694 hectares of rainfed/dry-land crops available for planting each year.

The Cropping division Gross Profit margin increased from 26.6% to 36.8% compared to the prior period. This resulted in an increase in Gross Profit from ZMW134.6 million to ZMW189.6 million (USD14.1 million to USD19.1 million).

The Cropping division delivered a strong EBITDA margin increase from 3.2% to 13.7% compared to the prior period. This resulted in an increase in EBITDA from ZMW16.4 million to ZMW70.9 million (USD1.7 million to USD7.1 million). This was as a result of an improved gross profit performance as well as improved cost control.

Other

Zamleather and Zambeef's wheat mill were tracking behind management expectation during the year, however wheat mill production increased significantly in the fourth quarter with the introduction of new management.

INVESTMENT

Capital expenditure was under budget for the 2018 financial year, with USD14.5 million spent on continuing operations (The budget was USD16 million).

USD4.2 million was spent on the continued rollout of new modern Macro retail outlets across Zambia, with 10 new stores opened during the financial year.

These new world-class outlets are proving popular, with like-for-like sales increasing by 37.8% from the prior period. Their success has accelerated our review of legacy stores to phase out poorer performing outlets to optimise marginal contribution. This approach will help improve in both distribution and further cost efficiencies.

Outlets in border towns have continued to outperform, enabling the Company to realise its long-held strategy of meeting growing regional demand. One border town outlet opening is planned for the 2019 financial year.

In October 2017, Zambeef welcomed the Zambian President, H.E. Edgar Chagwa Lungu, to Mpongwe Farm on the Copperbelt to formally commission the Company's USD30 million hatchery and stockfeed mill which is now the largest agricultural investment in the province.

Zambeef completed the sale of 90% of Zambeef's shareholding in its wholly owned subsidiary Zampalm Limited, to the state-owned Industrial Development Corporation (IDC) for a cash consideration of USD16 million on 6 April 2018, in line with the Group's ongoing strategic focus on reducing Group debt. Zambeef continues to oversee the operation under a management agreement that includes a rollout of an outgrower scheme to develop further the remote rural communities of Muchinga, where the plantation is located.

DIVIDEND POLICY

It remains the Board's intention to return the Group to annual dividend payments once cash flow permits. Reducing Group debt levels as well as the cost of debt is an important prerequisite to achieving this objective. In particular, the redemption of the preference shares held by CDC is a significant consideration, as although they rank as equity, the redemption value of the shares escalates at an annual compounded rate of 12%, which is significantly higher than the average cost of the Group's US Dollar debt, which is approximately 7%. The Board is therefore considering, as a priority, various strategic options that would enable the preference shares to be redeemed.

LEADERSHIP SUCCESSION

Leadership of the Group will transition to a new management team by 31st December 2019, with the retirement of the current Chief Executive Officer, Mr Francis Grogan effective from that date.

Mr. Grogan, assisted by the Board's Remuneration and Succession Committee, is actively managing this transition process. Deputy Managing Director, Mr Walter Roodt, has been identified by the Board to succeed Mr Grogan, and is working closely with him to ensure a successful and smooth transition. Furthermore, Mr. Grogan is working closely with Mike Lovett, the Group's Chief Operating Officer and Director of Agriculture, who will take over operational responsibilities from January 2019.

BOARD CHANGES

As we enter into a renewed period of growth for Zambeef, I would like to thank co-founder and former Joint Chief Executive Officer Dr Carl Irwin, who retired from the Group on 31 March, 2018, after 23 years of service, during which time he and Francis Grogan grew the Company to the impressive heights it has reached today.

On 24 May 2018, Tim Pollock, Joint Chief Executive Officer, announced his resignation from the Board for personal reasons. We wish to thank Tim for his contribution to the Company.

Frank Braeken joined the Board as a Non-Executive Director on July 27, 2018, as the second nominee of CDC Group. Frank is a Belgian national with extensive experience in the Fast Moving Consumer Goods (“FMCG”) sector, including 26 years with Unilever where he lived and worked in nine countries on four continents.

OUTLOOK

The macro-economic climate is anticipated to be more challenging for Zambia in 2019, including high national debt levels and an increasingly volatile Kwacha exchange rate, which could impact on the growth of the Zambian economy.

Despite these macro concerns, the new financial year has started well for Zambeef with continued revenue, margin and volume growth. The Group expects to continue to grow US\$ earnings in 2019, and generate positive free cash in the financial year. It remains committed to employing EBITDA to fund working capital, capital expenditure for financially viable projects, and to service debt and, as a result, the Group does not intend to raise further debt in the near future. In line with its stated strategic objectives, it plans to continue to reduce its debt levels in the medium term, which will help to mitigate foreign exchange and interest rate risk exposures.

In conclusion, I wish to thank all Management and Staff in the Group for their on-going commitment and professionalism during what has been another challenging year. Their contribution, at every level, is greatly appreciated, and helps make Zambeef one of the pre-eminent Zambian companies. I would also like to thank my Board colleagues for their wisdom and guidance, and look forward to working with them in the coming year.

Dr Jacob Mwanza

Chairman

20 November 2018

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CHIEF EXECUTIVE OFFICER'S REVIEW

OVERVIEW

Zambeef's Retail and Cold Chain Food Products (CCFP) and Stockfeed divisions have consolidated their positions as the Group's core engines of growth.

These two focus areas remain at the heart of operations and continue to contribute strong cash flow to the Group, enabling management to focus on some of the underperforming divisions.

Our turnaround strategy at the Masterpork, Nigeria and wheat mill operations has resulted in a return to profitability for those divisions, increasing their contributions to the overall business.

