Reviewed Financial Results of Innscor Africa Limited

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

INNSCOR Africa Limited

OUR PASSION FOR **VALUE CREATION**

SALIENT FEATURES

	USD	
Revenue - continuing operations	300 614 956	▲ 2%
Operating profit - continuing operations	27 437 245	▲ 8%
Profit before tax - continuing operations	20 580 174	▲ 18%
Basic earnings per share (cents) - continuing operations	1.78	▲ 65%
Quick Service Restaurants (like for like)	0.37	▲ 16%
Specialty Retail and Distribution	0.69	▲ 18%
Other Businesses	(1.44)	-
Basic earnings per share (cents) - continuing and discontinuing operations	1.40	▼ 44%
Headline earnings per share (cents) - continuing operations	1.81	▲ 62%
Quick Service Restaurants (like for like)	0.37	▲ 16%
Specialty Retail and Distribution	0.69	▲ 18%
Other Businesses	(1.27)	-
Headline earnings per share (cents) - continuing and discontinuing operations	1.60	▼ 37%
Cash generated from operating activities - continuing and discontinuing operations	22 470 800	
Cash dividend declared per share (cents)	0.30	
Dividend-in-specie per share (cents)	5.44	
Total dividend declared for the period per share (cents)	5.74	

DIRECTORS' RESPONSIBILITY

The holding Company's Directors are responsible for the preparation and fair presentation of the Group's Consolidated Financial Statements, of which this press release represents an extract. These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03). The principal accounting policies of the Group are consistent with those applied in the previous financial year.

AUDIT STATEMENT

The Group's external auditors, Ernst & Young, have issued an unmodified review conclusion on the financial statements of the Group for the six months ended 31 December 2015. The unmodified review report is available for inspection at the Company's registered office.

OVERVIEW

The Group embarked on a substantial internal change agenda, mitigating the challenges arising from the continued economic weaknesses and the general environmental complexities.

In the six months to December 2015, the Group continued with the reconfiguration programme embarked on in the previous financial year manifesting in: the acquisition of Transerv to scale up the retail segment, the acquisition of a non-controlling stake in Profeeds in pursuit of efficiency gains, the unbundling and subsequent listing of Simbisa Brands Limited (SIM.zw) the Group's Quick Service Restaurant (QSR) business to simplify and optimise our portfolio, the disposal and closure of the SPAR Corporate Retail Stores and the Distribution Centre (DC) respectively to improve the quality of our portfolio and the proposed disposal of SPAR Zambia, Shearwater and The River Club to improve focus on our core businesses.

The Board also approved the unbundling and ultimately subject to regulatory approval, the listing by way of a dividend-in-specie of the "Specialty Retail and Distribution" business. Within the Specialty Retail and Distribution businesses to be unbundled will be Distribution Group Africa (DGA), Transerv and TV Sales & Home (TVSH). A cautionary statement was recently issued to this effect and the Board will continue to appraise stakeholders on progress.

Clearly, given the extent of the changes, interpretation of the Group's results is complex. A number of decisions were taken and actions implemented which make the like-for-like comparison very difficult.

In order to better understand the Group's results and to comply with International Financial Reporting Standards (IFRS) we have presented the results as "continuing operations" and "discontinued and discontinuing operations" which is consistent with the presentation at the time of the QSR unbundling and in line with IFRS 5 which requires "an entity to disclose as a single amount in the Statement of Profit or Loss and Other Comprehensive Income, the post-tax profit or loss of an entity held for sale".

When reviewing these results, "continuing operations" are a key focus for the Group and stakeholders, as this represents the core of the new and the future Innscor Africa Limited.

SUMMARY OF PERFORMANCE

On a continuing basis the Group's businesses delivered a 2% growth in revenue, an 8% increase in operating profit, an 18% increase in Profit Before Tax (PBT) and a 23% increase in Profit After Tax (PAT).

Good growth in volumes driven by reduction in price to the customer, resulted in improved capacity utilisation and improved efficiencies. Operating expenses were also tightly managed resulting in a decrease in costs compared to prior year.

The volume growth, efficient cost of sales and operating cost management made a positive contribution to the Group's PBT and the 23% increase in PAT.

The operating profit of the Group's discontinuing businesses however declined 50% which was severely distorted by the once-off effects of the disposal and closure of SPAR Retail and SPAR DC respectively. At a segment level, Specialty Retail and Distribution was 1% up in operating profit on a like-for-like basis.

Notwithstanding the material impact of SPAR Retail and DC on the results, the Board believes that the Group now has closure and finality on the challenges experienced in the businesses over the years.

