



County Fair Site Visit

11 June 2015



Astral at a glance



Divisional overview



County Fair development



US poultry imports



Q & A

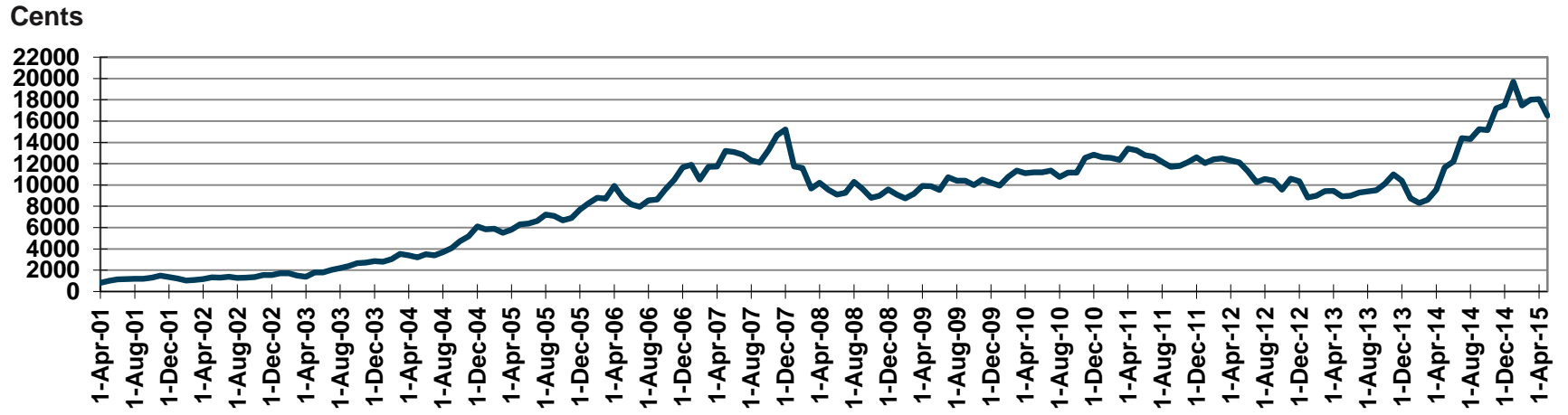


ASTRAL AT A GLANCE



Market information

Listed		April 2001
Year end		30 September
JSE ticker		ARL
Listed exchange		JSE Main Board / Consumer / Food and Beverages / Food Producers
Sub sector		Farming & Fishing
Market cap		R7.1 billion – as at 10 June 2015
NAV		R57.17 per share (March 2015)