The Group has achieved Profit After Tax (excluding discontinued operations) of ZMW23.8 million (USD2.4 million) (2017: ZMW4.4 million or USD0.5 million). Volumes and gross margins have increased in our core divisions of Retail and Cold Chain Food Products and Stockfeed.

This positive performance was achieved despite a significant increase in overheads during the period as a result of the Government's move to phase out subsidies on fuel and electricity, with overheads increasing by 16.9% in ZMW (12.2% in USD) during the period. We have also seen an increase in manpower costs and costs from road tolls, license fees, and levies on livestock and crops.

STRATEGIC FOCUS AREAS

Zambeef remains unwavering in its strategic focus on the core divisions that generate strong cash flows: Retail and Cold Chain Food Products, and Stockfeed.

During the period, we continued our divestment of non-core assets to reduce our debt further and generate additional cash, concluding the sale of our 90% shareholding in Zampalm Limited to the Industrial Development Corporation (IDC) for a cash consideration of USD16 million, as previously announced.

Retail and Cold Chain Food Products

The growth in market demand, and associated development of Zambeef's retail chain, continues to drive cold chain food production as we add value and provide linkages between small-scale, emerging and commercial farmers and end consumers.

During the period, 10 new Zambeef Macro retail stores were successfully opened across strategic locations in Zambia, along with three in-store Shoprite butcheries.

The new outlet in Nakonde is in line with our approach of targeting border towns to tap into the growing regional demand for our products.

This growth emphasises the Group's market-driven, vertically integrated approach, through which retail demand drives production along our value chain.

The Macro stores, which sell our full range of cold chain food products, including Zamhatch's day old chicks, Novatek stockfeed, and in some instances Zamleather's Zamshu brand footwear, are bringing world-class standards of hygiene, service, security and affordability to our traditional markets in low- and medium-density urban and peri-urban areas.

Revenue from Macro outlets grew 54.4% in Kwacha terms (48.2% in USD) compared with the previous year.

Our Zambeef-branded outlets account for 83% of retail sales, while our operation of in-store butcheries at all Shoprite supermarkets across Zambia accounts for 17% of retail turnover. This balance has remained relatively unchanged in recent years and ensures a diversification of exposure across retail segments.

The Group closed 14 small retail stores during the period to optimise efficiencies and concentrate on outlets with higher marginal contribution.

Cold Chain Food Product volume increased by 5.7%, driven by strong performances in the chicken and beef sectors.

Beef volumes increased by 7.6% from 16.8 million kgs to 18.1 million kgs.

Chicken volumes rose by 9.1% from 11.7 million kgs to 12.8 million kgs, with some 70% of chickens supplied by outgrower farmers. As demand outstrips supply, Zambeef continues to formalise a market that remains largely driven by the informal sector, presenting significant opportunities for growth.

Day Old Chick volumes increased by 34.6% from 12.6 thousand to 16.9 thousand.

Dairy volumes decreased by 3.9% from 20.0 million litres to 19.2 million litres.

Pork volumes decreased by 8.1% from 10.8 million kgs to 9.9 million kgs during the period under review.

In April 2018, an outbreak of Foot and Mouth Disease (FMD) was announced by the Ministry of Fisheries and Livestock. The Group's Kalundu Dairy was affected by the disease resulting in the biological value of the dairy cattle reducing by approximately USD690,000 and a loss of 175 cattle. The disease was rapidly contained and the herd declared FMD free on 12 July 2018.

The financial impact of FMD was provided for in March 2018 and the Group received USD240,000 in insurance compensation.

Zambeef is pleased to confirm that the volume of milk being produced by the dairy herd has recovered to previous levels.

Stockfeed

Zambeef's Stockfeed operation trades under the brand name Novatek. Its second stockfeed plant was commissioned at Mpongwe Farm in the Copperbelt in October, 2017. The second stockfeed plant has already produced 58,617 tons (44.4% of capacity) of the total of 200,846 tons.

Zambeef is one of the largest buyers of soyabeans and maize from local farmers. It bought 160,724 tons this year, which was used in the stockfeed operations.

Poultry feed accounts for three-quarters of stockfeed production, creating an opportunity for growth linked to the chicken segment.

Some 20.9% of Novatek's stockfeed production was sold through Zambeef outlets, compared with 8.3% in 2017. A further 27.4% of the stockfeed production is consumed in the Company's Cold Chain Food Products divisions. The remaining 51.7% is sold to third-party distributors.

The Mpongwe stockfeed mill continues to perform ahead of expectation. The stockfeed division is expected to continue to increase volumes and contribute materially to the Group.

Cropping

Zambeef's Mpongwe Farm continues to live up to its reputation as one of the most fertile and productive farms in the region, and remains at the heart of the Group's cropping operations.

However, in the second half of 2018, Bacterial Leaf Streak (BLS) was detected in our winter wheat crop and, as a result, wheat yields during the September harvest were approximately 44,300 tons, 15.8% lower than the 52,600 tonnes initially budgeted. However, commodity sales contracts were concluded at higher than budgeted prices per ton, offsetting some of the financial losses resulting from BLS.

The Group harvested approximately 44,730 tons of soybeans during the current financial period, compared with approximately 43,000 in the previous corresponding financial period.

Overall EBITDA in the division increased by 332% from ZMW16.4 million to ZMW70.9 million (USD1.7 million to USD7.1 million).

