



UNAUDITED INTERIM RESULTS and DIVIDEND DECLARATION

for the six months ended 31 March 2010

Incorporated in the Republic of South Africa Registration no 1978/003194/06 Share code ARL ISIN ZAE000029757

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited Six months ended 31 March 2010 R'000	Unaudited Six months ended 31 March 2009 R'000	Audited 12 months ended 30 Sept 2009 R'000
ASSETS			
Non-current assets	1 655 332	1 638 906	1 650 167
Property, plant and equipment	1 514 190	1 490 459	1 504 338
Intangible assets	6 835	10 011	8 396
Goodwill	124 802	124 802	124 802
Investments and loans	9 505	13 634	11 973
Deferred income tax assets	–	–	658
Current assets	1 424 829	1 481 192	1 523 473
Inventories	298 165	281 791	329 775
Biological assets	329 091	333 871	357 130
Trade and other receivables	675 082	727 307	685 116
Current income tax asset	–	8 809	13 298
Derivative financial instruments	238	4 255	309
Cash and cash equivalents	122 253	125 159	137 845
Total assets	3 080 161	3 120 098	3 173 640
Equity and liabilities			
Capital and reserves attributable to equity holders of the parent company	1 363 860	1 265 905	1 346 044
Issued capital	736	736	736
Treasury shares	(204 435)	(204 435)	(204 435)
Reserves	1 567 559	1 469 604	1 549 743
Minority interests	20 049	17 834	20 405
Total equity	1 383 909	1 283 739	1 366 449
Non-current liabilities	488 225	425 537	471 856
Borrowings	33 733	20 562	29 057
Deferred income tax liability	373 449	334 894	365 801
Retirement benefit obligations	81 043	70 081	76 998
Current liabilities	1 208 027	1 410 822	1 335 335
Trade and other liabilities	992 535	963 101	1 028 429
Current income tax liabilities	40 638	14 920	10 722
Borrowings	174 854	432 801	296 184
Total liabilities	1 696 252	1 836 359	1 807 191
Total equity and liabilities	3 080 161	3 120 098	3 173 640

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

Highlights

- Revenue decrease 4%
- Operating profit increase 9%
- Earnings per share increase 17%
- Headline earnings per share increase 20%
- Interim dividend increase 12% to 290 cents per share

ADDITIONAL INFORMATION

	Unaudited Six months ended 31 March 2010	Unaudited Six months ended 31 March 2009	% change	Audited 12 months ended 30 Sept 2009
Headline earnings (R'000)	185 071	154 247	20	338 492
Headline earnings per share (cents)				
– basic	486	405	20	890
– diluted	486	405	20	890
Dividends per share (cents)	290	260	12	700
Net asset value per share (Rand)	35,85	33,27	8	35,38
Number of ordinary shares				
– Issued net of treasury shares	38 047 708	38 047 708		38 047 708
– Weighted-average	38 047 708	38 047 708		38 047 708
– Diluted weighted-average	38 065 066	38 050 048		38 053 527
Net debt (borrowings less cash and cash equivalents) (R'000)	86 334	328 204		187 396

NOTES

1. Nature of business

Astral is a leading South African integrated poultry producer. Key activities consist of animal feed pre-mixes, manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks and hatching eggs, integrated breeder and broiler production operations, abattoirs and sale and distribution of various key poultry brands.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 March 2010 have been prepared in accordance with International Reporting Standards ("IFRS"), and IAS 34 – Interim Financial Reporting, the Listing Requirements of the JSE Limited and the South African Companies Act (1973) as amended.

These financial statements have not been reviewed or audited by the Group's auditors.

