

Annual Results Presentation

for the 12 months ended 30 September 2018

AGENDA

- **Business Overview** *Page 3 / Slide 3*
- **Operational Overview** *Page 5 / Slide 8*
- **Industry Trends** *Page 12 / Slide 21*
- **Financial Overview** *Page 16 / Slide 29*
- **Outlook** *Page 22 / Slide 42*
- **Additional Information** *Page 24 / Slide 46*



**“ Astral is
a leading
Southern
African
integrated
poultry
producer ”**



BUSINESS OVERVIEW

HIGHLIGHTS

- A majority of the **key drivers of profitability** were in Astral's favour – **“stars were aligned”**
- **Feed input costs reduced notably** due to lower maize prices on the back of a bumper maize crop for 2017
- **Supply and demand balance** during the year gave **pricing support**
- **Further improvements in on-farm poultry production efficiencies** were achieved
- **No further incidents of bird flu** and related costs were experienced during the period under review
- **Contribution to profitability** from an improved performance across all business units

KEY FINANCIAL INDICATORS

▪ Revenue

5%

▪ Profit before interest and tax

79%

▪ Earnings per share @ 3 691 cps

88%

▪ Headline earnings per share @ 3 712 cps

94%

▪ Total dividend for the year @ 2 050 cps

94%

DIVISIONAL HIGHLIGHTS

Poultry

- Feeding cost decreased
- Bird performance improvement
- Sales volumes flat
- Sales realisations up
- No impact from HPAI (bird flu)

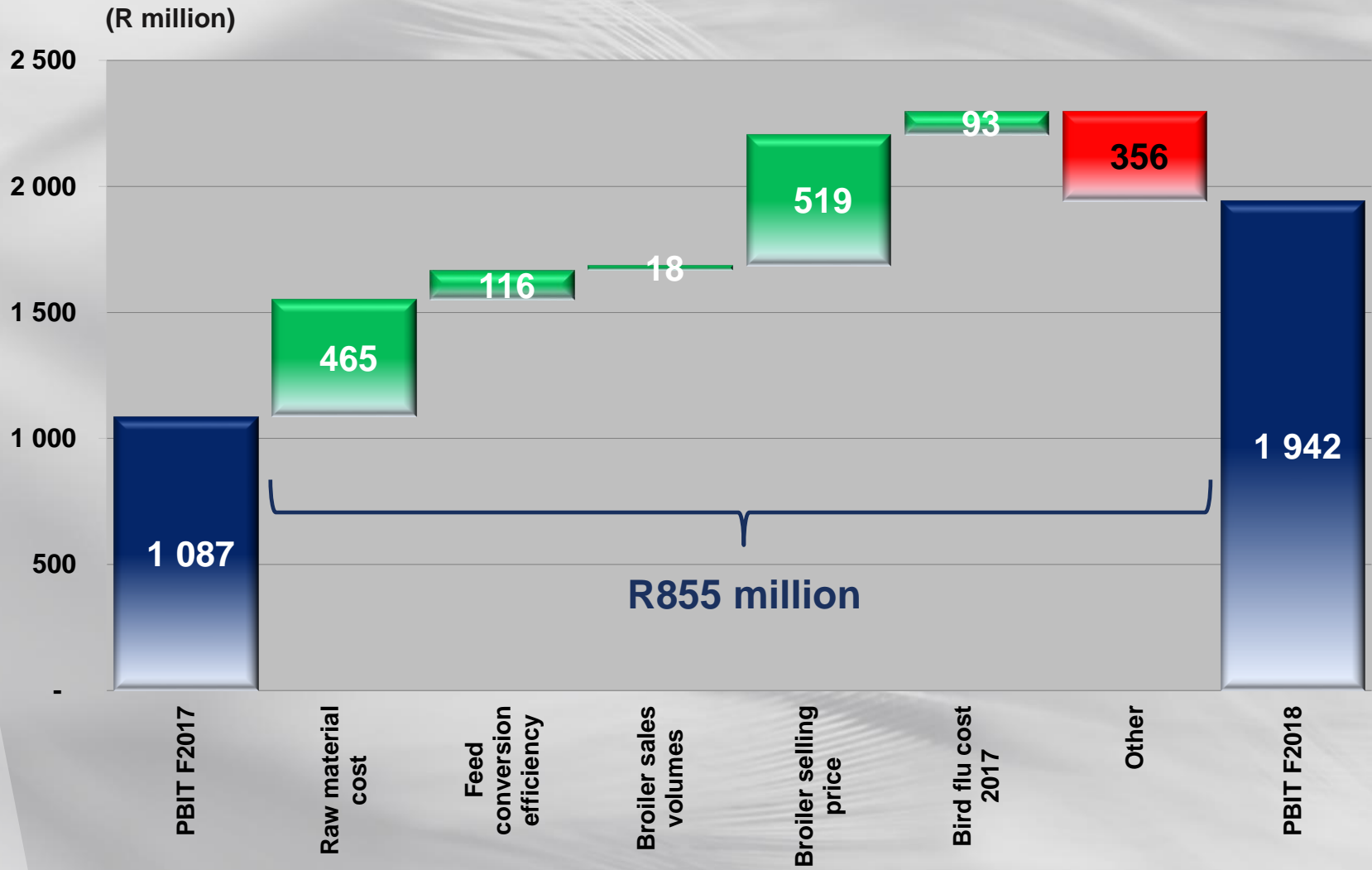
Feed

- Maize prices notably down
- General market improvement
- Higher internal feed required
- External sales volumes up
- Rand per ton margin up

Other Africa

- Higher profits – improved performance from Mozambique and Swaziland

THE YEAR IN PERSPECTIVE





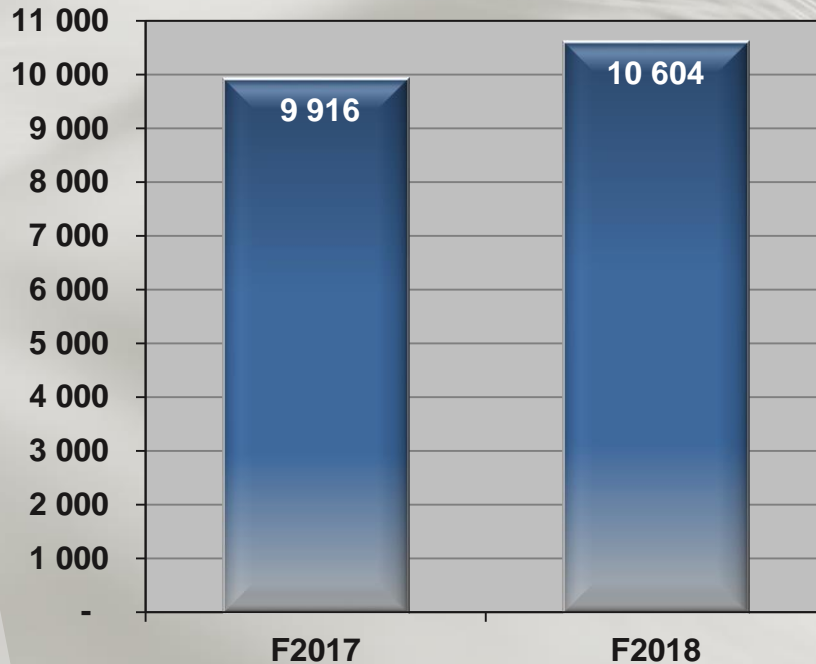
POULTRY DIVISION



“ Astral is a leading Southern African integrated poultry producer ”

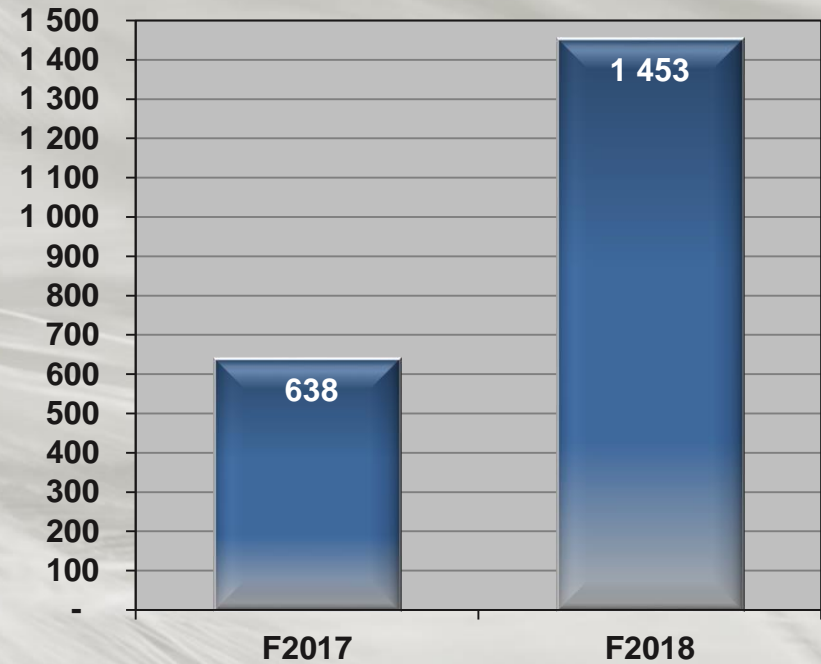
POULTRY DIVISION

Revenue - R million



- Revenue up 6.9%
- Broiler sales volumes up 0.2%
- Broiler sales realisations up 7.1%

Operating profit - R million

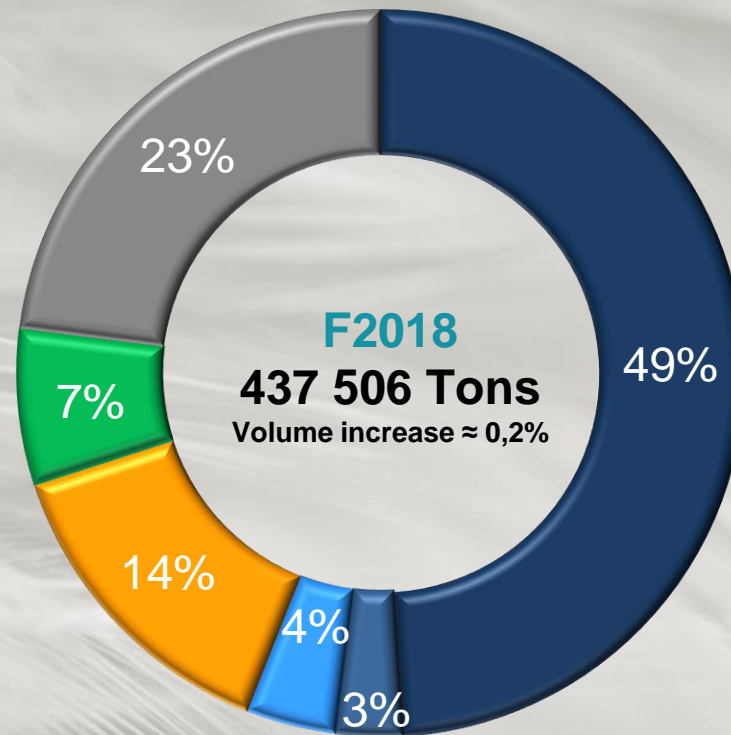
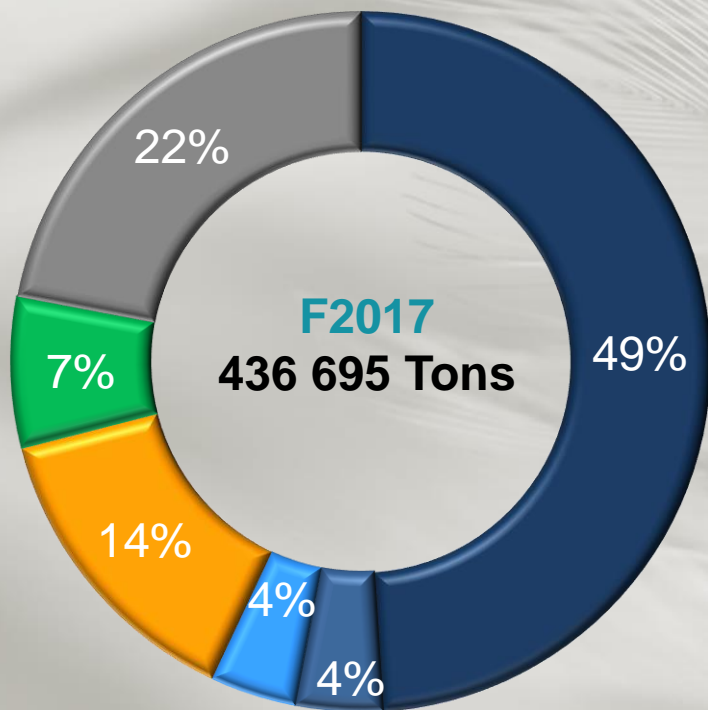


- Operating profit up 127.7%
- Feed price down 4.0%
- Selling price contribution
- Net margin 13.7% F2017: 6.4%

POULTRY DIVISION

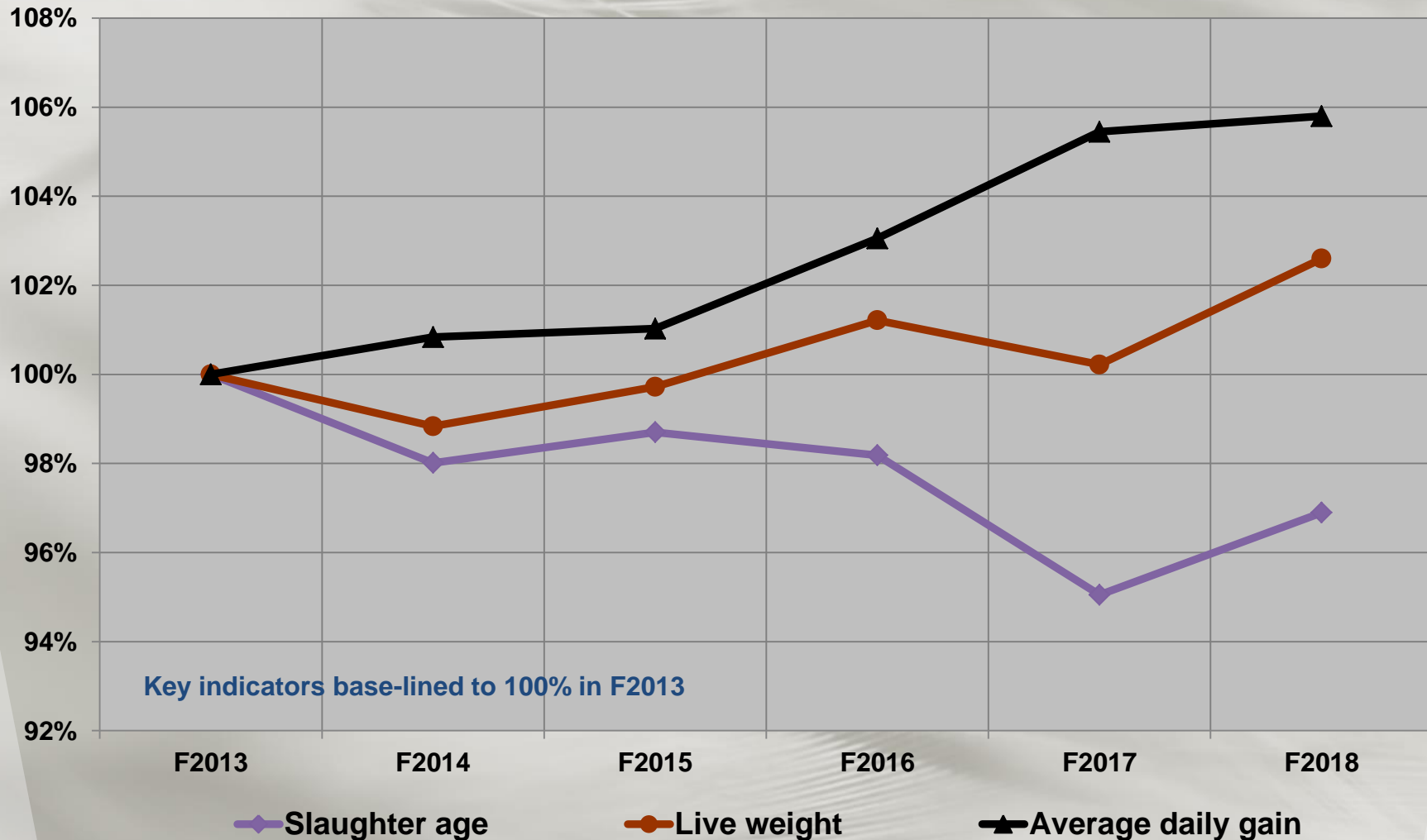
- Results for the year ended September 2018 are a **significant improvement** on the comparable period
- **Feed input costs reduced** due to lower maize prices on the back of a record maize crop for 2017 and an above average crop for 2018
- **Supply and demand balance** gave pricing support in the first half of the reporting period, whilst the second half reflected a weaker market and softer selling prices
- **Imports during the period were higher than the comparable period**, averaging 48 305 tons (≈ 8,6 million birds per week)
- **Further improvements in on-farm poultry production efficiencies**, benefitting broiler live cost through an improved feed conversion efficiency
- **No further incidents of bird flu** and related costs were experienced during the period

