



## **TRADING UPDATE - THIRD QUARTER (FY2010)**

### **ZIMBABWE**

#### **FMCG Businesses**

##### **Milling and Manufacturing Silo**

Revenue for the third quarter in National Foods was around 5% below that recorded in the second quarter; this was on the back of slightly lower volumes which came in at 77,000 tonnes versus the previous quarter which registered volumes of 80,000 tonnes. It is expected that the business will in a break-even position in for the full year.

At Colcom, third quarter revenue declined by 14% as against quarter two.

Irvine's Zimbabwe continues to provide a good contribution to the Group's results and third quarter revenues increased by 13% as against quarter two.

In the Group's Bread factories, there was a marginal increase in revenues from quarter two to quarter three. The upgrade of the first line in Bulawayo was completed during the quarter, and the upgrade of the second line in Harare is about to commence- this will increase Harare capacity from the current levels of 110,000 loaves per day to 180,000 loaves per day; this line should be commissioned at the beginning of July 2010. Bulawayo has a current capacity of 70,000 loaves per day.

##### **Distribution & Wholesale Silo**

Both the SPAR and Distribution Group Africa businesses posted marginal increases in third quarter revenue as compared to quarter two.

##### **Retail Silo**

Generally, trading was depressed across all our retail operations during the third quarter. Fast Foods turnovers were approximately 14% below those recorded in the second quarter; whilst supermarket revenues declined by around 6% over the same period. This pattern continued into April, but there has been a slight improvement in the month of May.

##### **Export Businesses- Niloticus**

The major culling period for this operation commences in April and as a result there was limited activity in the third quarter. Whilst it is likely that the business will post a loss for the year, market conditions continue to improve with the expectation that Niloticus will return to profitability in the 2011 financial year.

### **REGION - Zambia**

Both the Distribution business and SPAR retail operations in Zambia showed third quarter revenue declines in the order of 15% as compared to quarter two, but both businesses posted reasonable operating profits.

##### **Regional Fast Foods**

Following a similar trend to the Zambian operations, the regional fast food counters recorded a decline of 8% in revenue when compared to quarter two. The number of regional fast food counters numbered 204 at the end of March 2010 (this included 80 franchised counters in Nigeria).

### **GROUP**

Based on these recent trends, the Group expects full year consolidated revenues to be around USD 400 million, with forecast earnings per share for the second half of the financial year expected to be similar to that achieved in the first half.