



Revenue

Operating profit

51%

Earnings

per share

Headline earnings

per share

Interim dividend

per share

(restated)

6 600 507

(4660738)

1939769

(450 489)

(360 956)

1036044

(93 117

21960

26569

(4609)

1058004

(297305)

760 699

749 211

758 98C

760 699

747 492

749 211

R 19.58

R 19.56

1719

1719

837

(51)

(51)

(50)

(52)

36

(51)

(51)

(50)

(52)

(52)

Unaudited

months ended

31 March 2018

(restated)

2301542

2103837

61.570

136135

3 580 376

759 316

593 618

1226 851

970 012

5 881 918

3 438 883

83 727

(204435)

3 559 591

3 451 124

597500

453 738

1833294

1393173

341 225

35 556

2430794

61 213

2127

12 241

R'000

R'000

6775389

(5395325)

1380 064

(356 093)

(423 008)

(98608)

503 060

23830

520 727

(150662)

370 065

(585)

372 341

367723

370 065

369 999

2342

372 341

R 9.48

R 9.47

nonths endec

31 March 2019

2507239

2 311 150

59 954

136 135

779 089

736 293

1517909

453 910

6 014 096

3 689 815

87 065

(204435)

3 807 185

3701003

656 794

519 385

137 409

1656 299

1399 497

220 428

11197

2 681

22 496

2313093

6014096

11188

3506857

2342

(6163)

705

Revenue

Cost of sales

Administrative expenses

Other net income and gains

Profit before interest and tax (note 5)

Distribution costs

Finance costs - net

Profit before income tax

Other comprehensive income

reclassified to profit or loss:

loans to foreign subsidiaries

Profit attributable to:

Non-controlling interests

Non-controlling interests

Earnings per share (Rand)

diluted

Assets

Non-current assets

Intangible assets

Goodwill

Current assets

Inventories

Total assets

Biological assets

Current tax asset

of the parent company

Non-controlling interest

Non-current liabilities

Deferred tax liability

Trade and other liabilities

Current tax liabilities

Borrowings (note 7)

Total liabilities

Shareholders for dividend

Total equity and liabilities

Employment benefit obligations

Current liabilities

Employment benefit obligations

Issued capital

Total equity

Treasury shares

Property, plant and equipment

Trade and other receivables

Cash and cash equivalents

Capital and reserves attributable to equity holders

Items that will not be reclassified to profit

Remeasurement of post-employment

benefit obligations (net of deferred tax) Items that may be subsequently

Foreign currency (loss)/gain on investment

Foreign currency translation adjustments

Total comprehensive income for the

Equity holders of the holding company

Comprehensive income attributable to:

Equity holders of the holding company

CONDENSED CONSOLIDATED BALANCE SHEET

Finance income

Finance costs

Tax expense

Profit for the period

Marketing expenditure

Gross profit

Audited 12 months ended

R'000

12 978 561

(9304535)

3 674 026

(817 013)

(733 738) (185 404)

3690

1941561

62903

(10376)

1994088

1434350

2598

(13 439)

1423514

1431076

1434350

1420240

1 423 514

R 36.91

R36.87

Audited

12 months ended

30 Sept 2018

2409499

2 212 205

61159

136 135

3 764 715

770 461

836 690

1328 418

821843

6174214

3726922

86 751

(204 435)

10 496

3 737 418

649 979

481732

1786817

1360 469

373 195

17 480

33 277

2436796

2396

3844606

7303

3 274

3 274

(559738)

30 Sept 2018

Unaudited Interim Results

for the six months ended March 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 31 March 2019 R'000	Unaudited 6 months ended 31 March 2018 (restated) R'000	Audited 12 months ended 30 Sept 2018 R'000
Cash operating profit Changes in working capital	407 384	1 094 040	2 156 086
	100 196	(41 661)	(425 201)
Cash generated from operating activities Income tax paid	507 580	1 052 379	1730 885
	(131 881)	(258 974)	(516 236)
Cash flows from operating activities	375 699	793 405	1 214 649
Cash used in investing activities	(321 200)	(69 031)	(254 708)
Purchases of property, plant and equipment Costs incurred on intangibles Proceeds on disposal of property, plant and equipment Finance income Payment received on investment sold during previous year	(343 224) (1 829) 23 23 830	(127 003) (8 645) 48 26 569 40 000	(346 551) (11 391) 331 62 903 40 000
Cash flows to financing activities	(411 633)	(338 701)	(729 577)
Dividends paid	(408 784)	(338 988)	(729 752)
Proceeds from shares issued	314	2 264	5 288
Finance expense	(3 163)	(1 977)	(5 113)
Net movement in cash and cash equivalents Effects of exchange rate changes Cash and cash equivalent balances at beginning of year	(357 134)	385 673	230 364
	(18)	(3 792)	5 627
	788 566	552 575	552 575
Cash and cash equivalent balances at end of period (note 8)	431 414	934 456	788 566

