



ASTRA INDUSTRIES LIMITED

GROUP UNAUDITED RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2014

FINANCIAL HIGHLIGHTS

	Unaudited half year ended 30 June-14 US\$	Unaudited half year ended 30 June-13 US\$	Audited 16 months ended 31 Dec-13 US\$
Revenue	14,748,469	14,522,793	39,670,612
Operating profit	808,924	557,936	2,254,008
Profit attributable to shareholders of the company	556,584	390,572	1,519,291
Weighted average number of shares in issue	140,027,469	139,729,136	139,882,261
Basic earnings per share - (cents)	0.40	0.28	1.09
Diluted earnings per share - (cents)	0.39	0.27	1.07

STATEMENT OF COMPREHENSIVE INCOME FOR THE

	Unaudited half year ended 30 June-14 US\$	Unaudited half year ended 30 June-13 US\$	Audited 16 months ended 31-Dec-13 US\$
Revenue	14,748,469	14,522,793	39,670,612
Operating profit	808,924	557,936	2,254,008
Finance income	56,221	71,473	144,433
Finance costs	(34,503)	(60,735)	(141,095)
Profit before taxation	830,642	568,674	2,257,346
Income tax expense	(225,680)	(123,833)	(568,274)
Profit for the period	604,962	444,841	1,689,072
Profit for the period attributable to:			
Owners of the company	556,584	390,572	1,519,291
Non-controlling interests	48,378	54,269	169,781
OTHER COMPREHENSIVE INCOME			
Continuing operations			
Gain on revaluation of property, plant and equipment	-	-	1,921,206
Deferred tax effect on revaluation gain	-	-	(460,888)
Total other comprehensive income for the period	-	-	1,460,318
Total comprehensive income for the period	604,962	444,841	3,149,390
Total comprehensive income for the period attributable to:			
Owners of the company	556,584	390,572	2,895,881
Non-controlling interests	48,378	54,269	253,509
	604,962	444,841	3,149,390

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT

	Unaudited 30 June-14 US\$	Unaudited 30 June-13 US\$	Audited 31-Dec-13 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	9,313,951	7,654,435	9,565,753
Investment properties	3,885,000	3,960,000	3,885,000
Held to maturity investments	103,436	103,436	103,436
	13,302,387	11,717,871	13,554,189
Current assets			
Inventories	4,473,502	4,444,690	5,828,240
Trade and other receivables	5,113,252	5,136,015	4,295,183
Current tax assets	-	73,753	-
Cash and cash equivalents	1,322,638	559,759	716,288
Total current assets	10,909,392	10,214,217	10,839,711
Total assets	24,211,779	21,932,088	24,393,900
EQUITY & LIABILITIES			
Equity			
Attributable to shareholders of the Company	16,765,955	14,235,708	16,203,370
Outside shareholders interest	1,193,751	1,000,936	1,145,373
Total equity	17,959,706	15,236,644	17,348,743
Non-current liabilities			
Deferred tax	1,897,771	1,487,637	1,884,046
Total Non-current liabilities	1,897,771	1,487,637	1,884,046
Current liabilities			
Short-term borrowings	180,000	249,779	150,000
Trade and other payables	4,141,490	4,958,028	4,952,796
Current tax liabilities	32,812	-	58,315
Total current liabilities	4,354,302	5,207,807	5,161,111
Total liabilities	6,252,073	6,695,444	7,045,157
Total equity & liabilities	24,211,779	21,932,088	24,393,900

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE

	Unaudited half year ended 30 June-14 US\$	Unaudited half year ended 30 June-13 US\$	Audited 16 months ended 31-Dec-13 US\$
Cash flows from operating activities			
Operating profit for the period	808,924	557,936	2,254,008
Adjustment for non-cash items:			
Decrease/(increase) in working capital	378,525	342,534	698,711
	(274,636)	207,773	(462,569)
Cash generated from operations	912,813	1,108,243	2,490,150
Income taxes paid	(237,457)	(172,754)	(709,585)
Finance costs	(34,503)	(60,735)	(141,095)
Finance income	56,221	71,472	144,433
Cash generated from operations	697,074	946,226	1,783,903
Cash used in investing activities			
Proceeds from disposal of property, plant and equipment	4,433	11,123	123,251
Purchase of property, plant and equipment	(131,158)	(463,471)	(1,164,443)
Cash used in investing activities	(126,725)	(452,348)	(1,041,192)
Cash flows from financing activities			
Proceeds from issue of new shares	6,001	-	6,150
Proceeds from short-term borrowings	30,000	-	575,000
Dividends paid to non-controlling shareholders	-	-	(6,327)
Dividends paid to owners of the Company	-	-	(251,509)
Repayments of short-term borrowings	-	(475,000)	(1,350,000)
Cash received from financing activities	36,001	(475,000)	(1,026,686)
Increase in cash and cash equivalents	606,350	18,878	(283,975)
Cash and cash equivalents at the beginning of the period	716,288	540,881	1,000,263
Cash and cash equivalents at the end of the period	1,322,638	559,759	716,288

