

COLCOM Holdings Limited

The Board of Directors of Colcom Holdings Limited is pleased to announce the Unaudited Results for the Six Months ended 31 December 2007.

SALIENT FEATURES (HISTORICAL COST)

- Turnover increased by 91 686% to \$14 trillion
- Volumes increased by 4 %
- Operating income excluding fair value gains increased by 153 136% to \$12 trillion
- Basic earnings per share increased by 249 600% to \$159 808
- Basic earnings per share excluding fair value gains increased by 127 950% to \$56 342

COMMENTARY

Operating Environment

Economic conditions continued to deteriorate during the period. Price controls, implemented in July continued in force; Inflation rose from 7 251% in June 2007 to 66 212% in December 2007, which led to a further reduction in consumer spending power. High levels of inflation in December contributed to severe cash shortages which led to falling demand for most goods and services.

Despite these challenges, the Group produced a solid performance for the period.

Pigs
Triple C increased its pig output by 4,5% mainly due to the first deliveries from the outgrower project. The outgrower herd now has three fully stocked nucleus units totaling over 1000 sows. The progeny of these animals will be available to the Group over the coming twelve months, and improve pig availability to Colcom by 25%.

Manufacturing
Overall pig throughput was up 2% over the prior period, but pig deliveries were constrained at times due to unviable pricing. Although sales volumes were up 4% over prior year, there was a severe decline in demand in December, primarily due to the cash shortages.

The Group has worked closely with the offices of the National Incomes and Pricing Commission (NIPC) to ensure a balance between viability and affordability in the pricing of its products.

Exports
Exports volumes from the Danmeats plant declined 15% over prior period mainly due to product volumes being diverted to local sales, particularly in the first quarter. However, the division has supplemented this by toll manufacturing, which together with own production, increased total export tonnage by 6%. Regional demand remained firm.

Ostriches
The number slaughtered increased to 4 298 birds against 1 381 birds in the prior year. Total output for this season is projected to be 5 700 birds all of which are destined for the export market. This has significantly contributed to group revenues and profitability.

Beef
The beef industry remains subdued. This situation was reflected in the performance of the beef division which suffered a decline in volumes of 71% principally because farmers were reluctant to sell animals at unviable prices.

On the other hand, the breeding herd grew by 15% in the period despite extensive grass burning which hindered pasture and grazing availability.

Financial (Historical Cost)
Higher ostrich exports contributed to increased export revenues of \$9.1 trillion for the period, which together with local sales brought total turnover to \$14.3 trillion, a 91,686% increase.

Operating margins increased to 87% of turnover principally due to inflationary increases in stock values, particularly in the last quarter.

The fair value adjustments of \$22.5 trillion relate to the revaluation of biological assets and investments to their current fair value.

The Group's associated company, Freddy Hirsch Group, produced satisfactory results in a difficult trading environment.

Future Prospects
The Group has a strong balance sheet and with it strong prospects going forward. Cash availability since December has improved and so has demand for the Group's products. The additional throughput from the outgrower scheme together with strong regional and international demand for both pork and ostrich products should translate into real growth for the Group in the period ahead.

Dividend
In light of current economic conditions, your Board considers it prudent not to declare an interim dividend in respect of the year ending 30 June 2008.

By order of the Board

P. Marufu (Mrs)
Company Secretary
19 March 2007

CONSOLIDATED INCOME STATEMENT

	INFLATION ADJUSTED			HISTORICAL COST		
	Unaudited 31 December 2007 Sm	Unaudited 31 December 2006 Sm	Audited 30 June 2007 Sm	Unaudited 31 Dec 2007 Sm	Unaudited 31 Dec 2006 Sm	Audited 30 June 2007 Sm
TURNOVER	67,320,895	16,201,093	50,373,323	14,306,310	15,587	422,115
- Local	27,904,057	11,758,857	28,307,228	5,159,303	11,337	186,184
- Export	39,416,838	4,442,236	22,066,095	9,147,007	4,250	235,931
Operating profit	50,664,863	8,129,427	33,288,286	12,468,789	8,137	312,958
Net finance cost	(1,772,732)	(144,820)	(1,361,554)	(190,589)	(188)	(17,856)
Fair value gain	10,890,524	2,233,815	3,911,888	22,531,327	6,396	231,195
Share of profit from associate	549,015	159,562	574,057	107,797	161	4,018
Loss on net monetary position	(37,483,485)	(5,201,417)	(10,184,970)	-	-	-
Profit before taxation	22,848,185	5,176,567	26,227,707	34,917,324	14,506	530,315
Taxation	(7,386,083)	(2,884,210)	(6,057,237)	(7,855,021)	(4,012)	(96,946)
Profit for the period	15,462,102	2,292,357	20,170,470	27,062,303	10,494	433,369
Attributable to:						
Equity holders of the parent	11,483,567	1,813,757	17,031,616	25,249,673	10,037	399,689
Minority Interest	3,978,535	478,600	3,138,854	1,812,630	457	33,680
Income attributable to shareholders	15,462,102	2,292,357	20,170,470	27,062,303	10,494	433,369
Shares in issue - millions	158	158	158	158	158	158
Weighted average shares in issue - millions	158	158	158	158	158	158
Basic earnings per share (\$)	72.68	11.479	107.795	159.808	64	2,530
Basic earnings per share (\$) excluding fair value gains	20.618	4.700	89.393	56.342	44	1,538
Operating income/turnover %	75%	50%	66%	87%	52%	74%

