THE DIRECTORS ARE PLEASED TO PRESENT THE

Audited Financial Results of Innscor Africa Limited

FOR THE YEAR ENDED 30 JUNE 2011

INNSCOR Africa Limited

OUR PASSION FOR **VALUE CREATION**

Salient Features

	USD		%
Revenue	516 136 881	▲	28
Operating profit	47 663 229	▲	64
Profit before tax	41 328 908	▲	55
Cash generated from operating activities	53 325 695	▲	114
Basic earnings per share (cents)	4.82	▲	65
Total dividend declared (cents)	1.20	▲	50

FINANCIAL

The Group continued to show good progress during the 2011 financial year, with volume growth across most businesses giving rise to improved revenues; this revenue growth together with better efficiencies and cost control resulted in improved profitability.

During the year under review, the Group recorded revenue of USD 516.14 million, an operating profit of USD 47.66 million and a profit before tax of USD 41.33 million. Basic earnings per share amounted to 4.82 US cents.

Cash generation from operating activities continued to be a strong characteristic of the Group, and amounted to USD 53.33 million for the year. A significant portion of these funds were applied to the numerous expansion projects across the Group's businesses as well as to cover ongoing fixed asset refurbishment and maintenance programmes.

As previously reported during the first half of the financial year, the Group's crocodile ranching operation, Padenga Holdings Limited, was unbundled through a dividend in specie to existing Innscor Africa Limited shareholders. This business was separately listed on the Zimbabwe Stock Exchange on 29 November 2010.

With effect from 1 July 2010, the Group acquired the non-controlling interest in both its local and regional Fast Foods Franchising operations. Shareholdings were also increased by approximately 30% in the regional Fast Foods Retail operations with effect from the same date.

OPERATIONS

FMCG Businesses

Milling and Manufacturing Silo

This silo comprises four subsidiary companies; Innscor Bread (Bakers Inn Bread Factories), Colcom Holdings Limited, Innscor Appliance Manufacturing (Capri and WRS), Innscor Snack Foods, and our associate investments in National Foods Holdings Limited, Irvine's Zimbabwe (Pvt) Ltd and NatPak (Pvt) Ltd. The silo reported revenue for the year of USD 132.08 million, with profit before tax amounting to USD 19.11 million (inclusive of equity accounted earnings). WRS and Innscor Snack Foods were the only businesses that did not contribute to the silo's profitability.

Within Innscor Bread, volumes for the financial year increased by 67% compared to the prior year. This was primarily due to the significant recapitalisation investment which has taken place over the past eighteen months, and which has resulted in increased production capacity, improved efficiencies, enhancement in production quality and the introduction of new loaf varieties. A fourth new bread line will be commissioned in the Harare factory in September 2011 and will bring total production capacity to approximately 350,000 loaves per day.

At Colcom, pork sales volumes increased by 7% over prior year whilst profitability grew by 5%. As reported at the interim stage, margins were impacted by utility cost increases as well as an inefficient and outdated meat utilisation monitoring system which had allowed for weaknesses in the control systems. The installation of a new system has helped to improve manufacturing processes and efficiencies in the second half of the year. An upgrade of the operation's outdated refrigeration plant is currently taking place and investments in new processing technology which will allow for further diversification in product range will also shortly commence.

Volumes achieved during the financial year within the Innscor Appliance Manufacturing businesses grew by 134% compared to the prior year period, with improved logistical management allowing for consistent volume production. The operation introduced new, face-lifted chest freezer finishes as well as new product lines including ice-making machines during the course of the financial year, with demand continuing to be strong. As reported at half-year, the WRS television business had been negatively affected by the large influx of 'grey' imports on the informal market, and the business model was unviable; production of CRT television sets therefore ceased during the second half of the financial year. Investigations are currently underway to examine the viability of assembling higher-end LCD and LED television sets.

The Snack Food businesses have continued to struggle in the face of strong import competition resulting in volumes declining by 19% against prior year. A revised sales and distribution structure was implemented at the beginning of the new financial year, and resulted in the business being consolidated into a single, focused manufacturing concern, with all sales and distribution services being supplied by the Group's existing distribution businesses. This structure will result in cost reductions and should result in a return to profitability in the first six months of the new financial year.

