

UNAUDITED INTERIM RESULTS

for the six months ended
31 March 2013



CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Audited 12 months ended 30 Sept 2012 R'000
ASSETS			
Non-current assets	1 939 981	1 773 066	1 840 046
Property, plant and equipment	1 722 452	1 615 939	1 678 976
Intangible assets	21 717	11 333	17 169
Goodwill	136 135	139 147	136 135
Investment in associates	51 806	–	–
Investments and loans	7 871	6 647	7 766
Current assets	1 692 004	1 655 135	1 672 894
Inventories	323 229	424 352	379 433
Biological assets	572 971	483 215*	534 806
Trade and other receivables	758 018	662 281*	723 569
Current tax assets	9 850	–	9 819
Derivative financial instruments	–	291	–
Cash and cash equivalents	27 936	84 996	25 267
Assets held for sale	–	156 842	51 889
Total assets	3 631 985	3 585 043	3 564 829
EQUITY			
Capital and reserves attributable to equity holders of the parent company	1 565 692	1 576 583	1 585 227
Issued capital	2 044	2 044	2 044
Treasury shares	(204 435)	(204 435)	(204 435)
Reserves	1 768 083	1 778 974	1 787 618
Non-controlling interests	12 369	11 421	10 744
Total equity	1 578 061	1 588 004	1 595 971
LIABILITIES			
Non-current liabilities	606 155	495 473	516 367
Borrowings (note 6)	92 951	19 045	14 859
Deferred tax liability	415 494	381 863	407 711
Retirement benefit obligations	97 710	94 565	93 797
Current liabilities	1 447 769	1 404 720	1 431 208
Trade and other liabilities	1 236 086	1 267 286*	1 307 776
Current tax liabilities	8 766	5 287	5 684
Borrowings (note 6)	202 198	132 147	116 091
Shareholders for dividend	1 719	–	1 657
Liabilities held for sale	–	96 846	21 283
Total liabilities	2 053 924	1 997 039	1 968 858
Total equity and liabilities	3 631 985	3 585 043	3 564 829

* Restated, refer note 10

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Change %	Audited 12 months ended 30 Sept 2012 R'000
Revenue	4 234 057	4 038 214*	5	8 160 078
Operating profit (note 4)	63 847	323 541	(80)	477 149
Profit on sale of interest in joint venture (note 9)	79 426	–	–	35 972
Profit before interest and tax	143 273	323 541	(56)	513 121
Finance income	538	3 070	–	6 396
Finance costs	(12 541)	(11 387)	–	(24 371)
Share of profit of associates	1 806	–	–	–
Profit before income tax	133 076	315 224	(58)	495 146
Tax expense	(25 688)	(113 975)	–	(162 646)
Profit for the period	107 388	201 249	(47)	332 500
Other comprehensive income				
Foreign currency translation adjustments	2 224	(5 663)	–	102
Total comprehensive income for the period	109 612	195 586	(44)	332 602
Profit attributable to:				
Equity holders of the parent company	105 970	199 245	(47)	329 335
Non-controlling interests	1 418	2 004	(29)	3 165
	107 388	201 249	(47)	332 500
Comprehensive income attributable to:				
Equity holders of the parent company	107 987	193 733	(44)	329 473
Non-controlling interests	1 625	1 853	(12)	3 129
	109 612	195 586	(44)	332 602
Earnings per share (cents)				
– basic	278	523	(47)	865
– diluted	278	523	(47)	864

* Restated, refer note 10

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Audited 12 months ended 30 Sept 2012 R'000
Balance at beginning of the period	1 595 971	1 585 632	1 585 632
Total comprehensive income for the period	109 612	195 586	332 602
Dividends to the company's shareholders	(127 882)	(192 205)	(320 086)
Payments to non-controlling interest holders	–	(1 869)	(3 829)
Option value of share options granted	360	860	1 652
Balance at end of the period	1 578 061	1 588 004	1 595 971