FINANCIAL

The continuing operations of the Group reported a 2% increase in revenue to US$300.615 million, and an 8% growth in operating profit to US$27.437 million over the comparative period. The Group's results were characterised by growth in volumes in all Light Manufacturing businesses, which however, were partially offset by the reduction in the average revenues per unit as the Group made a decision to reduce prices to assist the customer in the difficult economic environment.

PBT grew by 18% on the comparative period to US$20.580 million and attributable profit by 65% to US$9.651 million.

The Group's Headline Earnings Per Share (HEPS) on continuing operations grew 62% over the comparative period from 1.12 to 1.81 US cents.

The Group's capital expenditure on all businesses was reduced from US$17.411 million in FY2015 to US$16.394 million during the period. Net borrowings have increased by US$13.049 million to support capital expenditure, working capital investment in strategic inventory and the acquisition of Transerv resulting in net gearing of 17.21%.

Owing to the severe drought resulting from the El Nino weather pattern, there has been a need to take pre-emptive action to secure strategic raw material which had the effect of changing the working capital profile of the Group. Irvine's, National Foods and Colcom have managed to secure raw materials such as maize, wheat and soya, with US$19.842 million being invested in maize alone. This investment in working capital is expected to contribute positively to the trading profit of the businesses holding these strategic raw materials in the second half of the financial year. Despite the working capital investment, the total cash generated from operating activities for the period was US$22.471 million compared to US$9.584 million in the comparative period.

Furthermore, US$2.550 million held by the Competitions and Tariffs Commission in respect of the Group's investment in National Foods, is included in the Group's working capital. As reported in the Group's Annual Report, the Competitions and Tariffs Commission sought to penalise the Group for not formally notifying them when the Group became a significant shareholder in National Foods Holdings Limited. The Group was required to pay an amount of US$ 2.550 million into a trust pending conclusion of the matter before the courts. Subsequent to the reporting date, the courts have ruled in favour of the Group and the Group awaits receipt of the funds plus interest from the trustees.

OPERATIONS REVIEW

CONTINUING OPERATIONS: LIGHT MANUFACTURING

The main operations in this reporting sector comprise National Foods, Colcom, Irvine's, The Bread Factories (Baker's Inn Factory), Capri, Natpak and the Group's non-controlling investment in Profeeds.

National Foods delivered a solid set of results for the period under review. The company recorded a 13% growth in total volumes over the comparative period, with strong performances in the Maize and Flour divisions. Volume growth was recorded on the back of a strategic decision to focus on reducing prices to the customer. A reduction in cost of sales due to procurement and production efficiencies led to an overall increase in gross margin notwithstanding the lower average price per unit. Overall revenue growth of 2% was achieved against the comparative period, with operating profits increasing by 3% over the same period. The business continues to actively pursue organic and acquisitive growth opportunities and the optimisation of its cost base remains a key and on-going theme for management in the next 18 months.

Colcom reported increased volumes in its core business. However, a combination of a shift in sales mix towards lower margin products and strategic pricing decisions initiated by management resulted in a 9% drop in revenue and a 3% decrease in operating profits against the comparative period. The ongoing cost cutting initiatives and improved efficiencies helped counter the lower revenues. Strong performance at Triple C continued and the plan to increase the number of pigs produced, yielded a growth of 26% in pigs produced against the comparative period. The new, automated pie-manufacturing line was commissioned during the period and initial results are in accordance with expectations.

Irvine's achieved a revenue growth of 6% in a highly competitive poultry market. This growth, however, was achieved at the expense of gross margin which showed a slight decline and resulted in a 3% decline in operating profit. The business continues to invest in hatching egg supply and hatchery facilities, and should be independent of hatching egg imports before the end of the calendar year. The feed mill commissioned towards the end of the last financial year has played a significant part in reducing feed cost during the period.

The Bread Factories produced a much improved set of results, driven by a 22% bread volume growth and a 11% growth in pie volumes. The volume growth led to a 5% revenue growth notwithstanding a 9% price reduction to the customer. A combination of management and operating structure changes, product re-launch initiatives, and cost rationalisation resulted in operating profits growing 34% on the comparative period. Work continues on right-sizing the overhead cost base, and in pursuit of this, the operations' existing inefficient distribution fleet is being replaced in its entirety, the program should be completed by the end of the current financial year.

Capri commissioned its new refrigerator line during the first quarter of the current financial year. The new products manufactured by this line are of world-class quality and pricing points are attentive to the consumer's needs. Demand, however, in this particular space of the local economy is extremely depressed and this has been exacerbated by continuing grey imports and a weakening South African Rand. As a result, overall volumes declined 12% on the comparative period. However, the business has remained profitable during the period under review. Focus in the coming period will be on ensuring a consistent export channel into neighbouring countries whilst cost of production and the operating overhead base will continue to receive attention.

