INNSCOR AFRICA LIMITED

Unaudited Abridged Financial Results

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

INNSCOR Africa Limited

Our passion for **value creation**

SALIENT FEATURES

		USD
Revenue	(2%) ▼	304 806 744
Operating profit	28% ▲	40 204 775
Profit before tax	31% ▲	31 092 674
Basic earnings per share (cents)	20% ▲	2.79
Headline earnings per share (cents)	25% ▲	2.90
Cash generated from operating activities	67% ▲	19 459 891
Cash dividend declared per share (cents)	33% ▲	0.93

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 abridged Group interim financial results are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange (ZSE) Listing Requirements for provisional interim financial statements (interim reports), and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03). The principal accounting policies applied in the preparation of these interim financial statements are consistent with those applied in the previous annual financial statements.

OPERATING ENVIRONMENT AND OVERVIEW

The period under review was dominated by the recent significant changes in the political environment in the country. The new leadership dispensation has changed course and approach, and is seized with ensuring that the country realises its undoubted economic potential. The "open for business" theme adopted by Government and the facilitation of dialogue between all key stakeholders is tremendously encouraging, as are policies that are being adopted to ensure that the ease of doing business improves.

Generally, trading conditions remained challenging for the period under review. The country's ongoing foreign liquidity constraints made it extremely difficult to maintain a consistent flow of foreign creditor payments for critical raw materials required in our manufacturing processes, whilst also hindering expansion projects which relied on imported capital equipment. This remained a major focus area for management in the period.

Inflationary pressures continued across the board with respect to both raw material inputs and operating expenditure, and there was significant profit reduction in the bread category, which is under effective price control. The Group's chicken operation, Irvine's, recently exited the quarantine phase, following the outbreak of Avian Influenza in the prior year, but the reduced production levels impacted negatively on the results of the business as well as the downstream stock feed operations.

The Group continued with its approach on improving efficiencies both from a cost and structure perspective, and in this regard successfully concluded the acquisition of the remaining minority shareholding in Colcom Holdings Limited, followed by a de-listing and divisionalisation of the business.

FINANCIAL PERFORMANCE

The Group posted revenue of US$304.807m for the period under review, representing a 2% decline on the comparative period, with a mixed volume performance across the operations. The decline in revenue can be largely attributed to the effects of the Avian Influenza epidemic which reduced volumes at Irvine's and the Group's stock feed operations, as well as the absence of third party products previously traded through the old National Foods depot network. Notwithstanding the revenue decrease, dollar margins were higher than those posted in the comparative period, mainly as a result of the shift in sales mix towards higher margin products.

Despite inflationary pressures, operating costs were well controlled, allowing operating profit to grow by 28% over the comparative period to US$40.205m. This was a commendable result given the significantly reduced activity at Irvine's.

The financial expense line was dominated by the final impairment charge of US$2.042m relating to feed at infected poultry sites at Irvine's which was destroyed in the current period. A higher net interest charge, resulting from the increase in borrowings was off-set by a favourable fair value adjustment and an improved performance by the Group's associate entities. Overall profit before tax for the period at US$31.093m was 31% above the comparative period.

Included in the comparative period are the net results (US$0.120m) of discontinued and discontinuing operations which relate to the Group's interest in Spar Zambia Limited, which was disposed of in November 2016 and The River Club in Zambia that was also disposed of during the 2017 financial year.

Notwithstanding the reduced profit from the Group's bakery operation, which carries a high weighting in the consolidated results, and which emanated from the inability to adjust selling price in the face of increases in key raw materials, total headline earnings per share improved by 25% to 2.90 cents.

The Group's statement of financial position remained solid. Gearing increased marginally from the end of the previous financial year to 17.63%, on the back of large maize and wheat pre-payments following successful local harvests, and our operations have secured a good and well-priced pipeline of these commodities for the coming period. As previously advised, an additional 18 133 030 ordinary shares were issued immediately prior to the close of the period to fund the acquisition of the remaining 20.36% interest in Colcom Holdings Limited; the marginal weighting effect of these new shares has been taken account of in the calculation of earnings per share.

