Reviewed Financial Results of Innscor Africa Limited

FOR THE YEAR ENDED 30 JUNE 2014

OUR PASSION FOR **VALUE CREATION**

SALIENT FEATURES*

	USD
Revenue	1 010 916 667
Operating profit	80 558 376
Profit before tax	92 415 554
Basic earnings per share (cents)	11.16
Headline earnings per share (cents)	4.11
Cash generated from operating activities	106 822 736
Total dividend declared per share (cents)	1.30

** Movements against the comparative year are not shown due to a change in the method of accounting for National Foods Holdings Limited and Irvine's Zimbabwe (Private) Limited in the current year.*

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 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 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 year ended 30 June 2014. The audit of the Group financial statements is complete pending the finalisation of the annual report; no changes are expected on the reviewed numbers. The unmodified review report is available for inspection at the Company's registered office.

FINANCIAL

As advised in the interim report and due to a change in governance structures, the Group has consolidated the results of National Foods Holdings Limited and Irvine's Zimbabwe (Private) Limited with effect from 1 July 2013. These businesses were previously equity accounted. In undertaking this change in accounting treatment, and notwithstanding the fact that there has been no change in the Group's shareholding in either of these existing investments, a fair value adjustment is mandatory in terms of IFRS 3 (Business Combinations). This has resulted in a fair value gain of USD 39.033 million being credited to the Group's Statement of Profit or Loss and Other Comprehensive Income in the current year, and represents the difference between market value and carrying value of the Group's existing interest at the date of consolidation. This gain has been excluded from the calculation of headline earnings. Also as a result of this change in accounting treatment, an intangible asset, in the form of goodwill, of USD 36.904 million has been recorded in the Group's Statement of Financial Position. This represents the difference between the fair value of the Group's existing interest in these investments, and the fair value of the Group's share of the net assets within these entities.

The Group has faced a challenging trading environment for much of the financial year under review, and this has been compounded by inefficient management structures in a number of its core businesses; in many cases gross profit margins were also reduced in an effort to stimulate revenues against a backdrop of reducing disposable incomes.

During the year under review, the Group recorded revenue of USD 1.01 billion, an operating profit of USD 80.56 million and, after including the fair value adjustment referred to above, a profit before tax of USD 92.42 million.

Driven by the need to react to the current economic dynamics, the Group commenced with a number of major restructuring initiatives in the latter part of the year under review. These initiatives were focused primarily on the SPAR operations in Zimbabwe (both Distribution and Retail), the Bakery operations and the Zimbabwe Fast Food operations, and approximately USD 7.15 million in one-off cost and re-structure provisions were processed through the Group's Statement of Profit or Loss and Other Comprehensive Income in this regard. Also affecting profitability during the year under review was a fixed asset impairment and de-recognition charge of USD 1.83 million which, as in the prior year, has been excluded from the calculation of headline earnings. Basic earnings per share amounted to 11.16 US cents whilst headline earnings per share declined to 4.11 US cents.

Despite the disappointing trading results, the Group's cash generating ability was outstanding, with USD 106.82 million being generated from operating activities. This allowed the Group to continue with its asset expansion and maintenance programmes which consumed USD 48.93 million during the year under review, as well as reduce overall net gearing levels.

The Directors have elected to transfer to distributable reserves, the portion of non-distributable reserves relating to the remaining foreign currency conversion reserve amounting to $33.32 million. This foreign currency conversion reserve arose as a result of the change in functional currency from the Zimbabwe dollar to the United States dollar and has been in existence since the change-over period. This transfer has taken place through the Statement of Changes in Equity and has no effect on profitability.

SUSTAINABILITY REPORTING

The Group strives to operate its businesses in a sustainable manner that recognises environmental and social impacts. The Group believes that by identifying, measuring and being accountable to its stakeholders through sustainability reporting (Economic, Environmental, Social and Governance), this enhances potential for long-term, sustainable business success. To this end, the Group has set a vision to achieve, in the coming years, international best practices in sustainability reporting by adopting the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines as a framework.

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.