POULTRY DIVISION – PRODUCT MIX

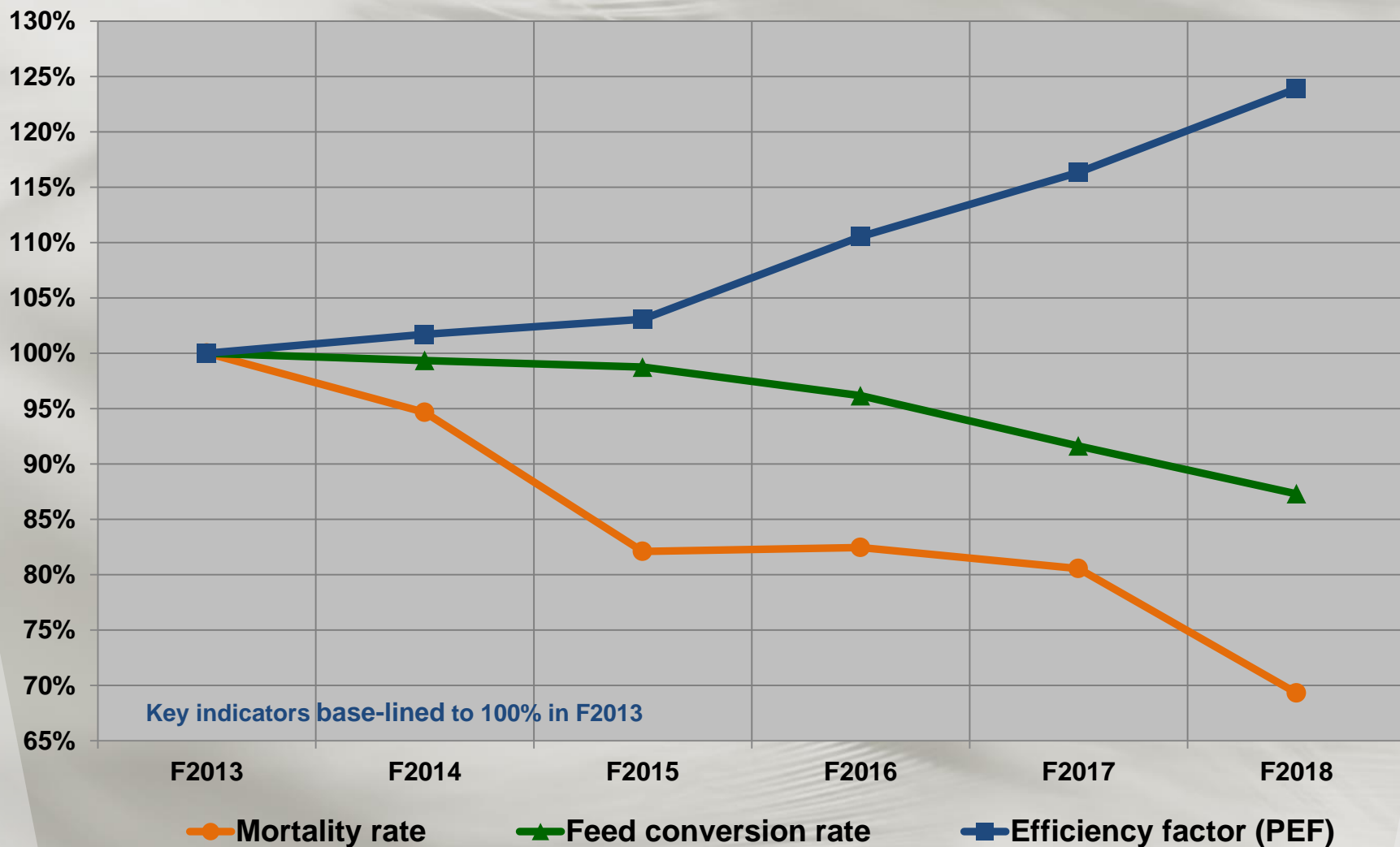


■ IQF Mixed Portions
 ■ IQF Single Portions
 ■ Frozen
 ■ Fresh
 ■ Value Added
 ■ Tertiary

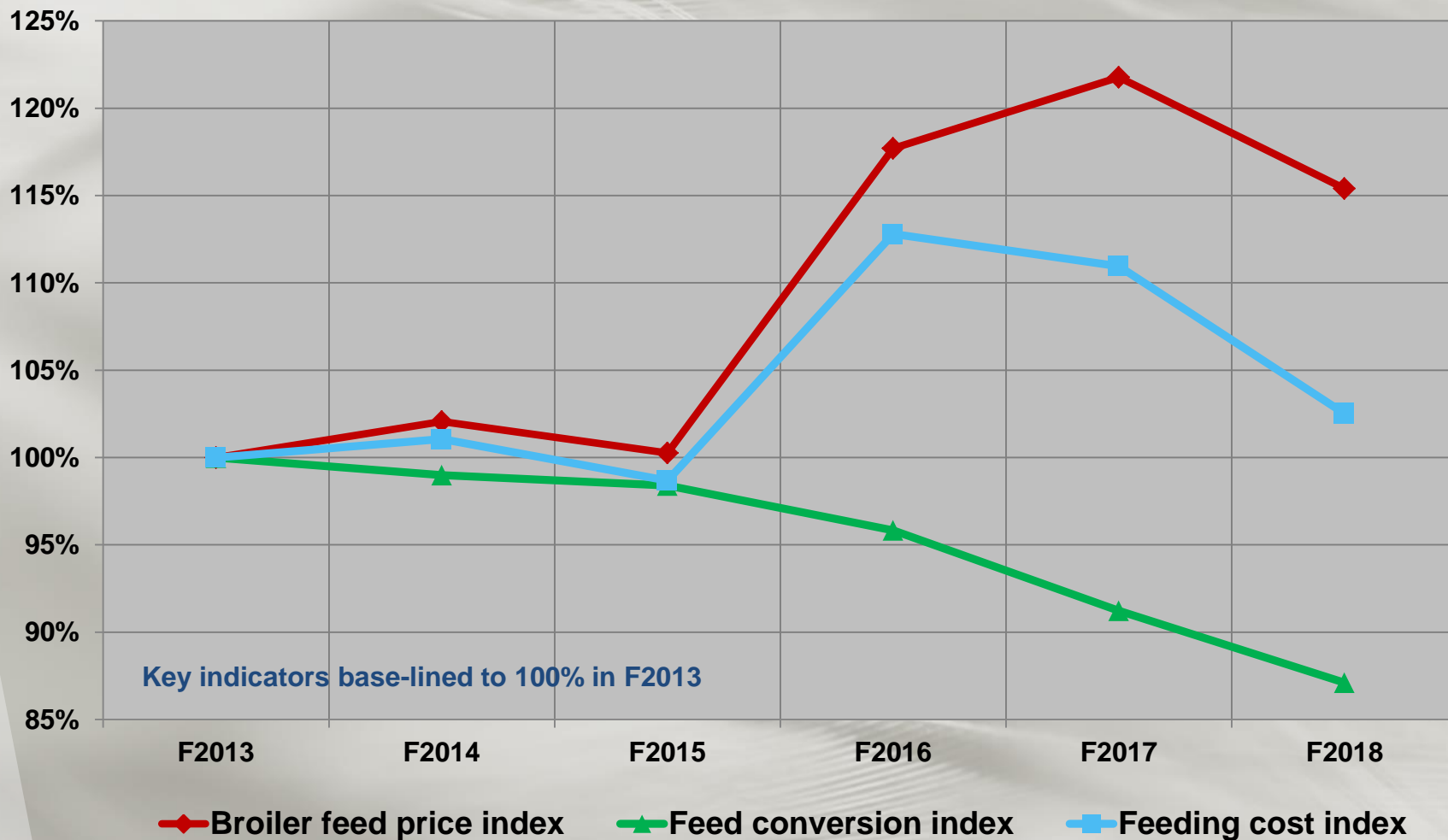
BROILER PRODUCTION PERFORMANCE



BROILER PRODUCTION PERFORMANCE



BROILER PRODUCTION PERFORMANCE





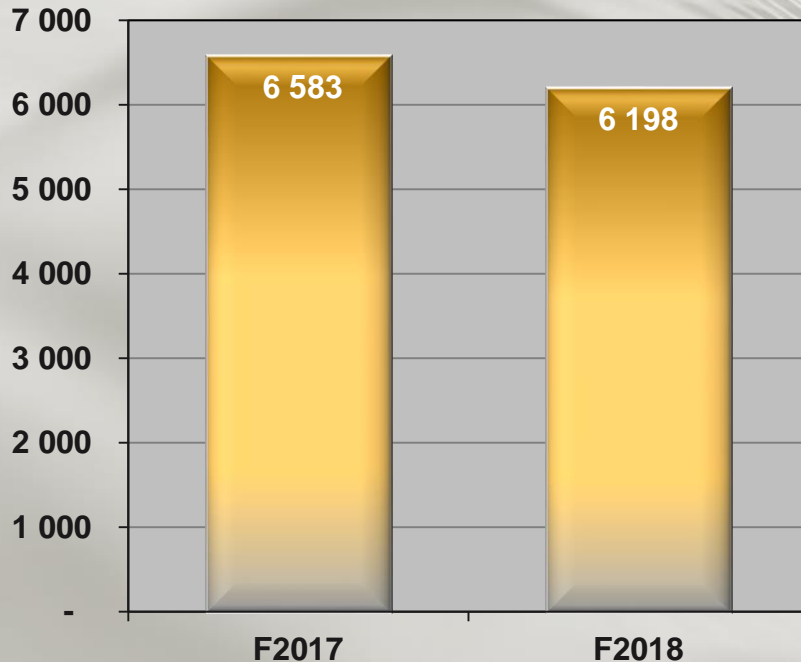
FEED DIVISION



“ Astral is
a leading
Southern
African
integrated
poultry
producer ”

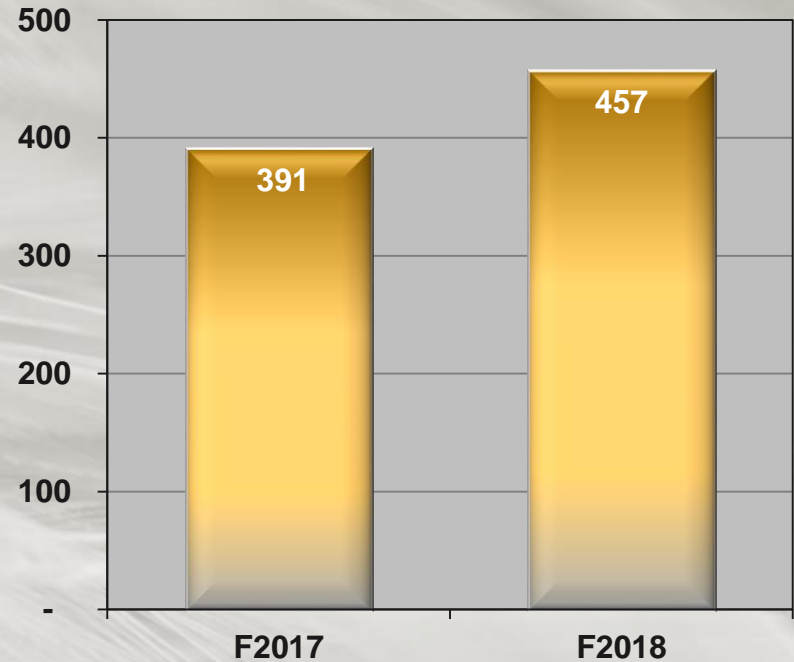
FEED DIVISION

Revenue - R million



- Revenue down 5.8%
 - Raw material costs down
 - Average selling prices down 11.2%
 - Sales volumes up 6.1%

Operating profit - R million

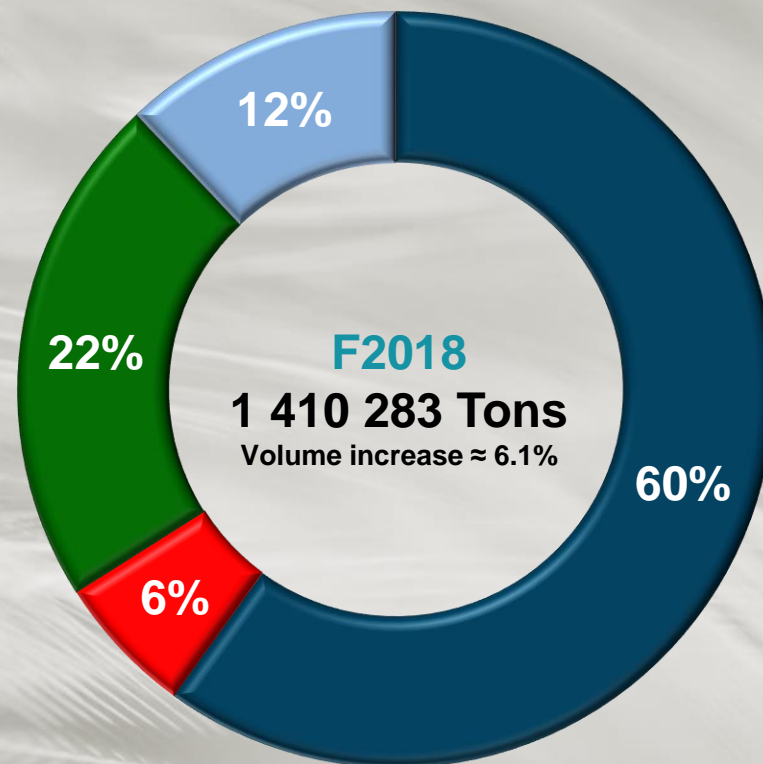
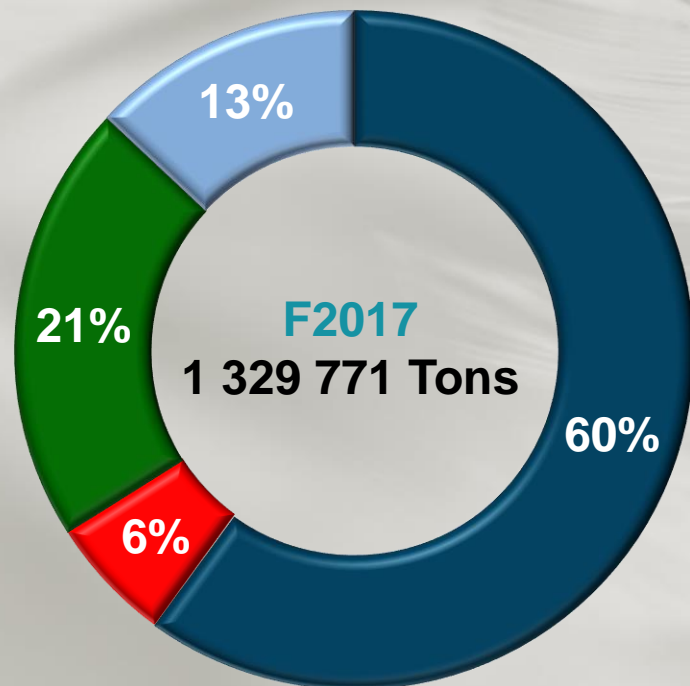


- Operating profit up 16.7%
 - Net margin 7.4% F2017: 5.9%
 - Improved trading conditions

FEED DIVISION

- **SAFEX yellow maize prices decreased** notably for the period under review F2018 avg. R2 098 per ton (F2017: R2 464) down R366 per ton year-on-year
- **Internal feed sales increased** by 6.0% due to an increase in broiler production numbers in F2018
- **External feed sales increased** by 6.1% as all livestock sectors benefitted from lower feed costs
- **Expense increases were contained** to 4.7% year-on-year across all seven feed mills
- **The average net margin increased** (on a Rand per ton basis) for the period under review