CONDENSED GROUP SEGMENTAL ANALYSIS

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Change %	Audited 12 months ended 30 Sept 2012 R'000
Revenue	4 234 057	4 038 214*	5	8 160 078
Poultry	2 952 420	2 878 255	3	5 834 816
As previously reported	–	2 919 451*	–	5 914 483
Re-allocation to Other Africa	–	(41 196)*	–	(79 667)*
Feed	2 396 820	2 175 309	10	4 327 012
As previously reported	–	2 167 244*	–	4 309 636
Re-allocation from Services and ventures	–	8 065*	–	17 376*
Other Africa	203 303	161 479	26	341 308
As previously reported	–	120 283	–	261 641
Re-allocation from Poultry	–	41 196*	–	79 667*
Services and ventures	30 246	147 062	(79)	222 620
As previously reported	–	155 127	–	239 996
Re-allocation to Feed	–	(8 065)*	–	(17 376)*
Inter-Group	(1 348 732)	(1 323 891)	–	(2 565 678)
Feed to Poultry	(1 333 609)	(1 275 795)*	–	(2 413 486)
Services and Ventures to Poultry and Feed	(15 123)	(48 096)	–	(152 192)
Operating profit	(116 619)	139 705	(183)	137 438
As previously reported	–	144 188	–	144 893
Re-allocation to Other Africa	–	(4 483)*	–	(7 455)*
Feed	156 201	153 895	1	288 808
As previously reported	–	151 069	–	283 135
Re-allocation from Services and ventures	–	2 826*	–	5 673*
Other Africa	19 593	19 675	–	37 677
As previously reported	–	15 192	–	30 222
Re-allocation from Poultry	–	4 483*	–	7 455*
Services and ventures	4 672	10 266	(54)	13 226
As previously reported	–	13 092	–	18 899
Re-allocation to Feed	–	(2 826)*	–	(5 673)*
	63 847	323 541	(80)	477 149

* Following changes in internal reporting provided to the chief operating decision-maker, certain comparative amounts have been re-allocated.
* Restated, refer note 10

- Revenue increase 5%
- Operating profit decrease 80%
- Earnings per share decrease 47%
- Headline earnings per share decrease 82%
- No interim dividend declared

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Audited 12 months ended 30 Sept 2012 R'000
Cash operating profit	122 232	388 565	596 964
Changes in working capital	(89 100)	(86 067)	(118 852)
Cash generated from operating activities	33 132	302 498	478 112
Income tax paid	(14 950)	(111 196)	(142 072)
Cash flows from operating activities	18 182	191 302	336 040
Cash used in investing activities	(52 706)	(81 157)	(116 583)
Capital expenditure	(104 431)	(85 780)	(209 274)
Finance income	538	3 070	6 396
Proceeds on disposal of business unit – net	47 552	1 553	83 161
Proceeds on disposal of property, plant and equipment	3 635	–	3 134
Cash flows to financing activities	(58 532)	(212 365)	(349 848)
Net increase/(decrease) in borrowings	85 190	(5 808)	409
Interest paid	(15 902)	(12 823)	(26 508)
Dividends paid	(127 820)	(193 934)	(323 749)
Net movement in cash and cash equivalents	(93 056)	(102 220)	(130 391)
Effects of exchange rate changes	562	1 928	(206)
Reclassification to assets held for sale	–	(12 839)	–
Cash and cash equivalent balances at beginning of the period	(61 181)	69 416	69 416
Cash and cash equivalent balances at end of the period (note 7)	(153 675)	(43 715)	(61 181)

ADDITIONAL INFORMATION

	Unaudited six months ended 31 March 2013	Unaudited six months ended 31 March 2012	Change %	Audited 12 months ended 30 Sept 2012	
Headline earnings (R'000) (note 5)	35 948	198 739	(82)	299 723	
Headline earnings per share (cents)	– basic	94	522	(82)	787
– diluted	94	521	(82)	787	
Dividends per share (cents)	nil	336	–	672	
Number of ordinary shares	–	–	–	–	
– issued net of treasury shares	38 060 308	38 060 308	–	38 060 308	
– weighted-average	38 060 308	38 060 308	–	38 060 308	
– diluted weighted-average	38 069 482	38 111 641	–	38 096 321	
Net debt (borrowings less cash and cash equivalents) (R'000)	267 213	66 196	–	105 683	
Net asset value per share (Rand)	41,14	41,42	–	41,65	

NOTES

- Nature of business**
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 brands.
- Basis of preparation**
The condensed interim financial statements for the six months ended 31 March 2013 have been prepared in accordance with International 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 by the financial director, DD Ferreira CA(SA).
These financial statements have not been reviewed or audited by the Group's auditors.
- Accounting policies**
The accounting policies applied in this 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 2012.