The Group generated cash of US$19.460m from operating activities against US$11.620m in the comparative period. Capital expenditure, at US$13.481m was limited to critical maintenance and expansion projects.

As previously reported, the Group still has an amount outstanding of US$2.550m relating to the payment it has made into a trust as a result of its case with the Competitions and Tariff's Commission (CTC). This amount is included in working capital. The High Court has ruled in favour of the Group, and the Group awaits repayment of this amount, although the CTC has taken the matter on appeal to the Supreme Court where judgement is pending.

OPERATIONS REVIEW

In order to improve focus, allow a better understanding of the Group's business and to optimise efficiencies, the business units within the Group have been arranged into new reporting segments, namely Mill-Bake, Protein, Other Light Manufacturing & Services and Head Office Shared Services.

MILL–BAKE

This reporting segment contains the results of the Group's Bakery division, National Foods, and its non-controlling interest in Profeeds.

The **Bakery** division recorded a 16% increase in loaf volumes over the comparative period, translating to a similar growth at revenue level. Volumes were driven largely by a flat selling price in the face of high pricing inflation in other competing alternative and substitute products; indeed bread remains the only basic consumer product which has recorded deflation in pricing since the onset of dollarisation in 2009. Key input costs have continued to increase in the past twelve months, and this together with an inability to move pricing, resulted in operating profits reducing by 27% against the comparative period. Consultations with the relevant authorities continue in the hope of achieving a viable solution for the baking industry.

Management continues with cost reduction strategies to reduce operating expenditure and further automation initiatives are at an advanced stage. These will bring both better efficiencies and increased capacities.

Volumes for the period at **National Foods** were subdued at 262,000mt, being a 10% decline on the comparative period; with revenue reduction being similar. This decline was largely due to the absence of third party products previously traded through the old depot network and the stock feed division which recorded a 28% decline in feed volumes as a result of reduced day old chick availability following the Avian Influenza outbreak.

The maize division showed an overall improvement on the back of margin recovery, whilst the performance in rice was solid. Flour volumes were very firm, increasing 16% on the comparative period to record levels, although profitability reduced. Pure Oils produced another strong performance.

Operating expenditure continued to decline, and helped to drive an overall increase of 36% in operating profit growth over the comparative period. The business has a healthy pipeline of local maize and wheat and continues to carefully manage its imported raw material position.

Profeeds, an associate company of the Group, recorded a 21% decline in feed volumes over the comparative period, with reduced day old chick availability again being the major cause. The reduction in revenue was similar at 19%.

The introduction of other feed types contributed to margin improvements, whilst further savings in operating expenditure and enhanced plant efficiencies translated to a 10% increase in operating profit over the comparative period.

Work continues on improving efficiencies in the plant whilst an entire revamp of the retail network focusing on layout, customer service and widening of product range is currently underway. Focus on the small-scale farmer initiative will recommence on the restoration of day old chick supply.

PROTEIN

This reporting segment comprises the results of Colcom and Irvine's.

Volumes at **Colcom** decreased by 5% over the comparative period largely as a result of lower pig production following lower target farrowing rates; the comparative period also included pigs from a once-off de-stocking exercise at a third party pig operation.

Despite the decline in volumes, there was a positive shift in sales mix from fresh meat and carcasses to processed product which enabled revenue growth of 17% over the comparative period, whilst margins were also enhanced. Operating expenditure increased over the same period, in support of expansion in an additional pig production unit and new "Texas" Meat and Chicken outlets, whilst operating profit showed a growth of 17%.

The redevelopment of an additional piggery continues as planned and the first pigs from this operation are expected to be delivered in September 2018. The popular "Texas" retail operation has expanded its platform with new outlets in Karoi and Bulawayo and continues to explore additional sites for development.

Irvine's recorded a drop in revenue of 13% over the comparative period resulting directly from the outbreak of Avian Influenza towards the latter part of the 2017 financial year. As previously reported, the operation lost a large portion of its breeding and production livestock in both the broiler and layer operation as a result. Available day old chick supply was directed towards the production of frozen chicken in an effort to keep retail and wholesale availability consistent, although volumes were still 7% lower than the comparative period. Day old chick sales were heavily affected with volumes 33% lower than the comparative period whilst table egg volumes were 43% lower over the same period, with overall profitability reducing by 29%, after including the final impairment charge of US$2.042m.

The operation has now successfully completed the quarantine phase, during which time extensive sanitation procedures have been undertaken on the affected sites. Further stringent biosecurity measures, in addition to those already in place, have been implemented to mitigate against the risk of future outbreaks.

Re-stocking of breeder operations has commenced, and until normal levels of local production are achieved, broiler production will be complemented by the importation of hatching eggs. We expect day old chick availability to normalise in the last quarter of the current financial year, whilst table egg production should start to show a gradual improvement in availability by the end of the financial year.

OTHER LIGHT MANUFACTURING & SERVICES

This reporting segment comprises the results of the Group's non-controlling interests in Probrands and Probottlers as well as those of Natpak and Capri.

At **Probrands**, overall volumes and revenue declined marginally over the comparative period. The rice category experienced a drop in overall volumes largely as a result of difficulties in accessing the necessary foreign currency for imports, but strong volume growth was recorded in the dairy and candle categories as well as sugar down packing. Growth in the dairy category was driven by a solid performance in the existing cultured category and good initial volumes from the newly commissioned UHT milk plant. Operating profits followed a similar trend to revenue.

The business has grown a wide portfolio of products, and in the coming period will be restructured to achieve both a more optimal financial structure and specific focus on the growing dairy category and, separately, other manufactured FMCG products. Additional initiatives will also be undertaken with a view to adding new higher margin niche categories.

Volumes and revenue at **Probottlers** increased by 10% over the comparative period with strong growth coming in the carbonated category; margins however were depressed and operating profits showed an overall decline.

A plant upgrade is currently underway and is expected to be completed in the third quarter of the current financial year, increasing capacity and allowing the business to achieve critical mass and optimal efficiency.

At **Natpak**, volumes grew by 23% on the comparative period on the back of increased capacity from the additional flexible packaging plant, with revenues growing 48%, enhanced by the change in product mix. A significant increase in operating profit was achieved, as the additional volume was achieved off an established overhead base.

Expansion of the business into an additional site has recently commenced, with additional investment into increased localised sack production planned for the latter part of the current financial year, whilst other complimentary products in the flexible category will also be initiated.

Results at **Capri** were affected by limited foreign currency support necessary for key imported components. As a result, total volumes, including exports, were lower than the comparative period. Operating expenditure was, however, well controlled and allowed for some leverage at operating profit level.

PROSPECTS

The policies outlined by the new leadership of the country are positive and progressive and, if successfully implemented, will create an environment that will allow for sustainable economic growth. The Group is well placed to play its part in the recovery process.

Currency shortages are however likely to continue into the foreseeable future, and will require ongoing management; we will continue working with the authorities and commercial banks to ensure uninterrupted supply of key raw materials vital for local manufacturing. Policies focused on improving local agricultural production represent a key part of the recovery process, and already the increased local production of maize and wheat have significantly reduced our reliance on imported raw materials; the Group will continue its support to these initiatives through contract farming of maize, wheat and soya beans.

The recovery process insofar as Irvine's is concerned is well underway, and we expect a continual improvement in production levels and the performance of this operation going forward. Constructive dialogue continues with regards to the pricing of bread, and we are hopeful of achieving a solution that meets the requirements of all stakeholders.

A re-energised operating environment will bring with it increased competition, and so management will continue to focus on its ongoing initiatives to grow volumes and improve cost efficiencies. Re-structuring programmes will also continue in order to ensure the effective use of infrastructure and management resource.