Zamhatch

Demand for day-old chicks produced by Zambeef's Zamhatch subsidiary is currently exceeding supply. This reinforces that Zambeef is an integral part of the nation's agricultural supply chain, with more than half of our chicks sold to small-scale farmers and entrepreneurs who then serve the traditional live-bird market, which still accounts for 75 % of the poultry industry.

Zamhatch incubates approximately 400,000 eggs a week, with an industry-standard 86 % success rate, producing 344,000 day-old chicks. We are working on increasing capacity to 500,000 eggs per week in 2019 and then 600,000 eggs per week in 2020 to meet demand. The cost of this expansion will be approximately USD2 million per year.

Outlook

Zambeef's management will continue to focus resources on the Group's profitable business divisions, while improving those divisions that need additional attention to ensure that all areas of the business contribute fully to Group profitability.

As part of its on-going process of divesting non-core assets, the Group is actively seeking buyers for its Chiawa and Sinazongwe Farms, proceeds of which will further reduce debt levels and supplement capital expenditure where returns are justified.

Zambeef's clear long-term strategy is translating into improved results. We will remain steadfast in our plans going forward, which include:

- Consistent revenue growth through expansion of our retail network, driving our cold chain food product and stockfeed operations;
- Margin improvements leveraged from continued capital investment in the most high-performing areas of the business, coupled with stringent control of administration costs;
- Cash generation through improved margins, cost control, working capital management and prudent capital expenditure;
- De-risking the business by reducing gearing levels; and
- Continued divestment of non-core assets.

The Group has ended the financial year with a renewed sense of optimism. The continued dedication of our management and staff, supported by a strong Board, remain key to this as we progress into an exciting new phase of growth.

Francis Grogan

Chief Executive Officer

20 November 2018

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

OPERATIONAL AND FINANCIAL REVIEW

The 2018 financial year has seen the Zambef Group continue to grow. Robust revenue figures and strong margin growth have been the main contributors. Revenue for the Group increased by 14.2% in ZMW and 9.6% in USD, while Gross Profit margins increased from 32.8% to 34.5%, resulting in Gross Profit increasing by 20.1% in ZMW from ZMW798.6m to ZMW959.2m (15.3% in USD from USD83.9m to USD96.7m). Overheads increased by 16.9% in ZMW (12.2% in USD) from ZMW628.7m to ZMW735.1m (USD66.0m to USD74.1m). The strong Gross Profit performance enabled the Group to achieve Operating profits of ZMW118.3m versus ZMW86.7m (USD11.9m vs USD9.1m), which represents a 36.5% increase in ZMW and a 31.0% increase in USD.

Interest costs reduced by 20.1% in ZMW (23.3% in USD) as a result of lower interest rates, largely due to the reduction in the Bank of Zambia Policy Rate, which decreased our ZMW interest rates significantly compared with the prior period. As a result, Zambef's PAT excluding discontinued operations increased from ZMW4.4m to ZMW23.8m (USD0.5m to USD2.4m).

The highlight of this period was the 6.5% (in ZMW) revenue growth in the Retail and Cold Chain Food Products (CCFP) division with a strong increase of 23.1% (in ZMW) in gross profits. Gross margins increased from 25.0% in 2017 to 28.9% in 2018. Zambef continues to establish itself as best-in-class in terms of its production, distribution and retailing of the Cold Chain Food Products delivering a very satisfactory EBITDA margin of % compared to 7.0% in 2017.

Strategic priorities FY19:

- Consistent revenue growth through expanding the retail network and addressing supply constraints in the CCFP and Stockfeed operations;
- De-risking the business through reducing gearing and dollar debt and E&S/Food Safety strategies; and
- Improving cash conversion from strong working capital control and tight control on Capex with effective managerial responsibility.

Exchange rate movements

This period has seen a 26.6% depreciation of the ZMW with the exchange rate, starting the period at 9.67 ZMW/USD and closing the period at 12.24 ZMW/USD. The table below shows the comparative exchange rates over the periods:

	ZMW/USD
Closing Rate 30th September 2017	9.67
Closing Rate 30th September 2018	12.24
Average Rate for year ended 30th September 2017	9.52
Average Rate for year ended 30th September 2018	9.92

The depreciating currency has resulted in the Group reporting exchange losses of ZMW19.3m (USD1.9m) for the year.

ADMINISTRATION AND OVERHEAD COSTS

As mentioned above, overheads have increased by 16.9% (in ZMW). The following are contributing factors:

- Fuel prices increased from ZMW10.72/l in September 2017 to ZMW11.09/l and again to ZMW12.01/l in January 2018 representing a total increase of 12%;
- Electricity tariffs were increased by 50% in May 2017 and a further 15% in September 2017;
- With inflation at approximately 7%, an average increase of approximately 10% was agreed for all union workers resulting in higher payroll costs;
- Levy and slaughter fees have continued to increase during the year;
- Road toll fees, which were introduced in the previous financial period, are increasing as more toll gates are opened; and
- Repairs and Maintenance costs were incurred in Zambeef Outlets as a result of the outbreak of Cholera in January 2018.

CAPITAL EXPENDITURE

Total capital expenditure on continuing operations during the period was ZMW144.0 million (USD14.5 million) against an anticipated capital expenditure of ZMW157.3 (USD16m) for the year.