FEED DIVISION – SALES MIX



■ Poultry Integrated

■ Poultry External

■ Dairy

■ Other

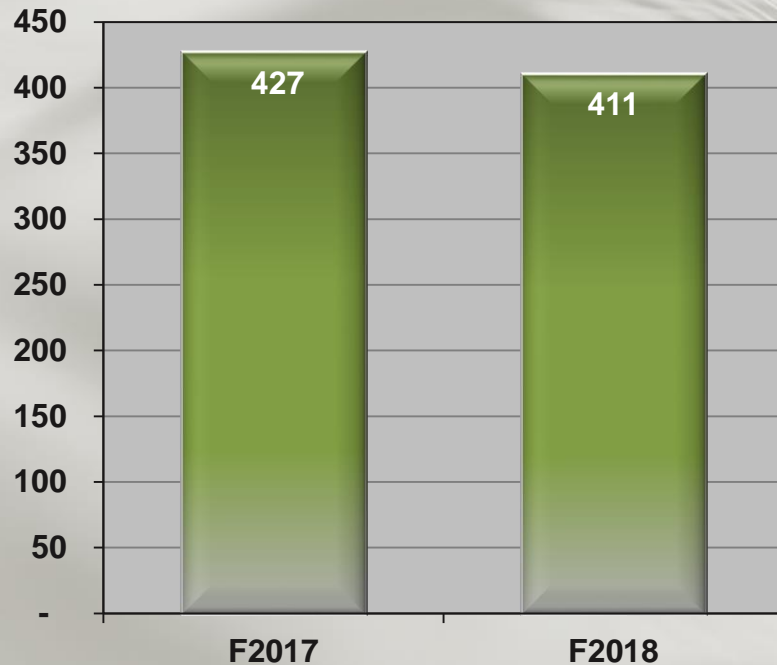
OTHER AFRICA DIVISION



**“ Astral is
a leading
Southern
African
integrated
poultry
producer ”**

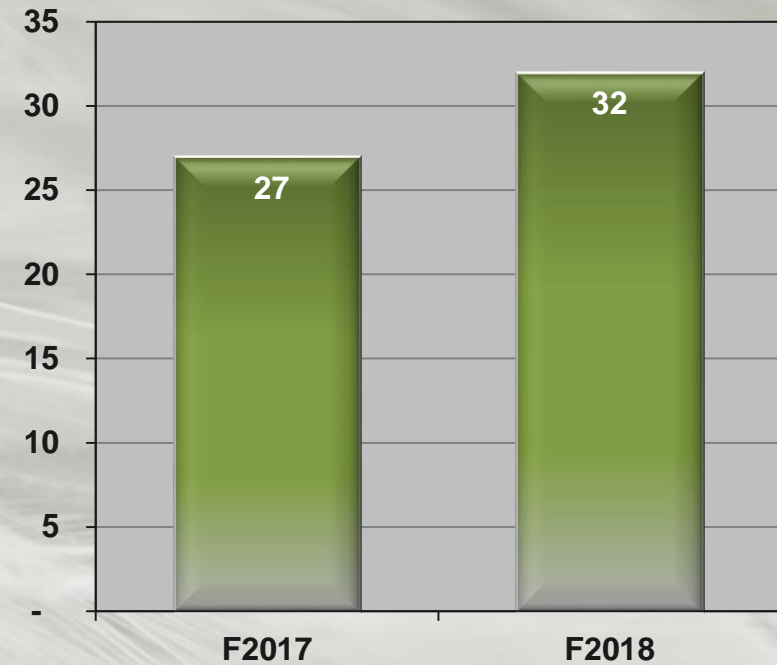
OTHER AFRICA DIVISION (Zambia, Mozambique & Swaziland)

Revenue - R million



- Revenue down 3.7%
- Raw material costs down
- Sales volumes up 4.0%
- Average selling prices down 7.4%

Operating profit - R million

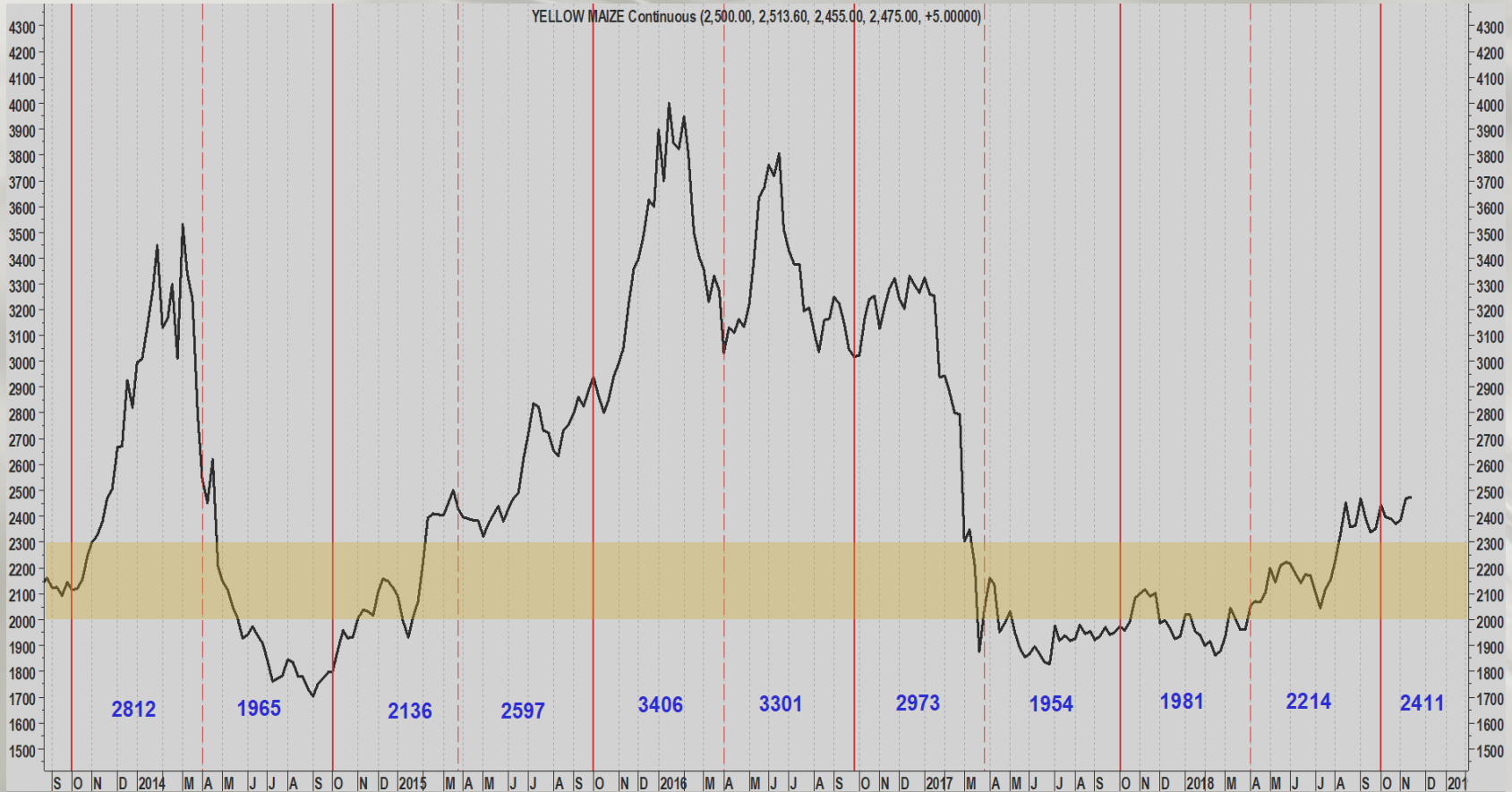


- Operating profit up 20.2%
- Net margin 7.8% F2017: 6.3%
- Mozambique & Swaziland improved performance