Natpak had a successful first six months, achieving a 62% growth in volumes and a 47% growth in revenue over the comparative period. This growth emanated primarily from the new flexible packaging line which was commissioned in the last quarter of the previous financial year and which has allowed the business to access new markets through a new range of high-quality packaging products. Operating profits increased by 42% over the comparative period. The business will continue to look to introduce additional product capabilities via new asset investments over the coming calendar year.

Profeeds, an associate company of the Group, recorded a growth in feed volumes of 14% and revenue growth of 3% over the comparative period. However, reduced average selling prices resulted in a slight reduction in dollar margins. Operating profits declined by 33% as cost increased due to additional structures which were added to cater for the rapid growth that this business experienced in the past two years. In light of the supressed trading environment the business continues to look at additional product lines and opportunities to extract efficiencies.

DISCONTINUING OPERATIONS TO BE UNBUNDLED: SPECIALTY RETAIL

TV Sales & Home had a disappointing half-year to December 2015 compared to the comparative period, with revenue dropping by 16%, units sold dropping by 15% and average prices coming down by 2%. Given the environmental uncertainty, customers appear to be holding back on credit, resulting in credit sales dropping from 37% of total sales to 29% over the comparative period and a debtor's book which reduced by 9%. Five new stores were added to the network, one each in Chegutu, Chipinge, Zvishavane, and two in Harare that included a new Bedding format "Bedtime" in Msasa.

Transerv was added to the Group's portfolio at the beginning of the reporting period. Transerv is involved in the retail, wholesale and distribution of automotive spares and accessories plus onsite vehicle fitment centres across a countrywide network of 21 stores, 14 fitment centres, a diesel pump room (ADCO) and Clutch and Brake Specialists (CBS). The company reported a 7% drop on the comparative period's revenue. Improved buying efficiencies, however, limited the drop in PBT to 3% on the comparative period. Since joining the Group, Transerv has increased its footprint by opening 4 fitment centres, one in each of Masvingo and Bulawayo, two in Harare, ADCO Southerton and an additional retail outlet in Kwekwe. Management continues to focus on improving efficiencies in the retailing of automotive spares and accessories whilst tightly controlling overheads.

DISTRIBUTION

The main businesses in this reporting sector comprise Innscor Distribution in Zimbabwe (DGA Zim) and Innscor Distribution in Malawi and Zambia (DGA Region). The businesses are involved in the distribution of FMCG products through agency agreements with multi-nationals and other significant blue chip manufacturers. The businesses offer services such as sales, warehousing, distribution, clearing and merchandising to companies across Malawi, Zambia and Zimbabwe.

DGA Zim posted a very pleasing set of results, characterised by a 28% volume growth resulting in a 16% revenue growth and an over 50% growth in profit over the comparative period. The growth in both revenue and profits was largely attributable to the acquisition of new agencies during the period under review. Whilst margins in the business were lower than those achieved in the comparative period in response to the highly price sensitive customer, profit growth was driven by cost restructuring initiatives and an increased revenue on a nearly fixed overhead base. The creation of Vital Logistics in the previous year has resulted in administrative, warehousing and distribution cost efficiencies.

DGA Regional operations posted modest results with turnover dropping by 6% and volumes 15% worse than the comparative period. The operations remained profitable in local currencies. The PBT was 19% below that of the comparative period, impacted significantly by local currency depreciation in both Zambia and Malawi.

DISCONTINUING RETAIL OPERATIONS DISPOSED OF AND TO BE DISPOSED OF

SPAR Corporate Retail Stores (disposed of) operations in Zimbabwe continued to come under pressure from the depressed trading environment resulting in a 16% decrease in volume and revenues being 26% lower than the comparative period. As part of the Group's strategy to improve the quality of its portfolio and concentrate on its core competencies, the Group disposed its interest in SPAR Corporate Retail Stores with effect from 1 January 2016. The disposal, however, resulted in significant once-off costs associated with retrenchments and asset impairments.

The SPAR Distribution Centre (DC) (disposed of) supports franchisees and the SPAR Corporate Retail Store network. Over the course of last year, the franchisee network has come under increasing pressure ultimately resulting in over 70% of franchisees failing to service their accounts with the DC. Given this "collapse" of the franchise base, there is no justification for the DC. To this end, the DC operations will be discontinued. The DC also incurred once-off closure costs during the period.

SPAR Zambia (to be disposed of) revenue declined by 31% over the comparative period mainly due to the depreciation of the local currency, which fell over by 45% during the period. A new management team was installed in June 2015. The disciplines that have been implemented since June showed significant progress during the second quarter with both sales and profitability reflecting healthy growth from October through to December.