The main capital expenditure during the period included:

- USD4.2m on rollout of new Zambeef Macro outlets
- USD2.5m on new Mpongwe stockfeed plant
- USD1.5m on expansion of Zamhatch hatchery and breeder farm
- USD1.2m for expansion of Zam Chick processing plant
- USD1.8m for farming replacement Capex
- USD0.8m on the new processing and distribution hub in Kitwe

The capex incurred in 2018 was focused on:

- The expansion of the retail network (ten Zambeef Macros and three Shoprite stores opened in 2018);
- The commissioning of the new Copperbelt processing and distribution hub which will increase capacity and improve efficiencies in the Copperbelt and North Western Province operations;
- Completing the expansion of the breeding farm and hatchery to increase day-old chick production from 344,000 to 430,000 birds per week; and
- Completing the new stock feed plant at Mpongwe to ensure additional stock feed capacity.

FINANCING

- The finance costs for the Group decreased by 20.1% in ZMW from ZMW 87.9 million to ZMW 70.2 million (USD 9.2 million to USD 7.1 million). The reduction was a result of a reduction in net debt following the receipt of USD 15 million from IDC on the completion of the Zampalm transaction.
- Net debt at the end of the 2018 financial year was USD 56 million compared to USD 64 million at the end of 2017.
- No additional term finance was sourced in 2018.

DIVISIONAL PERFORMANCE

Table 1: Segmental Financial summary in ZMW'000s

Division	Revenue 2018 ZMW'000	Revenue 2017 ZMW'000	Gross Profit 2018 ZMW'000	Gross Profit 2017 ZMW'000	Overheads 2018 ZMW'000	Overheads 2017 ZMW'000	EBITDA 2018 ZMW'000	EBITDA 2017 ZMW'000
Retail & Cold Chain Foods	2,004,711	1,882,955	578,987	470,417	(385,484)	(337,693)	193,503	132,724
Stock Feed	706,008	662,068	163,442	166,884	(82,460)	(50,300)	80,982	116,584
Cropping	515,585	505,738	189,601	134,556	(118,729)	(118,152)	70,872	16,404
Others	141,452	161,387	27,129	26,774	(18,521)	(15,014)	8,608	11,760
Total	3,367,756	3,212,148	959,159	798,631	(605,194)	(521,159)	353,965	277,472
Less: Intra/Inter Group Sales	(587,167)	(776,966)	-	-	-	-	-	-
less Central Overhead	-	-	-	-	(129,907)	(107,520)	(129,907)	(107,520)
Group Total	2,780,589	2,435,182	959,159	798,631	(735,101)	(628,679)	224,058	169,952

Table 2: Segmental Financial summary in USD'000s

Division	Revenue 2018 USD'000	Revenue 2017 USD'000	Gross Profit 2018 USD'000	Gross Profit 2017 USD'000	Overheads 2018 USD'000	Overheads 2017 USD'000	EBITDA 2018 USD'000	EBITDA 2017 USD'000
Retail & Cold Chain Foods	202,088	197,789	58,366	49,414	(38,859)	(35,472)	19,507	13,942
Stock Feed	71,170	69,545	16,476	17,530	(8,313)	(5,284)	8,163	12,246
Crop-Row Crops	51,974	53,124	19,113	14,134	(11,969)	(12,411)	7,144	1,723
Others	14,259	16,952	2,735	2,812	(1,867)	(1,577)	868	1,235
Total	339,491	337,410	96,690	83,890	(61,008)	(54,744)	35,682	29,146
<i>Less: Intra/Inter Group Sales less Central Overhead</i>	<i>(59,190)</i>	<i>(81,614)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(13,095)</i>	<i>(11,294)</i>
Group Total	280,301	255,796	96,689	83,890	(74,103)	(66,038)	22,587	17,852

RETAIL AND COLD CHAIN FOOD PRODUCTS

	2018 ZMW'000	2017 ZMW'000	% Change	2018 USD'000	2017 USD'000	% Change
Revenue	2 004 711	1 882 955	6.5%	202 088	197 789	2.2%
Gross Profit	578 987	470 417	23.1%	58 366	49 414	18.1%
Overheads	(385 484)	(337 693)	14.2%	(38 859)	(35 472)	9.5%
EBITDA	193 503	132 724	45.8%	19 507	13 942	39.9%

Revenue in the Retail and Cold Chain Food Products division increased by 6.5% in ZMW and 2.2% in USD. Gross profit grew by 23.1% in ZMW and 18.1% in USD.

Overhead costs increased by 14.2% in ZMW and 9.5% in USD mainly due to rises in transport, energy and employment costs.

EBITDA in ZMW rose 45.8% from ZMW132.7m to ZMW193.5m, whilst in USD it increased by 39.9% from USD13.9m to USD19.5m. The business has generated a pleasing EBITDA margin of 9.7 per cent. (compared to prior year period 7.0%).

The Retail and Cold Chain Food Products division includes the beef, chicken, pork, dairy, egg and fish production and processing activities which primarily supply the Zambeef and Shoprite retail chains.

The division delivered strong volume growth of 5.7% while increasing gross profits.

Highlights:

- Good volume Growth
- Strong GP Growth
- Strong EBITDA growth

Challenges: An outbreak of Cholera in January 2018 led to a number of outlets being closed for a period due to their proximity to the epidemic. The epidemic had a negative effect on the sale of beef heads, bones and offal fat, but overall the financial impact on the Group was immaterial.

RETAIL EXPANSION

During the period, Zambeef opened 10 Macro outlets. The Group purchased a further 18 sites for development, and plans to open 10 new Macro outlets every year over the next 3 years.

