INNSCOR AFRICA LIMITED

TRADING UPDATE- FIRST QUARTER (F2012)

FAST FOODS

Revenues generated by the Zimbabwean portfolio in the current quarter grew by 28% over the comparative prior year period. Three new counters opened in Harare during the first quarter, and a further four counters (two in each of Harare and Mutare) have opened since the end of the first quarter. Six counters within the network (three in each of Harare and Gweru) are currently being refurbished and are due for re-opening in early December 2011.

In the regional portfolio, revenues increased by 16% over the comparative period, with an additional five counters being opened across Zambia, Malawi and Senegal. The franchised portfolio in Nigeria was further rationalised during the quarter with the closure of fourteen smaller and non-viable counters. The main expansion for the latter part of the year will be focused in Kenya with an additional twenty-four counters planned.

BAKERIES

The Group's Bakery operations, posted another set of very strong results for the first quarter of F2012, with revenue increasing by 60% over the comparative prior year quarter. Average loaves per day were in excess of 260,000 during the period under review. The third new line in the Harare plant, with a further capacity of 100,000 loaves per day, was commissioned at the end of October.

NATIONAL FOODS

National Foods processed approximately 95,000 tonnes of product during the first quarter; this was an increase of 17% over the comparative prior quarter.

Towards the end of October the Group disposed of approximately 11.7% of its equity in National Foods to Tiger Brands Limited of South Africa. The transaction shows Tiger's optimism both in Zimbabwe and National Foods, and from Innscor's perspective brings further technical contributions to National Foods which will enhance the long-term returns generated from this investment.

PROTEIN BUSINESSES

Colcom, posted similar results in the current quarter as compared to the same period last year; and after accounting for the discontinued operations; marginal growth was achieved. A number of projects that have been underway within the manufacturing division are nearing conclusion- with the low-cost sausage plant being commissioned in the middle of November.

At Irvine's, notwithstanding the continued availability of imported, low-cost (primarily South American) product on the local market, revenues were 26% ahead of the same period last year; although higher input costs resulted in lower margins and therefore profitability was similar to that posted in the comparative period.

DISTRIBUTION GROUP AFRICA (DGA)

The Zimbabwean DGA operations posted revenues in the current quarter that were 75% ahead of the comparative prior quarter, with volumes being enhanced by the operation having taken on the full sales and distribution function of the Group's snack food plants.

Regionally, revenues improved by 20% over the same period, notwithstanding the difficult trading environment in Malawi.

SPAR

The Group's SPAR retail operations in Zimbabwe continued to show improvements with revenues improving by around 24%. An overall operating profit was posted for the quarter, with the majority of stores posting individual profits at this level. After interest and depreciation the overall operations remained in a loss position.

At the SPAR DC in Harare, current quarterly revenues improved by 31% over the same period last year, on the back of increased case numbers.

The SPAR retail operations in Zambia posted revenues in the quarter that were marginally ahead of the same period last year (on like-for-like stores). Two new corporate stores (both based in Lusaka) are due to be added to the network in the second quarter of the current financial year.

TV SALES & HOME

TV Sales & Home continued to post very strong results, with current quarter revenues almost doubling those achieved in the same period last year. The debtors' book continued to grow and was close to $6m at the end of the quarter, with arrears being maintained below 2% of the total book.

CAPRI

As with TV Sales, strong results were posted by Capri, with unit numbers sold and revenues recorded in the current quarter being double those achieved in the comparative period last year.

GROUP

From an overall perspective, the Group has operated according to its budgets for the first quarter of the 2012 financial year, whilst against the comparative prior year period, revenues have improved by in excess of 20% on an overall basis.