INDUSTRY TRENDS

SAFEX YELLOW MAIZE PRICE



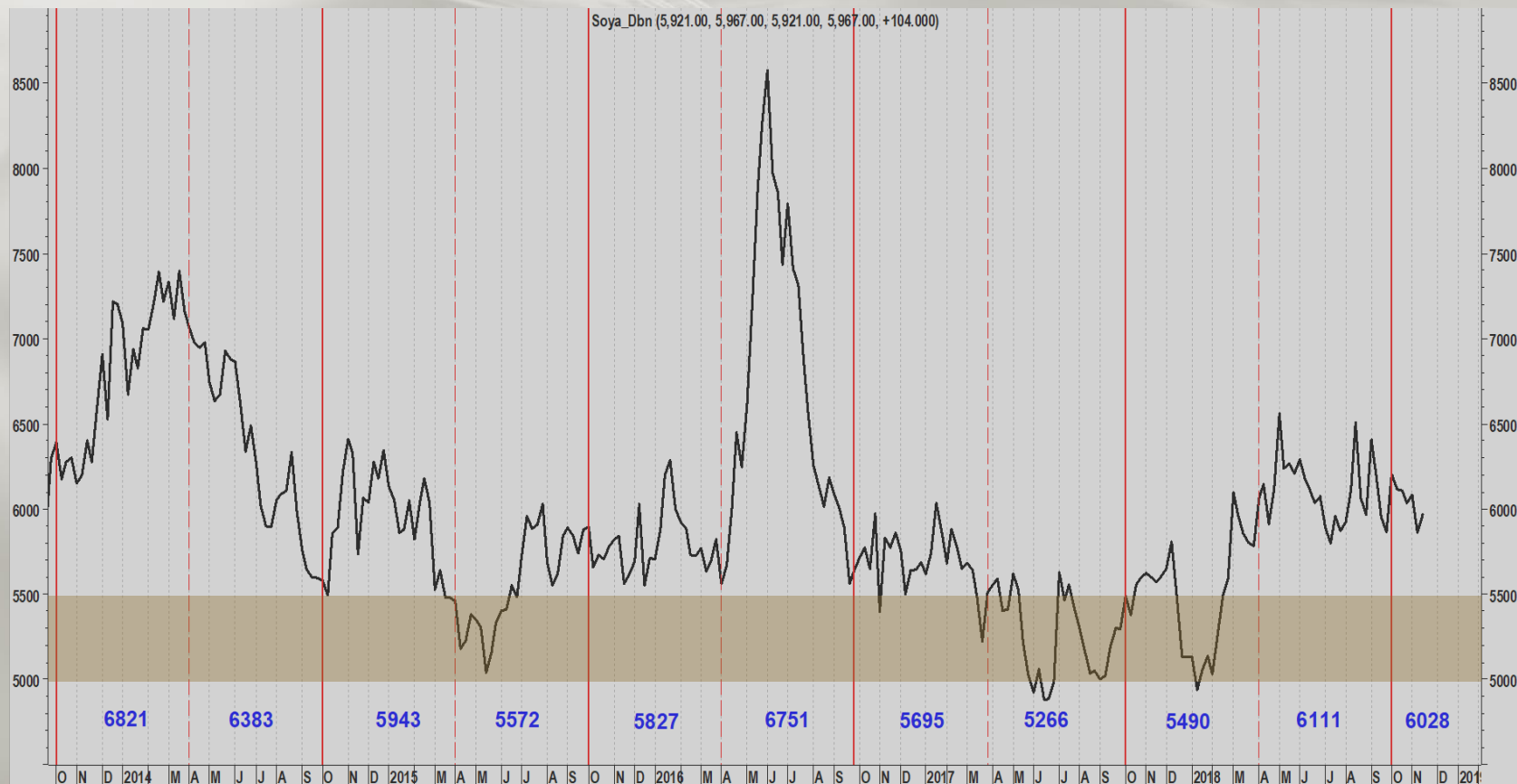
Source: CIA Strategic Risk Brokers

SAFEX YELLOW MAIZE PRICE vs. CBOT IN RAND TERMS



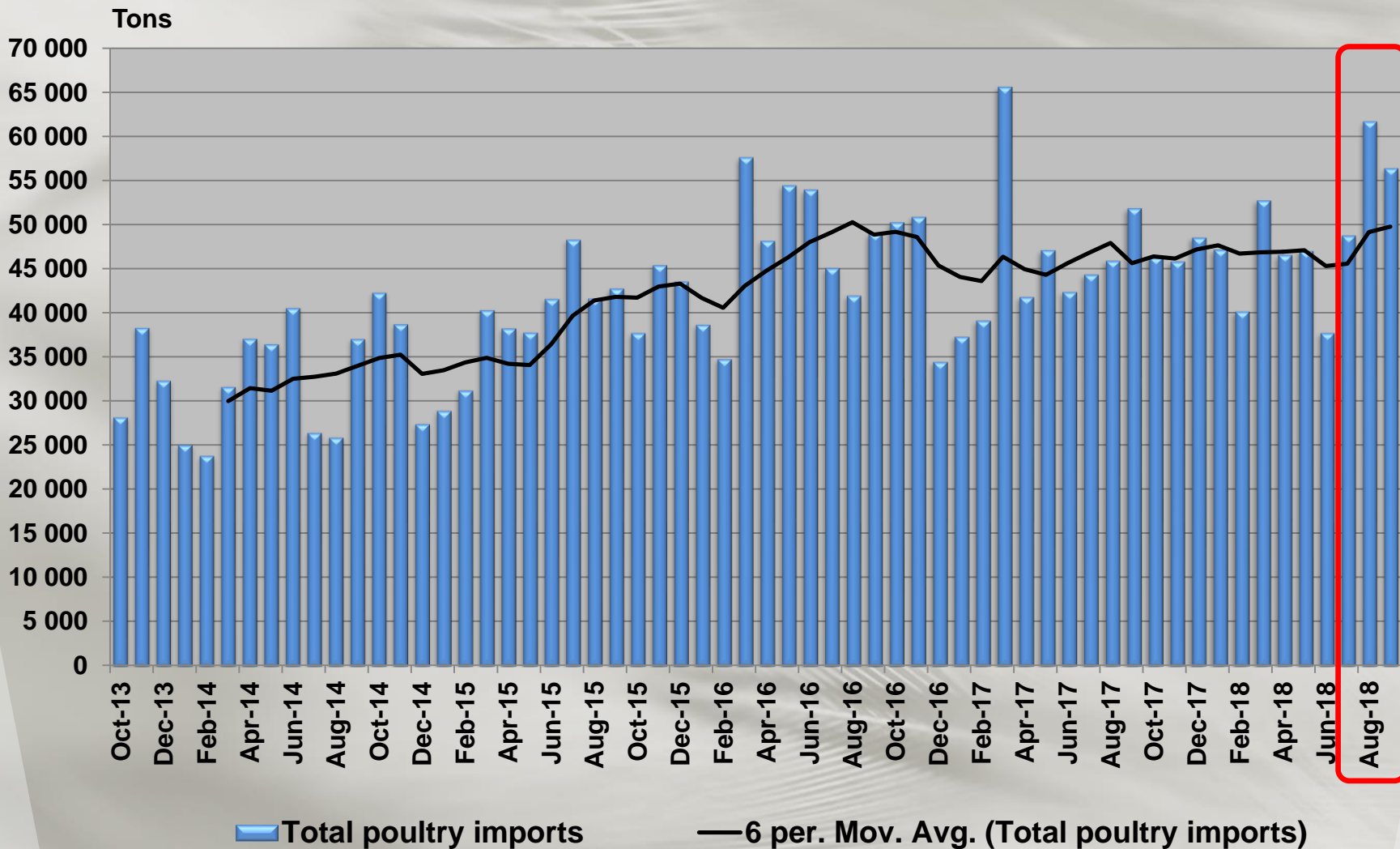
Source: CIA Strategic Risk Brokers

DURBAN SOYA MEAL PRICE



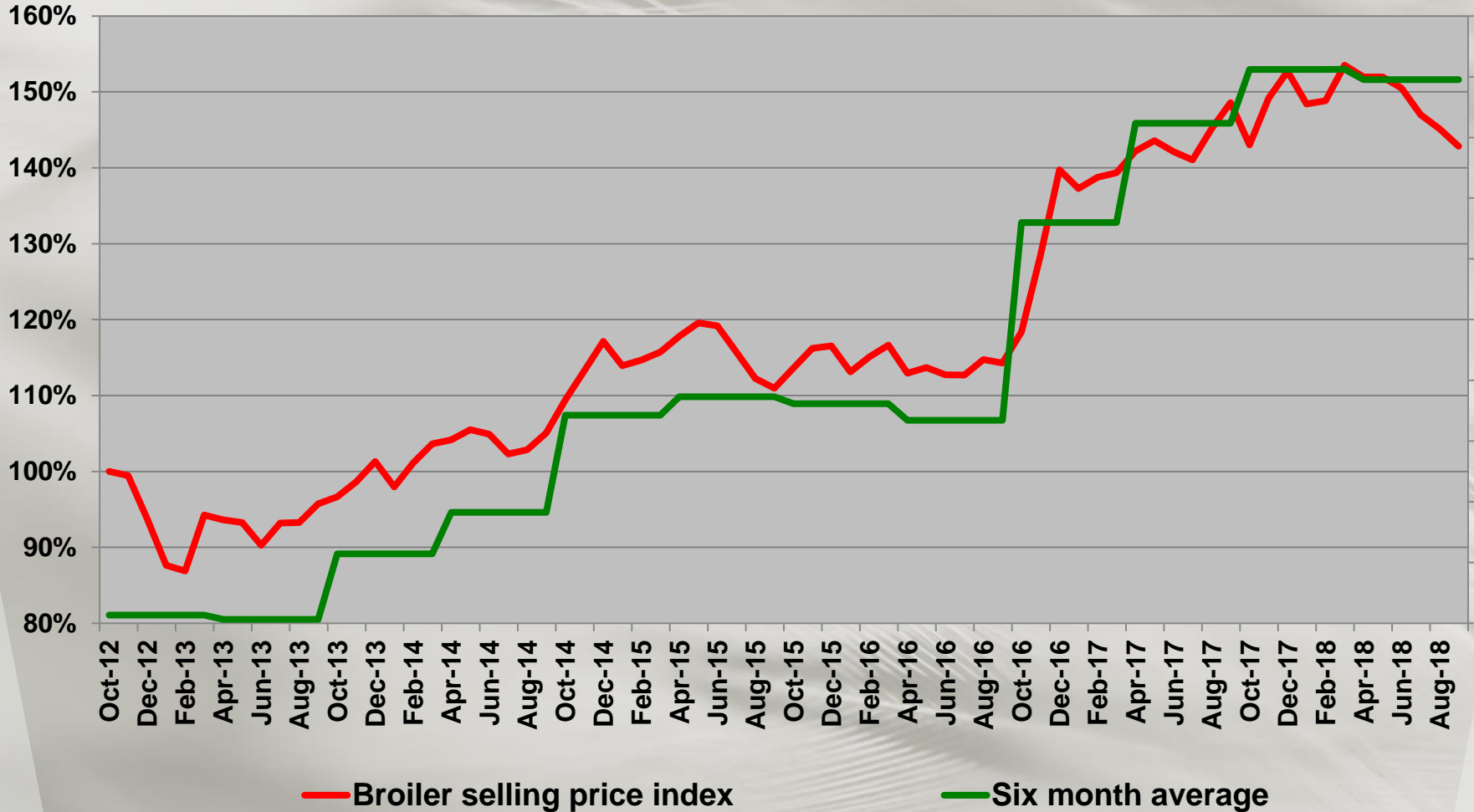
Source: CIA Strategic Risk Brokers

POULTRY IMPORTS PER MONTH



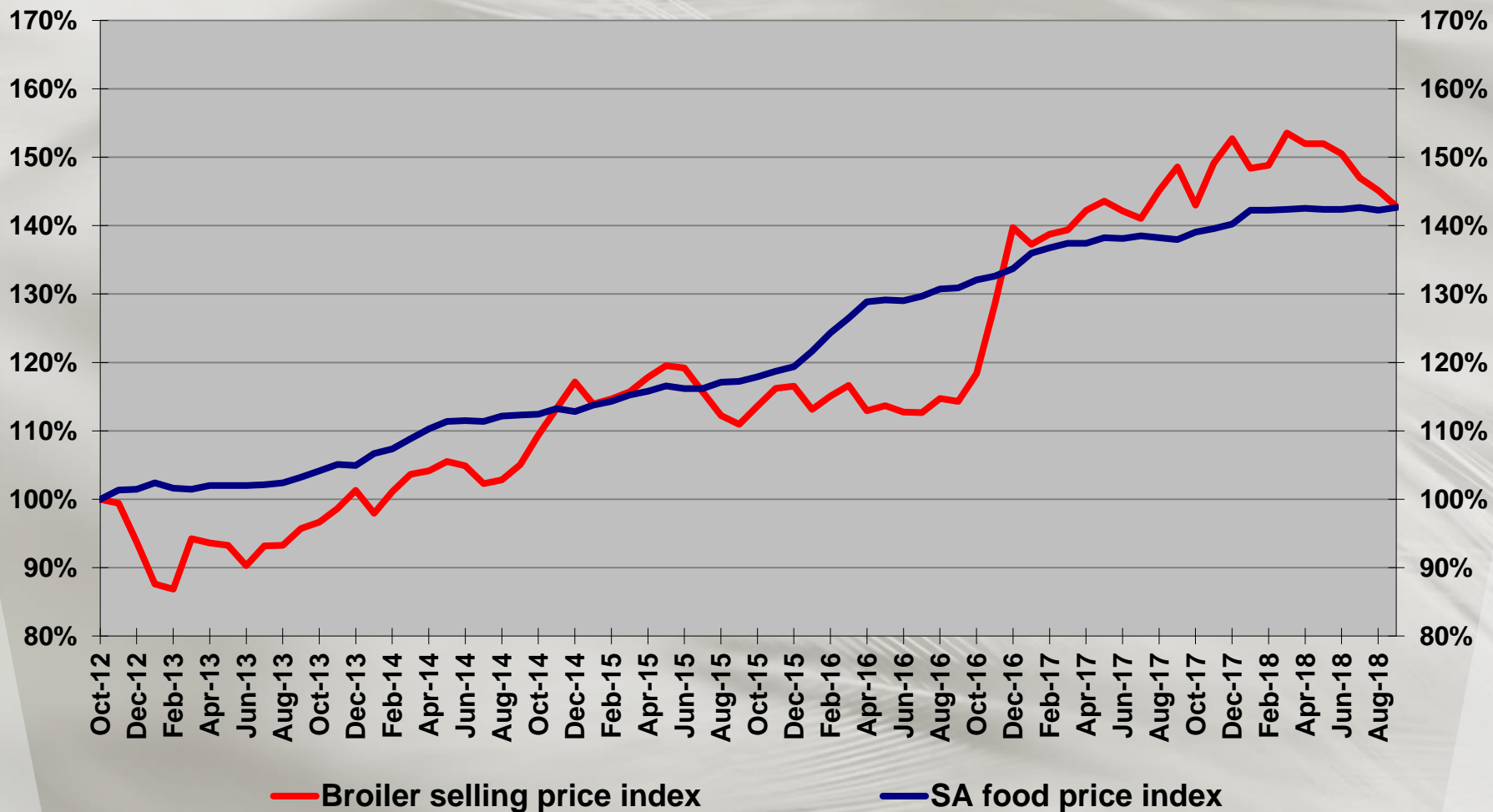
Source: SAPA

BROILER SELLING PRICES



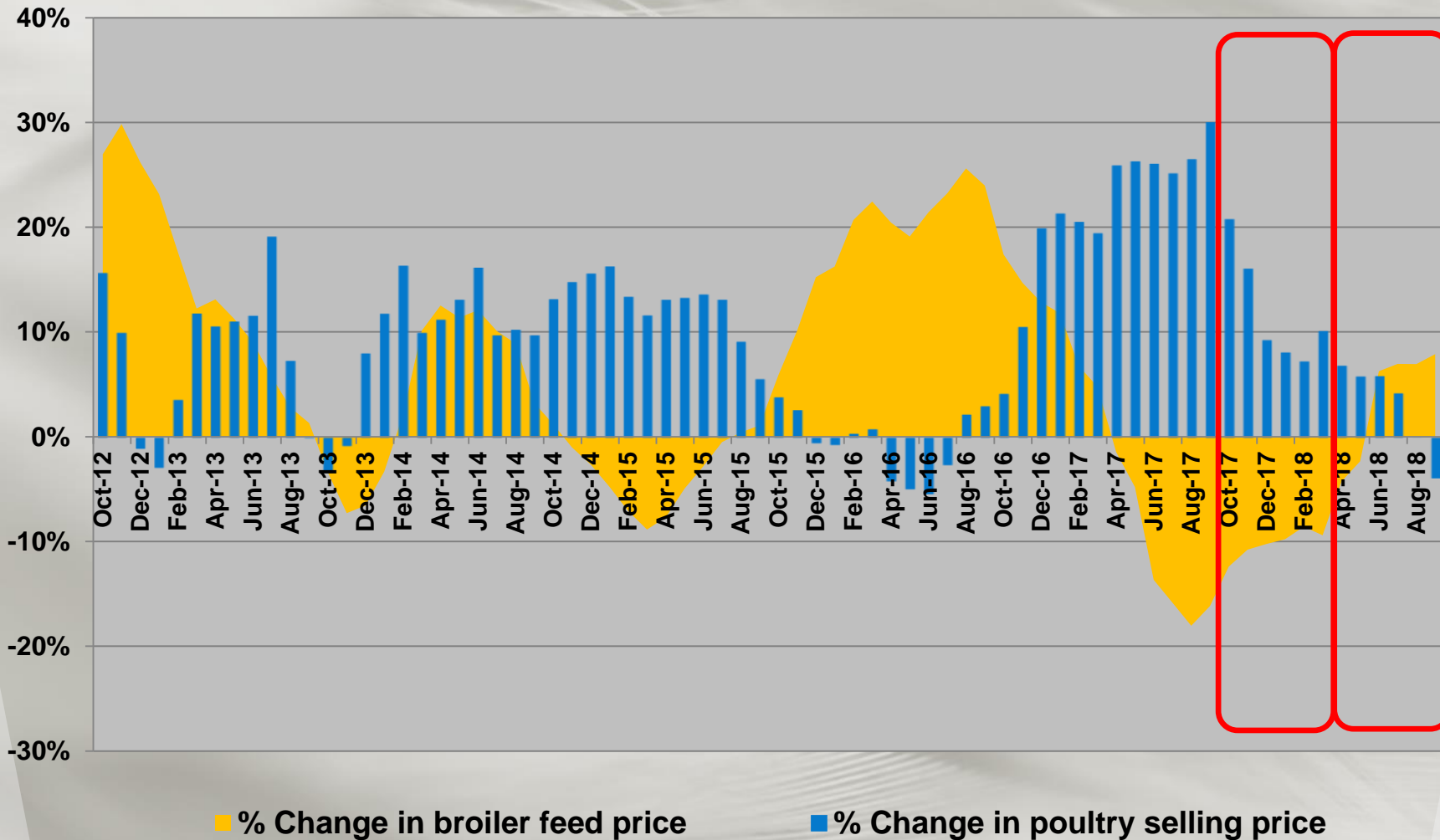
Source: Own Data

BROILER PRICE vs. FOOD PRICE INFLATION



Source: Own Data

CHANGE IN POULTRY SELLING PRICE vs. FEED PRICE



Source: Own Data



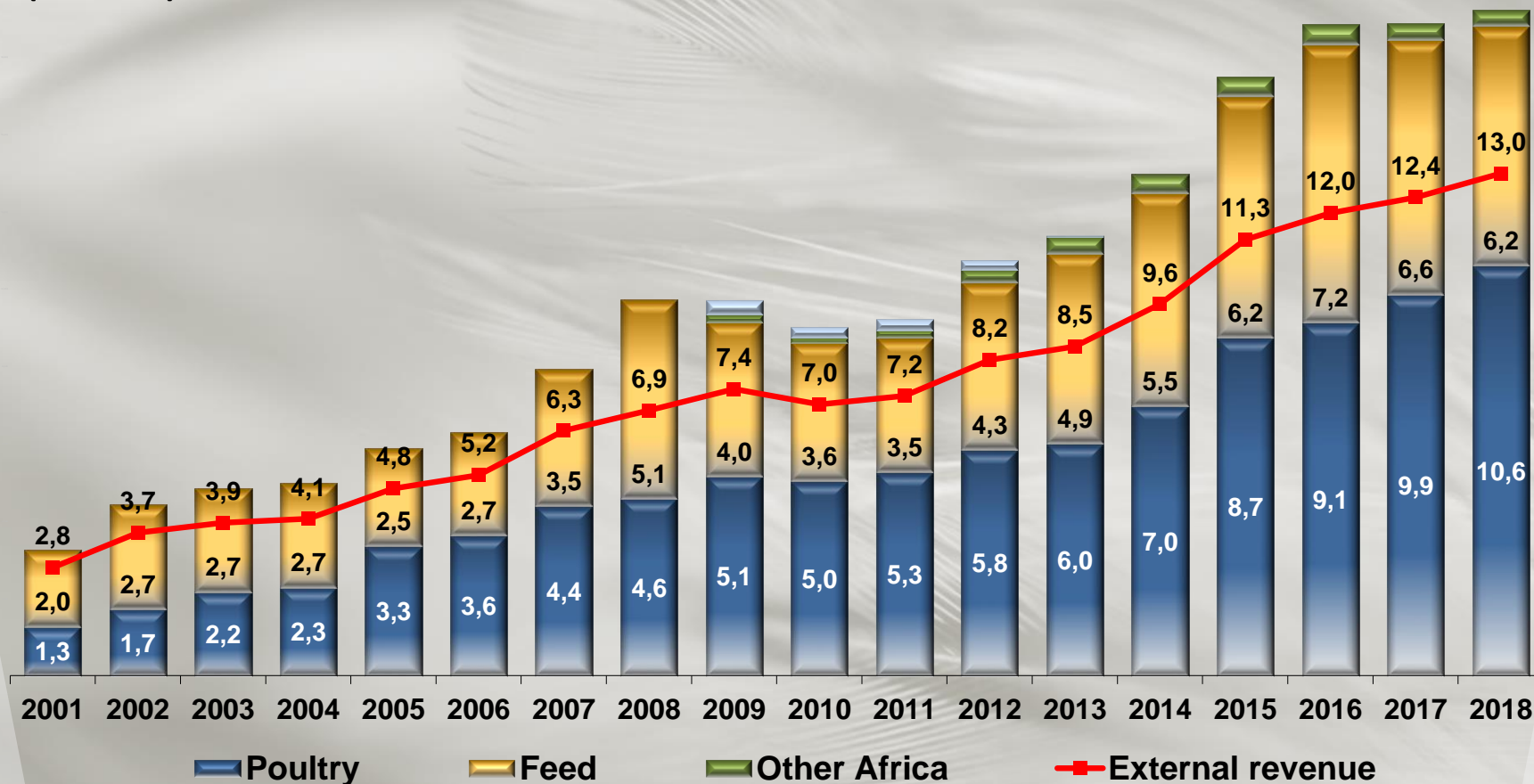
FINANCIAL OVERVIEW

INCOME STATEMENT

Year ended 30 September	2018 R million	2017 R million <i>Restated</i>	2017 R million	% change
Revenue	12 979	12 417	12 351	5%
Operating profit	1 942	1 056	1 048	84%
<i>Operating profit margin</i>	15.0%	8.5%	8.5%	
Profit on sale of investment	-	31	31	
Profit before interest and tax	1 942	1 087	1 079	79%
<i>PBIT margin</i>	15.0%	8.7%	8.7%	
Net finance income / (cost)	52	(15)	(15)	
Profit before tax	1 994	1 072	1 064	86%
Tax	(560)	(311)	(309)	
Profit for the period	1 434	761	755	89%
Headline earnings	1 439	741	735	
EPS – Cents	3 691	1 963	1 948	88%
HEPS – Cents	3 712	1 914	1 899	94%

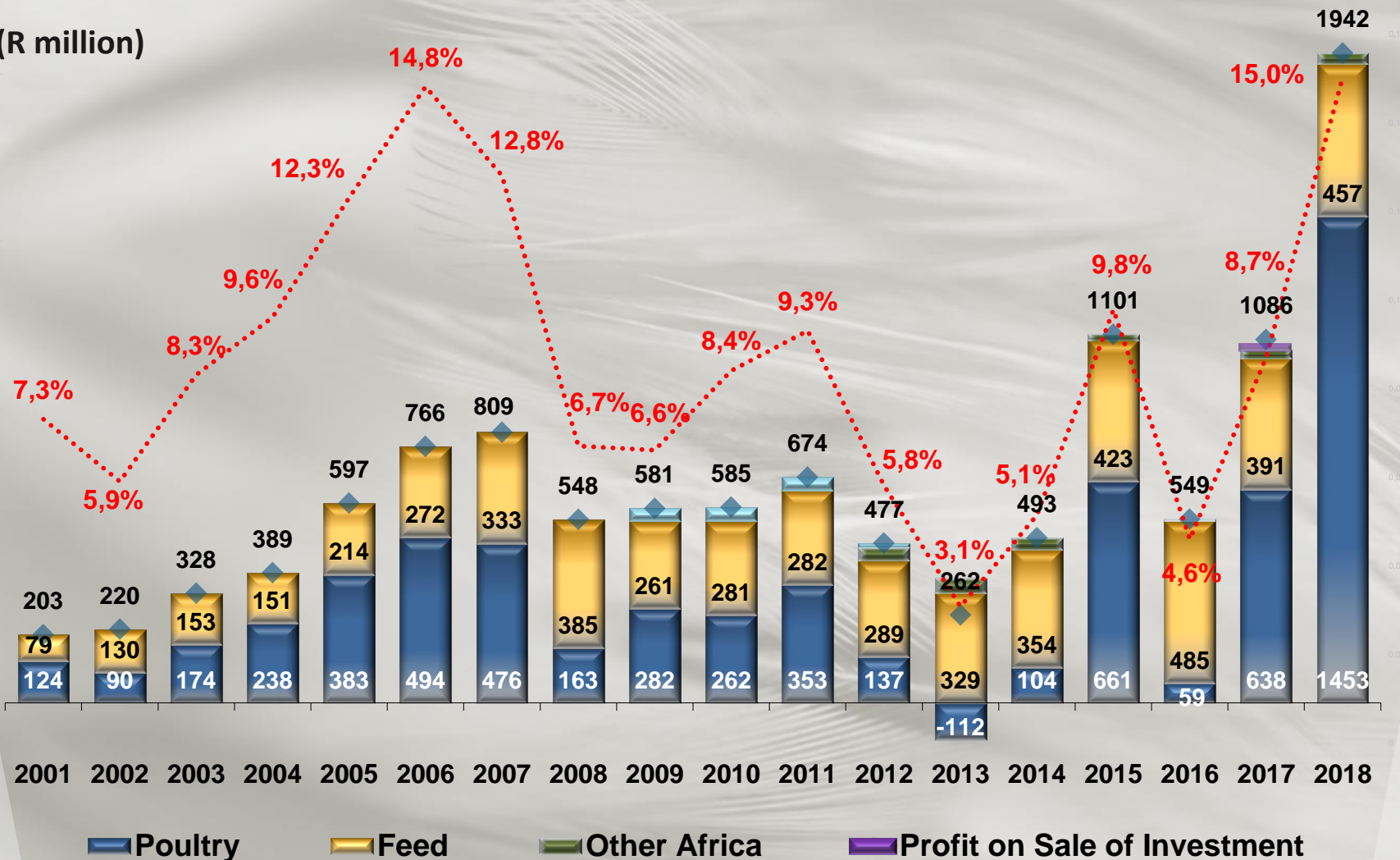
GROUP ANNUAL REVENUE

(R billion)



