



African Distillers Limited

(Incorporated in Zimbabwe)

DIRECTORS' STATEMENT IN RESPECT OF THE UNAUDITED RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012



SALIENT FEATURES

- Sales volumes grew by 22% over same period last year to 3,2 million litres.
- Turnover grew by 15, 9% to \$16,6 million.
- Operating Income grew by 37% to \$1,5 million.
- EPS decreased to 1,1 US cents from 1,3 US cents because of the one off exchange gain of \$750 000 in the prior year period.
- Local production grew by 21% to 1,7 million litres and accounted for 62,9% of total revenue.

FUTURE PROSPECTS

- The platform for future growth has been laid with strong emphasis on local production.
- New product development, standardization of packaging and product upgrades have been favourably received in the market and are on-going.
- Growth is being experienced in the more profitable brown spirits market.
- Growth opportunities identified in the white spirits market segment.
- Strategic focus remains on production efficiencies and entrenching market leadership.

DIVIDEND

The Board has resolved that, as funding requirements of the company are still paramount, no interim dividend be paid for the half year ended 31st December 2012.

BY ORDER OF THE BOARD

L MUTAMUKO
COMPANY SECRETARY

STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2012

	Notes	6 months ended Dec 2012 Unaudited \$	6 months ended Dec 2011 Unaudited \$	12 months ended June 2012 Audited \$
Gross sales		16 652 290	14 360 543	25 701 742
Excise duty & discounts		(4 095 842)	(3 256 939)	(6 154 138)
Net revenue		12 556 448	11 103 604	19 547 604
Cost of sales		(6 830 869)	(6 419 583)	(11 477 261)
Gross profit		5 725 579	4 684 021	8 070 343
Other income		17 403	22 431	32 334
Distribution costs		(331 076)	(249 530)	(536 014)
Administrative expenses		(484 909)	(393 273)	(901 819)
Other operating expenses		(3 404 973)	(2 949 007)	(5 501 400)
Operating income	3	1 522 024	1 114 642	1 163 444
Net finance (costs)/income	4	(179 376)	627 343	502 351
Profit before taxation		1 342 648	1 741 985	1 665 795
Taxation	5	(309 590)	(460 019)	(522 112)
Profit for the period		1 033 058	1 281 966	1 143 683
Other comprehensive income		-	-	-
Total comprehensive income for the period		1 033 058	1 281 966	1 143 683
Earnings per share (cents) :				
Attributable		1.09	1.35	1.20
Headline		1.11	1.35	1.21
Diluted		1.08	1.35	1.20

STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Dec 2012 Unaudited \$	Dec 2011 Unaudited \$	June 2012 Audited \$
ASSETS			
Non - Current Assets			
Property, plant and equipment	4 526 067	4 449 261	4 496 241
Long term loans	616 124	242 358	414 439
	5 142 191	4 691 619	4 910 680
Current Assets			
Inventories	4 834 541	3 657 193	2 822 296
Trade and other receivables	5 669 197	6 553 918	3 839 214
Cash and cash equivalents	322 858	16 970	76 364
	10 826 596	10 228 081	6 737 874
Total Assets	15 968 787	14 919 700	11 648 554
EQUITY AND LIABILITIES			
Capital and Reserves			
Shareholders' equity	6 114 922	5 156 283	5 050 681
Non - Current Liabilities			
Deferred taxation	919 845	947 143	1 009 236
Current Liabilities			
Overdraft	2 063 290	1 807 092	931 620
Bank borrowings	741 000	500 000	500 000
Trade and other payables	5 903 818	6 509 182	4 157 017
Current tax liability	225 912	-	-
	8 934 020	8 816 274	5 588 637
Total Liabilities	9 853 865	9 763 417	6 597 873
Total Equity and Liabilities	15 968 787	14 919 700	11 648 554
Ordinary shares in issue (Actual) (millions)	95	95	95
Ordinary shares in issue (Weighted average) (millions)	95	95	95
Interest bearing debt to shareholders' equity (%)	45.86	44.74	28.35
Current ratio (: 1)	1.21	1.16	1.21
Shareholders' equity per share (Cents)	6.44	5.43	5.32
Middle market price (Cents)	15.00	10.50	11.00