During the current year, National Foods recorded volumes of 351,000 metric tonnes; this represented a 17% increase on the volumes achieved in the prior year. Following the disposal of its NatPak operation during the first half of the current financial year, the logistics division was outsourced during the second half of the financial year as the operation sought to continue focusing on its core businesses of flour milling, maize milling, stockfeed production and down-packing of FMCG products. By year-end the operation was well advanced in centralising its sales and marketing activities, which should enhance the leveraging of its strong brands.

Irvine's Zimbabwe (Pvt) Ltd continued to contribute strongly to the Group's results, with production continuing to improve in processed chicken, day-old chicks and table eggs. The expansion programme that has been in progress during the last eighteen months has been the major driver behind the volume growth that has been achieved with chicken sales increasing by 39%, table egg sales increasing by 50% and sales of day-old chicks increasing by around 35% compared to the same period last year. The new spiral freezing facility that became operational in January 2011 has resulted in production efficiencies and speed to market, whilst the commissioning of additional hatchery equipment has also contributed to growth and should see the operation dominating the day-old chick market in the short-term.

As advised in the interim report, a direct 40% shareholding was retained in NatPak (Pvt) Ltd by the Group- this had previously been a subsidiary of National Foods, until its disposal in the first half of the financial year. This operation produced a marginal profit for the current year. A plant upgrade has been underway over the past six months with a block-bottom bag production line being added, which on completion will produce bags for the local cement industry; significant growth is expected in this business in the ensuing year.

Distribution and Wholesale Silo

The businesses in this reporting silo are the SPAR Distribution Centre in Harare and Distribution Group Africa. The Group disposed of its investment in the Transport business during the second half of the financial year. The silo reported revenue for the year of USD 96.99 million, with profit before tax amounting to USD 4.06 million. Both businesses within the silo were profitable in the current year.

The SPAR Distribution Centre is one of two franchise holders of the SPAR brand in the country responsible for servicing SPAR, SPAR Express, SaveMor Supermarkets, and TOPS bottle store outlets in the Eastern region. Volumes processed through the Distribution Centre for the financial year increased by 38% over prior year. The SPAR Distribution Centre was supporting 41 SPAR member stores, 2 SPAR Express Stores, 8 SaveMor branded stores and 2 TOPS bottle stores as at 30 June 2011.

Distribution Group Africa comprises Innscor Distribution, Comox Trading and Eagle Agencies and represents some of the world's leading brands including Colgate Palmolive, Kelloggs, Johnson & Johnson, Unilever, National Brands and Rhodes Foods; the Datlab's agency was added to the portfolio in the second half of the year. Volumes grew 27% against the prior year; this was due in part to the general recovery of the retail trade and also due to increased presence of the operation's product range on all major retailers' promotions which increased brand awareness. The business did experience some margin decline as a result of a combination of a strengthening Rand as well as the need to remain competitive in a price sensitive market.

Retail Silo

This reporting silo comprises the Fast Foods operations, the SPAR Corporate Store retail operations and TV Sales and Home. The silo reported revenue for the year of USD 175.16 million, with profit before tax amounting to USD 8.20 million. The SPAR Corporate Store retail operation was the only business that did not contribute to the silo's profitability.

The Fast Foods business performed well during the year with customer counts increasing by 16% compared to the prior year. This growth was a direct translation of improved service efficiencies, renovation of key sites, the addition of new counters to the network and expanded menu offerings.

During the year a number of new complexes were opened, each carrying a selection of the Group's home-grown fast food brands. New complexes were opened in the outlying areas of Masvingo which opened in July 2010, Chinhoyi (October 2010), Beit Bridge (December 2010) and Kwe Kwe (January 2011). In Harare, new counters were opened in Mbuya Nehanda Street (July 2010) and Julius Nyerere Way (December 2010).

At the same time, the refurbishment of existing sites continued with the Speke Avenue outlet re-opening in December 2010, Mutare Down Town (March 2011) Jason Moyo Avenue (March 2011), Construction House (April 2011) and Pomona (June 2011). The Group's Nando's franchised counters were also subjected to upgrades during the period with an outlet in each of Harare, Bulawayo and Mutare converting to the latest Nando's specification during the period.

The SPAR Corporate Store retail operation experienced a poor trading result for the year under review. A significant portion of this lack lustre performance was brought about by the extensive restructuring work undertaken. This saw the disposal of a number of the smaller stores namely Waterfalls SaveMor, Mabvuku SPAR and Hillside KwikSPAR; and a general move to operating larger stores in the network.