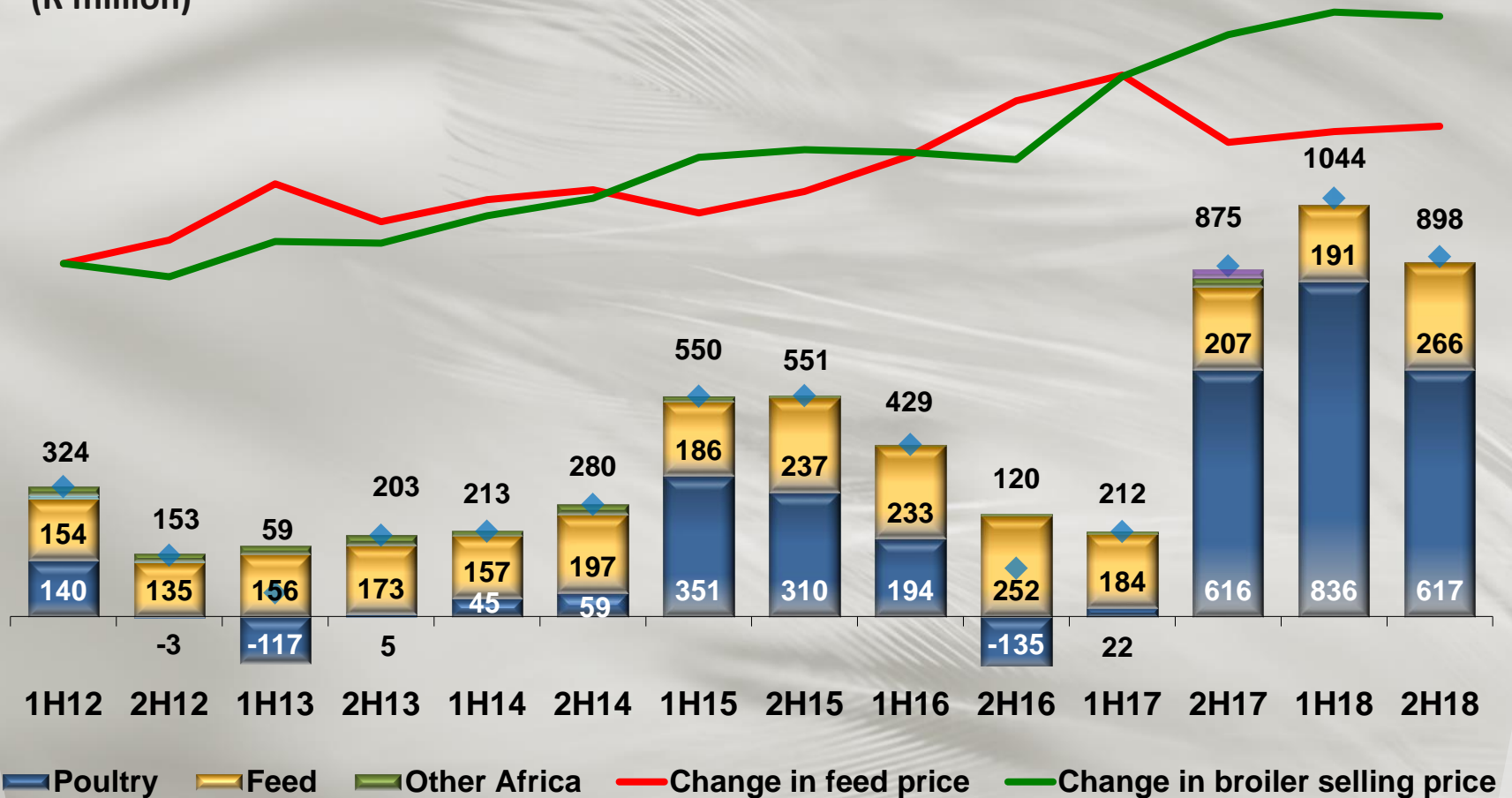
GROUP ANNUAL OPERATING PROFIT

(R million)



GROUP SIX MONTHLY OPERATING PROFIT

(R million)



BALANCE SHEET

	September 2018 R million	September 2017 R million <i>Restated</i>	% change
Non-current assets	2 409	2 228	8%
Net working capital	1 189	869	37%
Current assets (excl. cash)	2 943	2 468	19%
Current liabilities (excl. borrowings)	(1 754)	(1 599)	10%
Non-current liabilities (excl. borrowings)	(650)	(610)	7%
Net assets	2 948	2 487	19%
Net (surplus cash)	(789)	(552)	42%
Equity	3 737	3 039	23%
Total	2 948	2 487	19%

CAPITAL EXPENDITURE

Twelve months ended 30 September

	2018 R million	2017 R million
Depreciation	152	149
Total capex spend	356	150
Commitments	1 401	148
Total spend and committed	1 757	298

CAPITAL EXPENDITURE F2018

	2018 R million
<i>Processing plant equipment</i>	113
<i>Breeder farm refurbishment</i>	22
<i>Water augmentation project Western Cape</i>	16
<i>HPAI mitigation project</i>	42
<i>Listeria mitigation project</i>	17
Sub-Total	210
Other: normal on-going capex	146
Total capex spend F2018	356

CAPITAL EXPENDITURE COMMITMENTS

	R million
Total commitments	1 401
<i>Major projects:</i>	1 271
<i>Festive expansion (Phase 1 & 2 – 800 000 bpw)</i>	875
<i>Mountain Valley expansion (200 000 bpw)</i>	203
<i>Meadow Feeds Standerton silo complex</i>	53
<i>New feed mill Zambia</i>	140

WORKING CAPITAL

For the twelve months ended 30 September	2018 R million	2017 R million	Variance R million
Current assets	2 943	2 468	475
Biological assets	770	658	112
Inventory - Poultry	532	258	274
- Feed	255	185	70
- Other Africa	50	50	-
Trade receivables	1 204	1114	90
Receivables – investment sold	16	56	(40)
Other receivables	116	147	(31)
Current liabilities	(1 754)	(1 599)	(155)
Trade payables	(1 324)	(1 151)	(173)
Other payables	(430)	(448)	(18)
Net working capital	1 190	869	321

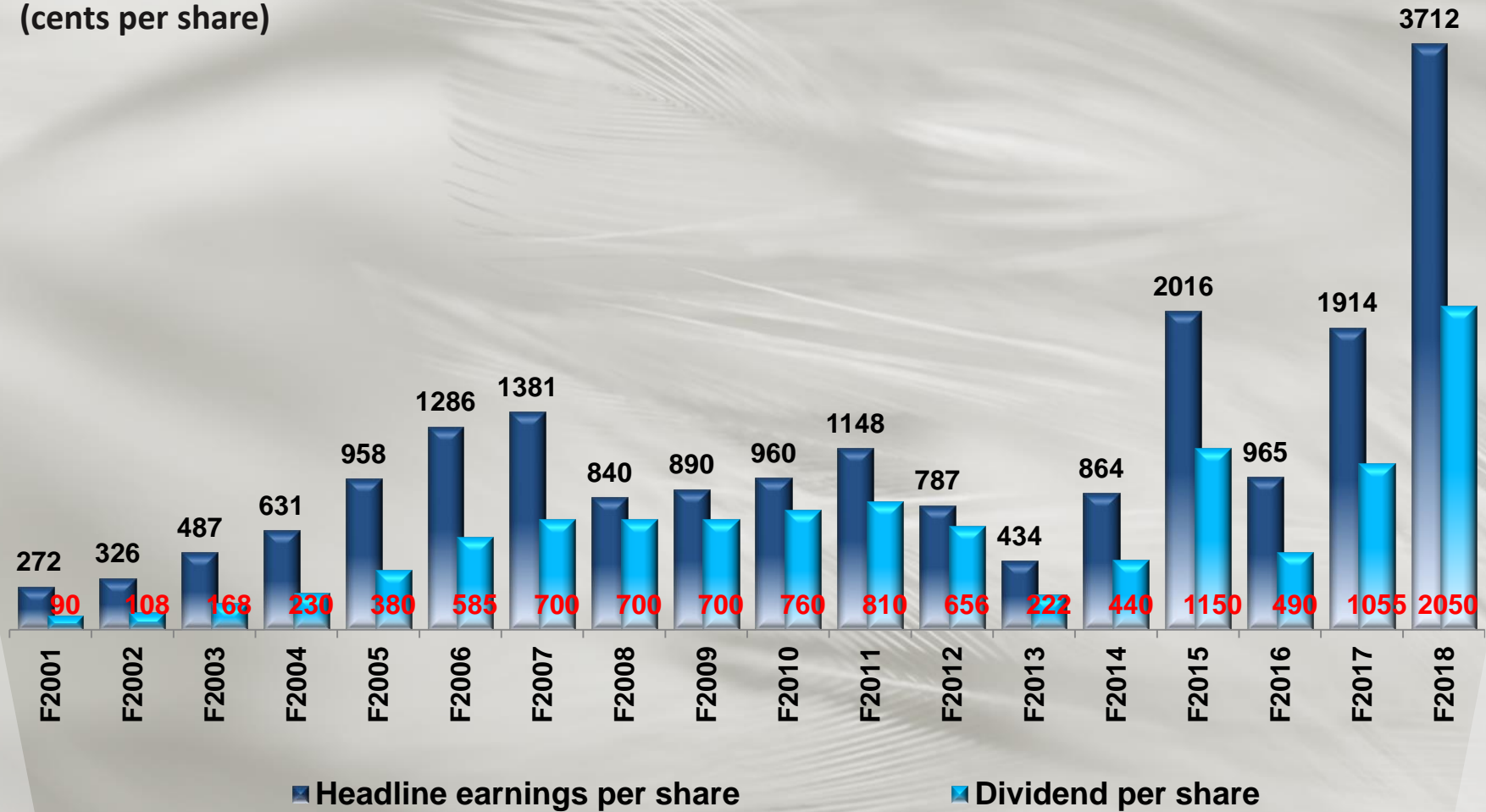
STATEMENT OF CASH FLOWS

For the twelve months ended 30 September

	2018 R million	2017 R million
Cash operating profit	2 156	1 436
Working capital movement	(425)	(71)
	1 731	1 365
Tax paid	(516)	(310)
Net interest received / (paid)	58	(11)
Capital expenditure	(358)	(180)
	915	864
Dividends paid	(729)	(108)
Government grant received	-	29
Other cash flow items	45	7
Loans (repaid)	-	(35)
	231	757
Movement in cash equivalents	231	757
Effect of exchange rate changes	6	-
Opening balance	552	(205)
Closing balance	789	552

HEADLINE EARNINGS & DIVIDEND PER SHARE

(cents per share)



IN SUMMARY

- Record profits in **F2018 with profit margin at 15.0%** (F2017: 8.7%)
- **Cash flow** generated from operations R1 731 million in F2018
- **Net surplus cash** at year-end of R789 million
- **Final dividend of 1 050 cps** within the Group's liquidity capability
- **Full year dividend of 2 050 cps** at 1.8 times cover (up 94%)



OUTLOOK

POTENTIAL NEGATIVE INFLUENCES

- **Raw material prices are on an upward trend** and will impact Astral's largest input cost, namely feed making up 67% of broiler live cost
- **The impact of international trade wars** and geopolitics on key input costs, including coarse grains and fuel
- **The negative impact of high fuel prices** on consumer disposable income and continued pressure on poultry selling prices
- **The impact of the new minimum wage** will increase production costs however could lead to higher levels of consumer discretionary spend
- **High levels of poultry imports** from Brazil and the USA, expected to continue
- **The on-going risk of bird flu**, however prevention strategies to manage this threat are in place, albeit at additional associated costs
- **Policy uncertainty around land expropriation** without compensation and the impact on property rights and capital investment

POTENTIAL POSITIVE INFLUENCES

- Improved political situation in South Africa and the region
- Indications of a more “business friendly” environment in South Africa, with key government departments engaging with the poultry industry
- The European Partnership Agreement (EPA) safeguard duty finally imposed on poultry imports into South Africa from the EU
- Progressive genetic improvement of the Ross broiler breed will continue to support the group’s best cost strategy
- Sufficient international and local coarse grain stocks
- Expansion in Astral’s poultry processing capacity (up 20%) over the next three years (capex of R1.1 billion) supports the President’s investment drive and stimulus plan announced during the year



“Astral’s strategy is to be the **best cost integrated poultry producer** in selected African countries ”



THANK YOU

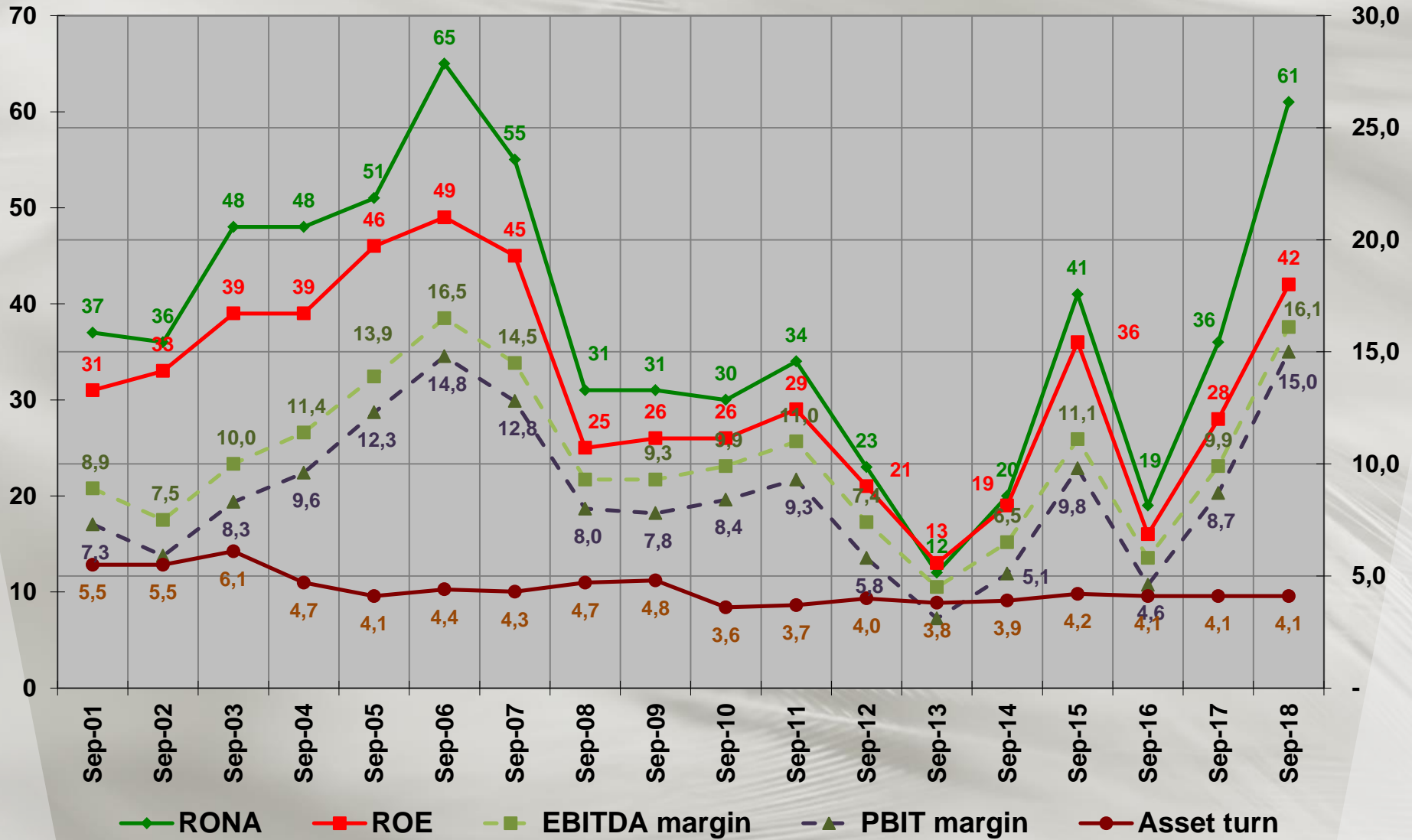


ADDITIONAL INFORMATION

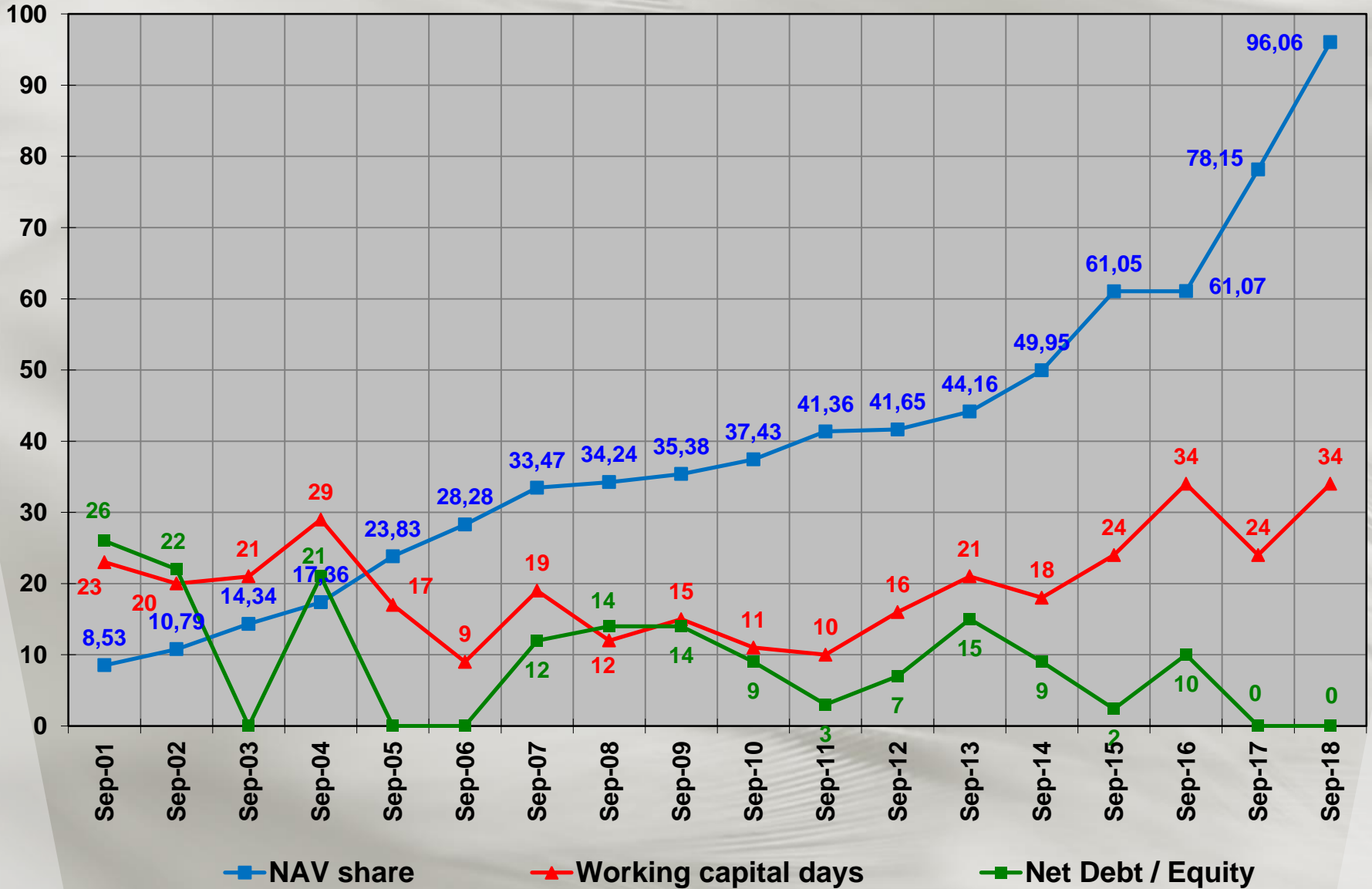
WHAT WE SAID IN MAY 2018

- **General business confidence improved** as well as the prospect for foreign direct investment following the election of a new President for the country ✓
- A bumper maize crop in 2017 and the **country set to harvest an above average maize crop in 2018** will stand us in good stead over the next period from a feed input cost point of view ✓
- **Further unlocking the inherent genetic potential of the Ross broiler** breed through optimised broiler nutrition therefore cementing Astral's best cost strategy ✓
- **Higher level of competitiveness** as producers have expanded broiler production numbers, and the pork industry has been forced to sell product at lower prices following the listeria outbreak ✓
- **Continued high levels of poultry imports** especially from the United States of America and Brazil, equivalent to over 40% of local poultry production ✓
- **HPAI remains a threat and major concern** for the poultry industry with the upcoming winter season ?

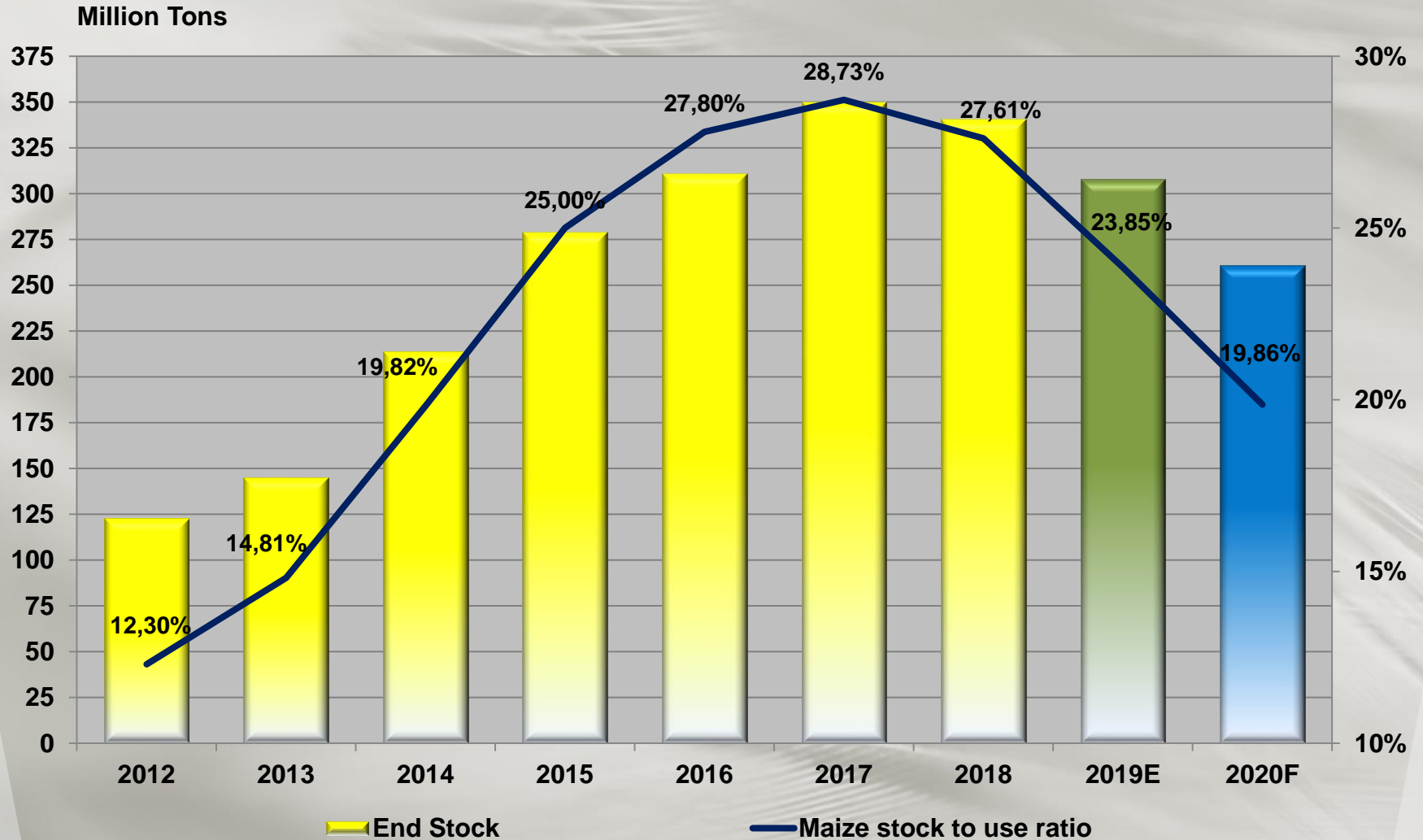
KEY FINANCIAL RATIOS



KEY FINANCIAL INDICATORS



WORLD CORN ENDING STOCKS



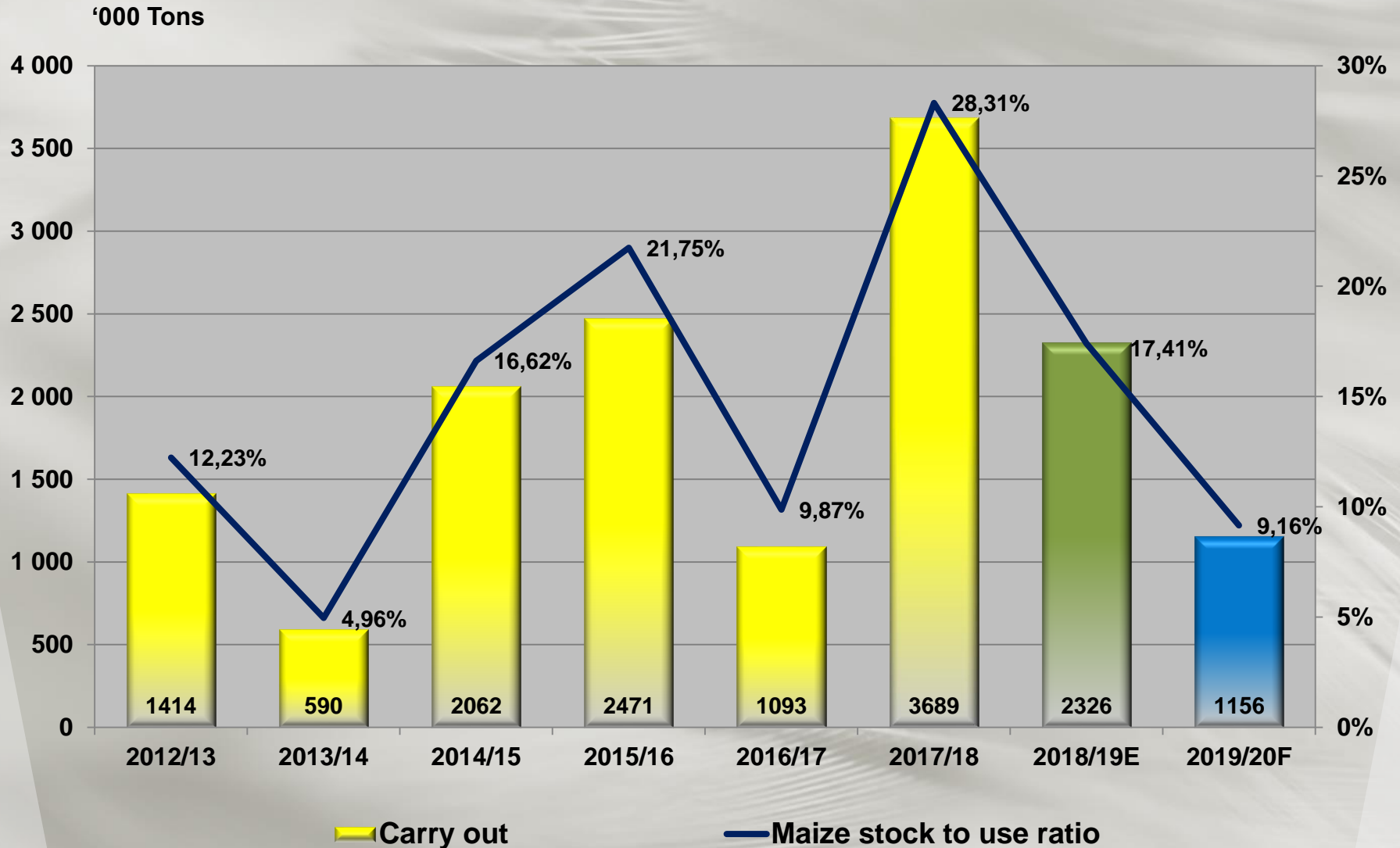
Source: CIA Strategic Risk Brokers

SOUTH AFRICA – TOTAL MAIZE SUPPLY & DEMAND

<i>Marketing year (May to April)</i> <i>'000 tons</i>	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20F
	Actual	Actual	Actual	Actual	Estimate	Estimate	Forecast
Carry In (1 May)	1 414	589	2 074	2 471	1 093	3 689	2 326
Crop Estimate	11 811	14 250	9 955	7 779	16 744	12 931	12 347
Retentions		433	163	309	837	932	890
Sagis Delivery	11 072	13 817	9 794	7 469	15 907	11 999	11 457
<i>Minus early deliveries</i>	0	0	0	450	0	0	0
Imports	80	65	1 964	2 237	0	0	0
Total Supply	12 566	14 471	13 831	11 727	17 000	15 688	13 783
Domestic Usage Food	4 583	4 840	4 698	4 808	4 872	5 145	5 063
Domestic Usage Feed	4 715	5 041	5 520	5 004	5 399	5 308	5 435
Gristing, withdrawn & released	480	376	293	278	358	281	314
Total Domestic Usage	9 777	10 257	10 512	10 090	10 630	10 734	10 812
Exports & Sundries	2 122	2 153	848	993	2 925	2 628	1 814
<i>Plus early deliveries</i>	0	0	0	450	0	0	0
Carry Out (30 Apr)	590	2 062	2 471	1 093	3 446	2 326	1 156
No of days usage	25	73	86	40	118	79	39
STU	4,96%	16,62%	21,75%	9,87%	25,42%	17,41%	9,16%

Source: CIA Strategic Risk Brokers

SOUTH AFRICA – TOTAL MAIZE SUPPLY & DEMAND

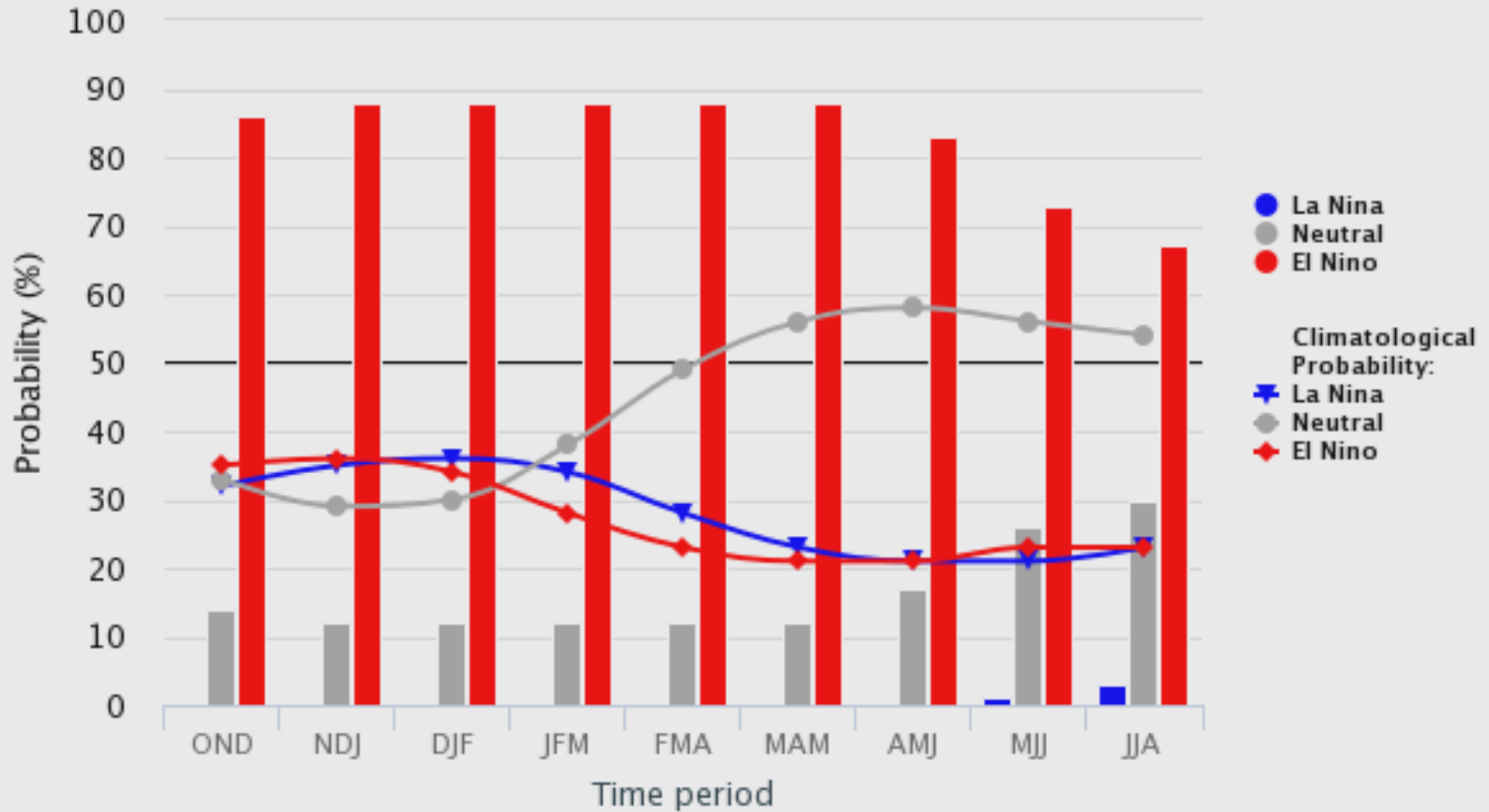


Source: CIA Strategic Risk Brokers

EL NIÑO SOUTHERN OSCILLATION - FORECAST

Mid-Oct IRI/CPC Model-Based Probabilistic ENSO Forecasts

ENSO state based on NINO3.4 SST Anomaly
Neutral ENSO: -0.5 °C to 0.5 °C



Source: International Research Institute for Climate and Society (IRI) – Columbia University