CONSOLIDATED BALANCE SHEET

	INFLATION ADJUSTED			HISTORICAL COST		
	Unaudited At 31 December 2007 Sm	Unaudited At 31 December 2006 Sm	Audited At 30 June 2007 Sm	Unaudited At 31 Dec 2007 Sm	Unaudited At 31 Dec 2006 Sm	Audited At 30 June 2007 Sm
ASSETS						
Non-current assets						
Property, plant and equipment	12,381,947	8,872,121	10,636,375	707,665	1,835	44,031
Investments	8,099,768	1,534,651	6,076,867	5,679,805	137	113,115
Biological assets	9,194,500	2,452,229	1,650,558	9,194,500	3,698	43,618
	29,676,215	12,859,001	18,363,800	15,581,970	5,670	200,764
Current assets						
Biological assets	8,691,622	2,999,305	6,017,819	8,691,622	4,523	159,027
Inventories	14,223,665	3,699,613	12,721,207	4,542,301	5,129	132,535
Accounts receivable	8,144,560	312,135	6,889,152	7,830,079	4,260	176,367
Cash resources	2,492,165	995,347	2,109,083	2,492,165	1,500	55,735
	33,552,012	8,006,400	27,737,261	23,556,167	15,412	523,664
Total assets	63,228,227	20,865,401	46,101,061	39,138,137	21,082	724,428
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital*	-	-	-	-	-	-
Share Premium	53,229	53,229	53,229	22	22	22
Adjustment to Share Capital	8,578,660	8,578,660	8,578,660	-	-	-
Distributable reserves	29,126,997	3,076,852	17,815,173	25,635,922	11,329	392,223
Shareholders' funds	37,758,886	11,708,741	26,447,062	25,635,944	11,351	392,245
Minority Interest	7,117,389	478,600	3,138,854	1,846,310	458	33,680
Total Equity	44,876,275	12,187,341	29,585,916	27,482,254	11,809	425,925
Non-current liabilities						
Deferred taxation	12,334,912	3,979,834	7,217,817	5,638,843	2,187	52,810
Current liabilities						
Accounts payable	2,085,967	2,037,776	4,200,655	2,085,967	3,074	111,008
Short term borrowings	614,902	1,291,101	3,301,020	614,902	1,947	87,233
Bank Overdraft	1,081,082	11,273	290,932	1,081,082	17	7,688
Taxation	2,235,089	1,358,076	1,504,721	2,235,089	2,048	39,764
	6,017,040	4,698,226	9,297,328	6,017,040	7,086	245,693
Total equity and liabilities	63,228,227	20,865,401	46,101,061	39,138,137	21,082	724,428
*Historical cost ordinary share capital (Dollars)	-	-	-	157,597	157,597	157,597

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	INFLATION ADJUSTED					
	Share Capital Sm	Share Premium Sm	Adjustments to Share Capital Sm	Retained Earnings Sm	Minority Interest Sm	Total Sm
Balance at 1 July 2006	-	53,229	8,578,660	1,263,095	-	9,894,984
Profit for the period	-	-	-	17,031,616	3,138,854	20,170,470
Dividends	-	-	-	(479,538)	-	(479,538)
Balance at 30 June 2007	-	53,229	8,578,660	17,815,173	3,138,854	29,585,916
Profit for the period	-	-	-	11,483,567	3,978,535	15,462,102
Dividends	-	-	-	(171,743)	-	(171,743)
Balance at 31 December 2007	-	53,229	8,578,660	29,126,997	7,117,389	44,876,275
HISTORICAL COST						
Balance at 1 July 2006	-	22	-	1,293	-	1,315
Profit for the period	-	-	-	399,689	33,680	433,369
Dividends	-	-	-	(8,759)	-	(8,759)
Balance at 30 June 2007	-	22	-	392,223	33,680	425,925
Profit for the period	-	-	-	25,249,673	1,812,630	27,062,303
Dividends	-	-	-	(5,974)	-	(5,974)
Balance at 31 Dec 2007	-	22	-	25,635,922	1,846,310	27,482,254