	Unaudited six months ended 31 March 2013 R'000	Unaudited six months ended 31 March 2012 R'000	Audited 12 months ended 30 Sept 2012 R'000
4. Operating profit			
The following items have been accounted for in the operating profit:			
Biological assets – fair value (loss)/gain	(521)	1 673	(752)
Amortisation of intangible assets	1 621	1 208	2 405
Depreciation on property, plant and equipment	58 868	59 380	116 296
Impairment of goodwill	–	–	3 012
Impairment of property, plant and equipment	–	–	970
Profit on sale of property, plant and equipment	2 703	703	885
Foreign exchange loss	–	(830)	(1 744)
Provision for Competition Commission settlement	–	17 000	–
5. Reconciliation to headline earnings			
Earnings for the period	105 970	199 245	329 335
Profit on sale of property, plant and equipment (net of tax)	(2 174)	(506)	(1 705)
Profit on disposal of interest in joint venture (net of tax)	(67 848)	–	–
Profit on disposal of business unit (net of tax)	–	–	(29 646)
Insurance recovery on damaged assets (net of tax)	–	–	(3 044)
Impairment of goodwill	–	–	3 012
Loss on assets scrapped (net of tax)	–	–	1 073
Impairment of assets (net of tax)	–	–	698
Headline earnings for the period	35 948	198 739	299 723
6. Borrowings			
Non-current			
Secured loans	113 538	22 481	28 348
Less: Portion payable within 12 months included in current liabilities	(20 587)	(3 436)	(13 489)
	92 951	19 045	14 859
Current			
Bank overdrafts	181 611	128 711	102 602
Portion of non-current secured loans payable within 12 months	20 587	3 436	13 489
	202 198	132 147	116 091
7. Cash and cash equivalents per cash flow statement			
Bank overdrafts	(181 611)	(128 711)	(102 602)
Cash at bank and in hand	27 936	84 996	25 267
Cash and cash equivalents classified as held for sale	–	–	16 154
Cash and cash equivalents per cash flow statement	(153 675)	(43 715)	(61 181)
8. Capital commitments			
Capital expenditure approved not contracted	134 467	340 306	254 845
Capital expenditure contracted not recognised in financial statements	119 576	33 662	17 055

9. Profit on sale of interest in joint venture

The Group successfully concluded the sale of 25% interest in the Nutec SA (Pty) Limited ("Nutec") joint venture after it had been classified as assets and liabilities held for sale at 30 September 2012. The remaining 25% interest is now recognised as interest in an associate.

The comparative number relates to the profit on sale of the entire interest in the East Balt bakery.

10. Restatement of the 31 March 2012 amounts

The disclosure of sales to contract growers for the period to 31 March 2012 have been restated in line with the disclosure applied for the 30 September 2012 financial year reported results.

Sales of day-old chicks and feed to contract growers have been regarded as third party sales in the past and have been recognised in revenue. The outstanding amount of these sales was disclosed as trade receivables. This disclosure reflects the legal right of ownership of the goods transferred and the risks for quality and quantity carried by the contract growers.

The interpretation of the above transactions was re-assessed at the September 2012 reporting period in conjunction with the Group's external auditor's technical department and a conclusion was reached that the contract growers should be regarded as suppliers rather than customers of the Group. The impact of this revised interpretation is that, on transfer of goods to the contract growers no sale should be recognised in revenue, and outstanding amounts in respect of these transfers should as a result be disclosed as biological assets and not as trade receivables.

There was no impact on prior period reported profits or cash flows as the adjustment to revenue is offset by an adjustment to cost of sales, and the adjustment to trade receivables was offset by adjustments to biological assets and trade payables.

Effect of reclassification of sales to contract growers:

	Revenue R'000	Biological assets R'000	Trade and other receivables R'000	Trade and other payables R'000
March 2012				
As previously disclosed	4 885 288	362 156	743 563	(1 227 509)
Reclassification	(647 074)	121 059	(81 282)	(39 777)
Restated	4 038 214	483 215	662 281	(1 267 286)