3. Accounting policies

The accounting policies applied in these interim financial statements comply with IFRS and IAS 34 and are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 30 September 2009, except for the adoption of the revised IAS 1 – Presentation of Financial Statements, IFRS 8 – Operating Segments and Circular

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 31 March 2010 R'000	Unaudited Six months ended 31 March 2009 R'000	% change	Audited 12 months ended 30 Sept 2009 R'000
Revenue	4 283 836	4 462 220	(4)	8 833 638
Operating profit	304 298	279 018	9	580 921
Finance income	4 901	4 103		12 802
Finance costs	(16 851)	(33 945)		(62 960)
Profit before income tax	292 348	249 176	17	530 763
Income tax expense	(103 832)	(86 246)		(177 771)
Profit for the period	188 516	162 930	16	352 992
Other comprehensive income				
Foreign currency translation adjustments	(2 533)	(11 543)		(22 107)
Total comprehensive income for the period net of tax	185 983	151 387	23	330 885
Profit attributable to:				
Equity holders of the parent company	185 242	158 478	17	344 564
Minority interests	3 274	4 452	(26)	8 428
	188 516	162 930	16	352 992
Comprehensive income attributable to:				
Equity holders of the parent company	183 306	146 835	25	323 912
Minority interests	2 677	4 552	(41)	6 973
	185 983	151 387	23	330 885
Earnings per share (cents)				
– basic	487	417	17	906
– diluted	487	416	17	905

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended 31 March 2010 R'000	Unaudited Six months ended 31 March 2009 R'000	Audited 12 months ended 30 Sept 2009 R'000
Balance beginning of year	1 366 449	1 328 150	1 328 150
Total comprehensive income for the period	185 983	151 387	330 885
Dividends to the company's shareholders	(167 411)	(167 410)	(266 334)
Payments to minority interest holders	(3 630)	(1 592)	(1 592)
Option value of share options granted	2 518	1 174	3 525
Cost of minority interest in a subsidiary acquired	–	(27 970)	(28 185)
Balance at end of period	1 383 909	1 283 739	1 366 449

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited Six months ended 31 March 2010 R'000	Unaudited Six months ended 31 March 2009 R'000	Audited 12 months ended 30 Sept 2009 R'000
Cash operating profit	365 111	327 437	690 717
Working capital changes	32 545	(139 547)	(106 474)
Cash generated from operating activities	397 656	187 890	584 243
Income tax paid	(52 142)	(20 997)	(91 359)
Cash flows from operating activities	345 514	166 893	492 884

3. Accounting policies

The accounting policies applied in these interim financial statements comply with IFRS and IAS 34 and are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 30 September 2009, except for the adoption of the revised IAS 1 – Presentation of Financial Statements, IFRS 8 – Operating Segments and Circular 3/2009 on Headline Earnings. The presentation of the financial statements and operating segments disclosures have been changed according to the changes in IAS 1 and IFRS 8 respectively, with no adjustment necessary on the adoption of Circular 3/2009. The operating segments are now reported in a manner consistent with the internal reporting provided to the chief executive officer.

	Unaudited Six months ended 31 March 2010 R'000	Unaudited Six months ended 31 March 2009 R'000	Audited 12 months ended 30 Sept 2009 R'000
4. Operating profit			
The following items have been accounted for in the operating profit:			
Biological assets – fair value (loss)/gain	(1 351)	(740)	2 581
Amortisation of intangible assets	2 552	2 555	5 081
Depreciation on property, plant and equipment	54 250	47 795	98 480
Profit on disposal of property, plant and equipment	161	4 476	6 859
Foreign exchange profit/(loss)	1 206	(9 066)	(2 369)
5. Reconciliation to headline earnings			
Earnings for the period	185 242	158 478	344 564
After tax profit on sale of property, plant and equipment	(171)	(4 231)	(6 576)
Impairment of assets	–	–	504
Headline earnings for the period	185 071	154 247	338 492
6. Cash and cash equivalents per cash flow statement			
Bank overdrafts	(168 542)	(428 651)	(290 780)
Cash at bank and in hand	122 253	125 159	137 845
Cash and cash equivalents per cash flow statement	(46 289)	(303 492)	(152 935)
7. Capital commitments			
Capital expenditure approved not contracted	75 232	46 351	93 956
Capital expenditure contracted not recognised in financial statements	24 040	25 458	34 505
8. Litigation			

A referral was made to the Competition Tribunal regarding alleged anti-competitive conduct by Astral Operations Limited and Elite Breeding Farms during 2008. The Group is opposing the referral.