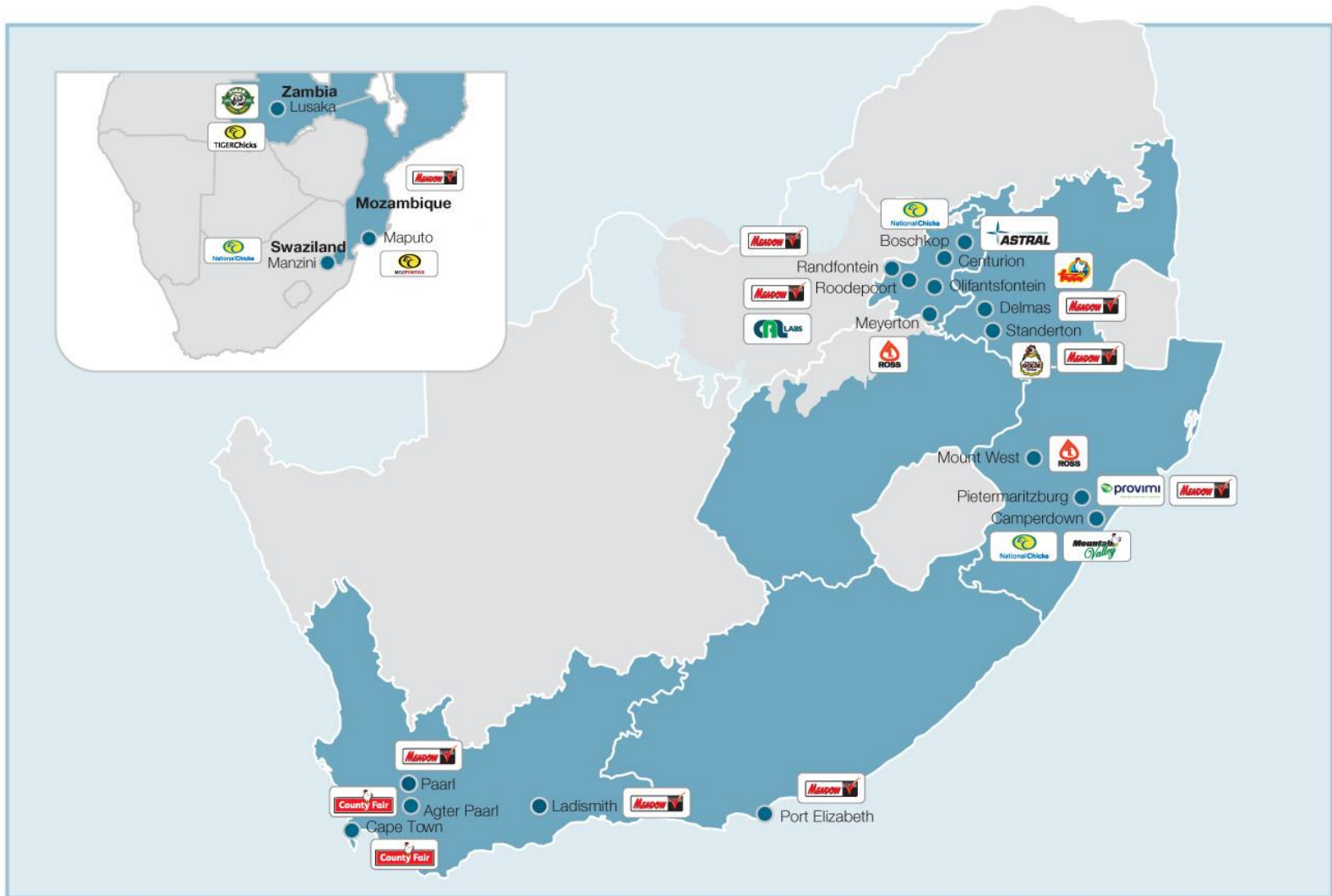


ASTRAL AT A GLANCE – QUICK FACTS

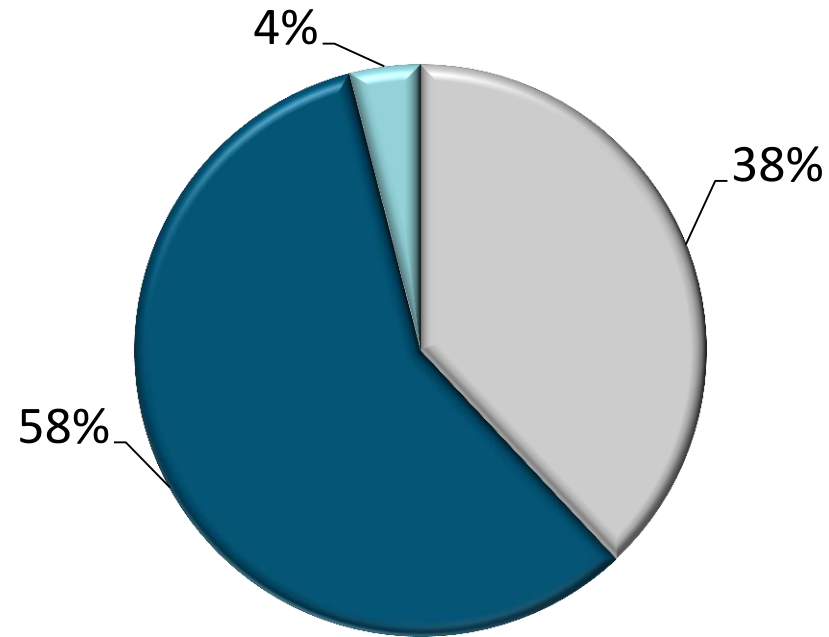


- Astral 14 years old on 9 April 2015
- Top 100 JSE listed company
- Over 4 000 shareholders
- Represented in 4 Southern African countries
- In excess of 11 750 full-time and contract employees
- 7 000 hectares of agricultural and industrial land
- 4 poultry processing plants
- 4 950 000 broilers processed per week