Avondale SPAR Express was opened in October 2010 whilst Borrowdale Village SPAR opened in January 2011 and Groombridge SPAR opened in the latter part of February 2011. The closure costs for the smaller stores together with the pre-opening costs of the new larger stores contributed to the operation as a whole posting a loss for the year.

Under new leadership launched in July 2011, financial operations have been centralised, store structures flattened to improve ownership and accountability, processes and procedures streamlined, expenditure brought under tight control and incentive programs introduced at all levels to create ownership in the company's performance by the team. Management is confident that the combination of all these initiatives will result in the overall operation achieving profitability in the new financial year.

Within TV Sales and Home, current year volumes grew by 31% compared to those in the prior year. This growth was mainly driven through increased credit sales as well as an increase in the branch network. In addition to the new outlets that were opened in the first half of the year in Chinhoyi and Masvingo, a "TV Sales and Home" shop and a "Your Space" outlet were opened in Groombridge during the third quarter of the year. Credit sales have continued to grow and are now in excess of 50% of total revenue; collections on the debtors' book remain good.

Regional Businesses

Innscor Zambia

The main businesses in Zambia are the SPAR Corporate Store retail operations and the Distribution business. Overall, the businesses reported revenue for the year of USD 68.28 million and a profit before tax of USD 3.05 million.

The SPAR Corporate Store retail operation has continued to contribute positively to the Group's results during the course of the year. The SPAR Choma outlet was disposed of in November 2010, but remains a franchised operation and an additional franchised store was opened in Chipata in April 2011. This leaves the network with four wholly owned Corporate Stores and four franchised stores. A refurbishment exercise for the stores has been implemented and this has seen an upgrade of the operation's flagship store, SPAR Arcades, being recently completed. Sites for two new Corporate Stores in Lusaka have been identified, whilst a new franchised operation is due for opening in Ndola in the first six months of the new financial year.

The Distribution business comprises operations in Zambia and Malawi. The Zambian operations showed strong revenue and volume growths as a result of the growing Zambian economy. The entrance of new foreign retail players in the Zambian market continues to offer more opportunities for growth. As a result, the operation made investments in increasing its warehousing space by 30% as well as expanding its distribution fleet. The unstable economic environment in Malawi has resulted in foreign currency and fuel shortages. This has affected product supply and led to a drop in margins. Despite this, the business recorded a modest revenue growth, although profitability declined due to the lower margins. Management continues to monitor this business closely.

Regional Fast Foods

Our regional Fast Food operations consist of counters in Zambia, Kenya, Ghana, and Senegal, as well as the regional franchising arm, where Nigeria is our largest franchised market. Overall, the businesses reported revenue for the year of USD 38.56 million and a profit before tax of USD 2.62 million.

All regional Fast Food operations were profitable and total customer counts for the year increased by 11% as compared to the prior year. A total of 14 franchised counters were closed in Nigeria during the year, but an additional 19 corporate counters were opened across Zambia, Kenya and Ghana as well as 3 new franchised counters in Malawi. As at June 2011, the number of counters being operated in the region totalled 208, including the 72 franchised counters in Nigeria and Malawi.

PROSPECTS

Significant expansion capital expenditure has taken place over the past financial year by the Group into a number of businesses within its Milling and Manufacturing Silo. This has resulted in large production increases as well as improved efficiencies being recorded in these operations. Focus will now be on consolidating the investments made and ensuring that target models are achieved; with specific attention to gross margin and overhead cost control. In addition there are ongoing projects at Innscor Bread, Colcom and NatPak which will all see additional production capacity and product diversification in the new financial year.

The operating models are continually being assessed in the two main businesses within the Distribution Silo, being the SPAR Distribution Centre and Distribution Group Africa. This highly competitive part of the Group's FMCG chain will require attention to be focused on achieving the most effective and cost efficient route to market, in order to build on the excellent revenue increases posted in this past financial year.

Like the Milling and Manufacturing Silo, the Retail Silo has also seen considerable capital investment made during the last twelve months. Additional counters will continue to be added to the existing Fast Food network across the country, whilst product offerings are constantly being reviewed in order to be able to access all tiers of the market.

A number of revisions have been made to the SPAR Corporate Store retail operations in the last six months and management is confident that these revisions which include processing centralisation and improved shop accountability amongst other things, will together with the existing strong revenue flows, ensure that profitability is achieved in the 2012 financial year.