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited	Unaudited	Audited
	6 months ended	6 months ended	12 months ended
	31 March 2019	31 March 2018	30 Sept 2018
		(restated)	
	R'000	R'000	R'000
Balance beginning of year	3 737 418	3 038 832	3 038 832
Profit for the period	370 065	760 699	1434350
Other comprehensive income/(loss) for the period, net of tax	2 276	(11 488)	(10 836)
Dividends to shareholders	(409 069)	(339 183)	(730 216)
Proceeds on shares issued	313	2264	5 288
Balance at end of period	3 701 003	3 451 124	3 737 418

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

	Unaudited 6 months ended 31 March 2019	Unaudited 6 months ended 31 March 2018 (restated)	%	Audited 12 months ended 30 Sept 2018
	R'000	R'000	change	R'000
Revenue				
Poultry	5 471 655	5 415 014	1	10 603 727
Feed	3 3 0 3 2 3 5	3 096 521	7	6198202
Other Africa	223 063	184 519	21	410 787
Inter-group	(2 222 564)	(2 095 547)		(4234155)
	6775389	6 600 507	3	12 978 561
Operating profit				
Poultry	257 706	827 698	(69)	1452762
Feed	238 595	191 479	25	456 622
Other Africa	6 759	16 867	(60)	32177
	503 060	1036044	(51)	1941561

ADDITIONAL INFORMATION

	Unaudited 6 months ended 31 March 2019	Unaudited 6 months ended 31 March 2018		Audited 12 months ended 30 Sept 2018	
	R'000	(restated) R'000	% change	R'000	
Headline earnings (R'000) - (note 6) Headline earnings per share (Rand)	368 033	759 489	(52)	1 439 236	
- basic	R 9.49	R 19.59	(52)	R 37.12	
- diluted	R 9.48	R 19.57	(52)	R 37.08	
Dividends per share (Rand) – declared out of earnings for the period – Interim dividend – Final dividend – Total dividend Number of ordinary shares	R 4.75	R10.00	(53)	R 10.00 R 10.50 R 20.50	
 Issued net of treasury shares 	38 801 808	38 773 208		38 798 808	
– Weighted-average	38 800 638	38 762 630		38 774 025	
 Diluted weighted-average 	38 814 198	38 806 822		38 809 443	
Cash and cash equivalents (R'000)	431 414	934 456		788 566	
Net asset value per share (Rand)	R 95.09	R 88.69		R 96.06	

NOTES

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 sale and distribution of various key poultry

Basis of preparation

The condensed interim financial statements for the six months ended 31 March 2019 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). These condensed interim financial statements have been prepared under the supervision of the financial director, DD Ferreira CA(SA).

These condensed interim financial statements have not been reviewed or audited by the group's

3. **Accounting policies**

The accounting policies applied in these condensed interim financial statements comply with IFRS and are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 30 September 2018, except for the adoption of IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. Neither of these two new standards had any material impact on the reported results.

Restatement of comparative amounts for prior periods

Following a re-assessment of management's judgement of the nature of certain sales transactions during 2018 it was concluded that the risks and rewards of certain goods delivered during September 2017 have passed on to a customer who thereby acted as a principal as opposed to an agent. The revenue related to these transactions should have been recognised in the 2017 financial year, and not during the first half of the 2018 financial year

Revenue, cost of sales and tax have been restated with the corresponding adjustments to the opening balance of equity.

Details of the impact on prior period disclosure is as per note 10.