Bread volumes in the Bakery operations declined by 10% as compared to the prior year. This volume reduction together with an increase in operating overheads combined to produce a poor overall result for the business with profitability significantly lower than that achieved in the prior year. The exercise to consolidate production at the Graniteside facility is complete, and this together with the restructuring initiatives embarked upon during the latter part of the year under review is expected to see the operation return to a more satisfactory level of profitability in the forthcoming financial year. The automated pie plant commissioned in December 2013 has shown steady growth and is expected to make an increasing contribution to the overall results of the operation; this marks the conclusion of the three-year fixed asset expansion programme within the Bakery operations.

The Fast Food Zimbabwe operations recorded customer counts that were 2% lower than those achieved in the prior year. Notwithstanding the reduced customer count, performance at shop-level was generally good across most counters; however the costs to run the business "above-site" consumed a large proportion of the profitability. These costs are predominantly a result of the historical, regional-based structuring of the operations and hence there is considerable duplication of function and a resultant unsustainable cost base. The process to restructure the business is well under way and will result in a much more streamlined management and reporting structure. The necessary cost provisioning for this restructure has been accounted for in the current year's income statement. An additional 16 counters were opened during the year under review across Harare, Bulawayo, Mutare, Chegutu and Mvuma, whilst 9 under-performing counters were closed.

In the Region, the Fast Food operations reported an increase in customer counts of 4% over the prior year, with a similar increase in profitability. As part of the continued regional expansion programme, 3 counters were opened during the year in Kenya, 15 in Zambia and 4 in the Democratic Republic of Congo. A further 2 counters were added in Swaziland, which is a franchised territory. As advised in the interim report, the franchise arrangement in Nigeria was terminated at the end of December 2013, and investigations are ongoing as to a suitable structure in which to re-enter this market. A decision was made in the third quarter to exit the Senegal market as it had limited growth prospects and had become an increasingly expensive territory to service. A total of 175 counters, inclusive of franchised operations, were in operation at 30 June 2014. With renewed focus being placed on increasing the Group's regional footprint, a further 55 counters are planned for the regional territories during the course of the 2015 financial year.

Milling & Protein

This reporting division comprises National Foods, Colcom and Irvine's.

National Foods produced a very pleasing set of results for the year under review driven by sales of 538,000 metric tonnes of product, and representing a volume increase of 8% over the prior year. Profits were enhanced by a highly successful strategic raw material purchasing programme as well as improved plant efficiencies which benefitted from continued modernisation and re-tooling. The strong results posted have allowed for further strengthening of the balance sheet and the business is well positioned to continue its growth in the coming year through the addition of new and adjacent categories.

Following a difficult 2013, Colcom reported a good set of results during the current year under review, with overall volumes increasing by 16%. In the core pork operations, volumes were down by 7%, and as reported at the interim period this was due mainly to the rationalisation of product lines. This decline was more than compensated for by a 90% volume increase recorded at Associated Meat Packers (AMP) and driven predominantly by the strong performance of the "Texas" branded outlets. After excluding the one-off charges contained in the prior year income statement, overall trading profitability growth amounted to 21%. From a pork perspective, the first half of the year was characterised by high maize prices and viability issues for producers, and this resulted in many farmers down-scaling pig operations. This was in contrast to the second half of the year, which saw demand improving, but limited availability of raw product with which to supply the market. Going forward, Colcom's focus will be on securing a stable supply of additional raw material, as well as continuing its product development for the growing informal market. Investigations into modernising the current processing plant in Harare will also enter the design and viability phase, whilst a new pie line is also planned for commissioning during 2015. With additional stores being planned, as well as growing demand from its existing network of Texas outlets, plans are at an advanced stage to up-gauge the capacity at the processing and down-packing facility at AMP.

In contrast to a strong first half of the financial year, the second half of the year at Irvine's was disappointing with significantly reduced demand, particularly in the third quarter. Overall for the year, volumes of the three core products of frozen chicken, day-old chicks and table eggs showed only marginal increases as compared to the prior year, whilst cost increases of its key raw stock feed components resulted in similar profitability being achieved. The business continues with key strategic investments into growing its breeding capacities and capabilities as well as into a new feed mill facility, both of which should have a positive effect right through all parts of the operation in the forthcoming year.

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 operations house a number of leading brands such as Colgate, Tiger Brands, Johnson & Johnson and Kellogg's. The business reported a volume growth increase of 17% over the comparative year, although this translated to only marginal revenue growth as a result of a lower average selling price per unit due in part to a weakening Rand. Operating costs grew ahead of revenue growth and as a result trading profits were 9% lower than those recorded in the prior year.