STOCK FEED (NOVATEK)

	2018 ZMW'000	2017 ZMW'000	% Change	2018 USD'000	2017 USD'000	% Change
Revenue	706 008	662 068	6.6%	71 170	69 545	2.3%
Gross Profit	163 442	166 884	-2.1%	16 476	17 530	-6.0%
Overheads	(82 460)	(50 300)	63.9%	(8 313)	(5 284)	57.3%
EBITDA	80 982	116 584	-30.5%	8 163	12 246	-33.3%
Volume (Tons)	200 846	155 795	28.9%			

The Stockfeed division has increased its market share and market leadership with volumes increasing by 28.9% from 155,795 M.T. to 200,846 M.T. Gross profit margins have decreased from 25.2% to 23.2%, due mainly to high raw material prices from the 2018 crop. The Mpongwe plant continues to perform ahead of expectation, while the Stockfeed division exceeded its budget for 2018.

Overheads increased by 63.9% due mainly to the new stockfeed plant in Mpongwe.

The Mpongwe plant produced 58,617 tons of 200,846 tons during the period. This represents approximately 44.4% of the capacity of the plant.

CROPPING

	2018 ZMW'000	2017 ZMW'000	% Change	2018 USD'000	2017 USD'000	% Change
Revenue	515 585	505 738	1.9%	51 974	53 124	-2.2%
Gross Profit	189 601	134 556	40.9%	19 113	14 134	35.2%
Overheads	(118 729)	(118 152)	0.5%	(11 969)	(12 411)	-3.6%
EBITDA	70 872	16 404	332.0%	7 144	1 723	314.6%

The Cropping division delivered improved results in 2018. Approximately 44,000 M.T. of Soya Beans were harvested from the summer crop compared to approximately 43,000 tons in 2017. Approximately 44,300 tons of wheat was harvested from the winter crop compared to approximately 41,700 tons in 2017. This is in spite of the fact that Bacteria Leaf Streak (BLS) reduced the budgeted tons of wheat of approximately 52,600 tons by 15.8%. Soya, wheat and maize prices increased from USD360/M.T., USD410/M.T. and USD115/M.T. respectively in September 2017 to USD410/M.T., USD430/M.T. and USD150/M.T. respectively in September 2018.

Overheads remained similar to 2017, mainly as a result of reduced manpower costs. This resulted in EBITDA increasing from ZMW16.4 in 2017 to ZMW70.9 in 2018 (USD1.7m to USD7.1m).

OTHER BUSINESSES

	2018 ZMW'000	2017 ZMW'000	% Change	2018 USD'000	2017 USD'000	% Change
Revenue	141 452	161 387	-12.4%	14 259	16 952	-15.9%
Gross Profit	27 129	26 774	1.3%	2 735	2 812	-2.8%
Overheads	(18 521)	(15 014)	23.4%	(1 867)	(1 577)	18.4%
EBITDA	8 608	11 760	-26.8%	868	1 235	-29.8%

The Other divisions delivered a decrease in EBITDA of 26.8% from ZMW11.8m to ZMW8.6m (USD1.2m to USD0.9m) compared to the prior period.

Flour Milling:

The mill performance was satisfactory with sale volumes stable as Zambeef continues to sell flour through its retail network.

Zamleather:

The shoe division performed well over the period. However, there was a decrease in world-wide hide prices and the market for lower-grade hides is currently stagnant.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018

Group	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Revenue	5	2,780,589	280,301	2,435,182	255,796
Net gain/(loss) arising from price changes in fair value of biological assets	16	(15,245)	(1,537)	(3,491)	(367)
Cost of sales		(1,806,185)	(182,075)	(1,633,060)	(171,540)
Gross profit		959,159	96,689	798,631	83,889
Administrative expenses		(841,319)	(84,810)	(714,746)	(75,078)
Other income	6	430	43	2,768	291
Operating profit	7	118,270	11,922	86,653	9,102
Share of loss equity accounted for investment		(742)	(75)	-	-
Exchange gains on translating foreign currency transactions and balances		(19,302)	(1,946)	6,701	704
Finance costs	9	(70,215)	(7,078)	(87,904)	(9,234)
Profit before taxation		28,011	2,823	5,450	572
Taxation charge	10	(4,257)	(429)	(1,049)	(110)
Group income for the year from continuing operations		23,754	2,394	4,401	462
(Loss)/profit from discontinued operations	34	(13,261)	(1,337)	(1,133)	(119)
Group income for the year		10,493	1,057	3,268	343
Group income/(loss) attributable to:					
Equity holders of the parent		10,601	1,068	4,037	424
Non-controlling interest		(108)	(11)	(769)	(81)
		10,493	1,057	3,268	343
Other comprehensive income:					
Exchange (losses)/gains on translating presentational currency		206,425	(46,089)	(31,190)	4,243
Revaluation	35	-	-	789,795	81,675
Total comprehensive (loss)/ income for the year		216,918	(45,032)	761,873	84,769

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Total comprehensive (loss)/ income for					
Equity holders of the parent		217,297	(45,021)	762,538	84,968
Non-controlling interest		(379)	(11)	(665)	(95)
		216,918	(45,032)	761,873	84,769
		Ngwee	Cents	Ngwee	Cents
Earnings per share					
Basic earnings per share – continued	12	7.90	0.80	1.46	0.15
Basic earnings per share – discontinued operations	12	(4.41)	(0.44)	0.38)	(0.04)
Total Basic earnings per share	12	3.49	0.36	1.08	0.11
Diluted earnings per share					
Basic earnings per share – continued	12	5.92	0.60	1.10	0.12
Basic earnings per share – discontinued	12	(3.31)	(0.33)	(0.28)	(0.03)
Total Basic earnings per share	12	2.61	0.27	0.82	0.09

