

Audited Annual Financial Results and Dividend Declaration

30 September 2013



A leading Southern African integrated poultry producer

Astral Foods Limited • Incorporated in the Republic of South Africa • Registration number 1978/003194/06 • Share code: ARL • ISIN: ZAE000029757

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Audited Year ended 30 Sept 2013 R'000		Audited Year ended 30 Sept 2012 R'000
ASSETS			
Non-current assets	2 016 064		1 840 046
Property, plant and equipment	1 796 461		1 678 976
Intangible assets	25 320		17 169
Goodwill	136 135		136 135
Investment in associate	52 800		-
Investments and loans	5 348		7 766
Current assets	1 938 270		1 672 894
Inventories	440 684		379 433
Biological assets	592 690		534 806
Trade and other receivables	806 821		723 569
Current tax assets	4 614		9 819
Cash and cash equivalents	93 461		25 267
Assets held for sale	-		51 889
Total assets	3 954 334		3 564 829
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the parent company	1 713 726		1 585 227
Issued capital	2 044		2 044
Treasury shares	(204 435)		(204 435)
Reserves	1 916 117		1 787 618
Non-controlling interests	13 954		10 744
Total equity	1 727 680		1 595 971
LIABILITIES			
Non-current liabilities	655 790		516 367
Borrowings	145 255		14 859
Deferred tax liability	417 646		407 711
Retirement benefit obligations	92 889		93 797
Current liabilities	1 570 864		1 431 208
Trade and other liabilities	1 355 495		1 307 776
Current tax liabilities	2 040		5 684
Borrowings	211 630		116 091
Shareholders for dividend	1 699		1 657
Liabilities held for sale	-		21 283
Total liabilities	2 226 654		1 968 858
Total equity and liabilities	3 954 334		3 564 829

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 30 Sept 2013 R'000	Change %	Audited Year ended 30 Sept 2012 R'000
Revenue	8 523 976	4	8 160 078
Operating profit	271 558	(43)	477 149
Profit on sale of interest in business unit	79 426		35 972
Profit before interest and tax	350 984	(32)	513 121
Finance income	937		6 396
Finance costs	(27 639)		(24 371)
Share of profit from associate	2 800		-
Profit before tax	326 882	(34)	495 146
Tax expense	(79 583)		(162 646)
Profit for the year	247 299	(26)	332 500
Other comprehensive income			
Foreign currency translation adjustments	12 487		102
Total comprehensive income for the year net of tax	259 786	(22)	332 602
Profit attributable to:			
Equity holders of the parent company	244 010	(26)	329 335
Non-controlling interests	3 289	4	3 165
Comprehensive income attributable to:			
Equity holders of the parent company	255 920	(22)	329 473
Non-controlling interests	3 866	24	3 129
Earnings per share (cents)			
- basic	641	(26)	865
- diluted	641	(26)	864

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Audited Year ended 30 Sept 2013 R'000		Audited Year ended 30 Sept 2012 R'000
Balance beginning of the year	1 595 971		1 585 632
Total comprehensive income for the year	259 786		332 602
Dividends to the company's shareholders	(127 882)		(320 086)
Payments to non-controlling interest holders	(660)		(3 829)
Option value of share options granted	465		1 652
Balance at end of the year	1 727 680		1 595 971