Regionally, the Group will continue to build on the good growth achieved in its Fast Food operations, with an additional 21 counters, mainly in Kenya, already confirmed for opening in the new financial year and a number of other sites currently being investigated. The Group's SPAR Zambia operation will also look to add to its existing network during the course of the year through both additional Corporate Stores and franchised operations.

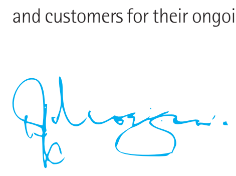
Whilst it has been an exciting growth phase for the Group since dollarisation, management are determined to ensure that debt levels are managed to sustainable levels and will only pursue investments that exhibit strong profitability and cash generation capability.

DIVIDEND

Following the interim dividend payment of 0.6 US cents per share, the Board has declared a final dividend of 0.6 US cents per share payable on or about 7 October 2011 to shareholders registered in the books of the Company by noon on 23 September 2011. The transfer books and register of members will be closed from 24 September 2011 to 2 October 2011, both days inclusive.

APPRECIATION

The Group has posted another pleasing performance during this past financial year, and for this I would like to pay tribute to the drive and commitment of the executive directors, senior management and all other staff members. I would also like to extend my gratitude to the non-executive directors for their wise counsel and indeed all the Group's suppliers and customers for their ongoing support and loyalty.



DLL MORGAN
Chairman
26 August 2011

Abridged Group Statement Of Comprehensive Income

	Year Ended 30 June 2011 audited USD	Year Ended 30 June 2010 audited USD
Continuing Operations		
Revenue	516 136 881	403 488 611
Operating profit before depreciation and amortisation	47 663 229	29 114 780
depreciation and amortisation	(8 936 918)	(6 572 216)
Operating profit before interest and fair value adjustments	38 726 311	22 542 564
fair value adjustments	(713 953)	308 168
Profit before interest and tax	38 012 358	22 850 732
net interest	(2 813 850)	(441 505)
equity accounted earnings	6 130 400	4 185 329
Profit before tax from continuing operations	41 328 908	26 594 556
tax	(8 591 972)	(4 961 624)
Profit for the year from continuing operations	32 736 936	21 632 932
Discontinuing Operations		
loss after tax for the year from discontinuing operations	-	(824 888)
Profit for the year from continuing and discontinuing operations	32 736 936	20 808 044
Other comprehensive income		
exchange differences arising on the translation of foreign operations	(48 304)	(153 634)
Other comprehensive income for the year, net of tax	(48 304)	(153 634)
Total comprehensive income for the year	32 688 632	20 654 410
Profit for the year from continuing and discontinuing operations attributable to:		
equity holders of the parent	26 110 140	14 990 629
non-controlling interests	6 626 796	5 817 415
	32 736 936	20 808 044
Total comprehensive income for the year from continuing and discontinuing operations attributable to:		
equity holders of the parent	26 071 614	14 901 752
non-controlling interests	6 617 018	5 752 658
	32 688 632	20 654 410
Earnings per share (cents)		
from continuing and discontinuing operations -basic earnings per share	4.82	2.77
from continuing operations -basic earnings per share	4.82	2.92

Abridged Group Statement Of Cash Flows

	Year Ended 30 June 2011 audited USD	Year Ended 30 June 2010 audited USD
Cash generated from operating activities	53 325 695	24 911 967
net interest paid	(2 813 850)	(1 073 891)
tax paid	(8 975 513)	(6 592 426)
Total cash available from operations	41 536 332	17 245 650
Investing activities	(49 009 619)	(18 311 528)
Net cash outflow before financing activities	(7 473 287)	(1 065 878)
Financing activities	8 028 000	3 904 845
Net increase in cash and cash equivalents	554 713	2 838 967
Cash and cash equivalents at the beginning of the year	17 233 917	14 394 950
cash and cash equivalents attributable to continuing operations	16 274 303	14 209 411
cash and cash equivalents attributable to discontinuing operations	959 614	185 539
Cash and cash equivalents at the end of the year	17 788 630	17 233 917
Cash and cash equivalents comprise		
cash and cash equivalents attributable to continuing operations	17 788 630	16 274 303
cash and cash equivalents attributable to discontinuing operations	-	959 614
	17 788 630	17 233 917

