



Press Release

ASTRAL REACHES SETTLEMENT WITH ESKOM, WILL PURSUE CERTAINTY ON FUTURE ELECTRICITY SUPPLY

22 February 2017: Astral Foods Limited (Astral), a leading Southern African integrated poultry producer, was scheduled to appear in court yesterday with an application for an interdict to prevent Eskom from cutting power to its operations in the Lekwa (Standerton) municipal area. However, the parties reached a settlement agreement whereby Eskom will not interrupt the supply of electricity to the Lekwa Local Municipality (Lekwa) on 28 February 2017 as previously scheduled. "We have been engaged in various negotiations and legal actions to ensure that the power supply to our operations in Standerton is not interrupted by Eskom, the sole electricity supplier to South Africa" stated Chris Schutte, CEO of Astral.

An order was granted in the North Gauteng High Court in terms of which Eskom agreed not to interrupt electricity supply to Lekwa, and by implication the Goldi and Meadow Feeds operations of Astral in Lekwa. The court order issued in favour of Astral will remain in effect until such time as further argument has been heard by the court, which hearing has been scheduled by the North Gauteng High Court for May 2017. Astral has hereby effectively secured uninterrupted electricity supply for the immediate future.

Schutte concluded: "We are satisfied with the settlement that has been reached with Eskom and remain of the opinion that we, the paid up consumers of electricity, should not be penalised for the inefficiencies and corruption prevalent in the local municipalities. The dependency on Eskom, who have a monopoly over the supply of electricity, is also not healthy and their repeated threats to interrupt supply has a profound effect on businesses such as Astral and business confidence in general, impacting investment and growth opportunities. We will continue to pursue obtaining a permanent resolution to the uncertainty that these continuous threats from Eskom give rise to."

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Company background

Astral Foods Limited (Astral), a leading South African integrated poultry producer, with key activities in animal feed pre-mixes, manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks and hatching eggs, with integrated breeder and broiler production

operations, abattoirs as well as sales and distribution of various key poultry brands. The brands in the Astral stable include:

- County Fair
- Festive
- Goldi
- Earlybird
- Mountain Valley
- Ross Poultry Breeders
- National Chicks
- Meadow Feeds
- Tiger Animal Feeds (Zambia)
- Tiger Chicks (Zambia)
- Meadow Feeds (Mozambique)
- Mozpintos (Mozambique)
- CAL Labs
- Provimi SSA