CONDENSED GROUP SEGMENTAL ANALYSIS

	Audited Year ended 30 Sept 2013 R'000	Change %	Audited Year ended 30 Sept 2012 R'000
Revenue			
Poultry	6 000 605	3	5 834 816
As previously reported			5 914 483
Re-allocated to Other Africa			(79 667)
Feed	4 915 626	14	4 327 012
As previously reported			4 309 636
Re-allocated from Services and Ventures			17 376
Other Africa	442 146	30	341 308
As previously reported			261 641
Re-allocated from Poultry			79 667
Services and Ventures	30 246	(86)	222 620
As previously reported			239 996
Re-allocated to Feed			(17 376)
Sales between segments	(2 864 647)		(2 565 678)
- Feed to Poultry	(2 702 755)		(2 413 486)
- Services and Ventures to Poultry and Feed	(161 892)		(152 192)
Operating profit	271 558	(43)	477 149
Poultry	(109 412)	(180)	137 438
As previously reported			144 893
Re-allocated to Other Africa			(7 455)
Feed	331 276	15	288 808
As previously reported			283 135
Re-allocated from Services and Ventures			5 673
Other Africa	45 021	19	37 677
As previously reported			30 222
Re-allocated from Poultry			7 455
Services and Ventures	4 673	(65)	13 226
As previously reported			18 899
Re-allocated to Feed			(5 673)
Capital expenditure			
Poultry	59 995	(60)	151 038
As previously reported			152 248
Re-allocated to Other Africa			(1 210)
Feed	151 314	352	33 454
As previously reported			31 312
Re-allocated from Services and Ventures			2 142
Other Africa	29 991	34	22 316
As previously reported			21 106
Re-allocated from Poultry			1 210
Services and Ventures	-	(100)	4 519
As previously reported			6 745
Re-allocated to Corporate			(84)
Re-allocated to Feed			(2 142)
Corporate	106		84
Depreciation, amortisation and impairment			
Poultry	97 628	6	91 816
As previously reported			92 804
Re-allocated to Other Africa			(988)
Feed	20 153	9	18 522
As previously reported			17 536
Re-allocated from Services and Ventures			986
Other Africa	8 287	47	5 620
As previously reported			4 632
Re-allocated from Poultry			988
Services and Ventures	-	(100)	6 361
As previously reported			7 711
Re-allocated to Corporate			(364)
Re-allocated to Feed			(986)
Corporate	358		364
Total comprehensive income for the year net of tax	259 786	(22)	332 602

REVENUE INCREASE EARNINGS PER SHARE DECREASE HEADLINE EARNINGS PER SHARE DECREASE FINAL DIVIDEND 222 CENTS PER SHARE

4%

26%

44%

CONDENSED GROUP SEGMENTAL ANALYSIS continued

	Audited Year ended 30 Sept 2013 R'000	Change %	Audited Year ended 30 Sept 2012 R'000
Assets			
Poultry	2 940 901	5	2 797 322
As previously reported			2 830 780
Re-allocated to Other Africa			(33 458)
Feed	993 517	19	834 926
As previously reported			825 049
Re-allocated from Services and Ventures			9 877
Other Africa	247 190	48	166 750
As previously reported			133 292
Re-allocated from Poultry			33 458
Services and Ventures	-		-
As previously reported			4 949
Re-allocated to Corporate			(27 605)
Re-allocated to intra-group			32 533
Re-allocated to Feed			(9 877)
Corporate	122 990		27 605
Assets held for sale	-		51 889
Set-off of intra-group balances	(350 264)		(313 663)
Liabilities			
Poultry	1 263 916	6	1 193 892
As previously reported			1 204 362
Re-allocated to Other Africa			(10 470)
Feed	888 053	12	794 228
As previously reported			787 266
Re-allocated from Services and Ventures			6 962
Other Africa	103 812	44	71 854
As previously reported			61 384
Re-allocated from Poultry			10 470
Services and Ventures	-		-
As previously reported			175 693
Re-allocated to Corporate			(201 264)
Re-allocated to intra-group			32 533
Re-allocated to Feed			(6 962)
Corporate	321 137		201 264
Liabilities held for sale	-		21 283
Set-off of intra-group balances	(350 264)		(313 663)
Total comprehensive income for the year net of tax	2 226 654	13	1 968 858

Following changes in internal reporting provided to the chief executive officer, certain comparative amounts have been re-allocated.