QUICK SERVICE RESTAURANTS (QSR - UNBUNDLED)

The Group concluded the unbundling of its QSR businesses into a separate entity Simbisa Brands Limited (SIM.zw) effective 1 October 2015 and distributed this business to shareholders via a dividend-in-specie on 30 October 2015. SIM.zw successfully listed on the ZSE on the 6th of November 2015. The current period results include those of Simbisa for three months to 30 September 2015. For the period under review and on a like-for-like basis revenue was flat on prior year.

PROSPECTS

The Group expects the environmental challenges to continue into the short to medium term. Consequently, the Group will continue with its strategy to reduce prices in order to grow volumes, to focus aggressively on efficiency improvements and cost reduction, to continue with reconfiguring our portfolio and ultimately to seek growth opportunities including acquisitions.

We anticipate the substantial completion of the reconfiguration agenda by the end of the financial year resulting in the Group being a "leading light manufacturer of food, FMCG and allied products". The IAL Group as a light manufacturer will own a portfolio of companies with good capacity, infrastructure, management, leading brands and strong balance sheets.

National Foods, having produced strong results, is the leading manufacturer of preferred consumer brands in the country with a strong balance sheet and an experienced stable management team, providing a good platform for organic and acquisitive growth.

Baker's Inn bread manufacturing is making a good recovery and is the largest manufacturer of bread in Zimbabwe with newly installed state of the art production capability and a new distribution fleet. The Baker's Inn brand is also a market leader in the country. These factors coupled with the new but experienced management team will enable the continued recovery and provide a strong foundation for growth.

Irvine's is Zimbabwe's largest provider of poultry and related products and the market's leading brand with strong market share. The business has enjoyed ongoing investment in its infrastructure including the installation of a new feed mill to ensure efficient procurement and efficiency gains into the future. This business also has the benefit of a very experienced and stable management team.

Colcom is another of our businesses leading in their sector with the top brand in pork and the biggest market share in the country. The company has been investing in its infrastructure to ensure raw material continuity, new production lines and a strong retail network of Texas Meat, Beef and Chicken stores. Colcom also has a strong balance sheet with which to pursue growth. The management team is deeply experienced and stable.

Natpak having released a strong set of results is a fast growing packaging manufacturer with a stable, competent and experienced management team and many opportunities for growth.

Profeeds is a market leading brand in manufacture and retail of stockfeeds, the retailing of day old chicks with good manufacturing capability, excellent sales and marketing expertise and a large retail platform. This business has enjoyed rapid growth driven by a highly entrepreneurial management team.

Given this portfolio of assets, the Group's view is that the current environment provides substantial opportunities for growth which it is now well positioned to take advantage of.

The Group's management team are focussed, have a clear plan for the business and are highly motivated to continue to strive to achieve the Group's goals.

DIVIDEND

The Board is pleased to declare an interim dividend of 0.30 US cents per share payable in respect of all ordinary shares of the Company. The dividend is in respect of the interim period ended 31 December 2015 and will be payable in full to all the shareholders of the Company registered at close of business on the 8th of April 2016. This dividend represents a cash dividend cover of 4.67 times. The payment of this dividend will take place on or about the 22nd of April 2016. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 1st of April 2016 and ex-dividend as from the 4th of April 2016.

In addition, on the 30th of October 2015, the Group declared and paid a dividend-in-specie of 5.44 US cents per share as a result of the unbundling of Simbisa bringing the total dividend for the period to 5.74 US cents per share.

The Board has also declared a dividend totalling US$81 000 to the Innscor Africa Employee Share Trust (Private) Limited.

APPRECIATION

The Board wishes to thank the Group's stakeholders including suppliers, customers, regulators, staff and management for their input, effort and contribution in a difficult environment.