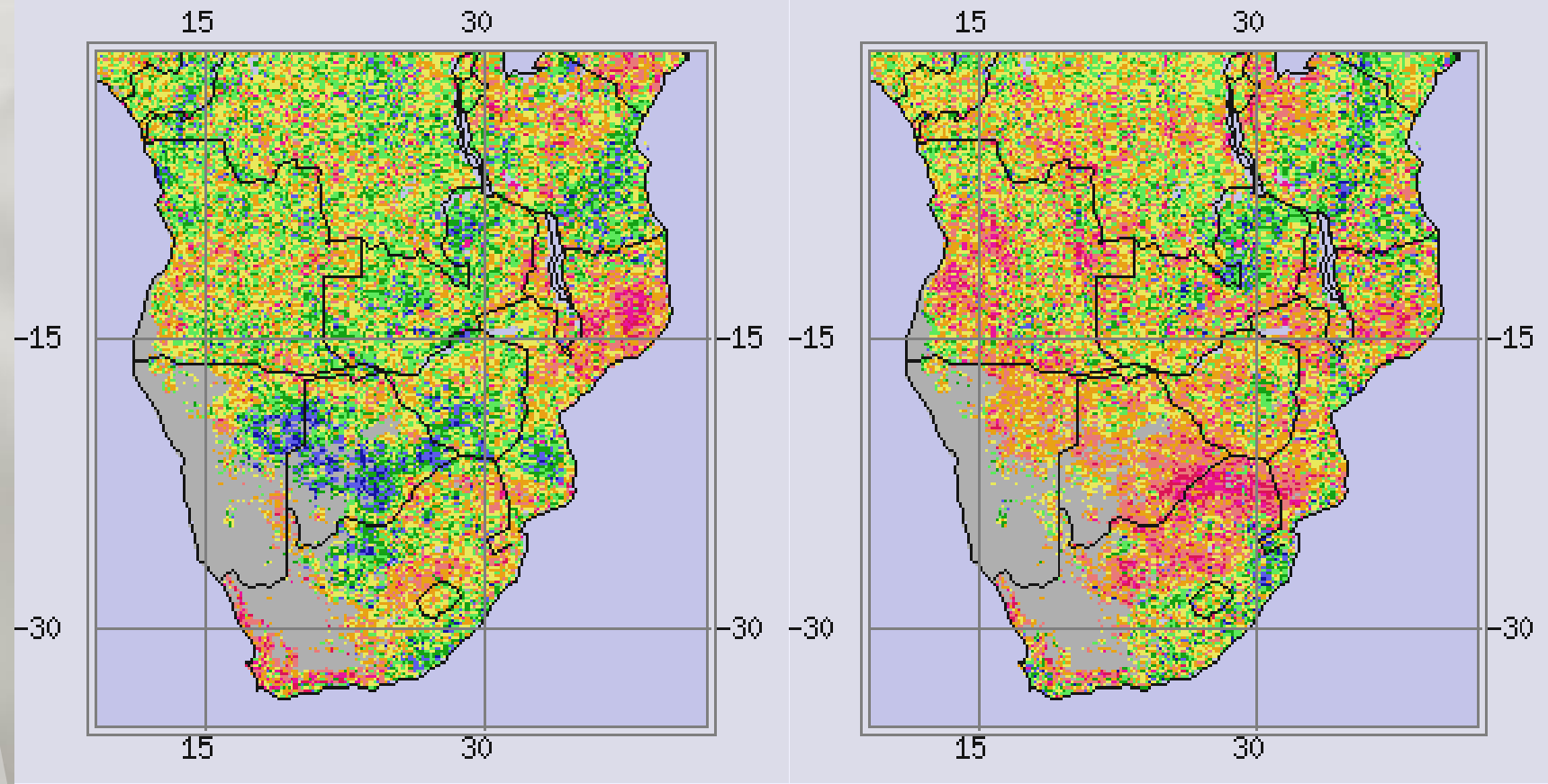
SOUTHERN AFRICA - VEGETATIVE HEALTH INDEX

VHI of previous year

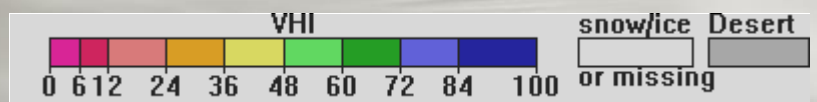
VHI of current year

Oct. 28, 2017 (week 43)

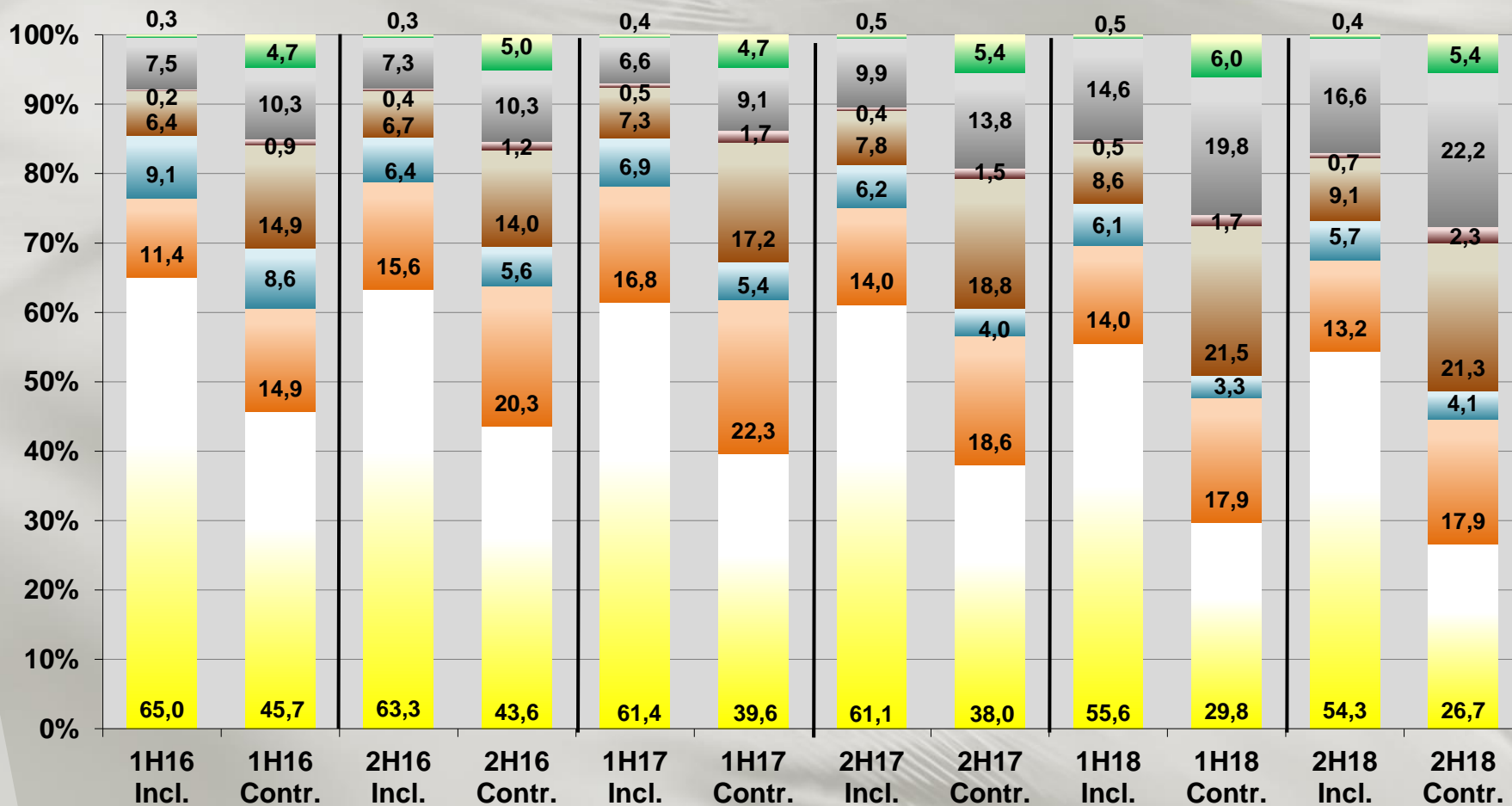
Oct. 28, 2018 (week 43)



Source: NOAA - National Environmental Satellite, Data, and Information Service (VHI)



BROILER FEED – INGREDIENT INCLUSION & COST CONTRIBUTION



- Maize
- Sunflower Meal
- Fish Meal
- Vitamins, Minerals and Medication.
- Soybean Meal
- Other
- F/Fat and Extr Soy

Source: Own Data

BRAZIL, EU & USA PRODUCT COST BENCHMARK

Ex BRAZIL – December 2018					
FROZEN LEG QUARTERS BULK PACKED					
CIF DBN US\$ per ton	TON	1 050.00	1 050.00	1 050.00	SA COST
R/\$ exchange rate	R\$	14.20	14.40	14.60	
Rand per ton	TON	14 910.00	15 120.00	15 330.00	21 100.00
Rand per kg	KG	14.91	15.12	15.33	21.10
Duty per kg	KG	37%	37%	37%	-
Clearance costs	KG	0.65	0.65	0.65	-
COST INTO STORAGE	KG	21.08	21.36	21.65	21.10
Storage	KG	0.50	0.50	0.50	-
Distribution	KG	0.80	0.80	0.80	0.92
Marketing, Administration, Finance	KG	0.80	0.80	0.80	0.96
TOTAL COST	KG	23.18	23.46	23.75	22.98
EUROPE – December 2018					
FROZEN LEG QUARTERS BULK PACKED					
CIF DBN € per ton	TON				SA COST
€ exchange rate	R\$				
Rand per ton	TON				21 100.00
Rand per kg	KG				21.10
Duty per kg	KG				-
Clearance costs	KG				-
COST INTO STORAGE	KG				21.10
Storage	KG				-
Distribution	KG				0.92
Marketing, Administration, Finance	KG				0.96
TOTAL COST	KG				22.98

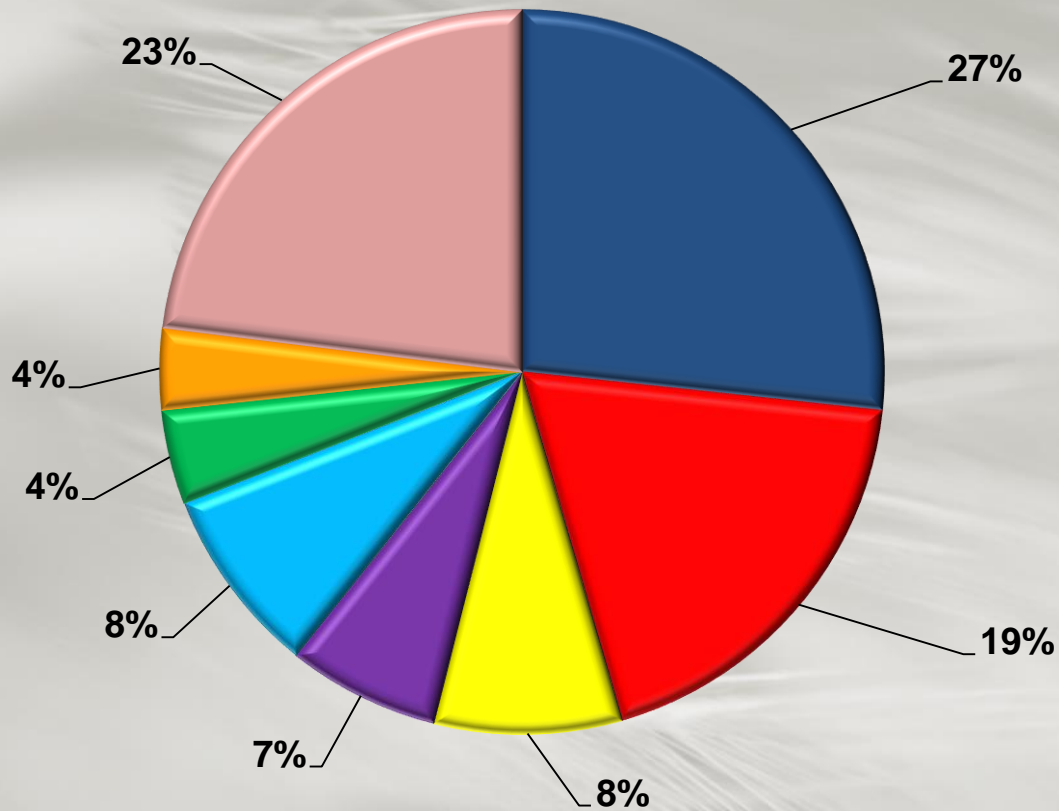
Source: Own Estimates

BRAZIL, EU & USA PRODUCT COST BENCHMARK

EUROPE Ex Belgium, Ireland, Spain, Poland with Safeguard Duty @ 35,3% – December 2018					
FROZEN LEG QUARTERS BULK PACKED					
CIF DBN € per ton	TON	900.00	900.00	900.00	SA COST
R/€ exchange rate	R\$	16.20	16.40	16.60	
Rand per ton	TON	14 580.00	14 760.00	14 940.00	21 100.00
Rand per kg	KG	14.58	14.76	14.94	21.10
Duty per kg	KG	35.3%	35.3%	35.3%	-
Clearance costs	KG	0.65	0.65	0.65	-
COST INTO STORAGE	KG	20.38	20.62	20.86	21.10
Storage	KG	0.50	0.50	0.50	-
Distribution	KG	0.80	0.80	0.80	0.92
Marketing, Administration, Finance	KG	0.80	0.80	0.80	0.96
TOTAL COST	KG	22.48	22.72	22.96	22.98
Ex USA – December 2018					
FROZEN LEG QUARTERS BULK PACKED					
CIF DBN US\$ per ton	TON	650.00	650.00	650.00	SA COST
R/\$ exchange rate	R\$	14.20	14.40	14.60	
Rand per ton	TON	9 230.00	9 360.00	9 490.00	21 100.00
Rand per kg	KG	9.23	9.36	9.49	21.10
Duty per kg	KG	37.00%	37.00%	37.00%	-
Clearance costs	KG	0.65	0.65	0.65	-
COST INTO STORAGE	KG	13.30	13.47	13.65	21.10
Storage	KG	0.50	0.50	0.50	-
Distribution	KG	0.80	0.80	0.80	0.92
Marketing, Administration, Finance	KG	0.80	0.80	0.80	0.96
TOTAL COST	KG	15.40	15.57	15.75	22.98

Source: Own Estimates

LOCAL BROILER PRODUCTION & MARKET SHARE

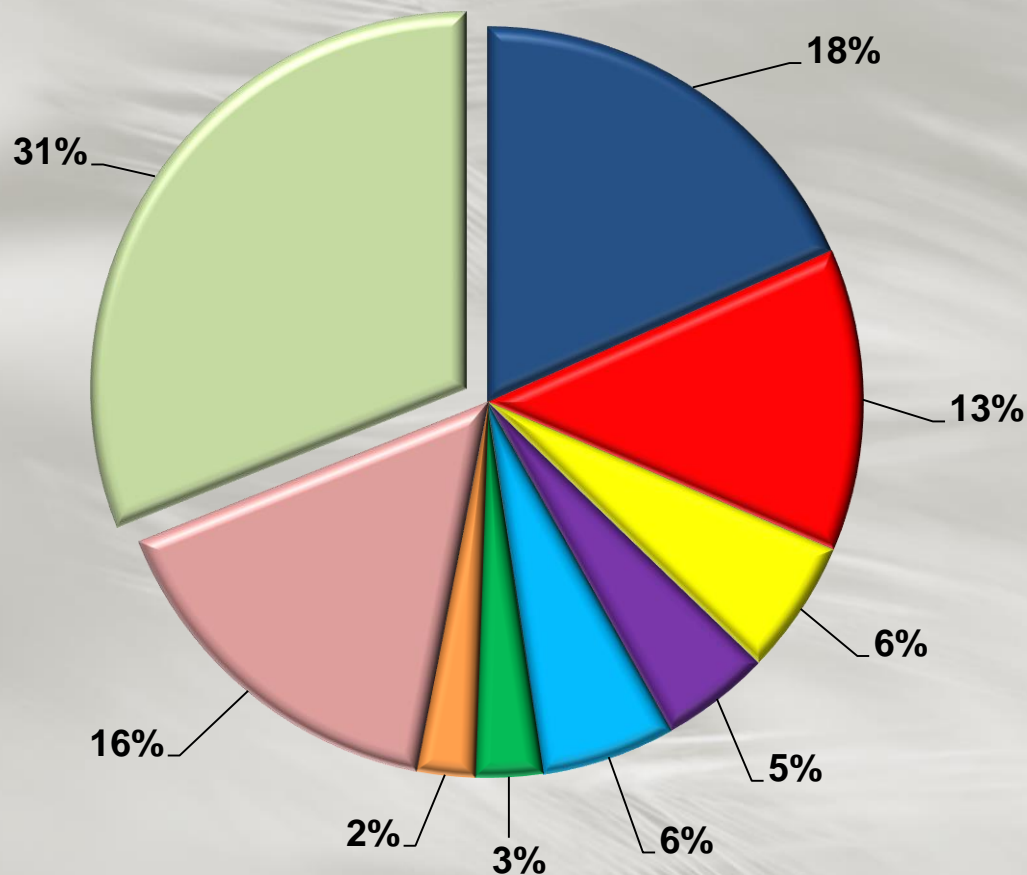


■ Astral ■ RCL ■ Country Bird ■ Daybreak ■ Sovereign ■ Grainfields ■ Chubby Chick ■ Other

Local broiler production ≈ 19.1 million birds per week

Source: Own Estimates

LOCAL BROILER PRODUCTION & MARKET SHARE

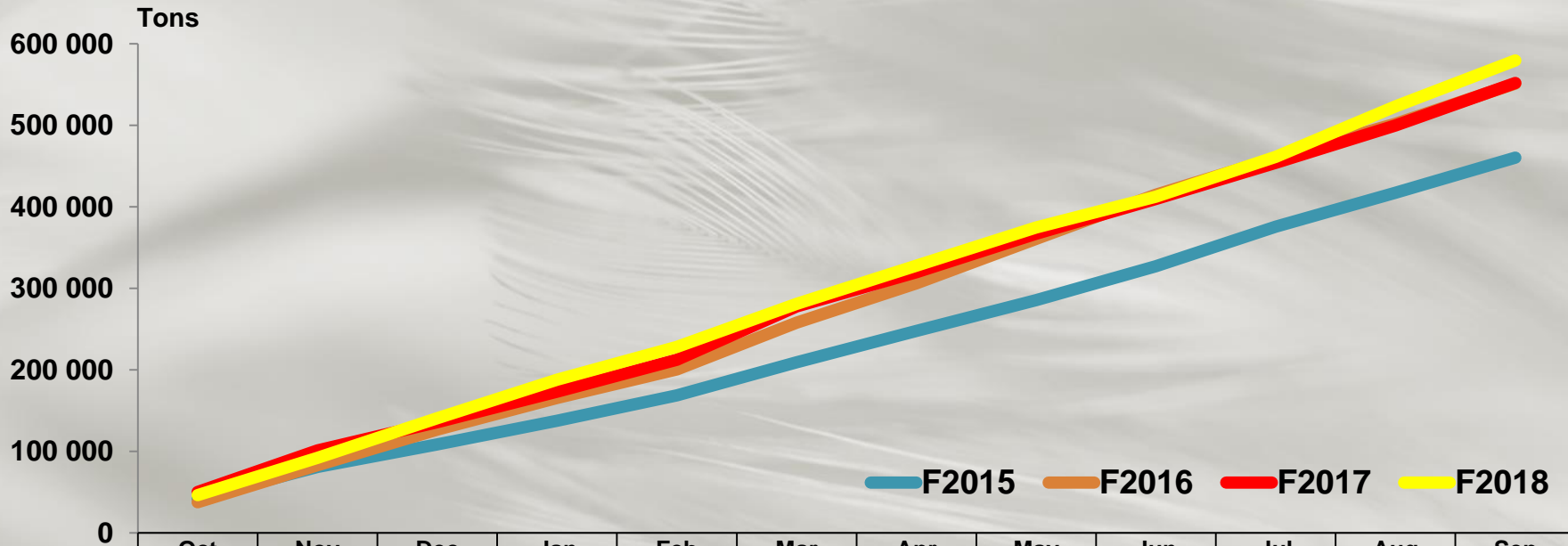


■ Astral ■ RCL ■ Country Bird ■ Daybreak ■ Sovereign ■ Grainfields ■ Chubby Chick ■ Other ■ Imports

**Avg. poultry imports ≈ 8.6 million birds per week
(12 months ending September 2018)**

Source: SAPA & Own Estimates

TOTAL POULTRY IMPORTS (CHICKEN, MDM, TURKEY)



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
F2015	42 363	81 170	108 674	137 660	168 965	209 337	247 672	285 532	327 180	375 717	417 427	460 255
F2016	37 789	83 258	126 866	165 602	200 461	258 134	306 385	360 899	414 947	460 098	502 138	551 209
F2017	50 324	101 279	135 812	173 187	212 399	278 057	319 933	367 106	409 557	453 981	499 952	551 867
F2018	46 348	92 223	140 823	188 065	228 295	281 102	327 753	374 838	412 638	461 454	523 205	579 661

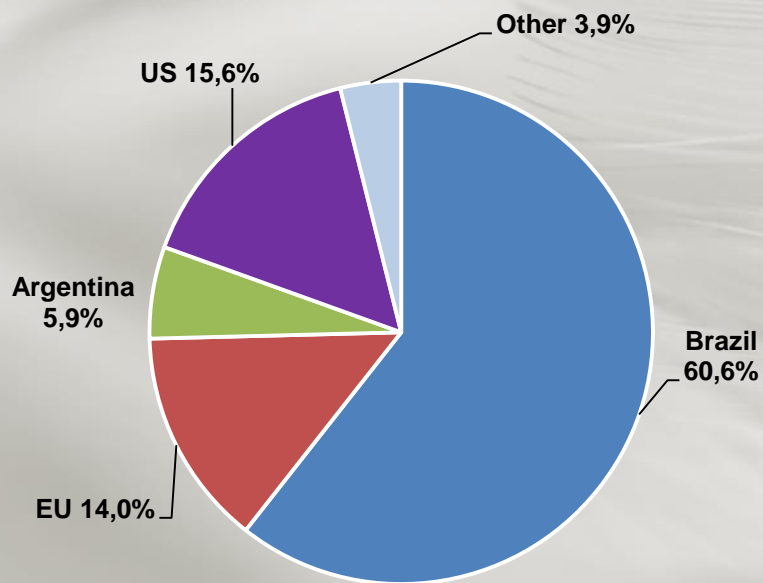
F2017	50 324	50 955	34 533	37 375	39 212	65 658	41 876	47 173	42 451	44 424	45 971	51 915
F2018	46 348	45 875	48 600	47 242	40 230	52 807	46 651	47 085	37 800	48 816	61 751	56 456
% Var	-7,9	-10,0	40,7	26,4	2,6	-19,6	11,4	-0,2	-11,0	9,9	34,3	8,7
bpw*	8,2	8,1	8,6	8,4	7,1	9,4	8,3	8,4	6,7	8,7	11,0	10,0

*bpw ≈ million birds per week

Source: SAPA

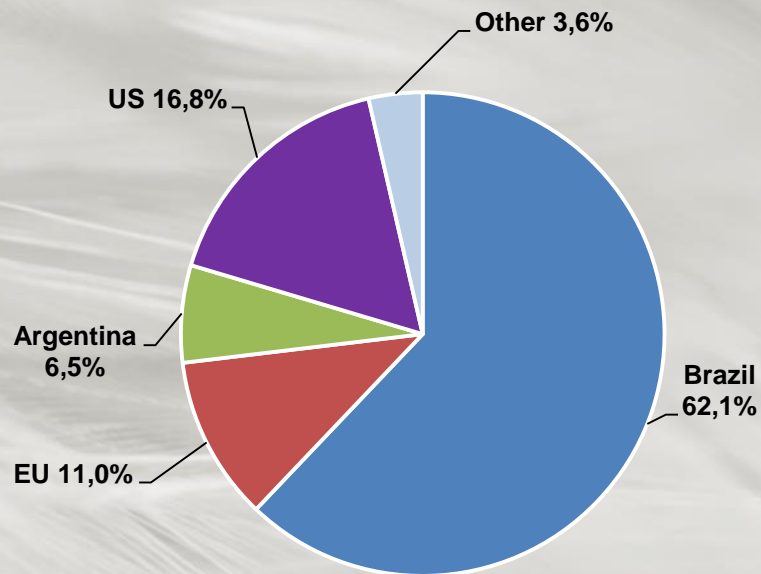
TOTAL POULTRY IMPORTS – COUNTRY OF ORIGIN

Country of origin for poultry imports - 2017



551 867 tons

Country of origin for poultry imports - September 2018 YTD



579 661 tons

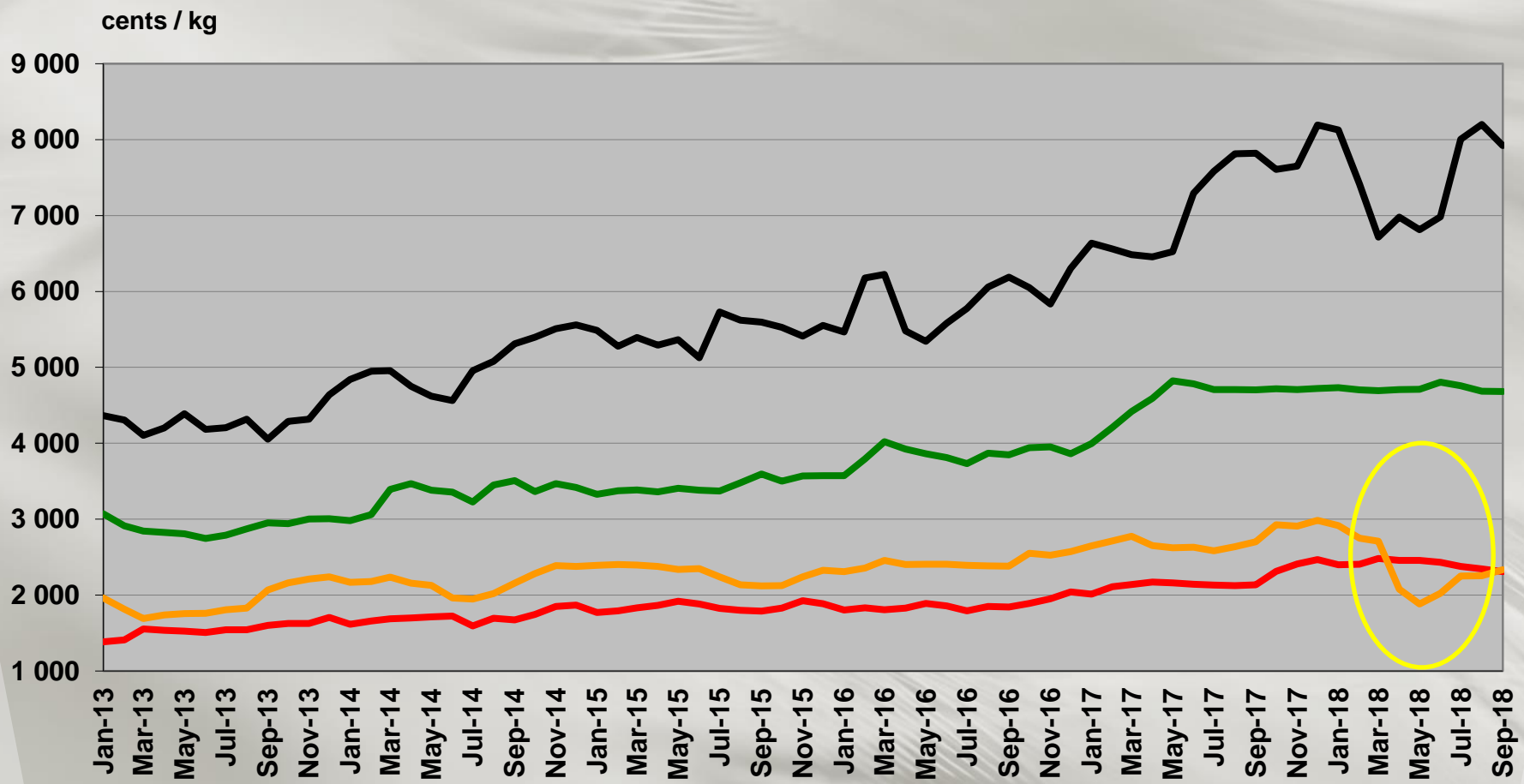
Source: SAPA

TOTAL POULTRY IMPORTS – COUNTRY OF ORIGIN

Country	Imports (tonnes)			
	2015	2016	2017	2018 YTD
Brazil	241 180	233 787	337 476	272 451
Netherlands	61 995	110 344	112	170
United Kingdom	15 985	45 647	1 366	206
Spain	27 090	39 620	11 138	258
United States	331	26 573	87 059	73 837
Belgium	35 613	24 256	23 451	23
Argentina	27 718	18 713	32 816	28 328
Ireland	13 336	15 556	24 746	21 437
Hungary	10 547	13 174	0	0
Denmark	9 508	9 779	16 884	22 388
Canada	131	8 884	14 431	5 342
Germany	554	6 073	134	168
Poland	-	4 773	72	3 292
Thailand	7 616	2 078	4 019	6 254
Chile	408	360	1 770	3 427
Australia	264	254	984	268
France	24 895	105	4	3
Uruguay	182	0	25	359
Switzerland	72	0	0	73
Swaziland	35	0	24	258

Source: SAPA

SOUTH AFRICAN PROTEIN PRICE COMPARISON



	Chicken	Pork	Beef	Mutton
Feed Conversion Rate	1.5	2.2	5.5	5.0
Per Capita Consumption	38,9 kg	4,6 kg	17,8 kg	3.2 kg

Source: SAPA, FNB, Red Meat Industry Forum



INDUSTRY MATTERS

POULTRY IMPORTS

- The EPA (SADC-EU Economic Partnership Agreement) **safeguard for poultry imports from the EU was published on 28 September 2018**
- Under the provision the safeguard duty on EU frozen bone-in portions will be as follows:
 - 35.3% from 28 September 2018 up to and including 11 March 2019
 - 30% from 12 March 2019 up to and including 11 March 2020
 - 25% from 12 March 2020 up to and including 11 March 2021
 - 15% from 12 March 2021 up to and including 11 March 2022
- **This duty levels the playing field** somewhat with imports from **Brazil and the US** that are subject to the 37% import duty currently in place for those exporting countries (plus an anti-dumping duty on the US - for which the AGOA 65 000 ton annual quota is exempt)
- **Imports from the EU over the past 18 months have been substantially lower** than historical levels, from a time where record EU imports were received in November 2016. This is due to the prevalence of highly pathogenic bird flu in many EU countries affecting EU trade with South Africa
- Import volumes previously supplied by the EU have simply been **switched to Brazil, which is currently the largest exporter of poultry products to South Africa**

HIGHLY PATHOGENIC AVIAN INFLUENZA (HPAI)

- **HPAI remains a global challenge**, however, world-wide cases of HPAI in 2018 were much lower when compared to 2017
- In **South Africa, 193 cases of HPAI H5N8** have officially been reported across 8 provinces (Mpumalanga, Limpopo, Gauteng, KwaZulu Natal, Free State, North West, Eastern Cape and Western Cape) over a 14 month period from the **21st of June 2017 to the end of September 2018**
- The number of HPAI H5N8 outbreaks in South Africa has been reported as 33 in commercial chickens (broiler breeders, commercial layers and commercial ducks), 47 on ostrich farms, 80 in wild bird (finches, sparrows, yellow-billed ducks, penguins, terns, white-faced duck, gannets and black swans), 23 cases in birds kept for hobby (and zoos) purposes and 10 in backyard chickens
- **No reported outbreaks of HPAI** were experienced by the **local poultry industry since May 2018**

LISTERIOSIS

- On 5 December 2017 the Minister of Health announced a Listeriosis outbreak in South Africa. This was ultimately declared the worlds **worst Listeriosis outbreak** on record with the death toll exceeding 200 people.
- Through SAPA the **poultry industry engaged with the DOH, NICD, DAFF and DOA** throughout the process, to counter the misrepresentation of the poultry industry as the primary cause for concern, and to ensure pragmatic reaction to the crisis. Production was suspended at one poultry abattoir near Hartebeespoort, but this was not linked to the outbreak strain.
- The **outbreak strain (ST6) was identified in a processed meat facility in Polokwane**, as announced on 4 March 2018. One of South Africa's largest poultry producers was also implicated at the time because the outbreak strain was detected on polony casings, however this could not be traced to their manufacturing facilities.
- Both businesses experienced **severe disruptions to the relevant supply chains**, which also had a delayed secondary impact on both pork and poultry supply.

LISTERIOSIS

- **Astral was not implicated** with the outbreak at any stage. Review of the company's food safety management system, the internationally benchmarked FSSC 22 000 accreditation, proved that the Astral's management of the risk of food borne pathogens is both world class, and robust in execution. This review included three independent evaluations of Astral's Listeria readiness.
- Astral did take **additional precautionary steps** during this period, which have been adopted as the “new normal” going forward. These included:
 - increased testing and analysis for *Listeria*
 - revised cleaning and sanitation protocols
 - revitalization of the company's hygiene campaigns,
 - improvements in processing based on HACCP methodologies
 - Renewed and on going staff training.

SOUTH AFRICAN POULTRY ASSOCIATION (SAPA)

- **SAPA has over the past year undergone a restructuring exercise** reflecting a better organised association more reflective of the industry
- Both the **broiler and layer organisations** in this structure will be independently headed up by **newly appointed General Managers** spearheading specific interests in both areas of the industry
- **Both organisations are managed by appointed boards** consisting of member representatives, the General Manager and a nominated Chairman
- **SAPA is governed by an appointed board** comprising members of both organisations and led by an appointed Chairperson
- **Membership of both organisations has improved markedly** following the restructure, with the broiler membership representing approximately 73% of the local weekly broiler production numbers
- A statutory levy has been approved for the table egg industry, and together with the improved membership of both organisations **SAPA is in a better position to lead important matters of industry interest**

Chris Schutte
Chief Executive Officer

Tel : +27 (0) 12 667 5468
Fax : +27 (0) 86 504 2002
email: Chris.Schutte@astralfoods.com



www.astralfoods.com

Daan Ferreira
Chief Financial Officer

Tel : +27 (0) 12 667 5468
Fax : +27 (0) 86 504 1602
email: Daan.Ferreira@astralfoods.com