Dairy and beverages are two relatively new categories for the Group, and management will work on establishing critical mass and will investigate opportunities to optimise each business model; a backward integration process is currently underway in the dairy operation which will result in an increase in local raw milk supply, and a reduced reliance on imported milk powder.

Management will continue to scan the market for opportunities to grow the existing category base and to add additional complimentary businesses and categories.

DIVIDEND

The Board is pleased to declare an interim dividend of 0.93 US cents per share payable in respect of all ordinary shares of the Company. This interim dividend is in respect of the financial year ending 30th June 2018 and will be payable in full to all the shareholders of the Company registered at the close of business on the 6th of April 2018. The payment of this dividend will take place on or about the 23rd of April 2018. The shares of the Company will be traded cum–dividend on the Zimbabwe Stock Exchange up to the market day of the 3rd of April 2018 and ex–dividend as from the 4th of April 2018.

The Board has also declared an interim dividend totalling US$261 000 to Innscor Africa Employee Share Trust (Private) Limited.

APPRECIATION

I wish to record my appreciation to the Executive Directors, Management and Staff for their effort during the period under review. I also wish to thank the Non-Executive Directors for their wise counsel as well as the Group's customers, suppliers and other stakeholders for their continued support and loyalty.

A.B.C. CHINAKE
Chairman
28 February 2018

Abridged Group Statement of Profit or Loss and Other Comprehensive Income

	6 Months Ended 31 Dec 2017 unaudited	6 Months Ended 31 Dec 2016 unaudited
CONTINUING OPERATIONS	USD	USD
Revenue	**304 806 744**	**311 075 696**
Operating profit before impairment, depreciation, amortisation and fair value adjustments	**40 204 775**	**31 327 712**
financial loss	(2 858 850)	(1 058 936)
depreciation and amortisation	(7 953 500)	(7 629 964)
Operating profit before interest, equity accounted earnings and fair value adjustments	**29 392 425**	**22 638 812**
fair value adjustments on livestock and listed equities	532 977	(175 623)
Profit before interest and tax	**29 925 402**	**22 463 189**
interest income	658 484	802 211
interest expense	(3 507 610)	(2 879 994)
equity accounted earnings	4 016 398	3 377 244
Profit before tax	**31 092 674**	**23 762 650**
tax expense	(7 129 424)	(5 363 946)
Profit for the period from continuing operations	**23 963 250**	**18 398 704**
DISCONTINUED AND DISCONTINUING OPERATIONS		
Profit after tax for the period from discontinued and discontinuing operations	—	120 012
Profit for the period from continuing, discontinued and discontinuing operations	**23 963 250**	**18 518 716**
Other comprehensive income - to be recycled to profit or loss		
exchange differences arising on the translation of foreign operations	324	10 660
Other comprehensive income for the period, net of tax	**324**	**10 660**
Total comprehensive income for the period	**23 963 574**	**18 529 376**
Profit for the period from continuing, discontinued and discontinuing operations attributable to:		
equity holders of the parent	15 072 015	13 456 521
non-controlling interests	8 891 235	5 062 195
	23 963 250	**18 518 716**
Total comprehensive income for the period from continuing, discontinued and discontinuing operations attributable to:		
equity holders of the parent	15 072 138	13 463 261
non-controlling interests	8 891 436	5 066 115
	23 963 574	**18 529 376**
EARNINGS PER SHARE (CENTS)		
Basic earnings per share - continuing operations	**2.79**	**2.32**
Basic earnings per share - discontinuing operations	—	0.17
Basic earnings per share - continuing and discontinuing operations	**2.79**	**2.49**
Headline earnings per share - continuing operations	**2.90**	**2.32**
Headline earnings per share - discontinuing operations	—	(0.14)
Headline earnings per share - continuing and discontinuing operations	**2.90**	**2.18**
Diluted basic earnings per share - continuing operations	**2.79**	**2.32**
Diluted basic earnings per share - discontinuing operations	—	0.17
Diluted basic earnings per share - continuing and discontinuing operations	**2.79**	**2.49**
Diluted headline earnings per share - continuing operations	**2.90**	**2.32**
Diluted headline earnings per share - discontinuing operations	—	(0.14)
Diluted headline earnings per share - continuing and discontinuing operations	**2.90**	**2.18**

