

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: ZAE00029757

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		
Issued capital	1 713 726	1 585 227
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	(27 839)	-	(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	12 487	-	102
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)	(320 096)
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	8 523 976	4	8 160 078
Poultry	6 000 605	3	5 834 816
As previously reported	5 914 483	-	5 914 483
Re-allocated to Other Africa	(79 667)	-	(79 667)
Feed	4 915 626	14	4 327 012
As previously reported	4 309 636	-	4 309 636
Re-allocated from Services and Ventures	17 376	-	17 376
Other Africa	442 146	30	341 308
As previously reported	261 641	-	261 641
Re-allocated from Poultry	79 667	-	79 667
Services and Ventures	30 246	(86)	222 620
As previously reported	239 996	-	239 996
Re-allocated to Feed	(17 376)	-	(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	-	144 893
Re-allocated to Other Africa	(7 455)	-	(7 455)
Feed	331 276	15	288 808
As previously reported	283 135	-	283 135
Re-allocated from Services and Ventures	5 673	-	5 673
Other Africa	45 021	19	37 677
As previously reported	30 222	-	30 222
Re-allocated from Poultry	7 455	-	7 455
Services and Ventures	4 673	(65)	13 226
As previously reported	18 899	-	18 899
Re-allocated to Feed	(6 673)	-	(6 673)
Capital expenditure	271 558	(43)	477 149
Poultry	59 995	(60)	151 038
As previously reported	152 248	-	152 248
Re-allocated to Other Africa	(1 210)	-	(1 210)
Feed	151 314	352	33 454
As previously reported	31 312	-	31 312
Re-allocated from Services and Ventures	2 142	-	2 142
Other Africa	29 991	34	22 316
As previously reported	21 106	-	21 106
Re-allocated from Poultry	1 210	-	1 210
Services and Ventures	-	(100)	4 519
As previously reported	6 745	-	6 745
Re-allocated to Corporate	(84)	-	(84)
Re-allocated to Feed	(2 142)	-	(2 142)
Corporate	106	-	84
Depreciation, amortisation and impairment	241 406	14	211 411
Poultry	97 628	6	91 816
As previously reported	92 804	-	92 804
Re-allocated to Other Africa	(988)	-	(988)
Feed	20 153	9	18 522
As previously reported	17 536	-	17 536
Re-allocated from Services and Ventures	986	-	986
Other Africa	8 287	47	5 620
As previously reported	4 632	-	4 632
Re-allocated from Poultry	988	-	988
Services and Ventures	-	(100)	6 361
As previously reported	7 711	-	7 711
Re-allocated to Corporate	(364)	-	(364)
Re-allocated to Feed	(960)	-	(960)
Corporate	358	-	364
Headline earnings for the year	168 683		299 723

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	2 940 901	5	2 797 322
Poultry	2 830 780	5	2 697 322
As previously reported	2 830 780	-	2 697 322
Re-allocated to Other Africa	(33 458)	-	(33 458)
Feed	933 517	19	834 926
As previously reported	825 049	-	825 049
Re-allocated from Services and Ventures	9 877	-	9 877
Other Africa	247 190	48	166 750
As previously reported	133 292	-	133 292
Re-allocated from Poultry	33 458	-	33 458
Services and Ventures	-	-	-
As previously reported	4 949	-	4 949
Re-allocated to Corporate	(27 605)	-	(27 605)
Re-allocated to intra-group	32 533	-	32 533
Re-allocated to Feed	(9 877)	-	(9 877)
Corporate	122 990	-	27 605
Assets held for sale	-	-	51 889
Set-off of intra-group balances	(350 264)	-	(313 663)
Liabilities	1 263 916	6	1 193 892
Poultry	1 204 362	6	1 193 892
As previously reported	1 204 362	-	1 193 892
Re-allocated to Other Africa	(10 470)	-	(10 470)
Feed	888 053	12	794 228
As previously reported	787 266	-	787 266
Re-allocated from Services and Ventures	6 962	-	6 962
Other Africa	103 812	44	71 854
As previously reported	61 384	-	61 384
Re-allocated from Poultry	10 470	-	10 470
Services and Ventures	-	-	-
As previously reported	175 693	-	175 693
Re-allocated to Corporate	(201 264)	-	(201 264)
Re-allocated to intra-group	32 533	-	32 533
Re-allocated to Feed	(6 962)	-	(6 962)
Corporate	321 137	-	201 264
Liabilities held for sale	-	-	21 283
Set-off of intra-group balances	(350 264)	-	(313 663)
Total	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)	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 Southern 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)	2 661	698
Headline earnings for the year	168 683	299 723

	Audited Year ended 30 Sept 2013 R'000	Audited Year ended 30 Sept 2012 R'000
7. Borrowings		
Non-current		
Secured loans	37 229	28 348
Unsecured loans	148 167	-
Less: Portion payable within 12 months included in current liabilities	(40 141)	(13 489)
Current	145 255	14 859
Current		
Bank overdraft		