

ASTRAL FOODS LIMITED
"Astral Foods"
(Reg. No. 1978/003194/06)
(Incorporated in the Republic of South Africa)
Share Code: ARL
ISIN Code: ZAE000029757

GENERAL TRADING UPDATE

Astral Foods' earnings per share ("EPS") and headline earnings per share ("HEPS") for its 2019 financial year ended 30 September 2019 ("2019 financial year") are expected to be not more than 60% down on the comparative previous year's reported results of 3 691 cents per share for EPS and 3 712 cents per share for HEPS. EPS will be at least 1 476 cents per share and HEPS at least 1 485 cents per share for the 2019 financial year.

It must be noted that the previous year's results were at a record historical high, benefitting at the time from low feed costs following a record maize crop for the 2017/2018 marketing year, whilst selling prices for poultry products were stronger due to the short supply of broilers to the market following the Avian Influenza outbreak in 2017.

Higher maize prices as a result of a smaller crop during the 2019 financial year, has led to a material increase in feed costs for the 2019 financial year which, together with depressed poultry selling prices, have resulted in significant pressure on profit margins.

Disappointing consumer spending patterns during Astral Foods' 2019 financial year, together with high levels of poultry imports, resulted in average poultry selling prices below that of the comparative period.

In addition to the above, Astral Foods had to absorb additional costs relating to the following:

- Industrial action at its operations in KwaZulu-Natal during the first quarter;
- Widespread electricity load shedding during the second quarter; and
- Disruption of water supply to the poultry processing plant in the Lekwa municipal district (Standerton) during the third quarter.

The above information has not been reviewed or reported on by Astral Foods' auditors. A further trading statement will

be released once reasonable certainty exists on the range of the decrease.

Pretoria

10 October 2019

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited