

THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



ANNOUNCEMENT TO SHAREHOLDERS

REGARDING THE PROPOSED UNBUNDLING OF INNSCOR AFRICA LIMITED'S QUICK SERVICE RESTAURANT BUSINESS (SIMBISA BRANDS LIMITED) THROUGH A DIVIDEND *IN SPECIE* OF ONE ORDINARY SHARE IN SIMBISA BRANDS LIMITED FOR ONE ORDINARY SHARE IN INNSCOR AFRICA LIMITED ALREADY HELD AND TO SEEK A SEPARATE LISTING OF SIMBISA BRANDS LIMITED VIA AN INTRODUCTION OF THE ENTIRE ISSUED SHARE CAPITAL OF 541,593,440 ORDINARY SHARES ON THE ZIMBABWE STOCK EXCHANGE

Financial Advisors



Sponsoring Broker



Reporting Accountants



Legal Advisors

GILL, GODLONTON & GERRANS
LEGAL PRACTITIONERS

Transfer Secretaries



This Announcement Statement ("The Announcement") is neither a prospectus nor an invitation to the public to subscribe for shares in Innscor Africa Limited ("Innscor" or "the Company") or Simbisa Brands Limited ("Simbisa") but is issued in compliance with the Requirements of the Zimbabwe Stock Exchange ("ZSE"), for the purpose of giving information to the public with regard to the transaction (unbundling and listing of Simbisa) as more fully set out in this Announcement Statement. The Announcement Statement is only available in English. Additional copies of this Announcement Statement may be obtained from the Company Secretary at the Registered Offices of Innscor.

Action Required:

- Shareholders of Innscor are invited to attend the Extraordinary General Meeting ("EGM") convened in terms of the Notice to Shareholders contained herein;
- Shareholders of Innscor who are unable to attend the EGM, but wish to be represented thereat should complete and sign the Form of Proxy and return it to the Company Secretary by 0900 hours on Thursday the 29th of October 2015;
- Shareholders of Innscor may attend the EGM in person, notwithstanding the completion and return of the Form of Proxy;
- If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant or other professional advisors immediately; and
- If you no longer hold any shares in Innscor, you should send any information received regarding this transaction, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in Innscor shares was executed, for onward delivery to the purchaser or transferee of your shares.

1. Background

At a meeting of the Board of Directors of Innscor, held on the 22nd of May 2015, the Directors approved the unbundling and listing of the Quick Service Restaurant ("QSR") Business (Simbisa) from Innscor to become a stand-alone business to capitalise on its achievements to date and for it to benefit from renewed and specific focus.

2. History of the QSR Business

The QSR Business opened its inaugural Chicken Inn outlet in Harare, Zimbabwe in 1987. Since then the QSR Business has expanded to 179 outlets in Zimbabwe and 209 outlets in the region through the addition of new brands and the franchising of existing brands through third-party licenses.

In 1998 Innscor listed on the ZSE, utilising the QSR Business to spread its footprint into Africa as a diversified Pan-African operation. In the process QSR outlets were opened in Zambia, Kenya and Ghana. Since then the QSR Business has grown to own and franchise outlets all across Africa, including Zimbabwe, Zambia, Kenya, DRC, Ghana, Malawi, Namibia, Botswana, Mauritius, Swaziland and Lesotho.

A major contributing factor to the success of the QSR Business has been the strategic placing of outlets. QSR stores can be found along busy traffic routes, in central business districts, in urban areas and in food courts, all of which ensure consistent access to large volumes of consumers.

Simbisa is unique in that it not only owns the Intellectual Property Rights ("IPR") of the brands within its portfolio (Chicken Inn, Pizza Inn, Creamy Inn, Baker's Inn, Fish Inn and other brands) but also owner-operates the outlets of the QSR brands. Furthermore, Simbisa owns the master license to other successful brands such as Galito's Africa, Nando's (Zimbabwe only), Steers (Zimbabwe only), and Vida E Caffè (Mauritius only).

On the 5th of August 2015 Simbisa was incorporated as a wholly owned subsidiary of Innscor. Effective on the 1st of October 2015 Simbisa acquired through a scheme of reconstruction all the assets and liabilities of the QSR Business from Innscor in exchange for 541,593,440 shares in the company.

The proposed unbundling, which is subject to the approval of the Shareholders of Innscor at the EGM to be held on the 2nd of November 2015, will be effected through a distribution of the entire issued share capital of Simbisa to the Shareholders of Innscor registered as such at the end of business day on the 30th of October 2015 through a dividend *in specie*. The basis of the dividend *in specie* of shares in Simbisa to Innscor shareholders registered as such on the record date, which ratio comprises one (1) ordinary share in Simbisa for every one (1) existing Innscor ordinary share held. The Directors also agreed to seek a listing of Simbisa on the ZSE by way of introduction.

As at the 31st of August 2015, the QSR Business operates 388 QSR outlets in 11 countries across Africa.

3. Rationale for the Unbundling and Listing

The principal reasons for the unbundling and listing of the QSR Business are as follows:

- To unlock value for the Innscor shareholders;
- The ability for the QSR Business to pursue strategies that maximise shareholder value is enhanced, enabling a clear operational focus that is attractive to investors;
- To establish investment flexibility for investors;
- Financial independence and enhanced transparency for the company so it can report independently to its shareholders, allowing accurate valuation of the business;
- To enable the QSR Business to gain direct access to capital markets; and
- To allow the QSR Business the ability to undertake mergers with and acquisitions of entities in complementary spheres of operation, without competing internally with other Innscor divisions for allocation of capital.

4. Proposed Transaction

The proposed unbundling and listing, which is subject to the approval of the Shareholders of Innscor at an EGM to be held on the 2nd of November 2015 in terms of the Notice published on the 12th of October 2015, will be effected through a distribution of the entire issued share capital of 541,593,440 ordinary shares of nominal value US\$0.0001 of Simbisa to the Shareholders of Innscor registered as such by end of day on the 30th of October 2015 through a dividend *in specie*. The basis of the dividend *in specie* of shares in Simbisa to Innscor shareholders registered as such on the record date, which ratio comprises one (1) ordinary share in Simbisa for every one (1) existing Innscor ordinary share held.

The Directors also agreed to seek a listing of Simbisa on the Zimbabwe Stock Exchange by way of introduction.

5. Details of the Unbundling Transaction

The dividend *in specie* of Simbisa shares will be on a one (1) ordinary share in Simbisa with a nominal value of US\$0.0001 each for every one (1) Innscor share already held.

Holders of Innscor ordinary shares registered at the end of day on the 30th of October 2015 being the record date, will be entitled to receive Simbisa shares less shares withheld from individuals, trusts and non-resident shareholders for withholding tax purposes. Simbisa's Articles of Association provide for the issuance and trading of shares in dematerialised form. Shareholders with Central Securities Depository (CSD) accounts will therefore have their CSD accounts credited with the respective entitlements while shareholders without CSD accounts will receive physical share certificates in respect of this dividend *in specie*. The new ZSE platform trades securities that are dematerialised only, shareholders should contact their Stockbrokers for further information.

For the purposes of this transaction, shares withheld from shareholders for withholding tax purposes will be rounded to the nearest whole number.

6. Extraordinary General Meeting ("EGM")

Shareholders of Innscor are being asked to attend the EGM of the Company to be held at Royal Harare Golf Club, Fifth Street Extension, Harare on Monday the 2nd of November 2015, at 0900 hours. The meeting has been convened by notice dated Monday the 12th of October 2015. Members will be asked to consider, and if deemed fit, to pass with or without modification, the ordinary resolutions set out below, the details of which are more fully set out in the Announcement dated on the 12th of October 2015:-

6.1. Distribution of shares in Simbisa Brands Limited via a dividend *in specie*

"That in terms of the ZSE Listing Requirements, the Directors be and are hereby authorised to distribute to Innscor Africa Limited Shareholders registered as such on the record date, being end of day on the 30th of October 2015, by way of a dividend *in specie*, the 541,593,440 ordinary shares in Simbisa Brands Limited on the basis of one (1) Simbisa Brands Limited ordinary share for every one (1) Innscor Africa Limited ordinary share held. The Directors are authorised to transfer such amounts from the Company's non-distributable reserves to distributable reserves as may be necessary to enable the dividend *in specie* of Simbisa Brands Limited shares."

6.2. Directors' authority to give effect to the above resolution

"That the Directors of the Company be and are hereby authorised to do any and all such things as may generally be required or necessary to give effect to the above Resolution."

7. Timetable of Events

Important Dates	
Innscor EGM Notice and announcement published	Monday, 12 th October, 2015
Simbisa abridged Pre-Listing Statement published	Monday, 12 th October, 2015
Simbisa Pre-Listing statement posted to shareholders	Monday, 12 th October, 2015
Innscor Announcement posted to shareholders	Monday, 12 th October, 2015
Last day of lodging Proxy Forms (at 0900 hours)	Thursday, 29 th October, 2015
Record Date, Innscor share register closed (end of day)	Friday, 30 th October, 2015
Innscor EGM (at 0900 hours)	Monday, 2 nd November, 2015
Innscor share register reopens (After EGM)	Monday, 2 nd November, 2015
Publication of Innscor EGM resolution results	Tuesday, 3 rd November, 2015
Simbisa shares issued and Listing on the ZSE	Friday, 6 th November, 2015

- The above dates may be subject to change and any such change will be published in the Zimbabwe national press.
- All times indicated above and elsewhere in the Announcement are Zimbabwean local times.

8. Financial Effects of the Unbundling

Simbisa financials have been disclosed as discontinued operations in Innscor's year end results that were published on the 25th of September 2015 and will not be reported in Innscor Group results following the unbundling. The financial impact of the unbundling on Innscor is reflected in the proforma financial position and statement of comprehensive income as at the 30th of June 2015 as shown below.

Abridged Consolidated Proforma Statement of Financial Position as at 30th of June 2015

	Innscor 30-Jun-15 USD	Simbisa 30-Jun-15 USD	Unbundling adjustments* 30-Jun-15 USD	Proforma 30-Jun-15 USD
ASSETS				
Non-current assets				
Property, plant and equipment	238 619 651	(46 388 202)	-	192 231 449
Intangible assets	41 777 852	(480 551)	-	41 297 301
Investments in associates	15 081 072	(394 667)	-	14 686 405
Financial assets	2 982 838	-	-	2 982 838
Bilological assets	1 611 960	-	-	1 611 960
Deferred tax assets	9 872 875	(605 763)	-	9 267 112
	309 946 248	(47 869 183)	-	262 077 065
Current assets				
Financial assets	4 034 474	-	8 782 407	12 816 881
Bilological assets	12 814 733	-	-	12 814 733
Inventories	114 306 940	(4 536 204)	-	109 770 736
Trade and other receivables	101 149 824	(6 661 314)	3 553 389	98 041 899
Cash and cash equivalents	33 847 187	(3 726 761)	-	30 120 426
	266 153 158	(14 924 279)	12 335 796	263 564 675
Total assets	576 099 406	(62 793 462)	12 335 796	525 641 740
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital	5 415 934	-	-	5 415 934
Class A ordinary share capital	10	-	-	10
Non-distributable reserves	(6 029 267)	900 476	-	(5 128 791)
Distributable reserves	217 050 477	(21 951 790)	-	195 098 687
	216 437 154	(21 051 314)	-	195 385 840
Non-controlling interests	115 500 983	(4 952 635)	-	110 548 348
Total equity	331 938 137	(26 003 949)	-	305 934 188
Non-current liabilities				
Deferred tax liabilities	32 340 301	(3 714 326)	-	28 625 975
Interest-bearing borrowings	13 167 623	(369 788)	-	12 797 835
	45 507 924	(4 084 114)	-	41 423 810
Current liabilities				
Interest-bearing borrowings	61 026 681	(14 998 914)	8 782 407	54 810 174
Trade and other payables	131 113 508	(16 298 791)	3 553 389	118 368 106
Provisions	5 821 474	(1 272 562)	-	4 548 912
Current tax liabilities	691 682	(135 132)	-	556 550
	198 653 345	(32 705 399)	12 335 796	178 283 742
Total liabilities	244 161 269	(36 789 513)	12 335 796	219 707 552
Total equity and liabilities	576 099 406	(62 793 462)	12 335 796	525 641 740

* Inter-group transactions between Simbisa companies and other Innscor companies

Abridged Consolidated Proforma Statement of Comprehensive Income as at 30th of June 2015

	Innscor 30-Jun-15 USD	Simbisa 30-Jun-15 USD	Unbundling adjustments* 30-Jun-15 USD	Proforma 30-Jun-15 USD
Revenue	951 079 896	(153 137 863)	16 457 788	814 399 821
Operating profit before depreciation and amortisation	77 555 677	(16 926 435)	-	60 629 242
Impairment and derecognition of plant and equipment and intangible assets	(878 653)	455 595	-	(423 058)
Depreciation and amortisation	(23 715 316)	6 078 689	-	(17 636 627)
Operating profit before interest and fair value adjustments	52 961 708	(10 392 151)	-	42 569 557
Fair value adjustments on livestock and listed equities	683 285	-	-	683 285
Profit before interest and tax	53 644 993	(10 392 151)	-	43 252 842
Net interest	(4 449 332)	919 155	-	(3 530 177)
Equity accounted earnings	2 406 325	(188 582)	-	2 217 743
Profit before tax	51 601 986	(9 661 578)	-	41 940 408
Taxation	(13 963 448)	2 148 936	-	(11 814 512)
Profit for the year	37 638 538	(7 512 642)	-	30 125 896

* Inter-group transactions between Simbisa companies and other Innscor companies

9. Payment of Withholding Tax

In terms of existing legislation, Innscor is obliged to deduct ten per cent (10%) withholding tax and remit this to the Zimbabwe Revenue Authority ("ZIMRA") in respect of the Simbisa shares being issued to all individuals, trusts and non-resident shareholders. In settlement of this withholding tax liability, Innscor will withhold ten per cent (10%) of the ordinary shares of Simbisa issued to all individuals, trusts and non-resident shareholders by way of the dividend *in specie* and remit this to ZIMRA. The listing itself is not taxable.

For the purposes of this transaction shares withheld from shareholders for withholding tax purposes will be rounded to the nearest whole number.

10. Directors' Interests

As at the 17th of September 2015, the Directors of Innscor directly and/or indirectly, held beneficial interests aggregating approximately 221,790,525 Innscor shares representing 41% of the issued share capital of the Company. These holdings will entitle the Directors to the same shareholding in Simbisa following the dividend *in specie*. The details of the direct and indirect interests held by the Directors are summarised below:

Directors	Direct shareholding	Indirect shareholding	Total
Addington Chinake	-	-	-
Thembinkosi Sibanda	-	-	-
Michael Fowler	-	109 566 827	109 566 827
Antonio Fourie	-	-	-
John Koumides	-	720 000	720 000
Julian Schonken	1 528 820	-	1 528 820
Zinona (Zed) Koudounaris	-	109 973 843	109 973 843
Godfrey Gwainda	-	1 035	1 035

The Company leases properties from various companies in which some of the Directors have either a financial or custodial interest, partly or wholly. The leases are undertaken on an arm's length basis.

**2015
USD**

Lease payments	1 633 376
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11. Documents Available for Inspection

The following documents are available for inspection at the Registered Offices of Innscor:

- Innscor audited financial statements for the five financial periods ended 30th June 2015;
- The Independent Reporting Accountant's Report on the historical financial information for the five financial years ended 30th June 2015, of Innscor's QSR Business; and
- Simbisa Brands Limited Pre-Listing Statement.

By order of the Board

[Signed on original]

12th October 2015



NOTICE OF EXTRAORDINARY GENERAL MEETING 'EGM'

NOTICE IS HEREBY GIVEN OF THE EXTRAORDINARY GENERAL MEETING of Members of Innscor Africa Limited ("the Company") to be held at Royal Harare Golf Club, Fifth Street Extension, Harare on Monday the 2nd of November 2015, at 0900 hours. Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below, the details of which are more fully set out in the Announcement dated the 12th of October 2015:-

AS ORDINARY RESOLUTIONS:-

1. Distribution of shares in Simbisa Brands Limited via a dividend *in specie*

"That in terms of the ZSE Listing Requirements, the Directors be and are hereby authorised to distribute to Innscor Africa Limited Shareholders registered as such on the record date, being end of day on the 30th of October 2015, by way of a dividend *in specie*, the 541,593,440 ordinary shares in Simbisa Brands Limited on the basis of one (1) Simbisa Brands Limited ordinary share for every one (1) Innscor Africa Limited ordinary share held. The Directors are authorised to transfer such amounts from the Company's non-distributable reserves to distributable reserves as may be necessary to enable the dividend *in specie* of Simbisa Brands Limited shares."

2. Directors' authority to give effect to the above resolution

"That the Directors of the Company be and are hereby authorised to do any and all such things as may generally be required or necessary to give effect to the above Resolution."

Proxies

Members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not be a member of the Company.

Proxy forms must reach the Company's registered office not less than 48 hours before the meeting.

By order of the Board

[Signed on original]

Andrew Lorimer
Company Secretary

12th October 2015

INNSCOR AFRICA LIMITED
Edward Building
Corner 1st Street / Nelson Mandela Avenue
Harare, Zimbabwe

FORM OF PROXY

I/We (block letters) _____

Of _____

Being a member of Innscor Africa Limited hereby appoint

of _____

or failing him/her _____

of _____

or failing him/her the Chairman of the EGM;

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Monday the 2nd of November 2015 at 0900 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
<p>1. Distribution of shares in Simbisa Brands Limited via a dividend <i>in specie</i> "That in terms of the ZSE Listing Requirements, the Directors be and are hereby authorised to distribute to Innscor Africa Limited Shareholders registered as such on the record date, being end of day on the 30th of October 2015, by way of a dividend <i>in specie</i>, the 541,593,440 ordinary shares in Simbisa Brands Limited on the basis of one (1) Simbisa Brands Limited ordinary share for every one (1) Innscor Africa Limited ordinary share held. The Directors are authorised to transfer such amounts from the Company's non-distributable reserves to distributable reserves as may be necessary to enable the dividend <i>in specie</i> of Simbisa Brands Limited shares."</p>			
<p>2. Directors' authority to give effect to the above resolution "That the Directors of the Company be and are hereby authorised to do any and all such things as may generally be required or necessary to give effect to the above Resolution."</p>			

Signed this _____ day of _____ 2015

Signature(s) of member

NOTE

1. In terms of Section 129 of the Zimbabwe Companies Act (Chapter 24:03) members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company.
2. Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.

FOR OFFICIAL USE

NUMBER OF SHARES HELD _____