



TRADING UPDATE 3 MONTHS TO 30 SEPTEMBER 2019

			Unaudited 3 Months to 30 Sept 2019,	Unaudited 3 Months to 30 Sept 2018,	Unaudited 12 Months to 30 June 2019,
Production Volume					
Poles-Transmission		m3	2,621	3,004	12,647
- Sleepers		m3	-	449	449
Lumber		m3	15,365	16,323	55,800
Total			17,986	19,776	68,896
Sales Volume					
Poles-Transmission		m3	3,750	4,011	14,551
- Sleepers		m3	-	454	454
Lumber		m3	15,223	17,718	57,595
Total			18,973	22,183	72,600
Financial Performance					
Revenue		ZWL	48,969,548	5,751,639	38,418,978
Net (loss)/profit before tax		ZWL	(11,655,447)	1,530,856	(12,916,742)
Cash profit before tax, after adjusting for non-cash items		ZWL	21,399,831	2,028,029	12,985,063

Unaudited September 2019 Production and Sales Volumes

Lumber production is lower compared to same period prior year due to low production at the Charter sawmill caused mainly by machine breakdown and power outages. The low production had a knock-on effect on sales volume as this resulted in lower sales compared to prior year.

Treated poles reflect a decline in production as focus was placed on specific orders that required re-sizing of stocks on hand. This is reflected in sales being higher than production as these sales were coming out of stock. Demand remains high within the region and an increase in both production and sales is anticipated within the next quarter.

Financial performance.

Revenue saw positive improvement compared to prior comparable period

mostly driven by improved quality and output from our value addition plants resulting in better average selling prices (ASP) on lumber. Loss for the year is mainly driven by unrealized exchange losses primarily from a foreign loan, the net unrealized exchange loss amounts to ZWL31,425,437.

Update on ICSID claim and Judicial Management.

Discussions are continuing with the other party to the claim and with Government, but these have not yet been finalized. Accordingly, the Company will remain under judicial management for the foreseeable future.

Commendation.

Management continue to do an excellent job in difficult circumstances.

Peter Lewis Bailey
Judicial Manager
27 November, 2019