Abridged Group Statement of Financial Position

	At 31 Dec 2017 unaudited USD	At 30 June 2017 audited USD
ASSETS		
Non-current assets		
property, plant and equipment	168 852 278	166 731 014
intangible assets	38 946 879	38 952 509
investments in associates	30 404 218	28 426 278
financial assets	16 340 138	7 093 139
biological assets	2 473 081	1 626 343
deferred tax assets	7 544 556	7 905 502
	264 561 150	**250 734 785**
Current assets		
financial assets	—	100 266
biological assets	7 313 145	7 329 155
inventories	66 053 090	76 967 363
trade and other receivables	139 630 968	107 531 553
cash and cash equivalents	42 185 888	30 254 403
	255 183 091	**222 182 740**
Assets of disposal group classified as held for sale	3 402 447	—
Total assets	**523 146 688**	**472 917 525**
EQUITY AND LIABILITIES		
Capital and reserves		
ordinary share capital	5 597 264	5 415 934
class "A" ordinary share capital	10	10
other reserves	4 451 858	(2 866 055)
distributable reserves	194 067 032	183 872 413
Attributable to equity holders of the parent	**204 116 164**	**186 422 302**
non-controlling interests	100 444 036	99 036 477
Total shareholders' equity	**304 560 200**	**285 458 779**
Non-current liabilities		
deferred tax liabilities	30 278 472	28 201 694
interest-bearing borrowings	23 617 780	11 966 016
	53 896 252	**40 167 710**
Current liabilities		
interest-bearing borrowings	83 744 669	69 920 969
trade and other payables	76 736 471	75 023 977
provisions and other liabilities	2 204 295	2 294 717
current tax liabilities	1 834 650	51 373
	164 520 085	**147 291 036**
Liabilities directly associated with the assets classified as held for sale	170 151	—
Total liabilities	**218 586 488**	**187 458 746**
Total equity and liabilities	**523 146 688**	**472 917 525**

Abridged Group Statement of Cash Flows

	6 Months Ended 31 Dec 2017 unaudited USD	6 Months Ended 31 Dec 2016 unaudited USD
Cash generated from operating activities	**19 459 891**	**11 619 833**
interest income - continuing and discontinuing operations	658 484	1 447 057
interest expense - continuing and discontinuing operations	(3 507 610)	(3 903 931)
tax paid - continuing and discontinuing operations	(2 791 159)	(3 169 727)
Total cash available from operations	**13 819 606**	**5 993 232**
Investing activities	**(22 465 003)**	**(7 279 416)**
Net cash outflow before financing activities	**(8 645 397)**	**(1 286 184)**
Financing activities	**20 576 882**	**(673 240)**
Net increase/(decrease) in cash and cash equivalents	**11 931 485**	**(1 959 424)**
Cash and cash equivalents at the beginning of the period	**30 254 403**	**28 073 905**
Cash and cash equivalents at the end of the period	**42 185 888**	**26 114 481**
Cash and cash equivalents comprise:		
cash and cash equivalents attributable to continuing operations	42 185 888	25 860 645
cash and cash equivalents attributable to discontinuing operations	—	253 836
	42 185 888	**26 114 481**

Supplementary Information (continued)