A.B.C. CHINAKE
Chairman
25th February 2016

Abridged Group Statement Of Profit Or Loss and Other Comprehensive Income

	6 Months Ended 31-Dec-15 reviewed	6 Months Ended 31-Dec-14 restated		
Continuing Operations	USD	USD		%
Revenue	300 614 956	295 698 316	▲	2%
Operating profit before impairment, depreciation, amortisation and fair value adjustments	27 437 245	25 413 168	▲	8%
impairment and derecognition of plant and equipment and intangible assets	-	(314 091)		
financial income	1 002 298	336 347		
depreciation and amortisation	(8 048 464)	(7 641 915)		
Operating profit before fair value adjustments, interest and equity accounted earnings	20 391 079	17 793 509	▲	15%
fair value adjustments on livestock and listed equities	1 021 945	189 960		
Profit before interest, equity accounted earnings and tax	21 413 024	17 983 469	▲	19%
interest income	666 180	1 088 530		
interest expense	(3 253 895)	(2 796 934)		
equity accounted earnings	1 754 865	1 185 833		
Profit before tax	20 580 174	17 460 898	▲	18%
tax expense	(4 691 019)	(4 532 085)		
Profit for the period from continuing operations	15 889 155	12 928 813	▲	23%
Discontinued and Discontinuing Operations				
(loss)/profit after tax for the period from discontinued and discontinuing operations	(547 364)	10 849 309		
Profit for the period from continuing, discontinued and discontinuing operations	15 341 791	23 778 122	▼	-35%
Other comprehensive income - to be recycled to profit or loss				
exchange differences arising on the translation of foreign operations	(2 208 835)	(128 303)		
Other comprehensive income for the period, net of tax	(2 208 835)	(128 303)		
Total comprehensive income for the period	13 132 956	23 649 819		
Profit for the period from continuing, discontinued and discontinuing operations attributable to:				
equity holders of the parent	7 581 419	13 564 600		
non-controlling interests	7 760 372	10 213 522		
	15 341 791	23 778 122		
Total comprehensive income for the period from continuing, discontinued and discontinuing operations attributable to:				
equity holders of the parent	5 979 590	13 491 408		
non-controlling interests	7 153 366	10 158 411		
	13 132 956	23 649 819		
Earnings per share (cents)				
Basic earnings per share - continuing operations	1.78	1.08		
Quick Service Restaurants	0.37	0.85		
Specialty Retail and Distribution	0.69	0.59		
Other Businesses	(1.44)	(0.02)		
Basic earnings per share - continuing, discontinued and discontinuing operations	1.40	2.50		
Headline earnings per share - continuing operations	1.81	1.12		
Quick Service Restaurants	0.37	0.85		
Specialty Retail and Distribution	0.69	0.59		
Other Businesses	(1.27)	(0.02)		
Headline earnings per share - continuing, discontinued and discontinuing operations	1.60	2.54		
Diluted earnings per share - continuing operations	1.78	1.08		
Diluted earnings per share - continuing, discontinued and discontinuing operations	1.40	2.50		
Diluted headline earnings per share - continuing operations	1.81	1.12		
Diluted headline earnings per share - continuing, discontinued and discontinuing operations	1.60	2.54		

Reviewed Financial Results of Innscor Africa Limited

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

INNSCOR
Africa Limited

OUR PASSION FOR **VALUE CREATION**

Abridged Group Statement Of Financial Position

	At 31 Dec 2015 reviewed USD	At 30 June 2015 audited USD
ASSETS		
Non-current assets		
property, plant and equipment	174 825 633	192 231 449
intangible assets	38 982 350	41 297 301
investments in associates	11 468 000	14 686 405
financial assets	234 599	2 982 838
biological assets	1 674 244	1 611 960
deferred tax assets	8 244 251	9 267 112
	235 429 077	**262 077 065**
Current assets		
financial assets	18 394 219	4 034 474
biological assets	13 507 279	12 814 733
inventories	93 616 632	109 770 736
trade and other receivables	65 825 652	94 488 510
cash and cash equivalents	23 376 508	30 120 426
	214 720 290	**251 228 879**
assets of disposal group classified as held for sale and distribution	114 076 838	62 793 462
Total assets	**564 226 205**	**576 099 406**
EQUITY AND LIABILITIES		
Capital and reserves		
ordinary share capital	5 415 934	5 415 934
class A ordinary share capital	10	10
non-distributable reserves	(4 552 988)	(6 029 267)
distributable reserves	196 205 326	217 050 477
attributable to equity holders of the parent	197 068 282	216 437 154
non-controlling interests	107 690 777	115 500 983
Total shareholders' equity	**304 759 059**	**331 938 137**
Non-current liabilities		
deferred tax liabilities	25 667 506	28 625 975
interest-bearing borrowings	4 833 807	12 797 835
	30 501 313	41 423 810
Current liabilities		
interest-bearing borrowings	70 977 421	54 810 174
trade and other payables	100 211 213	118 368 106
provisions and other liabilities	3 089 751	4 548 912
current tax liabilities	1 457 658	556 550
	175 736 043	178 283 742
liabilities directly associated with the assets classified as held for sale and distribution	53 229 790	24 453 717
Total liabilities	**259 467 146**	**244 161 269**
Total equity and liabilities	**564 226 205**	**576 099 406**

