

29 March 2019

**Zambeef Products plc**

(“Zambeef” or the “Group”)

**Half Year Trading Update**

Zambeef (AIM: ZAM), the fully integrated agribusiness with operations in Zambia, Nigeria and Ghana, provides an update on its expected performance for the 6 months ending 31 March 2019, and guidance for the financial year ending 30 September 2019.

**Macro-Economic Environment**

The Zambian economy has been under significant fiscal pressures, which, combined with the shocks from the global economy and continued depreciation of the local currency, has resulted in higher food and fuel prices. This directly affects Zambeef’s core customers’ disposable income.

**Retailing and Cold Chain Food Products Division**

Whilst it is pleasing to report that the Group continues to grow revenue in the Retailing and Cold Chain Food Products, it is disappointing to report that volumes are expected to be similar to the prior period, and margins have come under pressure in difficult market conditions as mentioned above. The depreciation of the Kwacha has driven up input costs which we were unable to fully pass on to the consumer in the first 6 months. Management have noted that Zambeef has started to see margin improvements towards the end of Q2, and expects margins to gradually improve in the second half of the year.

**Cropping Division**

The Zambia national summer soya crop will start harvesting from April to June. Zambeef expects that the yield performance of its soya crop will be satisfactory, however, the wider Zambia agricultural sector forecasts that the total harvest of soya beans in the country is likely to be 20-30% higher than expected, putting pressure on soya bean prices, which are likely to be 10% lower than last year.

**Stock Feed Division**

The Stock Feed division has had good revenue growth; however, margins are lower than the prior period due to higher input costs related to the depreciation of the Kwacha.

**Guidance**

Taking into account the above information, the Group is likely to report a trading loss for the six months ended 31 March 2019. As mentioned above, Management is currently working on improving margins and, assuming successful in achieving this, expects a profitable second half of the year as a result. For the full year, Management expects adjusted profit before tax to be 30 per cent. to 40 per cent. below market expectations and revenue to be in line with market expectations.

Shareholders are advised that the information contained in this Trading Statement has not been reviewed nor reported on by the external auditors of the Company. Accordingly, shareholders are advised to exercise caution when dealing in the Company’s Securities until publication of the half year results.

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### ***Notes to the editors***

#### ***Information on Zambeef***

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

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.*

**-Ends-**