	31 Dec 2017 unaudited USD	31 Dec 2016 unaudited USD
3 Future lease commitments		
Payable within one year	3 531 461	2 698 841
Payable two to five years	15 263 394	11 269 429
Payable after five years	18 308 917	15 734 862
	37 103 772	**29 703 132**
4 Commitments for capital expenditure		
Contracts and orders placed	4 406 175	6 750 707
Authorised by Directors but not contracted	4 125 212	9 115 299
	8 531 387	**15 866 006**
The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.		
5 Security		
Net book value of property, plant, equipment, motor vehicles, inventories and accounts receivables pledged as security for interest-bearing borrowings.	**13 500 000**	**13 500 000**

	31 Dec 2017 unaudited USD	31 June 2017 audited USD
6 Inventories		
Consumable stores	15 884 128	13 728 729
Finished products, net of allowance for obsolescence	9 084 307	15 857 188
Raw materials and packaging	40 599 732	45 870 209
Goods in transit	—	1 207 623
Work in progress	484 923	303 614
	66 053 090	**76 967 363**
7 Trade and other receivables		
Trade receivables	62 646 073	60 114 232
Prepayments	61 000 095	30 515 548
Rental deposits	41 151	40 350
VAT Receivable	7 908 300	4 776 606
Other receivables	15 074 225	19 775 917
	146 669 844	115 222 653
Allowance for credit losses	(7 038 876)	(7 691 100)
	139 630 968	**107 531 553**
8 Trade and other payables		
Trade payables	33 100 713	24 452 582
Accruals	13 811 878	10 789 457
Other payables	29 823 880	39 781 938
	76 736 471	**75 023 977**

9 Assets held for sale

The Group continues to dispose of non-core or aging assets in order to apply the value of the statement of financial position more appropriately. Following the disposal of the National Foods Holdings Limited depot operations in October 2016, the Board has identified the properties from which some of these depots operate to be non-core. As such these properties have been categorised as assets of disposal Group classified as held for sale and are due to be disposed in the next six months. The assets are held at a value that approximates fair value.

Land and Buildings	3 402 447	—
Deferred tax liability relating to assets held for sale	(170 151)	—