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

(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 1 October 2016	3,006	1,125,012	1,000	103,521	485,765	417,635	2,135,939	(7,616)	2,128,323
Profit for the year	-	-	-	-	-	4,037	4,037	(769)	3,268
Transfer of surplus depreciation	-	-	-	-	(23,418)	23,418	-	-	-
Other comprehensive income:									
Exchange losses on translating presentational currency	-	-	-	(31,294)	-	-	(31,294)	104	(31,190)
Revaluation	-	-	-	-	789,795	-	789,795	-	789,795
Total comprehensive income	-	-	-	(31,294)	766,377	27,455	762,538	(665)	761,873
At 30 September 2017	3,006	1,125,012	1,000	72,227	1,252,142	445,090	2,898,477	(8,281)	2,890,196
Profit for the year	-	-	-	-	-	10,601	10,601	(108)	10,493
Transfer of surplus depreciation	-	-	-	-	(23,418)	23,418	-	-	-
Other comprehensive income:									
Exchange (loss)/gain on translating presentational currency	-	-	-	206,696	-	-	206,696	(271)	206,425
Total comprehensive income	-	-	-	206,696	(23,418)	34,019	217,297	(379)	216,918
At 30 September 2018	3,006	1,125,012	1,000	278,923	1,228,724	479,109	3,115,774	(8,660)	3,107,114

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(ii) In US Dollar	Issued share capital USD'000s	Preference share capital USD'000s	Share premium USD'000s	Foreign exchange reserve USD'000s	Revaluation reserve USD'000s	Retained earnings USD'000s	Total attributable to owners of the parent USD'000s	Non-controlling interest USD'000s	Total equity USD'000s
At 1 October 2016	449	100	185,095	(144,898)	98,763	73,875	213,384	(761)	212,623
Profit for the year	-	-	-	-	-	424	424	(81)	343
Transfer of surplus depreciation	-	-	-	-	(2,460)	2,460	-	-	-
Other comprehensive income:									
Exchange gains on translating presentational currency	-	-	-	4,257	-	-	4,257	(14)	4,243
Revaluation	-	-	-	-	81,675	-	81,675	-	81,675
Total comprehensive income	-	-	-	4,257	79,215	2,884	86,356	(95)	86,261
At 30 September 2017	449	100	185,095	(140,641)	177,978	76,759	299,740	(856)	298,884
Profit for the year						1,068	1,068	(11)	1,057
Transfer of surplus depreciation					(2,361)	2,361			
Other comprehensive income:									
Exchange gains/ (losses) on translating presentational currency				(46,248)			(46,248)	159	(46,089)
Total comprehensive income	-	-	-	(46,248)	(2,361)	3,429	(45,180)	148	(45,032)
At 30 September 2018	449	100	185,095	(186,889)	175,617	80,188	254,560	(708)	253,852

ZAMBEEF PRODUCTS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

(i) In Zambian Kwacha	Issued share capital ZMW'000s	Preference share capital ZMW'000s	Share premium ZMW'000s	Revaluation reserve ZMW'000s	Retained earnings ZMW'000s	Total equity ZMW'000s
At 1 October 2016	3,006	1,000	1,125,012	280,981	504,681	1,914,680
Profit for the year	-	-	-	-	24,003	24,003
Transfer of surplus depreciation	-	-	-	(14,605)	14,605	-
Other comprehensive income						
Surplus on revaluation	-	-	-	651,521	-	651,521
Exchange gains on translating presentational currency	-	-	-	-	(31,682)	(31,682)
Total comprehensive income	-	-	-	636,916	6,926	643,842
At 30 September 2017	3,006	1,000	1,125,012	917,897	511,607	2,558,522
Profit for the year	-	-	-	-	14,413	14,413
Transfer of surplus depreciation	-	-	-	(27,562)	27,562	-
Other comprehensive income:						
Exchange loss on translating presentational currency	-	-	-	-	217,367	217,367
Total comprehensive income	-	-	-	(27,562)	259,342	231,780
At 30 September 2018	3,006	1,000	1,125,012	890,355	770,949	2,790,302

ZAMBEEF PRODUCTS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (CONTINUED)

(ii) In US Dollar	Issued share capital USD'000s	Preference share capital USD'000s	Share premium USD'000s	Revaluation reserve USD'000s	Foreign exchange reserve USD'000s	Retained earnings USD'000s	Total equity USD'000s
At 1 October 2016	449	100	185,095	54,163	(122,706)	74,203	191,304
Profit for the year	-	-	-	-	-	2,522	2,522
Other comprehensive income:							
Exchange losses on translating presentational currency	-	-	-	68,437	-	-	68,437
Transfer of Surplus depreciation	-	-	-	-	2,321	-	2,321
Total comprehensive income	-	-	-	68,437	2,321	2,522	73,280
At 30 September 2017	449	100	185,095	122,600	(120,385)	76,725	264,584
Profit for the year						1,453	1,453
Transfer of surplus depreciation	-	-	-	-	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-
Transfer of surplus depreciation	-	-	-	(3,904)	-	3,904	
Exchange gain on translating presentational currency	-	-	-	-	(38,071)	-	(38,071)
Total comprehensive income	-	-	-	(3,904)	(38,071)	5,357	(36,618)
At 30 September 2018	449	100	185,095	118,696	(158,456)	82,082	227,966