Abridged Group Statement Of Cash Flows

	6 Months Ended 31 Dec 2015 reviewed USD	6 Months Ended 31 Dec 2014 unaudited USD
Cash generated from operating activities	**22 470 800**	**9 583 603**
net interest paid - continuing operations	(2 587 715)	(1 708 404)
net interest paid - discontinuing operations	(902 492)	(1 184 249)
tax paid - continuing operations	(2 829 166)	(4 091 396)
tax paid - discontinuing operations	(2 438 014)	(2 888 237)
Total cash available from/(utilised in) operations	**13 713 413**	**(288 683)**
Investing activities	**(27 909 741)**	**(15 428 604)**
Net cash outflow before financing activities	**(14 196 328)**	**(15 717 287)**
Financing activities	**8 394 803**	**11 335 550**
Net decrease in cash and cash equivalents	**(5 801 525)**	**(4 381 737)**
Cash and cash equivalents at the beginning of the period	**33 847 187**	**37 118 340**
Cash and cash equivalents at the end of the period	**28 045 662**	**32 736 603**
Cash and cash equivalents comprise:		
cash and cash equivalents attributable to continuing operations	23 376 508	24 094 703
cash and cash equivalents attributable to discontinuing operations	4 669 154	8 641 900
	28 045 662	32 736 603

Abridged Group Statement Of Changes In Equity

	Ordinary Share Capital USD	Class A Ordinary Share Capital USD	Non-Distributable Reserves USD	Distributable Reserves USD	Attributable to Equity Holders of the Parent USD	Non-Controlling Interests USD	Total USD
Balance at 30 June 2014	**5 415 934**	**10**	**(5 294 128)**	**208 458 801**	**208 580 617**	**108 269 714**	**316 850 331**
Profit for the year	-	-	-	18 260 076	18 260 076	19 378 462	37 638 538
Other comprehensive income	-	-	(735 139)	-	(735 139)	(780 165)	(1 515 304)
Dividends paid	-	-	-	(7 269 418)	(7 269 418)	(7 844 271)	(15 113 689)
Transactions with owners in their capacity as owners	-	-	-	(2 398 982)	(2 398 982)	(3 522 757)	(5 921 739)
Balance at 30 June 2015	**5 415 934**	**10**	**(6 029 267)**	**217 050 477**	**216 437 154**	**115 500 983**	**331 938 137**
Profit for the period	-	-	-	7 581 419	7 581 419	7 760 372	15 341 791
Other comprehensive income	-	-	(1 601 829)	-	(1 601 829)	(607 006)	(2 208 835)
Dividends paid	-	-	-	(3 126 764)	(3 126 764)	(5 005 281)	(8 132 045)
Simbisa dividend-in-specie (note 2)	-	-	-	(29 468 288)	(29 468 288)	-	(29 468 288)
Transactions with owners in their capacity as owners	-	-	3 078 108	4 168 482	7 246 590	(9 958 291)	(2 711 701)
Balance at 31 December 2015	**5 415 934**	**10**	**(4 552 988)**	**196 205 326**	**197 068 282**	**107 690 777**	**304 759 059**

Supplementary Information

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Discontinued and Discontinuing Operations

Discontinuing Operations to be Unbundled – Specialty Retail and Distribution (SRD)

Subject to regulatory approvals, shareholders have been advised, through a Press Release, of the Board's strategic decision to unbundle its SRD businesses, namely Distribution Group Zimbabwe and Region, TV Sales & Home and Transerv, during the fourth quarter of FY2016 into a single listed entity. In compliance with IFRS 5 'Non- Current Assets Held for Sale and Discontinued Operations', which requires an entity to disclose as a single amount in the Statement of Profit or Loss and Other Comprehensive Income, the post- tax profit or loss of an entity held for sale, the Group's Statement of Profit or Loss for the comparative period has been restated.

Discontinued Operations Unbundled – Quick Service Restaurants Businesses (QSR)

The Group concluded the unbundling of its QSR businesses into a separate entity Simbisa Brands Limited (SIM.zw) effective 1 October 2015 and distributed this business to its shareholders via a dividend-in-specie on 30 October 2015. SIM.zw successfully listed on the ZSE on the 6th of November 2015. In compliance with the requirements of IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' which requires an entity to disclose as a single amount in the Statement of Profit or Loss and Other Comprehensive Income, the post-tax profit or loss of an entity held for sale, the Group's Statement of Profit or Loss for the comparative period has been restated.

Discontinuing Operations to be disposed of – Other Businesses

Subject to regulatory approvals, the Board made a strategic decision to disinvest from SPAR Retail Stores in Zimbabwe, SPAR Zambia, Shearwater Adventures & Tourism, The River Club and to also wind-down the SPAR Distribution Centre in Harare with effect from 1 January 2016. In compliance with IFRS 5 'Non-Current Assets Held for sale and Discontinued Operations', which require an entity to disclose as a single amount in the Statement of Comprehensive Income, the post-tax profit or loss of an entity held for sale, the Group's Statement of Profit and Loss for the comparative period has been restated.