Abridged Group Statement of Changes in Equity

	attributable to equity holders of the parent												
			Other Reserves										
	Ordinary Share Capital USD	Class "A" Ordinary Share Capital USD	Restructure Reserve USD	Share Premium Reserve USD	Foreign Currency Translation Reserve USD	Translation Reserves of Disposal Group Classified as Held for Sale USD	Treasury Shares USD	Share Based Payment Reserve USD	Total Other Reserves USD	Distributable Reserves USD	Total Attributable to Equity Holders of the Parent USD	Non-Controlling Interests USD	Total Shareholders Equity USD
Balance at 30 June 2016	**5 415 934**	**10**	**(3 414 745)**	**—**	**138 526**	**238 210**	**—**	**—**	**(3 038 009)**	**168 973 752**	**171 351 687**	**92 930 342**	**264 282 029**
Profit for the year	—	—	—	—	—	—	—	—	—	25 717 439	25 717 439	8 955 104	34 672 543
Other comprehensive income	—	—	—	—	19 091	(246 874)	—	—	(227 783)	—	(227 783)	4 515	(223 268)
Dividends paid	—	—	—	—	—	—	—	—	—	(7 275 412)	(7 275 412)	(6 394 444)	(13 669 856)
Acquisition of treasury shares	—	—	—	—	—	—	(1 298 255)	—	(1 298 255)	—	(1 298 255)	—	(1 298 255)
Transactions with owners in their capacity as owners	—	—	622 763	—	—	8 664	905 212	—	1 536 639	(3 543 366)	(2 006 727)	3 540 960	1 534 233
Contributions from owners	—	—	—	—	—	—	—	—	—	—	—	2 041 256	2 041 256
Distribution to owners	—	—	—	—	—	—	—	—	—	(3 803 453)	(3 803 453)	345 454	(3 457 999)
Derecognition of subsidiaries on disposal	—	—	622 763	—	—	8 664	—	—	631 427	—	631 427	1 371 882	2 003 309
Utilisation of treasury shares	—	—	—	—	—	—	946 400	—	946 400	1 053 600	2 000 000	—	2 000 000
Other transactions with owners in their capacity as owners	—	—	—	—	—	—	(41 188)	—	(41 188)	(793 513)	(834 701)	(217 632)	(1 052 333)
Share based payment charge for the year	—	—	—	—	—	—	—	217 310	217 310	—	217 310	—	217 310
Deferred tax on share based payment charge	—	—	—	—	—	—	—	(55 957)	(55 957)	—	(55 957)	—	(55 957)
Balance at 30 June 2017	**5 415 934**	**10**	**(2 791 982)**	**—**	**157 617**	**—**	**(393 043)**	**161 353**	**(2 866 055)**	**183 872 413**	**186 422 302**	**99 036 477**	**285 458 779**
Profit for the period	—	—	—	—	—	—	—	—	—	15 072 015	15 072 015	8 891 235	23 963 250
Other comprehensive income	—	—	—	—	123	—	—	—	123	—	123	201	324
Dividends paid	—	—	—		—	—	—	—	—	(5 080 994)	(5 080 994)	(2 553 503)	(7 634 497)
Issue of shares - Colcom non-controlling interests	181 330	—	—	17 951 700	—	—	—	—	17 951 700	—	18 133 030	—	18 133 030
Transactions with owners in their capacity as owners	—	—	(10 342 638)	(140 168)	—	—	(294 747)	—	(10 777 553)	203 598	(10 573 955)	(4 930 374)	(15 504 329)
Contributions from owners	—	—	—		—	—	—	—	—	—	—	2 749 357	2 749 357
Acquisition of treasury shares	—	—	—	—	—	—	(335 935)	—	(335 935)	—	(335 935)	—	(335 935)
Buyout of non-controlling interests	—	—	(10 342 638)	—	—	—	—	—	(10 342 638)	—	(10 342 638)	(7 815 340)	(18 157 978)
Disposal of treasury shares	—	—	—	—	—	—	41 188	—	41 188	132 240	173 428	217 418	390 846
Other transactions with owners in their capacity as owners	—	—	—	(140 168)	—	—		—	(140 168)	71 358	(68 810)	(81 809)	(150 619)
Share based payment charge for the period	—	—	—	—	—	—	—	193 458	193 458	—	193 458	—	193 458
Deferred tax on share based payment charge	—	—	—		—	—	—	(49 815)	(49 815)	—	(49 815)	—	(49 815)
Balance at 31 December 2017	**5 597 264**	**10**	**(13 134 620)**	**17 811 532**	**157 740**	**—**	**(687 790)**	**304 996**	**4 451 858**	**194 067 032**	**204 116 164**	**100 444 036**	**304 560 200**

Supplementary Information

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Operating Segments

	Mill-Bake USD	Protein USD	Other Light Manufacturing and Services USD	Head Office Shared Services USD	Adjustments USD	Total Continuing Operations unaudited USD	Total Discontinuing Operations unaudited USD
Revenue							
31 December 2017	195 722 702	86 288 264	33 523 341	1 707 285	(12 434 848)	304 806 744	—
31 December 2016	207 951 942	88 107 855	24 113 140	892 999	(9 990 240)	311 075 696	13 396 916
Operating profit/(loss) before depreciation and amortisation							
31 December 2017	20 023 236	10 497 050	8 530 620	1 147 400	6 469	40 204 775	—
31 December 2016	19 141 618	7 748 393	4 945 492	(507 791)	—	31 327 712	(943 860)
Depreciation and amortisation							
31 December 2017	3 649 995	2 760 657	1 314 067	47 667	181 114	7 953 500	—
31 December 2016	3 832 837	2 577 509	995 795	42 709	181 114	7 629 964	271 316
Equity accounted earnings							
31 December 2017	2 491 763	239 060	1 285 575	—	—	4 016 398	—
31 December 2016	2 371 836	93 712	911 696	—	—	3 377 244	—
Profit before tax							
31 December 2017	17 340 114	5 589 134	6 690 331	2 057 870	(584 775)	31 092 674	—
31 December 2016	16 199 307	4 787 555	2 961 228	34 674	(220 114)	23 762 650	120 270
Segment assets							
31 December 2017	305 284 051	106 321 798	79 938 445	17 736 880	10 463 067	519 744 241	3 402 447
30 June 2017	285 404 868	98 832 337	59 223 831	18 425 401	11 031 088	472 917 525	—
Segment liabilities							
31 December 2017	108 141 303	29 382 900	17 564 714	66 308 825	(2 981 405)	218 416 337	170 151
30 June 2017	84 538 017	27 938 073	30 632 503	67 351 811	(23 001 658)	187 458 746	—
Capital expenditure							
31 December 2017	3 809 343	2 928 371	6 737 183	5 693	—	13 480 590	—
31 December 2016	4 169 831	2 726 052	2 114 430	2 749	—	9 013 062	243 523