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2014

	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 2012	1,397,291	6,255,100	2,729,344	77,013	3,094,100	13,552,848	898,191	14,451,039
Total comprehensive income for the period	-	-	1,376,590	-	1,519,291	2,895,881	253,509	3,149,390
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(6,327)	(6,327)
Share options exercised	2,650	11,429	-	(7,929)	-	6,150	-	6,150
Dividends paid to owners of the company	-	-	-	-	(251,509)	(251,509)	-	(251,509)
Balance as at 31 December 2013	1,399,941	6,266,529	4,105,934	69,084	4,361,882	16,203,370	1,145,373	17,348,743
Total comprehensive income for the period	-	-	-	-	556,584	556,584	48,378	604,962
Share options exercised	2,001	4,000	-	-	-	6,001	-	6,001
Balance as at 30 June 2014	1,401,942	6,270,529	4,105,934	69,084	4,918,466	16,765,955	1,193,751	17,959,706

NOTES TO THE UNAUDITED 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.

2 Currency of reporting

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

3 Supplementary Information

3.1 Adjustment for non-cash items

Depreciation of property, plant and equipment
Profit on disposal of property, plant and equipment

	Unaudited half year ended 30 June-14 US\$	Unaudited half year ended 30 June-13 US\$
Depreciation of property, plant and equipment	356,363	348,292
Profit on disposal of property, plant and equipment	22,162	(5,758)
	378,525	342,534
	1,341,139	1,249,906

3.2 Commitments for capital expenditure-authorised but not contracted

CHAIRMAN'S STATEMENT

OPERATING ENVIRONMENT

The operating environment deteriorated during the period under review. Liquidity challenges continued to adversely affect business activity impacting demand for our products due to low disposable incomes of consumers and cash constraints of customers.

PERFORMANCE

The half year ended 30 June 2014, recorded an increase in revenue of 2%. Aggregate volumes were 6% below the comparative period to 30 June 2013. Operating profit margin improved to 6% (last year 4%) primarily due to cost to income ratio reduction by two percentage points. The resultant profit before tax of \$830,642 improved by 46% over the prior comparative period.

The liquidity challenges have made working capital management difficult. The Company's exposure to trade debtors has increased with some customers not adhering to approved credit terms.

The Group has managed to maintain positive cash flows. Net assets have grown 3.6% since 31 December 2013.

OPERATIONS

Chemicals:

The chemicals division's performance was adversely affected by the downturn in the manufacturing sector, resulting in sales volumes declining by 17%. Revenue declined by only 5% due to product mix.

Paints:

Revenues are up 4%. The distribution of Plascon paint brands in Zimbabwe by the division has increased customer choice and our product range. Steady progress in integrating with Kansai Plascon is being achieved for the paints division resulting in cost efficiencies, improved procurement and technical support.

REGULATORY ISSUES

A mandatory offer to minorities resulting from the acquisition in July 2013 of a majority shareholding (63.25%) previously held by Finance Trust of Zimbabwe by Hemistar Investments and Kansai Plascon is in progress. A circular was issued to shareholders on 8 August 2014.

DIVIDEND DECLARATION

In view of the economic downturn in the economy and the need to continue preserving working capital, the Directors resolved not to declare an interim dividend.

OUTLOOK

The period under review realised the synergies anticipated between the Group and Kansai Plascon. The benefits of associating with a multi-national, Kansai Plascon is expected to yield further benefits in the foreseeable future. The Board and management will continue to exert their efforts in achieving optimal cost efficiencies in preserving and growing the Group's respective market shares.

ABC Chinake
Chairman
7 August 2014

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

*Executive