CONSOLIDATED CASH FLOW STATEMENT

	INFLATION ADJUSTED			HISTORICAL COST		
	Unaudited 6 months 31 December 2007 Sm	Unaudited 6 months 31 December 2006 Sm	Audited 12 months 30 June 2007 Sm	Unaudited 6 months 31 December 2007 Sm	Unaudited 6 months 31 December 2006 Sm	Audited 12 months 30 June 2007 Sm
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before interest, associate income and taxation	61,555,387	10,363,242	37,200,174	35,000,116	14,533	544,153
Non cash items	(10,653,817)	(2,030,123)	(3,537,052)	(22,523,070)	(6,403)	(230,675)
Monetary loss	(37,483,485)	(5,201,417)	(10,184,970)	-	-	-
	13,418,085	3,131,702	23,478,152	12,477,046	8,130	313,478
Decrease/(Increase) in working capital	(5,977,899)	(569,843)	(16,315,513)	(10,410,681)	(6,555)	(226,166)
Operating cash flow	7,440,186	2,561,859	7,162,639	2,066,365	1,575	87,312
Net finance cost	(1,772,732)	(144,820)	(1,361,554)	(190,589)	(188)	(17,856)
Taxation paid	(1,538,620)	(982,653)	(771,051)	(40,354)	(152)	(4,798)
Cash generated from operations	4,128,834	1,434,386	5,030,034	1,835,422	1,235	64,658
Dividends paid	(171,743)	-	(479,539)	(5,974)	-	(8,759)
Net cash generated from operating activities	3,957,091	1,434,386	4,550,495	1,829,448	1,235	55,899
CASH FLOWS FROM INVESTING ACTIVITIES						
Net expenditure on property, plant equipment	(1,982,279)	(1,722,099)	(3,657,496)	(671,892)	(1,666)	(44,388)
Decrease/(Increase) in investments	591,528	-	(2,409,229)	(256,111)	-	(49,351)
Increase in biological assets	(287,290)	(290,906)	(238,231)	(66,079)	(131)	(1,444)
Net cash used in investing activities	(1,678,041)	(2,013,005)	(6,304,956)	(994,082)	(1,797)	(95,183)
CASH FLOWS FROM FINANCING ACTIVITIES						
(Decrease)/Increase in short term loans	(2,686,118)	1,171,808	3,181,727	527,670	1,904	87,190
Net cash (used in)/ from financing activities	(2,686,118)	1,171,808	3,181,727	527,670	1,904	87,190
Net (decrease)/increase in cash and cash equivalents	(407,068)	593,189	1,427,266	1,363,036	1,342	47,906
Cash and cash equivalents at beginning of period	1,818,151	390,885	390,885	48,047	141	141
Cash and cash equivalents at end of period	1,411,083	984,074	1,818,151	1,411,083	1,483	48,047

SUPPLEMENTARY INFORMATION

	INFLATION ADJUSTED			HISTORICAL COST		
	Unaudited 6 months 31 December 2007 Sm	Unaudited 6 months 31 December 2006 Sm	Audited 12 months 30 June 2007 Sm	Unaudited 6 months 31 December 2007 Sm	Unaudited 6 months 31 December 2006 Sm	Audited 12 months 30 June 2007 Sm
1 Capital expenditure	1,982,279	1,722,099	3,683,775	671,892	1,691	44,416
2 Depreciation	236,707	203,692	359,957	8,257	19	531
3 Commitments for capital expenditure Approved by the Directors and contracted for	-	476,785	-	-	719	-
Approved by the Directors but not contracted for	953,830	2,399,179	7,543,616	953,830	3,618	199,348
	953,830	2,875,964	7,543,616	953,830	4,337	199,348
4 Borrowings Short Term	614,902	1,291,101	3,301,020	614,902	1,947	87,233
5 Indices Consumer Price Index (2001 = 100) Conversion Factor	441,490,131	665,774	11,666,842	663.12	37.84	
6 Accounting Standards The principal accounting policies of the Group are consistent with those applied in previous year. The Group has adopted those revised International Financial Reporting Standards that became effective from January 2006.						