



ASTRA INDUSTRIES LIMITED

GROUP AUDITED RESULTS FOR THE 12 MONTHS ENDED 31 AUGUST 2013

FINANCIAL HIGHLIGHTS

	12 months ended 31-Aug-13 US\$	12 months ended 31-Aug-12 US\$
Revenue	28,079,796	27,168,610
Operating profit	1,517,506	2,148,627
Profit attributable to shareholders of the Company	1,157,662	1,453,132
Weighted average number of shares in issue	139,844,969	139,729,136
Basic earnings per share - (cents)	0.83	1.04
Diluted earnings per share - (cents)	0.81	1.02

STATEMENT OF COMPREHENSIVE INCOME FOR THE 12 MONTHS ENDED

	31-Aug-13 US\$	31-Aug-12 US\$
Revenue	28,079,796	27,168,610
Operating profit	1,517,506	2,148,627
Finance income	95,790	40,058
Finance costs	(104,175)	(188,740)
Profit before taxation	1,509,121	1,999,945
Income tax expense	(346,337)	(509,399)
Profit for the period	1,162,784	1,490,546
Profit for the year attributable to:		
Owners of the Company	1,157,662	1,453,132
Non-controlling interests	5,122	37,414
	1,162,784	1,490,546
OTHER COMPREHENSIVE INCOME		
Tax effect of change in manner of recovery of investment property	-	66,542
Gain on revaluation of property, plant and equipment	-	117,921
Deferred tax effect on revaluation gain	-	(5,896)
Total other comprehensive income for the period	-	178,567
Total comprehensive income for the period	1,162,784	1,669,113
Total comprehensive income attributable to:		
Owners of the Company	1,157,662	1,631,699
Non-controlling interests	5,122	37,414
	1,162,784	1,669,113

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT

	31-Aug-13 US\$	31-Aug-12 US\$
ASSETS		
Non-current assets		
Property, plant and equipment	7,088,673	6,816,249
Investment property	4,029,000	3,960,000
Held-to-maturity investment	103,436	-
	11,221,109	10,776,249
Current assets		
Inventories	4,704,128	4,767,544
Trade and other receivables	3,921,270	3,685,591
Cash and cash equivalents	763,007	967,636
	9,388,405	9,420,771
Assets classified as held for sale	200	200
Total current assets	9,388,605	9,420,971
Total assets	20,609,714	20,197,220
EQUITY & LIABILITIES		
Capital and reserves		
Attributable to shareholders of the Company	14,465,151	13,552,848
Outside shareholders interest	112,376	113,581
Total equity	14,577,527	13,666,429
Non-current liabilities		
Deferred tax	1,315,741	1,358,728
Current liabilities		
Short-term borrowings	250,000	925,000
Trade and other payables	3,637,689	3,330,762
Provisions	798,353	800,646
Current tax liabilities	30,404	115,655
Total current liabilities	4,716,446	5,172,063
Total liabilities	6,032,187	6,530,791
Total equity & liabilities	20,609,714	20,197,220

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 12 MONTHS ENDED

	31-Aug-13 US\$	31-Aug-12 US\$
Cash flows from operating activities		
Operating profit for the period	1,517,506	2,148,627
Adjustment for non-cash items	400,867	323,521
Increase in working capital	105,023	233,714
Cash generated from operations	2,023,396	2,705,862
Finance income	95,790	40,058
Finance costs	(104,175)	(188,740)
Income taxes paid	(474,575)	(572,418)
Net cash generated by operating activities	1,540,436	1,984,762
Cash used in investing activities		
Proceeds from disposal of property, plant and equipment	123,262	39,488
Proceeds from disposal of non-current assets held for sale	-	106,011
Purchase of property, plant and equipment	(941,641)	(1,063,310)
Net cash used in investing activities	(818,379)	(917,811)
Cash flows from financing activities		
Proceeds from issue of new shares	6,150	-
Proceeds from short-term borrowings	575,000	1,600,000
Repayments of short-term borrowings	(1,250,000)	(1,914,619)
Dividends paid to outside shareholders	(6,327)	-
Dividends paid to owners of the Company	(251,509)	-
Net cash used in financing activities	(926,686)	(314,619)
(Decrease)/increase in cash and cash equivalents	(204,629)	752,332
Cash and cash equivalents at the beginning of the period	967,636	215,304
Cash and cash equivalents at the end of the period	763,007	967,636

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE 12 MONTHS ENDED 31 AUGUST 2013

	Share capital US\$	Share premium US\$	Properties revaluation reserve US\$	Share options reserve US\$	Retained earnings US\$	Total US\$	Non-controlling interests US\$	Total equity US\$
Balance as at 31 August 2011	1,397,291	6,255,100	2,550,777	61,855	1,640,968	11,905,991	81,943	11,987,934
Total comprehensive income for the year	-	-	178,567	-	1,453,132	1,631,699	37,414	1,669,113
Dividends paid to outside shareholders	-	-	-	-	-	-	(5,776)	(5,776)
Recognition of share based payments	-	-	-	15,158	-	15,158	-	15,158
Balance as at 31 August 2012	1,397,291	6,255,100	2,729,344	77,013	3,094,100	13,552,848	113,581	13,666,429
Total comprehensive income for the year	-	-	-	-	1,157,662	1,157,662	5,122	1,162,784
Share options exercised	2,650	11,429	-	(7,929)	-	6,150	-	6,150
Dividends paid to outside shareholders	-	-	-	-	-	-	(6,327)	(6,327)
Dividends paid to owners of the company	-	-	-	-	(251,509)	(251,509)	-	(251,509)
Balance as at 31 August 2013	1,399,941	6,266,529	2,729,344	69,084	4,000,253	14,465,151	112,376	14,577,527

NOTES TO THE AUDITED RESULTS

1 Statement of accounting policy

The financial results are in compliance with International Financial Reporting Standards (IFRS) and the Zimbabwean Companies Act, Chapter (24:03) as amended and the accounting policies are consistent with those applied in the prior year.

