THE DIRECTORS ARE PLEASED TO PRESENT THE

Unaudited Financial Results of Innscor Africa Limited

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

INNSCOR Africa Limited

OUR PASSION FOR **VALUE CREATION**

FINANCIAL

The Group posted a pleasing set of results for the first six months of the new financial year, building on the momentum gained in the previous financial year with continued volume growth and better efficiencies being recorded in a number of the operations.

During the course of the period under review, the Group reduced its shareholding in National Foods Holdings Limited to 37.8% through a disposal to Tiger Brands Limited. The transaction shows Tiger's optimism in Zimbabwe and will result in further technical contributions to National Foods, which will enhance the long-term returns generated from this investment. The profit on disposal included in the Group's Statement of Comprehensive Income from this transaction amounted to USD 5.08 million, before tax.

During the period under review, the Group recorded revenue of USD 319.51 million, an operating profit of USD 38.28 million and a profit before tax of USD 34.49 million. Basic earnings per share amounted to 4.15 US cents in total and 3.23 US cents excluding the profit on disposal of the National Foods shares.

Notwithstanding the growth in the instalment debtors' book at TV Sales & Home of approximately USD 4.18 million during the period under review, cash generation from operating activities continued to be strong for the Group, and amounted to USD 27.01 million for the period. The free cash generated from operations together with the proceeds received on the disposal of the block of shares in National Foods were again primarily applied to the numerous expansion projects across the Group. Gearing levels in the Group also reduced significantly during the period.

The principal accounting policies of the Group are consistent with those applied in the previous year and conform to International Financial Reporting Standards.

With effect from 1 July 2011, the Group has restructured the reporting of its entities, which is now more focused to parcels of similar businesses and common business drivers.

OPERATIONS

Bakeries & Fast Foods

This reporting division comprises the Group's Bakery operations which are based in Zimbabwe as well as all the Fast Food operations across the African continent.

Volumes in the Bakery operations increased by 60% for the first six months of the financial year compared to the comparative period. The third new line in the Harare plant was commissioned in November 2011, and this together with the upgrading of an existing line in Bulawayo has brought current capacity to 400,000 loaves per day. A third line is scheduled to be installed in Bulawayo in September 2012; this will further increase capacity to 500,000 loaves per day.

The Fast Foods operations in Zimbabwe showed customer count increases of 8% against the comparative period. In Harare, 8 new counters were opened during the period under review; a further 2 counters were opened in Mutare and the Marondera food court consisting of 3 counters, opened in January 2012. The refurbishment programme on the existing network continued with a complex in each of Harare and Gweru being completed during the six month period to December 2011.

Regionally, customer counts increased by 13% over the comparative period; 2 new counters were added in each of Kenya and Senegal, these were off-set however by 4 counter closures in Kenya. There are currently 32 additional counters at various stages of development across the Group's regional territories; with all expected to be operational by December 2012.

Distribution Group Africa

This reporting division consists of the Distribution Group Africa operations which operate in Zimbabwe, Zambia and Malawi.

The Distribution Group Africa Zimbabwe business houses a number of leading brands such as Colgate, Kellogg's, Johnson & Johnson and Tiger Brands. Volume growth in this business amounted to 19% versus the comparative period. Although gross margins declined marginally from the previous year, costs were well controlled and overall profit efficiencies improved. The Group's Snack Food operation was consolidated into the business at the beginning of the new financial year, resulting in improved focus and efficiencies, and the operation has now returned to profitability.

The Distribution Group Africa businesses in Zambia and Malawi reported an increase in volumes of 19%. The change in dynamics of informal trading together with an increase in the number of key foreign formal retailers in the Zambian market offers a number of exciting expansion opportunities. The Malawian operation performed reasonably well despite the difficult trading environment currently being experienced in that country.

SPAR

This reporting division consists of the SPAR Corporate Store retail operations in Zimbabwe, the SPAR Distribution Centre in Harare and the SPAR Corporate Store retail operations in Zambia.

During the period under review, the SPAR Corporate Store retail operations in Zimbabwe reported a 24% increase in revenue as compared to the same period in the prior year. Overall a small trading profit of USD 0.33 million was recorded for the period with improving performances from the larger stores. Taking into account interest and depreciation, the operation recorded an overall loss of USD 1.4 million before tax for the half year. The centralisation of a number of key functions that took place towards the end of the previous financial year has significantly enhanced operations, although further rationalisation of the store network and a focus towards larger stores is likely in the future.

