INNSCOR AFRICA LIMITED

TRADING UPDATE- FIRST QUARTER (F2013)

BAKERIES & FAST FOODS

The Group's Bakery operations posted another set of very strong results for the first quarter of F2013. Average loaves per day were in excess of 370,000, which was a 42% increase over the comparative quarter. Two additional lines, each with a capacity of 80,000 loaves per day, are scheduled for commissioning in December 2012 and January 2013 respectively. A new bread roll line and pie plant are also planned for commissioning during the second half of the financial year.

In the Zimbabwean Fast Foods portfolio, five counters were re-opened during the quarter following refurbishment, whilst an additional counter was added to the network- all of these were in Harare. The second quarter has already seen the addition of four new counters in Harare and two in Zvishavane. A complex in each of Harare and Bulawayo are currently undergoing refurbishment and are expected to re-open by early December 2012. Additional counters in Harare, Chegutu, Chivhu and Masvingo are currently in varying phases of planning. In addition to the ongoing expansion and refurbishment programmes, a new fish concept is in the final stages of development and should be launched during quarter three.

Regionally an additional nine counters were opened (all in Kenya) with four in Rongai and five in Kitengela. An additional five counters are scheduled to open during quarter two (two in Zambia and three in Kenya). Also during the quarter, Lesotho was added to the list of countries under franchise, with one counter opening; Swaziland, which was added as a franchise country during the fourth quarter of 2012 also opened its first counter.

DISTRIBUTION GROUP AFRICA (DGA)

The Zimbabwean DGA operations posted revenues in the current quarter that were similar to the comparative quarter although profitability showed positive growth due to improved margins.

Regionally, revenues declined by 6% over the same period, mainly as a result of constrained trading in Malawi and a significantly devalued local currency.

SPAR

The Group's SPAR retail operations in Zimbabwe showed some improvement and all but one store produced a trading profit for the quarter. SPAR Letombo was closed during the quarter for re-modelling. After interest and depreciation the overall operations remained in a loss position.

At the SPAR DC in Harare, current quarterly revenues declined by 20% over the same period last year; whilst SPAR Zambia showed an increase in revenue of 5%.

COLCOM

At Colcom, revenues increased by 26% against the comparative quarter, although much of this increase came through low-cost/low-margin mass market product. The Triple C pig farm continued to operate at a high-level and during the quarter the operation secured its stockfeed requirements until the next harvest. Factory upgrades continue at the main factory site and significant generator capacity is currently being installed to mitigate against any major power outages. It has recently come to the company's attention that the control and governance environment of the operations have been compromised and, as a result, a forensic audit has been initiated to establish the full extent of any prejudice.

HOUSEHOLD GOODS

Revenues recorded during the first quarter for this reporting division grew by 5% over the comparative quarter.

At TV Sales & Home, trading was generally stable and one new outlet was opened in Harare during the quarter. The second quarter has seen the re-introduction of the "Kunzwana Mart" brand which is an entry-level credit retail offering. Additional outlets under the core "TV Sales & Home" brand are currently in the process of being opened in Harare, Marondera, Karoi and Hwange.

Capri continued to show good volume growth during the quarter; with existing products continuing to receive upgrades whilst new lines, such as air-conditioners, are also being added. The new refrigerator line is currently under production although commissioning is now only expected to take place in June 2013.

ASSOCIATE AND OTHER BUSINESSES

National Foods processed approximately 115,000 tonnes of product during the first quarter; this was an increase of 21% over the comparative prior quarter whilst profitability continued to improve. Total tonnage forecast for the year is estimated at 460,000 tonnes. A significant portion of the operation's quarterly operating cash profit was invested in securing an increased pipe-line of raw materials.

At Irvine's, marginal revenue growth was achieved on the comparative period as competition from imported, low-cost (primarily South American) product on the local market remained strong. Additional hatching machines are currently being installed which should result in a 15% increase in the production of day-old chicks. The business followed a similar strategy to both Colcom and National Foods in the quarter by making a large working capital investment in raw material stock to ensure uninterrupted supply until the new harvest.

GROUP

From an overall perspective, consolidated Group revenues showed growth of 7% against the comparative quarter, and whilst this was slightly behind expectation, efficiency at the profit line continued to improve.