During September 2009 the Competition Commission initiated complaints against all past and present members of the Animal Feeds Manufacturers Association and the South African Poultry Association as well as other players involved in the production of poultry feed, in breeding stock and broiler production, and in the poultry products industry. Astral is not aware of any transgressions of the Competition Act within the Group, but has offered all reasonable cooperation to the Commission in regard to its investigation into the industry.

Financial Overview

Profit for the period increased by 16% to R189 million from R163 million for the same period last year.

The improvement in profitability was contributed to by increased profits from the feed division and lower finance costs. Continued strain on consumer spending put downward pressure on poultry selling prices and together with the impact of the industrial action at the Standerton abattoir, resulted in poultry profits marginally below the same period last year.

Revenue decreased by 4% from R4 462 million to R4 284 million on the back of lower agricultural input costs and lower poultry realisations. Operating profit at R304 million was 9% higher than the previous year. While poultry's operating profit was down 2% to R134 million (2009: R137 million), the feed division's profit improved by 20% to R151 million (2009: R126 million). The new separately reported segment, which consists mainly of the East Balt bakery and NuTec, contributed R19 million to the operating profit, up 23% from the previous year. The Group's operating profit margin improved from 6,3% to 7,1%.

Net finance costs at R12 million were well down on the previous year's R30 million following reduced interest rates and a lower level of borrowings.

Earnings per share increased by 17% from 417 cents to 487 cents, and headline earnings per share increased by 20% to 486 cents per share (2009: 405 cents per share).

Cash generated from operating activities at R398 million (2009: R188 million) was sufficient to fund the investing activities and dividends paid during the period, and to reduce the net debt of R187 million at the end of September 2009 by 54% to R86 million.

The Board has declared an increased interim dividend of 290 cents per share (2009: 260 cents per share) in view of the improved cash flow and strong balance sheet.

Operational Overview**Poultry Division**

Revenue for the period increased by 3% to R2,7 billion (2009: R2,6 billion), whilst sales volumes increased by 13,2%.

Cash generated from operating activities	397 656	187 890	584 243
Income tax paid	(52 142)	(20 997)	(91 359)
Cash flows from operating activities	345 514	166 893	492 884
Net cash used in investing activities	(55 650)	(107 226)	(148 890)
Capital expenditure	(63 316)	(92 679)	(154 371)
Finance income	4 901	4 103	12 802
Cost of minority interest acquired	–	(25 000)	(25 000)
Proceeds on disposal and other	2 765	6 350	17 679
Cash used in financing activities	(183 081)	(202 503)	(322 572)
Increase in borrowings	5 584	350	12 673
Interest paid	(17 438)	(33 945)	(67 464)
Dividends paid	(171 227)	(168 908)	(267 781)
Net decrease/(increase) in cash and cash equivalents	106 783	(142 836)	21 422
Effect of exchange rate changes	(137)	1 515	(12 186)
Cash and cash equivalent balances at beginning of year	(152 935)	(162 171)	(162 171)
Cash and cash equivalent balances at end of period	(46 289)	(303 492)	(152 935)