		Unaudited 6 months ended 31 March 2019	Unaudited 6 months ended 31 March 2018	Audited 12 months ended 30 Sept 2018
		R'000	(restated) R'000	R'000
5.	Profit before interest and tax			
	The following items have been accounted for in the profit before interest and tax:			
	Biological assets – fair value (loss)/gain	(1514)	996	5149
	Amortisation of intangible assets	3 0 4 4	2 9 1 1	6048
	Depreciation on property, plant and equipment	84 881	75 459	145 714
	Loss on sale of property, plant and equipment	434	705	417
	Foreign exchange losses	60	1885	
	Assets scrapped			10 891
	Insurance recoveries	3776		1324
6.	Reconciliation to headline earnings			
	Net profit attributable to shareholders	367 723	758 980	1 431 076
	Loss on sale of property, plant and equipment (net of tax)	310	509	301
	Loss on assets scrapped (net of tax)			7859
	Headline earnings for the period	368 033	759 489	1 439 236

Audited 12 months ended onths ended 31 March 2019 31 March 2018 30 Sept 2018 (restated) R'000 Borrowings Current - Bank overdrafts 22 496 35 556 33 277 Cash and cash equivalents per cash flow statement Bank overdrafts (included in current borrowings) (22496)Cash at bank and in hand 453 910 970 012 821 843 Cash and cash equivalents per cash flow 431 414 934 456 788 566 statement Commitments Capital expenditure approved not contracted 515 258 21920 1267807 Capital expenditure contracted not recognised in financial statements 581885 122 070 127 012 Cost on intangibles contracted not recognised in financial statements 6 252 Raw material contracted amounts not recognised in the statement of financial 1371734 1522389 1090415 position 10. Effect of re-assessment of certain sales transactions Decrease in revenue 65 824 Decrease on cost of sales 57 707 Decrease in gross profit and operating profit 8 117 Decrease in tax expense 2273 Decrease in profit after tax, earnings and 5844 headline earnings Increase in the opening balance of equity 5844 Decrease in earnings per share and headline earnings per share - cents per share Impact on cash generated from operations

Unaudited

FINANCIAL OVERVIEW

The external revenue increased by 2.6% to R6.8 billion (1H2O18: R6.6 billion), whilst revenue from the Poultry segment, the major contributor to the group's external revenue, only increased by 1.0%.

The group's lower operating profit at R503 million (1H2018: R1 036 million) was as a result of a R570 million decline in poultry profitability to R258 million. Feed price and production cost increases could not be recovered by increasing sales realisations, due to the consumer market not being able to absorb price increases

The cash inflow from operating activities of R375 million, included an inflow of R100 million from lower working capital, mainly as a result of lower poultry finished goods stock compared to the prior financial year ending stocks (30 September 2018). Capital expenditure incurred of R343 million, includes payments totalling R253 million in respect of the expansion project at the Festive processing plant and the Meadow Feeds Standerton silo complex A net cash outflow of R357 million for the first half was reported, following the payment of the final 2018 dividend of R408 million. The cash and cash equivalents at 31 March 2019 were however in a surplus of R431 million

 $The board \, declared \, an interim \, dividend \, of R4.75 \, per share \, which \, was \, well \, within \, the \, liquidity \, capabilities \, of \, the \, group.$

OPERATIONAL OVERVIEW

The broiler operations reported a decline in revenue as both broiler selling prices and sales volumes decreased for the period under review. However, revenue for the division increased by 1.0% to R5.5 billion (1H2018: R5.4 billion) supported by a marked increase in revenue from the group's breeding operations.

Broiler sales volumes were marginally down by 1.1% (2538 tons), despite sales realisations decreasing by 3.4% on the comparable period. Consumer demand was subdued, resulting in deeper promotional activity to better balance

Broiler feed prices increased 9.2% due to higher raw material costs for the reporting period. Feed conversion efficiency improved further, slightly offsetting the higher feeding cost per broiler produced.

Profitability for the poultry division decreased by 68.9% to R258 million (1H2018; R828 million), driven largely by the higher feed input costs and lower sales realisations. The under recovery of increased input costs, as well as the influence of extraordinary expenses, negatively impacted profitability for this division. The newly legislated minimum influence of extraordinary expenses, negatively impacted profitability for this division. The newly legislated minimum influence of extraordinary expenses, negatively impacted profitability for this division. The newly legislated minimum influence of extraordinary expenses in the newly legislated minimum influence of extraordinary expenses.wage, the impact of load shedding nationally, water supply interruptions in Standerton, and costs associated with ndustrial action in KwaZulu-Natal, all contributed to a higher base cost of production. The net profit margin decreased to 4.7%, compared to historically one of the highest reported profit margins of 15.4% achieved in the prior period. Total poultry imports remained high, with the average monthly total poultry imports for the period under review