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 SEPTEMBER 201-8

ASSETS	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Non-current assets					
Goodwill	13	166,801	13,628	166,801	17,249
Property, plant and equipment	14	2,902,221	237,110	2,610,488	269,958
Investment in associate	15	15,412	1,259	-	-
Assets held for disposal	34	-	-	221,087	22,863
Deferred tax asset	10(e)	47,854	3,910	43,368	4,485
		3,132,288	255,907	3,041,744	314,555
Current assets					
Biological assets	16	181,674	14,843	167,857	17,359
Inventories	17	639,811	52,272	516,418	53,404
Trade and other receivables	18	156,314	12,771	90,792	9,390
Assets held for disposal	34	-	-	91	9
Amounts due from related companies	19	50,272	4,107	11,422	1,181
Income tax recoverable	10(c)	3,885	317	1,376	142
		1,031,956	84,310	787,956	81,485
Total assets		4,164,244	340,217	3,829,700	396,040
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	21	3,006	449	3,006	449
Preference share capital	21	1,000	100	1,000	100
Share premium	22	1,125,012	185,095	1,125,012	185,095
Other reserves		1,986,756	68,916	1,769,459	114,096
		3,115,774	254,560	2,898,477	299,740
Non-controlling interest		(8,660)	(708)	(8,281)	(856)
		3,107,114	253,852	2,890,196	298,884

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Non-current liabilities					
Interest bearing liabilities	23	308,312	25,189	328,238	33,944
Obligations under finance leases	24	20,163	1,647	27,915	2,887
Deferred liability	25	22,611	1,847	16,756	1,733
Deferred tax liability	10(e)	6,909	565	7,212	746
		357,995	29,248	380,121	39,310
Current liabilities					
Interest bearing liabilities	23	95,247	7,782	78,080	8,074
Collateral management agreement	23	107,213	8,759	60,248	6,230
Obligations under finance leases	24	18,248	1,491	19,916	2,060
Trade and other payables	26	297,390	24,294	249,197	25,769
Provisions	26	42,137	3,443	42,646	4,410
Assets held for disposal	34	-	-	1,079	111
Amounts due to related companies	27	232	19	81	9
Taxation payable	10(c)	2,925	239	2,988	309
Cash and cash equivalents	20	135,743	11,090	105,148	10,874
		699,135	57,117	559,383	57,846
Total equity and liabilities		4,164,244	340,217	3,829,700	396,040

ZAMBEEF PRODUCTS PLC

COMPANY STATEMENT OF FINANCIAL POSITION 30 SEPTEMBER 201-8

ASSETS	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Non-current assets					
Property, plant and equipment	14	2,154,822	176,048	1,915,760	198,114
Investments in subsidiaries	15	245,807	20,082	245,807	25,420
Investment in associates	15	15,412	1,259	-	-
Deferred tax asset	10(e)	24,792	2,025	26,566	2,747
		2,440,833	199,414	2,188,133	226,281
Current assets					
Biological assets	16	158,349	12,937	150,087	15,521
Inventories	17	481,319	39,324	411,841	42,590
Cash and cash equivalents	20	-	-	-	-
Asset held for disposal		-	-	56,835	5,877
Trade and other receivables	18	91,381	7,466	37,169	3,844
Amounts due from related companies	19	796,506	65,073	655,060	67,741
Income tax recoverable	10(c)	2,510	205	-	-
		1,530,065	125,005	1,310,992	135,573
Total assets		3,970,898	324,419	3,499,125	361,854
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	21	3,006	449	3,006	449
Preference share capital	21	1,000	100	1,000	100
Share premium	22	1,125,012	185,095	1,125,012	185,095
Other reserves		1,661,284	42,322	1,429,504	78,940
		2,790,302	227,966	2,558,522	264,584

ZAMBEEF PRODUCTS PLC**COMPANY STATEMENT OF FINANCIAL POSITION 30 SEPTEMBER 201-8 (CONTINUED)**

	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Non-current liabilities					
Interest bearing liabilities	23	308,312	25,189	328,238	33,945
Obligations under finance leases	24	12,503	1,022	17,195	1,778
Deferred liability	25	5,059	413	3,659	378
Deferred tax liability	10(e)	4,034	330	4,169	431
		329,908	26,954	353,261	36,532
Current liabilities					
Interest bearing liabilities	23	202,460	16,541	138,328	14,305
Obligations under finance leases	24	11,841	967	13,272	1,373
Trade and other payables	26	204,675	16,722	144,499	14,943
Provisions	26	26,108	2,132	20,344	2,103
Amounts due to related companies	27	328,633	26,849	243,876	25,220
Taxation payable	10(c)	-	-	1,588	164
Cash and cash equivalents	20	76,971	6,288	25,435	2,630
		850,688	69,499	587,342	60,738
Total equity and liabilities		3,970,898	324,419	3,499,125	361,854

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Cash inflow from operating activities					
Profit before taxation		28,011	2,823	5,450	572
Finance costs	9	70,215	7,078	87,904	9,234
(Profit)/ loss on disposal of property, plant and equipment		(220)	(22)	(974)	(102)
Depreciation	14	105,789	10,665	83,301	8,750
Share of loss of equity accounted investment		742	75	-	-
(Loss)/ profit on discontinued operations		-	-	(1,133)	(119)
Loss on disposal of investment		52,265	5,269	-	-
Fair value price adjustment	16	15,245	1,537	3,491	367
Net unrealised foreign exchange losses		22,343	2,252	(4,410)	(463)
Earnings before interest, tax, depreciation and amortisation, fair value adjustments and net unrealised foreign exchange losses		294,390	29,677	173,629	18,239
Decrease/ (increase) in biological assets		(29,062)	(2,930)	19,169	2,014
Decrease/ (increase)/ in inventory		(123,393)	(12,439)	28,321	2,975
Decrease in trade and other receivables		(65,522)	(6,605)	22,503	2,363
Increase in amounts due from related companies		(38,850)	(3,916)	(1,158)	(122)
Decrease in trade and other payables		47,684	4,807	(33,308)	(3,499)
Increase/ (decrease)/ in amounts due to related companies		151	15	4,113	432
Increase in deferred liability		5,855	590	6,314	663
Cash outflow from assets held for disposal		-	-	(14,226)	(1,494)
Income tax paid	10(c)	(11,618)	(1,171)	(17,329)	(1,820)
Net cash inflow from operating activities		79,635	8,028	188,028	19,751
Investing activities					
Purchase of property, plant and equipment	14	(144,022)	(14,518)	(195,610)	(20,547)
Expenditure on plantation development	14	-	-	(13,805)	(1,450)
Movement in investments		-	-	(8,879)	(933)
Proceeds from the sale of Zampalm		151,680	16,000	-	-
Net cash (outflow)/ inflow (on)/ from investing activities		7,658	1,482	(218,294)	(22,930)