NATIONAL AND REGIONAL FOOTPRINT



ASTRAL SEGMENTAL ANALYSIS – GROSS REVENUE



Poultry



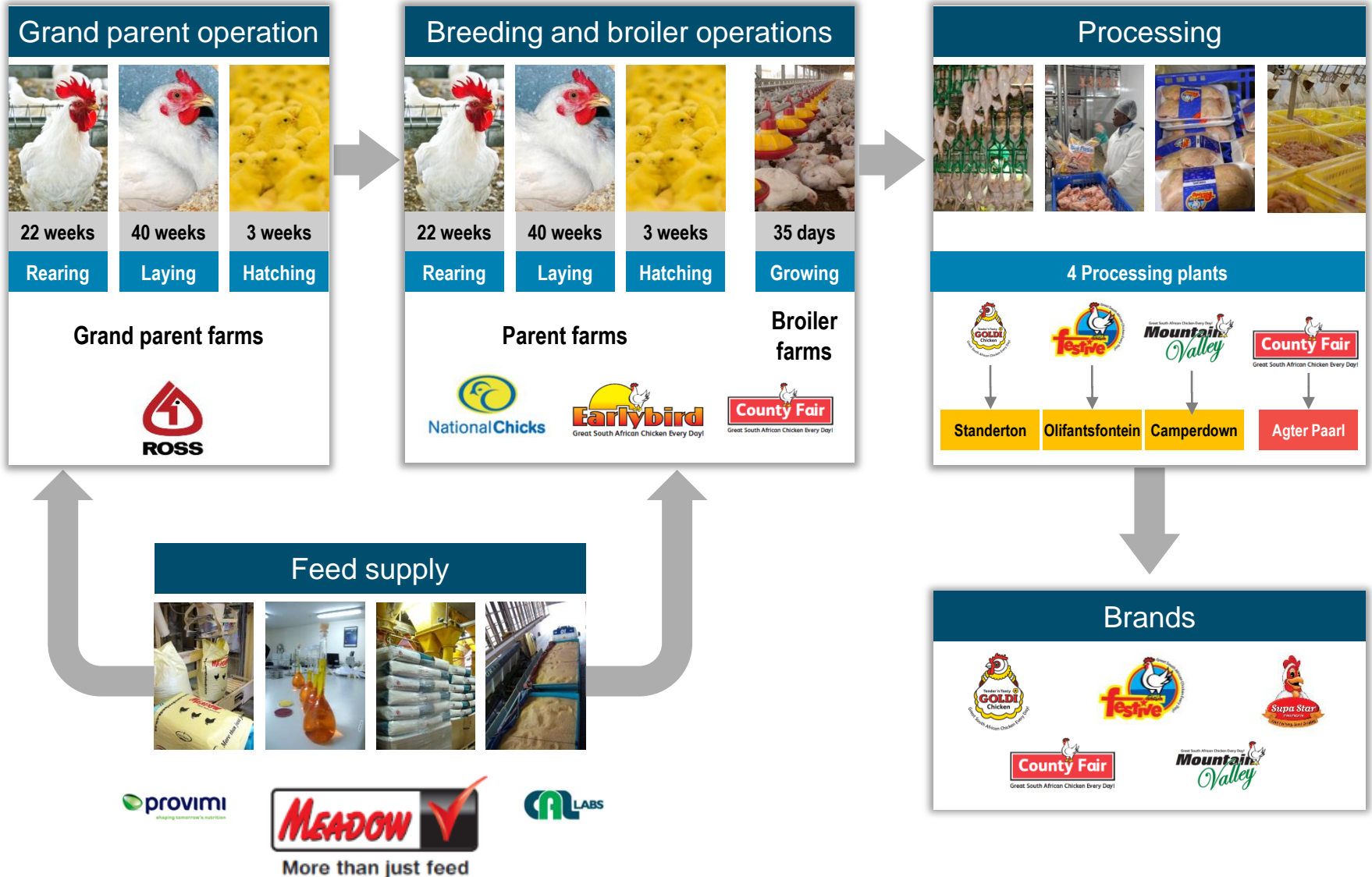