The major classes of assets and liabilities of the QSR operations disposed of during the period, of the SRD businesses, SPAR Retail, SPAR Distribution Centre, Shearwater and The River Club classified as held for distribution are as follows:

Assets	Discontinued Quick Service Restaurants 30 Sep 2015 USD	Discontinuing Specialty Retail and Distribution 31 Dec 2015 USD	Discontinuing Other Businesses 31 Dec 2015 USD	Total Discontinued and Discontinuing Operations USD
property, plant and equipment	47 461 665	8 012 409	10 072 627	65 546 701
intangible assets	595 712	4 171 858	183 943	4 951 513
investments in associates	59 555	2 470 400	933 707	3 463 662
deferred tax assets	658 007	558 849	299 887	1 516 743
financial assets	-	122 450	-	122 450
inventories	4 993 041	30 484 145	5 127 693	40 604 879
trade and other receivables	5 945 330	46 819 819	149 897	52 915 046
cash and cash equivalents	4 311 551	11 073 366	579 215	15 964 132
Assets disposed of during the period/of disposal group classified as held for distribution	**64 024 861**	**103 713 296**	**17 346 969**	**185 085 126**
Intragroup unbundling adjustments	**-**	**(6 983 427)**	**-**	**(6 983 427)**
Assets disposed of during the period/of disposal group classified as held for distribution (adjusted)	**64 024 861**	**96 729 869**	**17 346 969**	**178 101 699**
Liabilities				
deferred tax liabilities	3 818 318	3 228 043	1 089 775	8 136 136
interest-bearing borrowings	13 722 860	13 208 598	3 855 910	30 787 368
trade and other payables	15 578 808	31 693 613	4 606 824	51 879 245
provisions and other liabilities	1 072 261	2 224 700	77 447	3 374 408
current tax liabilities	364 326	893 575	81 804	1 339 705
Liabilities disposed of directly associated with the assets classified as held for sale or distribution	**34 556 573**	**51 248 529**	**9 711 760**	**95 516 862**
Intragroup unbundling adjustments	**-**	**(7 195 731)**	**(534 768)**	**(7 730 499)**
Liabilities disposed of directly associated with the assets classified as held for sale or distribution	**34 556 573**	**44 052 798**	**9 176 992**	**87 786 363**
Net assets directly associated with discontinued and discontinuing operations	**29 468 288**	**52 677 071**	**8 169 977**	**90 315 336**

3 Operating Segments

Following the unbundling of the Quick Service Restaurants segment (QSR), the pending unbundling of the Specialty Retail and Distribution businesses ; the disposal of SPAR Retail in Zimbabwe, SPAR Distribution Centre, SPAR Zambia, Shearwater and The River Club; the Group's segments have been rearranged as follows:

Continuing Operations

Light Manufacturing - reporting the results of the Group's interests in National Foods, Colcom, Irvine's, Bakery Factory, Capri, Natpak, Bedra and Profeeds.

Head Office Services - reporting the Group's shared services functions.

Discontinued and Discontinuing Operations - reporting the results of the Group's interests in operations to be unbundled, discontinued operations and unbundled operations as noted in note **2** above.

	CONTINUING OPERATIONS				DISCONTINUING OPERATIONS				
	Light Manufacturing USD	Head Office Services USD	Adjustments USD	Total Continuing Operations USD	Discontinued Operations (Quick Service Restaurants) USD	Discontinuing Operations (Specialty Retail and Distribution) USD	Discontinuing Operations (Other Businesses) USD	Adjustments USD	Total Discontinued and Discontinuing Operations USD
Revenue									
31 December 2015	300 614 956	-	-	**300 614 956**	38 326 004	104 455 611	45 162 332	-	**187 943 947**
31 December 2014	295 627 266	71 050	-	**295 698 316**	78 376 738	82 474 706	71 589 424	-	**232 440 868**
Operating profit/(loss) before depreciation and amortisation									
31 December 2015	28 027 225	(589 980)	-	**27 437 245**	4 823 461	11 597 028	(6 334 108)	-	**10 086 381**
31 December 2014	26 849 647	(1 436 479)	-	**25 413 168**	10 538 280	7 918 325	1 601 117	-	**20 057 722**
Depreciation and amortisation									
31 December 2015	7 721 398	327 066	-	**8 048 464**	1 684 232	726 400	1 056 002	-	**3 466 634**
31 December 2014	7 310 729	331 186	-	**7 641 915**	3 048 515	720 620	1 229 755	-	**4 998 890**
Equity accounted earnings									
31 December 2015	503 754	1 251 111	-	**1 754 865**	-	28 036	(26 281)	-	**1 755**
31 December 2014	175 998	1 009 835	-	**1 185 833**	93 558	14 520	44 924	-	**153 002**
Profit/(loss) before tax									
31 December 2015	19 756 197	823 977	-	**20 580 174**	2 879 353	12 631 143	(10 216 428)	(1 524 136)	**3 769 932**
31 December 2014	18 548 480	(1 087 582)	-	**17 460 898**	7 070 090	7 316 507	(97 255)	67 792	**14 357 134**
Segment assets									
31 December 2015	412 137 745	25 425 100	12 586 522	**450 149 367**	-	103 713 296	28 957 390	(18 593 848)	**114 076 838**
30 June 2015	376 868 997	21 914 719	114 522 228	**513 305 944**	62 793 462	-	-	-	**62 793 462**
Segment liabilities									
31 December 2015	155 522 574	46 666 573	4 048 209	**206 237 356**	-	51 248 529	42 797 016	(40 815 755)	**53 229 790**
30 June 2015	129 567 807	28 070 364	62 069 381	**219 707 552**	24 453 718	-	-	-	**24 453 718**
Capital expenditure									
31 December 2015	11 034 065	26 884	-	**11 060 949**	3 788 274	1 108 379	436 158	-	**5 332 811**
31 December 2014	11 491 578	66 271	-	**11 557 849**	3 546 997	608 918	1 697 018	-	**5 852 933**

