

ASTRAL FOODS LIMITED

"Astral Foods"

(Reg. No. 1978/003194/06)

(Incorporated in the Republic of South Africa)

Share Code: ARL

ISIN Code: ZAE000029757

#### TRADING STATEMENT

In terms of rule 3.4(b) of the JSE Listings Requirements, a listed company is required to publish a trading statement as soon as a reasonable degree of certainty exists that the financial results for the next reporting period to be reported on will differ by at least 20% from those of the previous corresponding period.

*30 January 2013:* Astral Foods Limited (Astral), one of South Africa's leading poultry producers, recorded its worst trading performance in its history as a listed entity, over the first quarter of the 2013 financial year-end, which included the 2012 Festive Season. Astral's operating profit for the first quarter ended 31 December 2012, was 60% lower than the corresponding period. Astral's Chief Executive Officer, Chris Schutte said: "During our 2012 year-end results road show, we indicated that we were expecting poor trading conditions to prevail for the first half of the 2013 financial year-end. Unfortunately, the trading conditions during the first quarter of the 2013 financial year were more severe than anticipated. Indications are that the second quarter performance will be much worse than the first quarter and as a result, Astral's results for the six months ending 31 March 2013 will be severely impacted."

The factors that negatively influenced Astral's Poultry Division over the first quarter of 2013, and set to continue over the second quarter of 2013, include the high input costs relating to maize and soya procured at historic record price levels and only now being reflected in the production cost of poultry. The Poultry Division's ability to recover the high input costs in a depressed consumer environment was severely hampered by record poultry imports from Brazil and Europe, and subsequent high local poultry stocks led to excessive margin pressure over the same period. Astral's Feed and other African Divisions continue to report good performances.

Astral has a reasonable degree of certainty, considering the current market environment, that earnings per share and headline earnings per share for the six months ending 31 March 2013 will be down between 45% and 65% and 75% and 95% respectively, versus the six months ended 31 March 2012. The results, on which this trading statement was based, were not audited or reviewed by the Group's auditors.

In light of the severe drop in forecast headline earnings the likelihood of payment of an interim dividend is uncertain. The Board of directors will give final consideration to the interim dividend at the Board meeting approving the financial results for the six months ending 31 March 2013.

Between November 2012 and January 2013, Astral experienced violent strike action by unionised labour in the Western Cape as well as in Gauteng. As a result of this action, Astral experienced one fatality, six farms were affected by vandalism and three poultry sheds were burnt down by the strikers, in the process killing approximately 65,000 chickens. The damage to the poultry assets and resultant impact on production could lead to jobs being cut. The direct costs of the strikes are estimated to be in excess of R35 million. Operations in both regions are back to normal.

"More favourable feed costs are expected for the second half of the 2013 financial year and should be a major factor in reversing the Poultry Division's outlook. Astral is continuing with various operational cost-saving initiatives and also foresee improved trading conditions for the second half of the 2013 financial year," concluded Schutte.

Ends

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Contact: Astral Foods Limited  
Chris Schutte (CEO of Astral Foods Limited)  
Tel: (012) 667-5468  
Daan Ferreira (GFD of Astral Foods Limited)  
Tel: (012) 667-5468

Issued and released by: Keyter Rech Investor Solutions  
Marlize Keyter (011) 447-5204 /  
083 701 2021

Issue date: Wednesday 30 January 2013

JSE code: ARL

Web-site: [www.astralfoods.com](http://www.astralfoods.com)

Sponsor: J.P. Morgan Equities South Africa Proprietary Limited

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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:

- Earlybird
- Festive
- Goldi
- County Fair
- Mountain Valley
- Ross Poultry Breeders
- National Chicks
- TIGERChicks (Zambia)
- Meadow Feeds
- Meadow Feeds Mozambique
- Tiger Animal Feeds (Zambia)
- Nutec
- Central Analytical Laboratories
- MOZPINTOS (Mozambique)