Abridged Group Statement Of Changes In Equity

	Share Capital USD	Non-Distributable Reserves USD	Distributable Reserves USD	Total USD	Non-controlling Interests USD	Total USD
Balance at 30 June 2009	**-**	**51 655 347**	**49 697 907**	**101 353 254**	**16 486 093**	**117 839 347**
Profit for the year	-	-	14 990 629	14 990 629	5 817 415	20 808 044
Other comprehensive income	-	(88 877)	-	(88 877)	(64 757)	(153 634)
Transfer of redenominated share capital	5 401 184	(5 401 184)	-	-	-	-
Exercise of share options	14 750	-	-	14 750	-	14 750
Dividends paid		-	(2 165 355)	(2 165 355)	(2 885 640)	(5 050 995)
Transactions with owners in their capacity as owners	-	(399 275)	-	(399 275)	(378 955)	(778 230)
Balance at 30 June 2010	**5 415 934**	**45 766 011**	**62 523 181**	**113 705 126**	**18 974 156**	**132 679 282**
Profit for the year	-	-	26 110 140	26 110 140	6 626 796	32 736 936
Other comprehensive income	-	(38 526)	-	(38 526)	(9 778)	(48 304)
Dividends paid	-	-	(5 415 934)	(5 415 934)	(2 665 093)	(8 081 027)
Transactions with owners in their capacity as owners	-	(4 014 459)	-	(4 014 459)	(162 470)	(4 176 929)
Dividend in specie	-	(11 970 688)	(16 650 471)	(28 621 159)	-	(28 621 159)
Balance at 30 June 2011	**5 415 934**	**29 742 338**	**66 566 916**	**101 725 188**	**22 763 611**	**124 488 799**

Abridged Group Statement Of Financial Position

	At 30 June 2011 audited USD	At 30 June 2010 audited USD	At 30 June 2009 audited USD
ASSETS			
Non-current assets			
property, plant and equipment	84 437 086	53 022 159	57 352 244
deferred tax assets	4 161 668	5 286 477	5 805 131
other non-current assets	50 207 548	36 394 472	33 543 675
	138 806 302	94 703 108	96 701 050
Current assets			
cash and cash equivalents	17 788 630	16 274 303	14 209 411
other current assets	89 507 227	67 327 456	74 708 630
	107 295 857	83 601 759	88 918 041
assets classified as held for sale	-	39 625 904	3 029 857
Total assets	246 102 159	217 930 771	188 648 948
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital	5 415 934	5 415 934	-
non-distributable reserves	29 742 338	45 766 011	51 655 347
distributable reserves	66 566 916	62 523 181	49 697 907
	101 725 188	113 705 126	101 353 254
non-controlling interests	22 763 611	18 974 156	16 486 093
Total shareholders' equity	124 488 799	132 679 282	117 839 347
Non-current liabilities			
deferred tax liabilities	8 942 258	9 766 932	13 172 820
interest-bearing borrowings	1 597 300	6 712 188	851 406
	10 539 558	16 479 120	14 024 226
Current liabilities			
interest-bearing borrowings	38 040 018	8 473 930	13 043 697
trade and other payables	72 615 581	48 676 967	39 558 546
current tax liability	418 203	876 103	1 637 737
	111 073 802	58 027 000	54 239 980
liabilities directly associated with assets classified as held for sale	-	10 745 369	2 545 395
Total liabilities	121 613 360	85 251 489	70 809 601
Total equity and liabilities	246 102 159	217 930 771	188 648 948

Supplementary Information

		Year Ended 30 June 2011 audited USD	Year Ended 30 June 2010 audited USD
1	Depreciation	8 898 669	6 551 981
2	Capital expenditure for the year	43 231 237	20 080 610
3	Future lease commitments		
	Payable within one year	7 925 320	5 916 608
	Payable two to five years	19 006 875	15 199 495
	Payable after five years	16 328 737	8 689 491
		43 260 932	29 805 594
4	Commitments for capital expenditure		
	Contracts and orders placed	8 811 704	-
	Authorised by Directors but not contracted	33 406 776	36 886 498
		42 218 480	36 886 498

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

5 Accounting policies

The financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards.

The Group has decided to adopt IFRS 1, First-Time Adoption of International Financial Reporting Standards ahead of the effective date. This has had the effect in the current year financial reporting of disclosing three statements of financial position together with appropriate notes. The statements of financial position cover the opening position at 30 June 2009 with deemed US Dollar amounts, the closing balances as at 30 June 2010 and the closing balances as at 30 June 2011.