

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



ZAMBIA SUGAR PLC ["ZSUG"]
[Incorporated in the Republic of Zambia]

Company registration number: 2880
Share Code: ZSUG
ISIN: ZM0000000052
Authorised by: Mwansa Mutimushi – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited
[Member of the Lusaka Securities Exchange]
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456
Website: www.sbz.com.zm

APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

DISCLAIMER AND RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 6th February 2017



ZAMBIA SUGAR PLC

[Incorporated in the Republic of Zambia]

Company registration number: 2880

Share Code: ZSUG

ISIN: ZM0000000052

TRADING STATEMENT

In accordance with the Lusaka Securities Exchange (“LuSE”) Listings Requirements, the Board of Directors of Zambia Sugar PLC (the “Company”) hereby advises the Shareholders of the Company that the Earnings per Share (EPS) for the year ended 31 March 2017 is expected to be between 135% and 155% lower than that for the year ended 31 March 2016.

The decline in earnings is predominantly due to a 20% drop in domestic sales volumes, driven mainly by declining disposable income levels, caused by the generally challenging consumer market conditions. In addition, competitive pressure in the domestic market from illegal sugar imports has also impacted volumes.

Whilst the increase in finance costs arising from the new refinery funding was expected, the persistent high interest rate environment has further impacted finance costs negatively. The strengthening currency projected during the new season has significantly reduced the value of standing cane, adversely impacting earnings further.

Sugar production for the full year is 6% lower than the previous year due to lower than expected sugar cane yields and sucrose levels. This is attributable to drought conditions experienced between November 2015 and January 2016, and associated power interruptions which restricted irrigation.

Shareholders are advised that the information contained in this Trading Statement has not been reviewed nor reported on by the external auditors of the Company.

The Company expects its results for the year ended 31 March 2017 to be released on SENS and published in the local press on or about 2 June 2017. Accordingly, shareholders are advised to exercise caution when dealing in the Company’s Securities until publication of the results.

Issued in Lusaka, Zambia on Monday, 6th February 2017

Lusaka Securities Exchange Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456

E | advisory@sbz.com.zm

W | www.sbz.com.zm

Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on Monday, 6th February 2017