The Regional Distribution businesses continue to operate in challenging local environments. Revenue declined by 9% as compared to the prior year, impacted somewhat by local currency depreciation in both Zambia and Malawi, and this had a resultant negative effect on trading profit which declined 14% against the prior year.

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.

The SPAR Corporate Store retail operations in Zimbabwe continued to show improvements during the course of the year, and two new stores being Joina City SPAR and Borrowdale Brooke SPAR were added to the network, compensating for the loss of Arundel SPAR. Refinements in store structures continued and approximately USD 0.57 million was processed through the current year income statement in respect of restructure cost provisions. In the period after the year-end, a decision was made to exit the Borrowdale Brooke SPAR as, despite considerable effort, this store was unable to reach consistent levels of customer counts, which in turn negatively affected profitability. Fixed Asset impairments in respect of Borrowdale Brooke SPAR and Arundel SPAR of approximately USD 1.26 million were charged to the current year income statement in respect of these two store closures.

The SPAR Distribution Centre had a very disappointing year, and as highlighted in the interim report, this was driven mainly by the fact that a considerable number of independent stores were unable to maintain any reasonable and consistent trading patterns, whilst debtor collections were also severely affected. As a result of these factors a decision was made to significantly streamline the Distribution Centre operations, and prudent provision was made in the current income statement for any items related to this initiative covering staff restructure, debtors, stock and creditors. This provision amounted to approximately USD 5.26 million, and was the main impactor on the overall results of this reporting division. The operation has now been consolidated to one site and is correctly structured to fulfil its requirements to the store network.

The SPAR Corporate Store retail operations in Zambia continued to post improving results and despite local currency depreciation, US dollar revenue experienced a 3% increase over the prior year. Gross margins remained firm and cost control was good, combining to produce a 44% increase in trading profit as compared to the prior year. A further corporate store was opened in Lusaka in June 2014 and this brought the current total network to 14, inclusive of the 7 independent stores; an additional corporate store is due for opening in Ndola during the first half of the new financial year.

Household Goods

This reporting division consists of TV Sales & Home and Capri.

TV Sales & Home reported an increase in revenue of 6% over the prior year; however a marginal reduction in gross margin as well as an increase in operating costs resulted in a slight decline in trading profit. The reduction in formally employed customers impacted on the instalment debtors' book which closed at a similar level as compared to the prior year; collections on the book, however, remained good. An additional 5 stores were added during the course of the year, with Rusape the latest to open during the final quarter. Three additional stores in Machipisa, Chiredzi and Zvishavane are due for opening during the first quarter of the new financial year, whilst work is also in progress to enable the operation to transact on a term-basis with customers who operate in the vast informal sector of the economy.

Operations at Capri were severely impacted by falling local disposable incomes and despite volumes showing only a 3% decline, this was at the expense of gross margin which was reduced to stimulate demand. As a result, and despite good overhead control, current year trading profits were considerably behind those posted in the prior year. Exports of product commenced to Zambia and Malawi during December 2013 and have shown steady growth during the second half of the financial year. The new refrigerator plant is on schedule for commissioning during December 2014 and this will see both an enhanced product being produced as well as improvements in production efficiencies and costs. Parallel to this, additional export markets under investigation include Mozambique, Namibia, Botswana and the Democratic Republic of Congo.

Other Businesses

With regard to some of the smaller businesses, the Group's packaging operation, NatPak, was the stand-out performer, recording a 14% increase in trading profit compared to the prior year. The bread bag wicketing line, which was commissioned in December 2013, performed well during the second half of the year under review and contributed positively to overall profitability. Investment into new extruding and printing capabilities has recently been approved and this will see the operation having the ability to provide a full flexible packaging range in the latter part of the forthcoming financial year. Operations at the core polypropylene sacks division remain stable.

PROSPECTS

The current trading environment has necessitated the Group taking decisive action in the way it operates and is structured. This process has resulted in some necessary, one-off cost provisioning in the year under review. All Group companies have been through a robust budgeting process during the latter part of the year under review and the Board is confident that with the changes to structuring, a much better trading result can be achieved in the forthcoming year.

In spite of the sub-optimal trading results, generation of free cash has remained a very strong part of the Group's make-up, and management intends to use this attribute to continue expanding its existing businesses and geographic footprint as well as adding additional synergistic operations in the forthcoming year.