	31 Dec 2015 reviewed USD	31 Dec 2014 unaudited USD
4 Future lease commitments – continuing and discontinuing operations		
Payable within one year	6 274 998	16 528 023
Payable two to five years	18 732 482	36 886 589
Payable after five years	3 686 872	32 932 931
	28 694 352	**86 347 543**
5 Commitments for capital expenditure – continuing and discontinuing operations		
Contracts and orders placed	7 885 777	11 848 450
Authorised by Directors but not contracted	17 700 298	14 433 090
	25 586 075	**26 281 540**
The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.		
6 Security – continuing and discontinuing operations		
Net book value of property, plant, equipment, motor vehicles, inventories and trade receivables pledged as security for interest-bearing borrowings.	**21 218 174**	**23 800 933**

7 Earnings per share

Basic earnings basis

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the period.

Diluted earnings basis

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential conversion of share options. The potential conversion is possible when the average market price of ordinary shares during the period exceeds the exercise price of such options.

The share options arising from the Group's indigenisation transaction had no dilutive effect at the end of the reporting period.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

The following reflects the income data used in the basic, headline and diluted earnings per share computations:

	Continuing Operations		Continuing, Discontinued and Discontinuing Operations	
	31 Dec 2015 reviewed USD	31 Dec 2014 restated USD	31 Dec 2015 reviewed USD	31 Dec 2014 restated USD
a Net profit attributable to equity holders of the parent	**9 651 221**	**5 853 591**	**7 581 419**	**13 564 600**
b Reconciliation of basic earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	9 651 221	5 853 591	7 581 419	13 564 600
Adjustment for capital items (gross of tax):				
(Profit)/loss on disposal of plant and equipment	(22 729)	(83 177)	593 215	(130 237)
Impairment and derecognition of plant and equipment	-	314 091	654 643	314 091
Impairment and derecognition of intangible assets	-	-	717 944	-
Loss on disposal of unquoted investments	-	23 870	-	23 870
Loss on disposal of subsidiary	3 130 725	-	3 130 725	-
Gain on bargain purchase of associate	(2 964 054)	-	(2 964 054)	-
Tax effect on adjustments	5 853	(65 607)	(516 413)	(53 489)
Non-controlling interests' share of adjustments	13 794	23 787	(556 630)	27 889
Headline earnings attributable to equity holders of the parent	**9 814 810**	**6 066 555**	**8 640 849**	**13 746 724**
Number of shares in issue				
Number of ordinary shares in issue	541 593 440	541 593 440	541 593 440	541 593 440
Weighted average number of ordinary shares in issue	541 593 440	541 593 440	541 593 440	541 593 440
Basic earnings per share (cents	1.78	1.08	1.40	2.50
Headline earnings per share (cents)	1.81	1.12	1.60	2.54
Diluted basic earnings per share (cents)	1.78	1.08	1.40	2.50
Diluted headline earnings per share (cents)	1.81	1.12	1.60	2.54

8 Events after the reporting date

There have been no significant events after the reporting date at the time of issuing this press release.

	6 Months Ended 31-Dec-15 reviewed USD	6 Months Ended 31-Dec-14 unaudited USD
9 Contingent liabilities		
Guarantees		
The contingent liabilities relate to bank guarantees provided in respect of associate companies as at 31 December 2015	**28 200 000**	**23 400 000**