These financial results should be read in conjunction with the complete set of financial statements for the 12 months ended 31 August 2013, which have been audited by Deloitte & Touche and an unmodified audit opinion issued therein. The auditors' report on these financial statements is available for inspection at the Company's registered office.

2 Currency of reporting

The financial statements were presented in United States dollars which is the functional currency of the Group.

3 Non-current assets classified as held for sale

	31-Aug-13 US\$	31-Aug-12 US\$
Motor vehicle, computers and equipment	200	200
	200	200

The property, plant and equipment from the discontinued Astra Steel Division were sold in April 2012, except for a 30 tonner trailer which will be sold in the 2014 financial year.

4 Supplementary Information

	12 months ended 31-Aug-13 US\$	12 months ended 31-Aug-12 US\$
4.1 Adjustment for non-cash items		
Depreciation of property, plant and equipment charged to accounts	609,534	528,993
Impairment of property, plant and equipment charged to accounts	-	43,029
Bad debts recovered	(103,436)	-
Fair value gain on investment properties	(69,000)	(230,000)
Share-based payment expense	-	15,158
Profit on disposal of property, plant and equipment	(63,579)	(22,301)
Reversal of impairment loss/(impairment loss) on trade receivables	86,861	(105,736)
Loss on disposal of non-current assets classified as held for sale	-	34,852
Dividends payable to non-controlling shareholders	-	(5,776)
Unrealised exchange (gains)/losses	(57,220)	55,695
(Decrease)/increase in provisions	(2,293)	9,607
	400,867	323,521
4.2 Commitments for capital expenditure authorised but not contracted	723,774	1,216,586

CHAIRMAN'S STATEMENT

General

The macro-economic challenges experienced in previous years persisted this period, and were further aggravated by the focus on elections resulting in the period under review being characterised by significant slowdown in business countrywide.

Performance

Sales volumes grew by 7%. Gross margins, however, came under pressure reducing from 35% to 33% due to increased competition and rising input costs, particularly in the Chemicals business. Operating profit at \$1.5 million was negatively impacted by increased selling and administrative expenses particularly wages, and was 29% down from last year. However, the drop in profit after tax was limited to 22% lower than last year as a result of reduced finance costs. Given the difficult macro-economic environment this performance is nevertheless acceptable.

Operations

Paints

Sales volumes declined by 5% compared to last year primarily owing to the fact that a number of construction projects were put on hold due to the elections. Competition for the available small market was intense from local producers and imports. Gross profit margins were maintained at the same level as last year.

Chemicals

Sales volumes grew by 9% but at reduced margins. Despite the growth in volumes, they were still below acceptable levels due to slow recovery of the manufacturing sector and liquidity challenges in the economy.

Major Shareholder's Disposal of Shares in the Company

In July 2013, Finance Trust of Zimbabwe disposed of their entire stake of 63.25% in Astra Industries Limited. These shares are now held by Kansai Plascon Africa Limited (38.25%) and Hemistar Investments (Private) Limited (25%). Hemistar Investments (Private) Limited is an investment company owned 51% by Astra Industries Limited management and staff and 49% by Kansai Plascon Africa Limited.

The mandatory offer to minorities will be made by 18 July 2014.

Competition and Tariff Commission as well as final Indigenisation approvals are anticipated shortly.

Directorship Changes

As a result of the changes in major shareholders, the Board of Directors was reconstituted on the 25th of July 2013 as follows: Messrs E.J. Davies T.M. Johnson and V.W. Zireva, Professor R. Murapa and Mrs A.R. Chinamo resigned from the Board. Dr. C.M.B. Utete and Mr. H. Nkala remained as directors. Messrs A.B.C. Chinake, E. Mohamed and D.A. Thomas were appointed to the Board.

The incoming Board is grateful for the stewardship and leadership shown by the former Board Chairman, Dr. C.M.B. Utete, and his team and wishes them all the best in the future.

Mr. A.B.C. Chinake was appointed Board Chairman.

Financial Year End Change

Post the major shareholders changes, the Group sought approval to change its year end. The Zimbabwe Stock Exchange and Zimbabwe Revenue Authority approved the change of year end to December. The Group will therefore run a 16 month financial period to 31 December 2013.

Dividend Declaration

Given the liquidity challenges and the Group's working capital needs, the Directors resolved not to declare a dividend.

Outlook

The economy may experience some recovery post elections. The strategic alliance with Kansai Plascon, who now have a significant stake in the business, offers opportunities in terms of introducing the Plascon flagship products, developing export markets and operational synergies in the paints business. In addition to exploiting these opportunities, the Group will continue to focus on cost containment and efficient working capital management to create value for its shareholders.

BY ORDER OF THE BOARD

Astra Holdings Limited Secretaries
19 November 2013

Registered Office
Astra Paints,
14 Burnley Road, Workington
P.O. Box HG 300, Highlands
Harare

Directors:

A.B.C Chinake (Chairman), Dr. C.M.B Utete, H. Nkala, M. Mazimbe (Managing Director)*, E. Mohamed, D.A Thomas, H.M Nhende*

* Executive