



**GB HOLDINGS LTD**  
**TRADING UPDATE FOR THIRD QUARTER ENDING 30 SEPTEMBER 2019**

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**TRADING ENVIRONMENT**

The operating macro- economic environment to the third quarter was characterised by shortages of foreign currency and a surging inflationary trend. The October 2019 IMF World Economic Outlook reported that Zimbabwe was expected to register a negative growth of 7.1 % in 2019. However, various monetary and fiscal measures were undertaken to stabilise the macroeconomic environment.

**PERFORMANCE UPDATE**

The company experienced shortages of raw materials required to fulfill its order book due to shortages of foreign currency in the interbank market. Turnover to September was ahead of plan despite volumes being 48% lower than plan due to the effect of inflationary pricing. Operating costs were contained within budgeted levels despite the negative effect of exchange rate induced cost increases on energy and labour costs. As a result the company posted an operating profit in line with forecast.

**OUTLOOK**

Despite a challenging operating environment the company expects to defend its key markets in the mining, tourism and industrial hygiene sectors. Consistent with its effective value proposition to customers the company expects a positive out turn at year end through its technical alliances, continued cost controls and skills retention.

A handwritten signature in blue ink, appearing to read 'P. Munyanyi', is written over a light blue horizontal line.

**P. MUNYANYI**  
**COMPANY SECRETARY**  
**15 November 2019**