CONDENSED GROUP SEGMENTAL ANALYSIS

	Unaudited Six months ended 31 March 2010 R'000	Unaudited Six months ended 31 March 2009 R'000	% change	Audited 12 months ended 30 Sept 2009 R'000
Revenue				
Poultry	2 739 921	2 663 216	3	5 465 922
– South Africa and Swaziland	2 999 338	2 899 518		5 880 654
– Intersegment sales to Poultry	(259 417)	(236 302)		(414 732)
Feed	2 171 061	2 464 087	(12)	4 753 792
– South Africa	2 104 262	2 340 051	(10)	4 552 243
– Other Africa	66 799	124 036	(46)	201 549
Services and ventures	143 067	225 067	(36)	368 410
Intergroup	(770 213)	(890 150)		(1 754 486)
	4 283 836	4 462 220	(4)	8 833 638
Operating profit				
Poultry	134 155	137 219	(2)	281 607
Feed	151 295	126 438	20	260 796
– South Africa	153 638	116 422	32	247 974
– Other Africa	(2 343)	10 016	(123)	12 822
Services and ventures	18 848	15 361	23	38 518
	304 298	279 018	9	580 921

Operational Overview

Poultry Division

Revenue for the period increased by 3% to R2,7 billion (2009: R2,6 billion), whilst sales volumes increased by 13,2%. The volume growth was on the back of improved production results supported by better poultry health status. Depressed consumer spending, together with higher levels of imports and high local stock levels, contributed to vigorous promotional activity with prices at levels below historical levels. Reduced feeding costs during the period countered the effects of lower poultry selling prices. Margins for the poultry division showed a slight decrease to 4.9% (2009: 5,1%). Operating profit for the period decreased by 2% to R134 million (2009: R137 million). A lengthy period of industrial action at Earlybird Standerton negatively impacted the profitability of the division.

Feed Division

Revenue for the period decreased by 12% to R2,2 billion (2009: R2,5 billion) as a result of lower feed pricing, driven by lower grain prices on the back of much improved local and global crop yields and lower demand. Sales volumes increased by 4% as a direct result of higher demand from the Group's poultry operations. Operating profit increased by 20% to R151 million (2009: R126 million). Improved margins were achieved through higher sales volumes and improved capacity utilisation. Net margin improved to a level of 7,0% (2009: 5,1%). The division's Zambian and Mozambican operations posted disappointing results due to the contraction of those economies, exacerbated by the weakening of those local currencies.

Services and Ventures

The group's feed pre-mix operation as well as the industrial bakery posted good results.

Prospects

Continued favourable grain and agricultural commodity prices are expected to benefit chicken production costs throughout the second half of the year. The extent to which this can translate to improved earnings will depend on the domestic poultry supply and demand balance, currently still negatively impacted by depressed consumer demand and relatively high import levels.

Declaration of Ordinary Dividend No. 19

Notice is hereby given that dividend no.19 of 290 cents per ordinary share has been declared in respect of the six months ended 31 March 2010.

Last date to trade *cum* dividend

Thursday, 10 June 2010

Shares commence trading ex dividend

Friday, 11 June 2010

Record date

Friday, 18 June 2010

Payment of dividend

Monday, 21 June 2010

Share certificates may not be dematerialised or rematerialised between Friday, 11 June 2010 and Friday, 18 June 2010, both days inclusive.

On behalf of the board

JJ Geldenhuys

CE Schutte

Chairman

Chief Executive Officer

Pretoria

13 May 2010

Registered office

Block 9, The Boardwalk Office Park
107 Haymeadow Crescent, Faerie Glen, Pretoria, 0043
Postnet Suite 329, Private Bag X10, Elarduspark, 0048
Telephone: (012) 990-8260
Website address: www.astralfoods.com

Transfer secretaries

Computershare Investor Services (Pty) Limited
PO Box 61051
Marshalltown, 2107
Telephone: (011) 370-5000

Sponsor

JP Morgan Equities Limited
(Johannesburg Branch)
1 Fricker Road, Illovo
Johannesburg, 2146
Private Bag X9936
Sandton, 2146
Telephone: (011) 507-0430

Directors

JJ Geldenhuys (Chairman)
*CE Schutte (Chief Executive Officer)
*T Delpont, * DD Ferreira (Financial Director)
*Dr OM Lukhele, M Macdonald, TCC Mampane
Dr T Eloff, Dr N Tsengwa (*Executive Director)

Company Secretary

MA Eloff