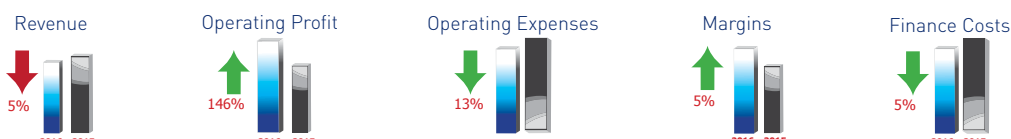




Directors: Dr. T. Utete Wushe (Chairman), T. M. Ameer*, A.M. Chingwecha*, M. Chundu, E.K. Moyo, O. Mtasa, M. Oakley (EXECUTIVE)*

HIGHLIGHTS

Revenue down by 5%
Operating profit up by 146%
Operating expenses down by 13%
Margins up by 5 percentage points
Finance costs down 5%



GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 31 March 2016 US\$ 000	Unaudited 31 March 2015 US\$ 000
For the half year ended		
Revenue	14 133	14 825
Cost of sales	(8 780)	(9 997)
Gross profit	5 352	4 828
Other Income	190	245
Operating expenses	(3 847)	(4 414)
Operating profit before fair value adjustments and impairments	1 695	659
Share of Joint Venture Profit/(loss)	82	(8)
Fire Loss	(174)	-
Operating Profit Before Interest and tax	1 603	651
Finance costs	(598)	(628)
Profit before tax	1 005	23
Income tax expense	(114)	(137)
Profit/(Loss) after tax	892	(114)
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Translation of foreign subsidiaries	23	(221)
Other comprehensive income/(loss) for the year net of tax	23	(221)
Total comprehensive income/(loss) for the year net of tax	915	(335)
Earnings/(Loss) per share (cents)		
Basic	0.22	(0.02)
Diluted	0.22	(0.02)

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital US\$000	Share Premium US\$000	Non- Distributable Reserves US\$000	Distributable Reserves US\$000	Total US\$000
At 1 October 2014					
Loss for the period	47	4 378	12 477	(6 757)	10 145
Other comprehensive income	-	-	-	(590)	(590)
Total comprehensive loss	-	-	(655)	(590)	(1 245)
Transfer of foreign currency reserve	-	-	(2 100)	2 100	-
At 30 September 2015	47	4 378	9 722	(5 247)	8 900
Profit for the period	-	-	-	(892)	892
Other comprehensive loss	-	-	23	-	23
Total comprehensive loss	-	-	23	892	915
At 31 March 2016	47	4 378	9 745	(4 355)	9 815

GROUP SEGMENT RESULTS

Mar 15	Paper US\$000	Batteries US\$000	Forests US\$000	Eversharp US\$000	Central administration US\$000	Adjustments & eliminations US\$000	Group US\$000
Revenue							
External customer	1 924	9 748	334	2 819	-	-	14 825
Operating (loss)/profit	(212)	511	(8)	229	(139)	-	659
Finance cost	(11)	(135)	(9)	(53)	(420)	-	(628)
Net Segment assets	3 704	4 845	7 164	(153)	(5 750)	-	9 810
Capital expenditure	(959)	(1 108)	(22)	(498)	(2)	-	(2 589)
Depreciation	(164)	(188)	(28)	(42)	(26)	-	(448)
Mar 16							
Revenue	2 294	8 974	342	2 523	-	-	14 133
Operating (loss)/profit	47	1 137	18	481	12	-	1 695
Finance cost	(26)	(127)	(2)	(18)	(425)	-	(598)
Net Segment assets	4 002	4 676	6 771	391	(6 025)	-	9 815
Capital expenditure	(51)	(142)	-	(33)	-	-	(226)
Depreciation	(124)	(247)	(29)	(72)	(22)	-	(494)

GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited 31 March 2016 US\$ 000	Audited 30 Sept 2015 US\$ 000
As at		
ASSETS		
Non-current assets		
Property plant and equipment	11 751	12 132
Investment Property	3 175	3 175
Biological assets	4 778	4 887
Deferred tax assets	600	600
Investment in joint venture	553	471
Other investments	37	37
Total non-current assets	20 894	21 302
Current assets		
Inventories	5 386	4 704
Trade and other receivables	3 611	3 315
Cash resources	233	312
Total current assets	9 230	8 331
TOTAL ASSETS	30 124	29 633
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	47	47
Share premium	4 378	4 378
Reserves	5 390	4 475
Shareholders' equity	9 815	8 900
Non-current liabilities		
Deferred tax liabilities	1 813	1 802
Interest bearing loans and borrowings	2 114	2 929
Total non-current liabilities	3 927	4 731
Current liabilities		
Trade and other payables	10 655	10 737
Provisions	708	647
Income tax payable	609	527
Interest bearing loans and borrowings	4 357	4 024
Bank overdrafts	53	67
Total current liabilities	16 382	16 002
Total liabilities	20 309	20 733
TOTAL EQUITY AND LIABILITIES	30 124	29 633