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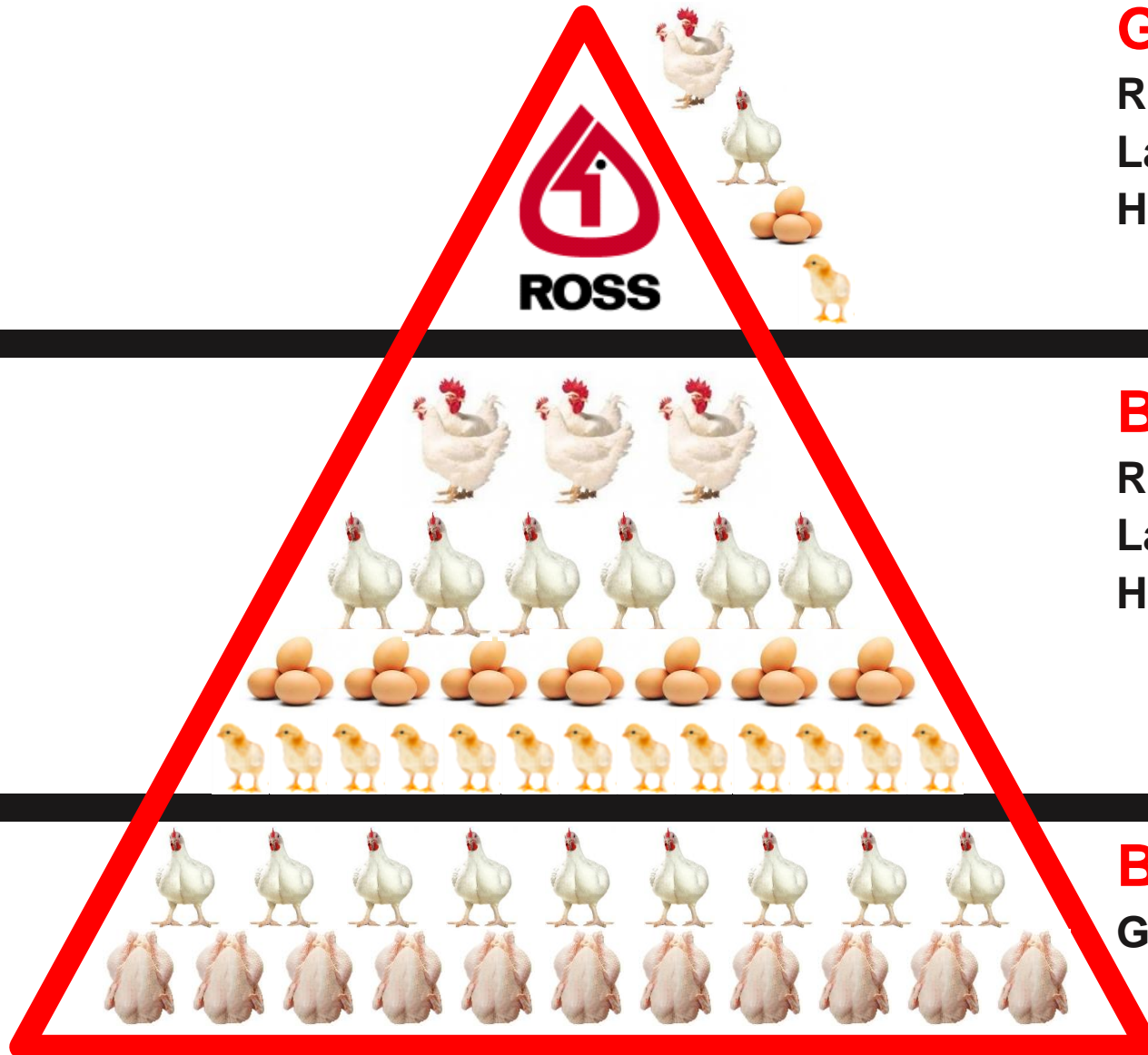
Other Africa