The SPAR Distribution Centre is one of the two franchise holders of the SPAR brand in the country responsible for servicing all SPAR retail operations in the Eastern Region of the Country. Volumes processed through the Distribution Centre for the first six months of the financial year increased by 42% through improved product availability and consistency, the roll out of an increased bouquet of SPAR Private Label products, strong marketing campaigns and the successful introduction of an enhanced retailer loyalty programme. The SPAR Distribution Centre currently supports 40 SPAR member stores, 2 SPAR Express Stores, 10 SaveMor branded stores and 2 TOPS bottle stores.

On a same store basis the current period revenue in the SPAR Corporate Store retail business in Zambia recorded a growth of 12% over the comparative period. Slightly lower gross margins and new store pre-opening costs, however, gave rise to lower profitability being recorded. During November and December, 2 new Corporate stores were opened in Lusaka bringing the Corporate Store network in Zambia to 6, with a further 5 franchised outlets.

Protein

This reporting division consists of Colcom Holdings Limited and the Group's associate investment in Irvine's Zimbabwe (Pvt) Ltd.

Colcom recorded modest growth in both revenue and profitability, against the comparative period, on the back of a 20% volume growth in its core products. The current period saw a number of capital projects being completed in the factory including the first phase of the upgraded refrigeration plant, the acquisition of a new bacon slicer and in November 2011, the commissioning of a new sausage line, which will focus on the production of low-cost sausages. Cash flow generation continued to be strong and this will allow continued expansion investment in all parts of the business from pig production through to processing, sales and distribution.

As with Colcom, Irvine's recorded modest growth in revenue and profitability during the current period. Volumes for chicken, day old chicks and table eggs increased by 32%, 21% and 10% respectively against the comparative period. The business continues to move towards operating at full capacity and the main focus is now on improving production, factory and distribution efficiencies.

National Foods

At National Foods, volumes of 194,000 metric tonnes were recorded for the period under review, representing an increase of 18% over the comparative period; with all core line businesses continuing to contribute positively to the profitability of the business. The Mutare rice plant was successfully commissioned in August 2011 and the Bulawayo flour mill reopened in October 2011. Management continues to improve overall efficiencies through better procurement, line automation, and enhanced logistics, and the business is now well positioned to improve returns to shareholders.

TV Sales & Home

TV Sales & Home reported exceptionally strong results mainly attributable to the large increase in units sold which grew 45% over the comparative period, whilst the instalment debtors' book had grown to in excess of USD 9 million by the end of December 2011.

Capri

Volumes at Capri improved by 64% over the comparative period, driven by improved manufacturing quality and an increased range of products and finishes. New lines such as microwaves, washing machines and driers were also added to the overall sales offering during the course of the period under review. The business will shortly embark on a capital expansion programme which will see a new fridge plant being installed, followed by a new freezer line. This investment will see further product enhancement and capacity increases.

Other Associate Businesses

In the Group's other associate businesses, Shearwater continued to contribute positively to the Group's results whilst at Natpak a small loss was incurred. The second block-bottom line is currently being commissioned and the business is expected to be profitable in the second half of the financial year as it achieves critical mass in the plant.

PROSPECTS

Since dollarisation, the Group has built a solid base through its strong cash generating ability. Expansion projects within existing businesses continue to be pursued, and in the short-term this will see a further increase in the Group's bread capacity, an increase in its Fast Food network as well as upgraded refrigeration and freezer plants. Growth opportunities outside of the Group also continue to be investigated.

Of utmost importance to the Group's businesses is the continued growth in earnings, and the production of free cash-flow from operating activities. Consequently the focus remains on improving profit margins, reducing costs and ensuring that other activities that affect the production of free cash-flow such as working capital cycles are well controlled.

DIVIDEND

The Board has declared an interim dividend of 0.75 US cents per share payable on or about 6 April 2012 to shareholders registered in the books of the Company by noon on 23 March 2012. The transfer books and register of members will be closed from 24 March 2012 to 1 April 2012, both days inclusive.

DLL MORGAN
Chairman
24 February 2012

Salient Features

	USD		
Revenue	319 509 569	▲	25%
Operating profit	38 278 409	▲	47%
Profit before tax	34 494 741	▲	48%
Basic earnings per share (cents)	4.15	▲	59%
Basic earnings per share excluding profit on disposal of shares in National Foods (cents)	3.23	▲	24%
Interim dividend declared (cents)	0.75	▲	25%