With the continued evolution of the Group in terms of its size, geographic location and business type, and given the vast opportunities available for growth both locally and across Africa, appropriate, and more focused leadership structures are currently being implemented to ensure existing businesses operate to plan and that new opportunities can be adequately investigated and executed upon. This will see the Group redefine the way it reports its operations in the future and will see substantive management heads appointed to each of its main business categories, who will assume responsibility, together with unit management, for the performance of each of these portfolios.

As reported at the interim stage, the Group has an ultimate goal of being a true pan-African organisation and it will therefore continue to pursue a more balanced portfolio of businesses both in geographic terms as well as business-type.

DIVIDEND

The Board has declared a final dividend of 0.70 US cents per share (bringing the total dividend for the year to 1.30 US cents per share) payable on or about 10th October 2014 to shareholders registered in the books of the Company by noon on 26th September 2014. The transfer books and register of members will be closed on 27th and 28th September 2014.

In line with the Group's indigenisation transaction, approved by shareholders on 24th January 2014, the Directors have also declared a dividend totalling USD 189 500 to Innscor Africa Employee Share Trust (Pvt) Ltd.

APPRECIATION

I wish to record my appreciation to the executive Directors, management and staff for their effort during the year under review. I also wish to thank the non-executive Directors for their considerable input as well as the Group's customers, suppliers and other stakeholders for their continued support and loyalty.

D.L.L. MORGAN
Chairman
29th August 2014

DIRECTORS: *D.L.L. Morgan (Chairman), J. Koumides (Chief Executive Officer), B.S. Dionisio, *M.J. Fowler, *Z. Koudounaris, J.P. Schonken, *T.N. Sibanda (*Non Executive)

Reviewed Financial Results of Innscor Africa Limited

FOR THE YEAR ENDED 30 JUNE 2014

INNSCOR Africa Limited

OUR PASSION FOR **VALUE CREATION**

Abridged Group Statement Of Profit Or Loss And Other Comprehensive Income

	Year Ended 30 June 2014 reviewed	Year Ended 30 June 2013 audited
	USD	USD
Revenue	**1 010 916 667**	**656 332 118**
Operating profit before depreciation and amortisation	**80 558 376**	**67 396 541**
impairment and derecognition of plant and equipment	(1 832 590)	(2 232 728)
depreciation and amortisation	(23 372 437)	(14 842 013)
Operating profit before interest and fair value adjustments	**55 353 349**	**50 321 800**
fair value adjustments on livestock and listed equities	1 788 097	369 671
fair value adjustments on obtaining control of subsidiaries	39 033 279	-
Profit before interest and tax	**96 174 725**	**50 691 471**
net interest	(6 100 568)	(3 068 650)
equity accounted earnings	2 341 397	11 746 619
Profit before tax	**92 415 554**	**59 369 440**
tax	(13 614 862)	(10 770 549)
Profit for the year	**78 800 692**	**48 598 891**
Other comprehensive income - to be recycled to profit or loss		
exchange differences arising on the translation of foreign operations	(769 235)	(520 379)
Other comprehensive income for the year, net of tax	**(769 235)**	**(520 379)**
Total comprehensive income for the year	**78 031 457**	**48 078 512**
Profit for the year attributable to:		
equity holders of the parent	60 465 321	38 953 790
non-controlling interests	18 335 371	9 645 101
	78 800 692	**48 598 891**
Total comprehensive income for the year attributable to:		
equity holders of the parent	59 875 073	38 536 687
non-controlling interests	18 156 384	9 541 825
	78 031 457	**48 078 512**
Earnings per share (cents)		
Basic earnings per share	**11.16**	7.19
Headline earnings per share	**4.11**	6.36
Diluted earnings per share	**11.16**	7.19
Diluted headline earnings per share	**4.11**	6.36