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Audited Year ended 30 Sept 2013 R'000		Audited Year ended 30 Sept 2012 R'000
Cash operating profit	388 406		596 964
Changes in working capital	(150 736)		(118 852)
Cash generated from operations	237 670		478 112
Income tax paid	(66 705)		(142 072)
Cash generated from operating activities	170 965		336 040
Cash used in investing activities	(176 515)		(116 583)
Capital expenditure	(234 802)		(209 274)
Finance income	937		6 396
Proceeds on disposal of business unit/investment held for sale	47 552		83 161
Proceeds on disposal and other	9 798		3 134
Cash flows to financing activities	(7 609)		(349 848)
Net increase in borrowings	155 334		409
Interest paid	(34 443)		(26 508)
Dividends paid	(128 500)		(323 749)
Net movement in cash and cash equivalents	(13 159)		(130 391)
Effects of exchange rate changes	(3 688)		(206)
Cash and cash equivalent balances at beginning of the year	(61 181)		69 416
Cash and cash equivalent balances at end of the year	(78 028)		(61 181)

ADDITIONAL INFORMATION

	Audited Year ended 30 Sept 2013 R'000	Change %	Audited Year ended 30 Sept 2012 R'000
Headline earnings (R'000)	168 683	(44)	299 723
Headline earnings per share (cents)			
- basic	443	(44)	787
- diluted	443	(44)	787
Dividend per share (cents)			
- declared out of earnings for the year	222	(67)	672
Ordinary shares			
- issued net of treasury shares	38 060 308		38 060 308
- weighted-average	38 060 308		38 060 308
- diluted weighted-average	38 065 338		38 096 321
Net debt (borrowings less cash and cash equivalents) (R'000)	263 424		105 683
Net asset value per share (Rand)	45,03	8	41,65

NOTES

- Nature of business**
Astral is a leading South African integrated poultry producer. Key activities consist of manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks and hatching eggs, integrated breeder and broiler production operations, abattoirs and sales and distribution of various key poultry brands.
- Basis of preparation**
The condensed consolidated financial information announcement is based on the audited financial statements of the group for the year ended 30 September 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 - Interim Financial Reporting, the Listings Requirements of the JSE Limited and the South African Companies Act (2008). The financial statements have been prepared by the financial director, DD Ferreira CA(SA), and were approved by the board on 6 November 2013.
- Accounting policies**
The accounting policies applied in the financial statements comply with IFRS and are consistent with those applied in the preparation of the group's annual financial statements for the previous year.
- Independent audit by the auditors**
These condensed consolidated results have been audited by our accredited auditors PricewaterhouseCoopers Inc. who have performed their audit in accordance with the International Standards on Auditing. A copy of their unqualified audit report is available for inspection at the registered office of the company.
- Operating profit**
The following items have been accounted for in the operating profit:

	Audited Year ended 30 Sept 2013 R'000	Audited Year ended 30 Sept 2012 R'000
Directors' remuneration	23 572	25 150
Biological assets - fair value loss	3 116	752
Amortisation of intangible assets	3 305	2 405
Depreciation on property, plant and equipment	119 424	116 296
Impairment of goodwill	-	3 012
Impairment of property	3 697	970
Profit on sale and scrapping of property, plant and equipment	1 926	885
Profit on sale of unlisted investments	2 485	-
Foreign exchange loss	(146)	(1 744)
- Reconciliation to headline earnings**

	Audited Year ended 30 Sept 2013 R'000	Audited Year ended 30 Sept 2012 R'000
Earnings for the year	244 010	329 335
Profit on sale and scrapping of property, plant and equipment (net of tax)	(2 759)	(1 705)
Profit on sale of interest in joint venture/business unit (net of tax)	(67 848)	(29 646)
Profit on sale of unlisted investments	(2 021)	-
Insurance recovery on damaged assets (net of tax)	(6 415)	(3 044)
Impairment of goodwill	-	3 012
Loss on assets scrapped (net of tax)	1 055	1 073
Impairment of property and other assets (net of tax)	2 66	