GROUP STATEMENT OF CASH FLOWS

	Unaudited 31 March 2016 US\$ 000	Unaudited 31 March 2015 US\$ 000
For the half year ended		
Cash flow from operating activities:		
Cash generated from operations	1 234	3 007
Finance costs	(598)	(628)
Tax paid	(21)	(115)
Cash generated from operating activities	615	2 264
Cash flow from investing activities:		
Purchase of property plant and equipment	(226)	(2 589)
Proceeds on disposal of property plant and equipment	40	9
Cash utilized in investing activities	(186)	(2 580)
Cash flow from financing activities:		
Proceeds from borrowings	363	1 062
Repayment of borrowings	(867)	(813)
Cash generated from financing activities	(504)	249
Decrease in cash and cash equivalents	(75)	(67)
Net foreign exchange differences	10	2
Cash and cash equivalents at the beginning of the period	245	338
Cash and cash equivalents at the end of the period	180	273
Comprising:		
Cash resources	233	399
Overdrafts	(53)	(126)
Cash and cash equivalents at the end of the period	180	273

SUPPLEMENTARY INFORMATION

1. Basis of preparation

The consolidated financial results have been prepared on a historic cost basis except for land and buildings, investment property, financial assets and biological assets that have been measured at fair value.

2. Currency of reporting

The financial results are prepared in United States Dollars (US\$).

3. Statement of compliance

The abridged consolidated financial results have been prepared in accordance with International Financial Reporting Standards and the Zimbabwe Stock Exchange Listing Rules.

4. Statement of accounting policy

The accounting policies in the preparation of the 2016 interim consolidated financial results are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2015.

Several other new Standards and Amendments apply for the first time for the Group from 1 October 2015. However, they do not materially impact the interim consolidated financial statements of the Group.

5. Capital expenditure commitments

	2016 US\$ 000	2015 US\$ 000
Authorised but not yet contracted	1 682	2 589
Authorised and contracted for	3 045	116
Total	4 727	2 705

The capital expenditure will be funded from internal working capital and shareholder loans.

6. Total borrowings split

	31 March 2016 US\$ 000's			30 September 2015 US\$ 000		
	Short-term and over draft	Long-term	Total	Short-term	Long-term	Total
	4 410	2 114	6 524	4 091	2 929	7 020

The average cost of borrowings was 16%. Certain properties with a book value of \$6,700,000 have been pledged as security for the loans.

7. Lease commitments

	March 2016 Minimum payments US\$000		March 2015 Minimum payments US\$000	
	Present value of payments US\$000		Present value of payments US\$000	
Within one year	279	194	410	152
After one year but not later than five years	2 109	1 412	1 927	1 308
More than five years	-	-	-	-
Total minimum lease payments	2 388	1 606	2 337	1 460
Less amounts representing finance charges	(782)	-	(877)	-
Present value of minimum lease payments	1 606	1 606	1 460	1 460

CHAIRMAN'S STATEMENT

OVERVIEW

I am pleased to present the results for the half year to 31 March 2016 which are a positive improvement on prior year performances, despite the market conditions. This was a result of the benefits of the factory upgrades done in 2015 and the cost containment strategy arising out of the restructuring of the Group.

FINANCIAL

The Group's revenue was \$14,133,000 which was 5% lower than last year mainly due to a decrease in sales in Zambia. Gross margins improved to 38% (2015 : 33%). An operating profit of \$1,695,000 was recorded during the period, an improvement compared to the \$659,000 achieved last year. The Group posted a profit before tax of \$1,005,000 (2015 : \$23,000).

OPERATIONS

The Batteries Division posted a profit before tax of \$985,000 due to 6% increase in factory sales volumes and steady sales at Battery Express as well as higher factory efficiencies at the Chloride factory. Margins were affected by lead international prices. The Zambia Kwacha was stable during the period and Chloride Zambia traded profitably despite reduced volumes in the market.

The Paper Division recorded a profit before tax of \$22,000 compared to a loss of \$220,000 in 2015. Kadoma Paper Mills sales volumes grew by 3% as a result of a high uptake of tissue at Softex.

Eversharp performed well during the period with pen sales 2% above last year. The reduced cost of production arising from the recapitalisation efficiencies, resulted in higher margins and a profit before tax of \$465,000 compared to \$176,000 in the prior year.

The Plantations in Mutare posted a loss before tax of \$168,000 due to the fire loss in October 2015 of \$174,000.

BALANCE SHEET AND CASHFLOW

The Balance sheet grew by 2% due to improved profitability during the half year. The Group's total borrowings at \$6,500,000 and the creditor's balance of \$10,700,000 remains a challenge to the business. Cash generated from operations was \$1,234,000 as a result of the profitability during the period.

DIVIDEND

The Company is not in a position to declare a dividend as it is necessary to conserve cash in the business.

DIRECTORATE

I was appointed Chairman of the Board at the end of February 2016. Mr Chundu stepped down as Chairman at the February Annual General Meeting and I would like to thank him for his contributions during his tenure as Chairman. Mr Thankful Musukutwa resigned from the Board and I would like to express my appreciation for his contributions during his tenure as a non-executive director of the Board.

OUTLOOK

It is anticipated that the current micro-economic conditions will continue in the outlook period.

The second phase of the recapitalisation of the Chloride factory should be completed in the second half of the year. This will enable Chloride to produce a wider range of batteries at a lower cost.

Progress has been made in reducing the Group debt and focus remains on resolving the gearing level of the balance sheet.

The Board is confident that the Group is now well placed to achieve long term profitability.

I would like to thank my shareholders, fellow directors, management, the entire team at ART and all other stakeholders for their support and contribution to the Group.

Dr. Thomas Utete Wushe
CHAIRMAN

27 May 2016