Abridged Group Statement Of Comprehensive Income

	6 Months Ended 31 Dec 2011 unaudited USD	6 Months Ended 31 Dec 2010 unaudited USD
Revenue	319 509 569	255 553 836
Operating profit before depreciation and amortisation	38 278 409	25 995 905
depreciation and amortisation	(5 257 690)	(4 207 549)
Operating profit before interest and fair value adjustments	33 020 719	21 788 356
fair value adjustments	(128 410)	(821 400)
Profit before interest and tax	32 892 309	20 966 956
net interest	(1 770 570)	(1 135 754)
equity accounted earnings	3 373 002	3 437 451
Profit before tax	34 494 741	23 268 653
tax	(6 938 590)	(3 977 417)
Profit for the period	27 556 151	19 291 236
Other comprehensive income		
exchange differences arising on translating foreign operations	(121 391)	71 679
Other comprehensive income for the period, net of tax	(121 391)	71 679
Total comprehensive income for the period	27 434 760	19 362 915
Profit for the period attributable to:		
equity holders of the parent	22 480 232	14 109 479
non-controlling interests	5 075 919	5 181 757
	27 556 151	19 291 236
Total comprehensive income for the period attributable to:		
equity holders of the parent	22 381 202	14 161 905
non-controlling interests	5 053 558	5 201 010
	27 434 760	19 362 915
Earnings per share (cents)		
Basic earnings per share	4.15	2.61
Basic earnings per share excluding profit on disposal of shares in National Foods	3.23	2.61

Abridged Group Statement Of Financial Position

	At 31 Dec 2011 unaudited USD	At 30 June 2011 audited USD
ASSETS		
Non-current assets		
property, plant and equipment	98 842 390	84 437 086
deferred tax asset	4 970 092	4 161 668
other non-current assets	46 804 441	50 207 548
	150 616 923	138 806 302
Current assets		
cash and cash equivalents	23 434 715	17 788 630
other current assets	111 162 184	89 507 227
	134 596 899	107 295 857
Total assets	285 213 822	246 102 159
EQUITY AND LIABILITIES		
Capital and reserves		
ordinary share capital	5 415 934	5 415 934
non-distributable reserves	29 725 894	29 742 338
distributable reserves	85 797 588	66 566 916
	120 939 416	101 725 188
non-controlling interests	26 772 310	22 763 611
Total shareholders' equity	147 711 726	124 488 799
Non-current liabilities		
deferred tax liability	11 377 514	8 942 258
interest bearing borrowings	5 201 871	1 597 300
	16 579 385	10 539 558
Current liabilities		
interest bearing borrowings	28 507 605	38 040 018
trade and other payables	90 509 132	72 615 581
current tax liability	1 905 974	418 203
	120 922 711	111 073 802
Total liabilities	137 502 096	121 613 360
Total equity and liabilities	285 213 822	246 102 159

Abridged Group Statement Of Cash Flows

	6 Months Ended 31 Dec 2011 unaudited USD	6 Months Ended 31 Dec 2010 unaudited USD
Cash generated from operating activities	27 007 310	26 751 932
net interest paid	(1 770 570)	(1 135 754)
tax paid	(4 102 834)	(3 803 976)
Total cash available from operations	21 133 906	21 812 202
Investing activities	(5 750 359)	(24 985 277)
Net cash inflow/(outflow) before financing activities	15 383 547	(3 173 075)
Financing activities	(9 737 462)	3 882 181
Net increase in cash and cash equivalents	5 646 085	709 106
Cash and cash equivalents at 30 June	17 788 630	17 233 917
cash and cash equivalents attributable to continuing operations	17 788 630	16 274 303
cash and cash equivalents attributable to discontinuing operations	-	959 614
Cash and cash equivalents at 31 December	23 434 715	17 943 023

Supplementary Information

		6 Months Ended 31 Dec 2011 unaudited USD	6 Months Ended 31 Dec 2010 unaudited USD
1	Depreciation	5 215 103	4 188 375
2	Capital expenditure for the period	21 594 273	21 549 754
3	Future lease commitments		
	Payable within one year	8 786 141	7 834 435
	Payable two to five years	21 845 226	16 360 219
	Payable after five years	16 280 861	12 870 607
		46 912 228	37 065 261
4	Commitments for capital expenditure		
	Contracts and orders placed	7 645 522	5 582 902
	Authorised by Directors but not contracted	7 013 350	27 451 436
		14 658 872	33 034 338

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

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 2011	5 415 934	29 742 338	66 566 916	101 725 188	22 763 611	124 488 799
Profit for the period	-	-	22 480 232	22 480 232	5 075 919	27 556 151
Other comprehensive income	-	(99 030)	-	(99 030)	(22 361)	(121 391)
Dividends paid	-	-	(3 249 560)	(3 249 560)	(604 126)	(3 853 686)
Transactions with owners in their capacity as owners	-	82 586	-	82 586	(440 733)	(358 147)
Balance at 31 December 2011	5 415 934	29 725 894	85 797 588	120 939 416	26 772 310	147 711 726

Directors : *D.L.L. Morgan (Chairman), T.W. Brown (Chief Executive), *M.J. Fowler, *Z. Koudounaris, *J. Koumides, J.P. Schonken, *T.N. Sibanda *Non Executive