STATEMENT OF CASH FLOWS

For the half year ended 31 December 2012

	Notes	6 months ended Dec 2012 Unaudited \$	6 months ended Dec 2011 Unaudited \$	12 months ended June 2012 Audited \$
Cash Flow from Operating Activities				
Cash generated from trading after non-cash items		1 654 349	2 003 562	2 139 905
Changes in working capital		(2095 427)	(3230 507)	(2033 071)
Cash (utilised in)/generated from operations		(441 078)	(1226 945)	106 834
Interest expense	4	(122 463)	(98 062)	(170 153)
Income tax paid		(173 069)	-	-
Net Cash Outflows from Operating Activities		(736 610)	(1 325 007)	(63 319)
Cash Flow from Investing Activities				
Property, plant and equipment	6	(187 881)	(223 076)	(377 817)
Long term loans		(201 685)	(30 500)	(202 581)
Net Cash used in investing Activities		(389 566)	(253 576)	(580 398)
Net Cash Outflows from Investing and Operating Activities		(1 126 176)	(1 578 583)	(643 717)
Cash Flow from Financing Activities				
Increase in short term borrowings		1 372 670	1 407 093	531 621
Net movement in cash and cash equivalents		246 494	(171 490)	(112 096)
Cash and cash equivalents at beginning of the year		76 364	188 460	188 460
Cash and cash equivalents at end of the period		322 858	16 970	76 364
Comprising:-				
Bank balances and cash		322 858	16 970	76 364

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the half year ended 31 December 2012

	6 months ended Dec 2012 Unaudited \$	6 months ended Dec 2011 Unaudited \$	12 months ended June 2012 Audited \$
Shareholders' equity at beginning of the year	5 050 681	3 844 450	3 844 450
Recognition of Share based payment expense	31 183	29 867	62 548
Total comprehensive income for the period	1 033 058	1 281 966	1 143 683
Shareholders' equity at end of the period	6 114 922	5 156 283	5 050 681

NOTES

For the year half year ended 31 December 2012

1 Accounting Policies:

The principal accounting policies of the Company have been consistently applied in all material respects and do conform with International Financial Reporting Standards and interpretations thereto as well as the Companies Act (Chapter 24.03).

There is no significant impact arising from new and revised International Financial Reporting Standards applicable for the period ended 31 December 2012.

2 Currency of Reporting:

The Financial Statements are presented in United States Dollars which is the functional currency of the Company.

	6 months ended Dec 2012 Unaudited \$	6 months ended Dec 2011 Unaudited \$	12 months ended June 2012 Audited \$
3 Operating Income			
This is stated after charging:			
Depreciation	131 052	129 714	233 227
4 Net Finance costs			
Net interest expense	(122 463)	98 062	170 153
Exchange (gain)/loss	(56 913)	(725 405)	(672 504)
	(179 376)	(627 343)	(502 351)
5 Taxation			
Current income tax expense	398 981	-	-
Deferred tax - Arising on current period temporary differences	(89 391)	460 019	522 112
	309 590	460 019	522 112
6 Property, Plant and Equipment:			
Acquisition of property, plant and equipment	(190 703)	(226 380)	(381 121)
Realised on disposal	2 822	3 304	3 304
	(187 881)	(223 076)	(377 817)
7 Commitments for Capital Expenditure:			
Authorised by directors but not contracted	952 635	825 730	670 989

Capital expenditure is to be financed out of the company's own resources and existing borrowing facilities.



DIRECTORATE

J S Mutizwa BSc (Hons), MBA (Chairman); *A Chitapi B-Tech Mgt (Hons);
*C Z Gombera BA (Hons) Business Studies, MBA; *C Z Guyo BSc (Hons), MBA;
*M J Hollingworth B. Compt, CA (Z) (Managing); S W Klopfer B.Acc. (Hons), CA (SA);
R H M Maunsell B. Bus. Sc., CA (SA), CA (Z); *M L Ndachena B.Acc (Hons), CA(Z), MBA;
S V Rushwaya BSc (Soc); G J Schooling (B. Comm); M Valela B.Tech (Accounts), CA (Z).
* Executive Directors

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