Abridged Group Statement Of Financial Position

	At 30 June 2014 reviewed	At 30 June 2013 audited
	USD	USD
ASSETS		
Non-current assets		
property, plant and equipment	228 891 391	139 615 506
deferred tax assets	10 389 695	7 926 277
other non-current assets	56 410 175	56 212 460
	295 691 261	**203 754 243**
Current assets		
cash and cash equivalents	37 118 340	23 183 804
other current assets	215 438 763	121 637 589
	252 557 103	**144 821 393**
Total assets	**548 248 364**	**348 575 636**
EQUITY AND LIABILITIES		
Capital and reserves		
ordinary share capital	5 415 934	5 415 934
class A ordinary share capital	10	-
non-distributable reserves	(5 294 128)	28 618 065
distributable reserves	208 458 801	123 393 018
	208 580 617	157 427 017
non-controlling interests	108 269 714	35 379 079
Total shareholders' equity	**316 850 331**	**192 806 096**
Non-current liabilities		
deferred tax liabilities	33 225 358	16 642 460
interest-bearing borrowings	17 263 414	2 965 392
	50 488 772	19 607 852
Current liabilities		
interest-bearing borrowings	46 806 665	51 440 923
trade and other payables	132 138 928	84 148 881
current tax liability	1 963 668	571 884
	180 909 261	136 161 688
Total liabilities	**231 398 033**	**155 769 540**
Total equity and liabilities	**548 248 364**	**348 575 636**

Abridged Group Statement Of Cash Flows

	Year Ended 30 June 2014 reviewed	Year Ended 30 June 2013 audited
	USD	USD
Cash generated from operating activities	**106 822 736**	**54 161 610**
net interest paid	(6 100 568)	(3 068 650)
tax paid	(12 690 797)	(10 109 626)
Total cash available from operations	**88 031 371**	**40 983 334**
Investing activities	**(47 840 124)**	**(43 286 425)**
Net cash inflow/(outflow) before financing activities	**40 191 247**	**(2 303 091)**
Financing activities	**(26 256 711)**	**3 031 328**
Net increase in cash and cash equivalents	**13 934 536**	**728 237**
Cash and cash equivalents at the beginning of the year	**23 183 804**	**22 455 567**
Cash and cash equivalents at the end of the year	**37 118 340**	**23 183 804**

Abridged Group Statement Of Changes In Equity

	Ordinary Share Capital	Class A Ordinary Share Capital	Non-Distributable Reserves	Distributable Reserves	Total	Non-Controlling Interests	Total
	USD		USD	USD	USD	USD	USD
Balance at 30 June 2012	**5 415 934**	**-**	**29 035 168**	**97 965 286**	**132 416 388**	**28 062 807**	**160 479 195**
Profit for the year	-	-	-	38 953 790	38 953 790	9 645 101	48 598 891
Other comprehensive income	-	-	(417 103)	-	(417 103)	(103 276)	(520 379)
Dividends paid	-	-	-	(9 748 682)	(9 748 682)	(2 025 583)	(11 774 265)
Transactions with owners in their capacity as owners	-	-	-	(3 777 376)	(3 777 376)	(199 970)	(3 977 346)
Balance at 30 June 2013	**5 415 934**	**-**	**28 618 065**	**123 393 018**	**157 427 017**	**35 379 079**	**192 806 096**
Profit for the year	-	-	-	60 465 321	60 465 321	18 335 371	78 800 692
Other comprehensive income	-	-	(590 248)	-	(590 248)	(178 987)	(769 235)
Issue of class A ordinary shares	-	10	-	-	10	-	10
Dividends paid	-	-	-	(8 665 495)	(8 665 495)	(5 799 852)	(14 465 347)
Transactions with owners in their capacity as owners	-	-	-	(55 988)	(55 988)	60 534 103	60 478 115
Transfer of foreign currency conversion reserve	-	-	(33 321 945)	33 321 945	-	-	-
Balance at 30 June 2014	**5 415 934**	**10**	**(5 294 128)**	**208 458 801**	**208 580 617**	**108 269 714**	**316 850 331**