10 Earnings per share

Basic earnings basis

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the period.

Diluted earnings basis

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential conversion of share options. The potential conversion is possible when 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 had no dilutive effect at the end of the reporting period.

The share options arising from the Group's Employee Share Trust Scheme were not dilutive as at the end of the reporting period.

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.

The following reflects the income data used in the basic, headline and diluted earnings per share computations:

	Continuing Operations		Continuing and Discontinued Operations	
	31 Dec 2017 unaudited USD	31 Dec 2016 unaudited USD	31 Dec 2017 unaudited USD	31 Dec 2016 unaudited USD
a Net profit attributable to equity holders of the parent	**15 072 015**	**12 531 385**	**15 072 015**	**13 456 521**
b Reconciliation of basic earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	**15 072 015**	**12 531 385**	**15 072 015**	**13 456 521**
Adjustment for capital items (gross of tax):				
Exceptional charges due to Avian Influenza	2 041 999	—	2 041 999	—
(Profit)/loss on disposal of property, plant and equipment	(30 674)	57 827	(30 674)	56 962
Profit on disposal/restructure of subsidiary and associates	(138 184)	—	(138 184)	(1 720 019)
Profit on disposal of intangible assets	—	—	—	(2 838)
Tax effect on adjustments	(517 916)	(15 386)	(517 916)	(14 432)
Non-controlling interests' share of adjustments	(771 908)	(31 149)	(771 908)	(32 848)
Headline earnings attributable to ordinary shareholders	**15 655 332**	**12 542 677**	**15 655 332**	**11 743 346**
c Reconciliation of weighted average number of ordinary shares	**No. of shares**	**No. of shares**	**No. of shares**	**No. of shares**
Number of shares in issue at the beginning of the period	541 593 440	541 593 440	541 593 440	541 593 440
Add: Weighted Average number of shares issued for Colcom non-controlling interests' buyout	300 547	—	300 547	—
Less: Weighted Average number of Treasury shares	(1 657 295)	(1 827 659)	(1 657 295)	(1 827 659)
Weighted Average Number of Shares	**540 236 692**	**539 765 781**	**540 236 692**	**539 765 781**
Basic earnings per share (cents)	2.79	2.32	2.79	2.49
Headline earnings per share (cents)	2.90	2.32	2.90	2.18
Diluted basic earnings per share (cents	2.79	2.32	2.79	2.49
Diluted headline earnings per share (cents)	2.90	2.32	2.90	2.18
11 Contingent liabilities				
Guarantees				
The contingent liabilities relate to bank guarantees provided in respect of associate companies as at 31 December 2017	**97 200 000**	**73 250 000**	**97 200 000**	**73 250 000**

12 Interest Bearing Borrowings

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 6% to 7.5% per annum. The facilities expire at different dates and will be reviewed and renewed when they mature. Assets pledged as security for interest-bearing borrowings are disclosed under note 5 above.