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Net cash (outflow)/inflow before financing activities		87,293	9,510	(30,266)	(3,179)
Financing activities					
Long term loans repaid		(79,873)	(8,052)	(104,768)	(11,005)
Receipt of long term loans		-	-	140,100	15,000
Receipt/(repayment) of short term funding		25,088	2,529	(55,292)	(5,808)
Lease finance (repayment)/ obtained		(12,044)	(1,214)	(3,551)	(373)
Finance costs	9	(70,215)	(7,078)	(87,904)	(9,234)
Net cash outflow on financing activities		(137,044)	(13,815)	(111,415)	(11,420)
(Decrease)/ increase in cash and cash equivalents		(49,751)	(4,305)	(141,681)	(14,599)
Cash and cash equivalents at beginning of the year		(105,148)	(10,874)	64,806	6,474
Effects of exchange rate changes on the balance of cash held in foreign currencies		19,156	4,089	(28,273)	(2,749)
Cash and cash equivalents at end of the year	20	(135,743)	(11,090)	(105,148)	(10,874)
Represented by:					
Cash in hand and at bank	20	101,123	8,262	62,518	6,465
Bank overdrafts	20	(236,866)	(19,352)	(167,666)	(17,339)
		(135,743)	(11,090)	(105,148)	(10,874)

ZAMBEEF PRODUCTS PLC

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Cash inflow from operating activities					
Profit before taxation		22,877	2,307	37,735	3,964
Finance costs		54,900	5,534	67,744	7,116
Depreciation	14	61,376	6,187	41,706	4,381
Fair value price adjustment	16	15,299	1,542	3,452	363
(Profit)/ loss on disposal of property, plant and equipment		1,457	147	(825)	(87)
(Profit)/ loss on disposal of investment		1,431	144	-	-
Net unrealised foreign exchange differences		19,255	1,941	3,871	407
Earnings before interest, tax, depreciation and amortisation		176,595	17,802	153,683	16,144
Decrease/ (increase) in biological assets		(23,561)	(2,375)	20,424	2,144
Decrease/ (increase) in inventory		(69,478)	(7,004)	1,829	192
Decrease/ (increase) in trade and other receivables		(54,212)	(5,465)	8,697	913
Increase in amounts due from related companies		(141,446)	(14,259)	(191,946)	(20,160)
Increase/ (decrease) in trade and other payables		65,940	6,647	376	39
Increase in amounts due to related companies		84,757	8,544	243,551	25,583
Increase in deferred liability		1,400	141	1,393	146
Income tax paid	10(c)	(10,182)	(1,026)	(13,484)	(1,416)
Net cash inflow/(outflow) from/ (on) operating activities		29,813	3,005	224,523	23,585
Investing activities					
Purchase of property, plant and equipment	14	(49,415)	(4,982)	(154,880)	(16,269)
Proceeds from the issue of shares		-	-	-	-
Movements in investments	15	41,423	4,176	(8,879)	(933)
Proceeds from disposal of investment		144,161	14,532	-	-
Proceeds from sale of assets		345	35	1,239	130
Net cash inflow from investing activities		136,514	13,761	(162,520)	(17,072)

ZAMBEEF PRODUCTS PLC

COMPANY STATEMENT OF CASH FLOWS

	Note	2018 ZMW'000s	2018 USD'000s	2017 ZMW'000s	2017 USD'000s
Net cash inflow before financing activities		166,327	16,766	62,003	6,513
Financing activities					
Long term loans repaid		(79,873)	(8,052)	(99,663)	(10,468)
Receipt from term loans		-	-	140,100	14,716
Short term funding (repaid)/obtained		25,559	2,576	(55,292)	(5,808)
Lease finance (repayment)/ obtained		(10,415)	(1,050)	(3,551)	(374)
Interest paid		(54,900)	(5,534)	(67,744)	(7,116)
Net cash outflow on financing activities		(119,629)	(12,060)	(86,150)	(9,050)
(Decrease)/ increase in cash and cash equivalents		46,698	4,706	(24,147)	(2,537)
Cash and cash equivalents at beginning of the year		(25,435)	(2,631)	37,193	3,716
Effects of exchange rate changes on the balance of cash held in foreign currencies		(98,234)	(8,363)	(38,481)	(3,810)
Cash and cash equivalents at end of the year	20	(76,971)	(6,288)	(25,435)	(2,631)
Represented by:					
Cash in hand and at bank	20	54,357	4,441	16,509	1,707
Bank overdrafts	20	(131,328)	(10,729)	(41,944)	(4,338)
		(76,971)	(6,288)	(25,435)	(2,631)