Supplementary Information

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Operating Segments

	Bakeries and Fast Foods	Milling & Protein	Distribution Group Africa	SPAR	Household Goods	Other Businesses	Corporate Services	Intersegment Adjustments	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Revenue									
30 June 2014	261 993 131	488 569 195	92 730 082	159 696 009	53 158 563	20 212 708	1 885 103	(67 328 124)	1 010 916 667
30 June 2013	269 056 704	60 782 481	93 629 104	167 003 848	51 888 736	12 215 963	1 755 282	-	656 332 118
Operating profit/(loss) before depreciation and amortisation									
30 June 2014	25 240 253	41 509 166	8 018 362	(4 907 091)	9 853 822	1 699 783	(855 919)	-	80 558 376
30 June 2013	33 269 171	4 807 631	8 946 633	2 596 500	11 480 326	1 688 590	4 607 690	-	67 396 541
Depreciation and amortisation									
30 June 2014	11 608 224	6 786 051	951 932	2 491 092	515 861	694 215	325 062	-	23 372 437
30 June 2013	8 519 220	1 603 612	864 729	2 506 486	483 025	542 211	322 730	-	14 842 013
Equity accounted earnings									
30 June 2014	158 877	236 294	34 493	-	-	101 178	1 810 555	-	2 341 397
30 June 2013	143 842	232 898	-	-	-	9 289 139	2 080 740	-	11 746 619
Profit/(loss) before tax									
30 June 2014	11 668 716	35 739 199	6 726 506	(9 561 505)	8 744 665	569 332	38 528 641	-	92 415 554
30 June 2013	23 492 228	2 249 054	7 832 898	(547 486)	10 282 523	9 922 807	6 137 416	-	59 369 440
Segment assets									
30 June 2014	129 175 493	233 679 086	41 356 791	44 765 746	44 061 900	12 442 744	110 721 739	(67 955 135)	548 248 364
30 June 2013	102 190 684	37 258 306	35 988 919	46 377 736	39 768 087	49 755 402	71 287 003	(34 050 501)	348 575 636
Segment liabilities									
30 June 2014	74 878 300	85 456 887	20 420 969	35 705 680	19 016 674	6 623 032	57 251 626	(67 955 135)	231 398 033
30 June 2013	52 005 029	10 525 927	19 042 302	28 981 743	19 072 691	3 380 503	56 811 846	(34 050 501)	155 769 540
Capital expenditure									
30 June 2014	25 792 498	14 762 249	808 878	3 249 959	2 931 350	1 215 129	174 579	-	48 934 642
30 June 2013	40 640 120	2 825 596	1 536 859	1 788 328	3 373 812	491 998	66 126	-	50 722 839

	Year Ended 30 June 2014 reviewed	Year Ended 30 June 2013 audited
	USD	USD
3 Depreciation	**23 270 657**	**14 730 862**
4 Capital expenditure for the year	**48 934 642**	**50 722 839**
5 Future lease commitments		
Payable within one year	13 851 839	13 706 654
Payable two to five years	37 788 792	40 821 536
Payable after five years	28 376 388	29 736 483
	80 017 019	**84 264 673**
6 Commitments for capital expenditure		
Contracts and orders placed	11 099 665	15 918 435
Authorised by Directors but not contracted	32 592 658	17 836 777
	43 692 323	**33 755 212**

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

7 Security		
Net book value of property, plant, equipment, motor vehicles, inventories and accounts receivables pledged as security for interest-bearing borrowings	**17 366 294**	**7 280 387**

8 Earnings per share

Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the year.

Fully diluted earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting to assume conversion of share options, only if the average market price of ordinary shares during the year exceeds the exercise price of such options.

The share options arising from the Group's indigenisation transaction have no dilutive effect at the end of the financial year.

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.

Reconciliation of basic earnings to headline earnings:		
Profit for the year attributable to equity holders of the parent	60 465 321	38 953 790
Adjustment for capital items (gross of tax):		
Profit on disposal of unquoted investments	-	(5 248 494)
Fair value adjustments on obtaining control of subsidiaries	(39 033 279)	-
Impairment and derecognition of plant and equipment	1 832 590	2 232 728
Loss/(profit) on disposal of property, plant and equipment	86 233	(20 621)
Gain on bargain purchase of subsidiary	(258 542)	(381 047)
Tax effect on adjustments	(493 026)	(568 952)
Non-controlling interests' share of adjustments	(360 861)	(524 637)
Headline earnings attributable to ordinary shareholders	**22 238 436**	**34 442 767**
Number of shares in issue		
Number of ordinary shares in issue	541 593 440	541 593 440
Weighted average number of ordinary shares in issue	541 593 440	541 593 440
Basic earnings per share (cents)	11.16	7.19
Headline earnings per share (cents)	4.11	6.36
Diluted basic earnings per share (cents)	11.16	7.19
Diluted headline earnings per share (cents)	4.11	6.36

9 Events after the reporting date

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

10 Contingent liabilities		
Guarantees	**13 400 000**	**10 200 000**

The contingent liabilities relate to bank guarantees provided in respect of associate companies as at 30 June 2014.