equalling approximately 38% of local production, or an average of 41 771 tons per month $\frac{1}{2}$ **Feed Division** evenue increased by 6.7% to R3.3 billion (1H2O18: R3.1 billion) as a direct result of higher feed selling prices on the $back of increases in raw \, material \, costs. \, Safex \, yellow \, maize \, prices \, increased \, to \, an \, average \, of \, R2 \, 579 \, per \, ton \, for \, the \, continuous \, for$

period under review (1H2018: R1 981). $Feed sales volumes in the \ division \ decreased \ marginally \ by \ 0.9\% \ as the internal \ requirement for \ broiler feed \ decreased$

(0.6%), on an improved broiler feed conversion rate. Lower external sales volumes (1.3%) were reported as all livestock sectors came under pressure on the back of higher feed costs.

The operating profit for this division increased by 24.6% to R239 million (1H2018: R191 million), with an improvement the operating profit margin to 7.2% (1H2018: 6.2%). The division benefited from well controlled expenses and effective raw material cost recovery Other Africa Division

This division, consisting of both feed and poultry operations in three countries namely; Zambia, Mozambique and Swaziland, reported an increase in revenue of 20.9% to R223 million (1H2018: R185 million), due largely to higher selling prices on the back of an increase in raw material input costs. Sales volumes increased by 11.7% driven largely by higher feed sales in Zambia. However, the operating profit decreased to R7 million (1H2O18: R17 million) impacted by a provision for the doubtful recovery from the Mozambican government of VAT on imported raw materials, as well as

OUTLOOK

South America.

A stral's view on the near-term prospects can be regarded as a mixed bag of both negative and positive factors, each according to the contract of the property of the contract of the contraof which could potentially have an influence on its business performance

- Raw material price increases, will negatively impact Astral's largest input cost, namely feed, which makes up 66% of broiler live cost
- Traditionally slower trading conditions for the second half of Astral's financial year, exacerbated by continued high levels of unemployme
- The negative impact of high fuel prices on consumer disposable income, leading to continued pressure on poultry selling prices.
- Higher local poultry production levels together with imports from Brazil and the USA, will negatively impact the supply and demand balance in the short term. The newly legislated minimum wage will continue to impact poultry production costs.
- Municipal infrastructure deterioration in Standerton, leading to water supply interruptions at a cost to
- Sufficient international coarse grain stocks with good prevailing planting conditions in the USA and
- Maize imports into the Western Cape at a discount to local Safex pricing, will contribute positively to feed input
- Local maize stocks together with maize imports will meet demand, despite early season SA maize
- crop concerns. Recent late rainfall received in the maize growing areas of the country, will benefit soil moisture conditions for
- the new planting season. Supply and distribution of the Ross poultry genetics in South Africa, has been secured for a further 10-year period with the conclusion of a renewed supply agreement with Aviagen

Astral remains committed to its strategy of being the best cost integrated poultry producer, and will embark on various identified capital projects that will support its stated strategy, as well as organic growth and efficiency improvement

DECLARATION OF ORDINARY DIVIDEND NO 36

The board has approved an interim dividend of R4.75 per ordinary share (gross) in respect of the six months ended

The dividend will be subject to Dividends Tax that was introduced with effect from 1 April 2012. In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17 (c) of the JSE Listings Requirements the following information is disclosed

- The dividend has been declared out of income reserves:
- The local Dividend Tax is 20% (twenty per centum); The gross local dividend is R4.75 per ordinary share for shareholders exempt from the Dividend Tax;
- The net local dividend is R3.80 per ordinary share for shareholders liable to pay Dividend Tax;
- Astral Foods Limited has currently 42 890 385 ordinary shares in issue (which includes 4 088 577 treasury shares held by a subsidiary), and

Astral Foods Limited's income tax reference number is 9125190711

Shareholders are advised of the following dates in respect of the interim dividend Tuesday, 4 June 2019 Last date to trade cum-dividend Shares commence trading ex-dividend Wednesday, 5 June 2019

Payment of dividend Monday, 10 June 2019 Share certificates may not be dematerialised or rematerialised between Wednesday, 5 June 2019 and Friday, 7 June 2019, both days inclusive

Chief Executive Officer

On behalf of the board T Eloff **CE Schutte**

















Record date

Chairman

Pretoria 7 May 2019







Friday, 7 June 2019

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