ASTRAL AS AN INTEGRATED POULTRY PRODUCER



POULTRY REARING CYCLE



Grand Parents

Rearing 22 weeks
Laying 40 weeks
Hatching 3 weeks

Breeders

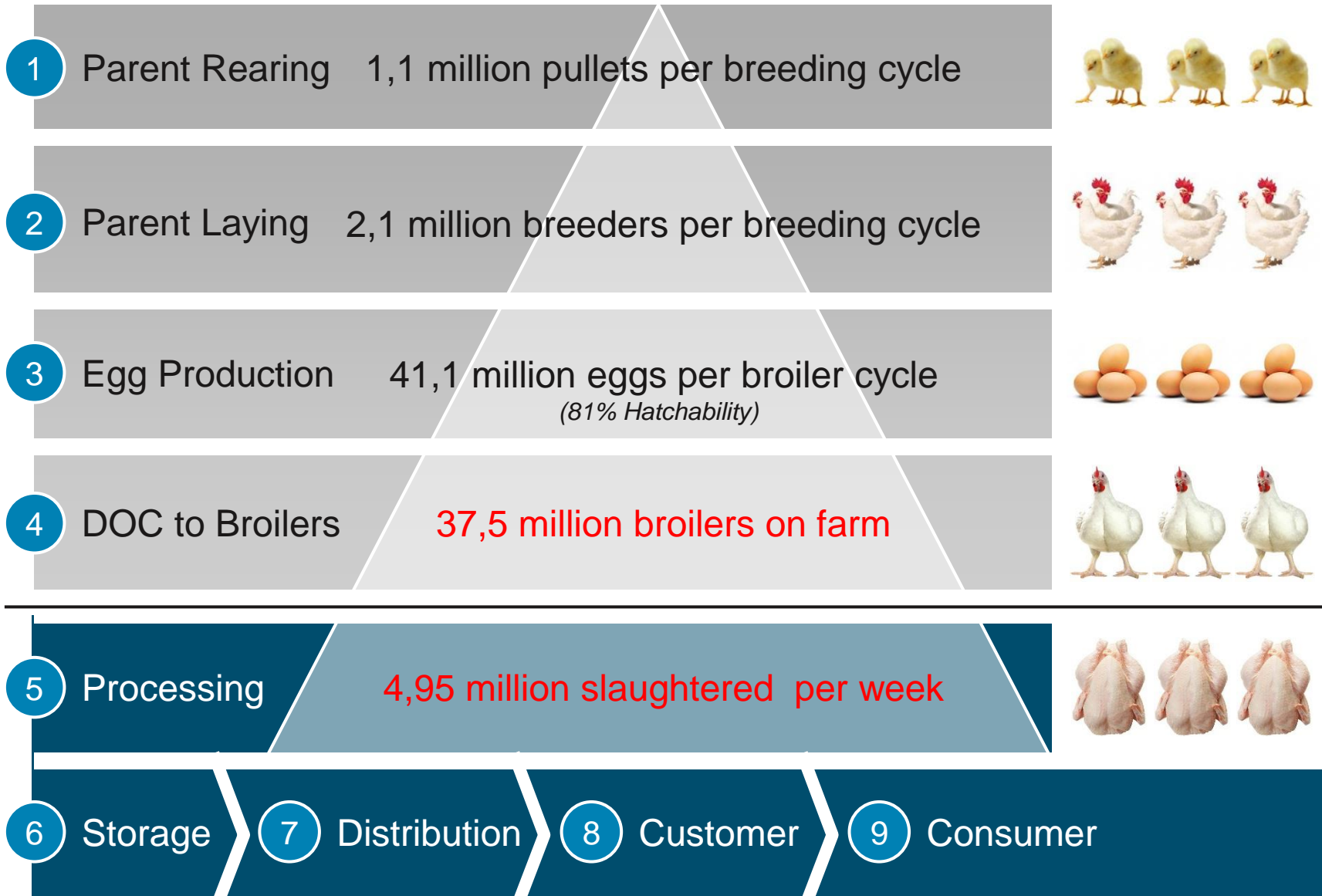
Rearing 22 weeks
Laying 40 weeks
Hatching 3 weeks

Broilers

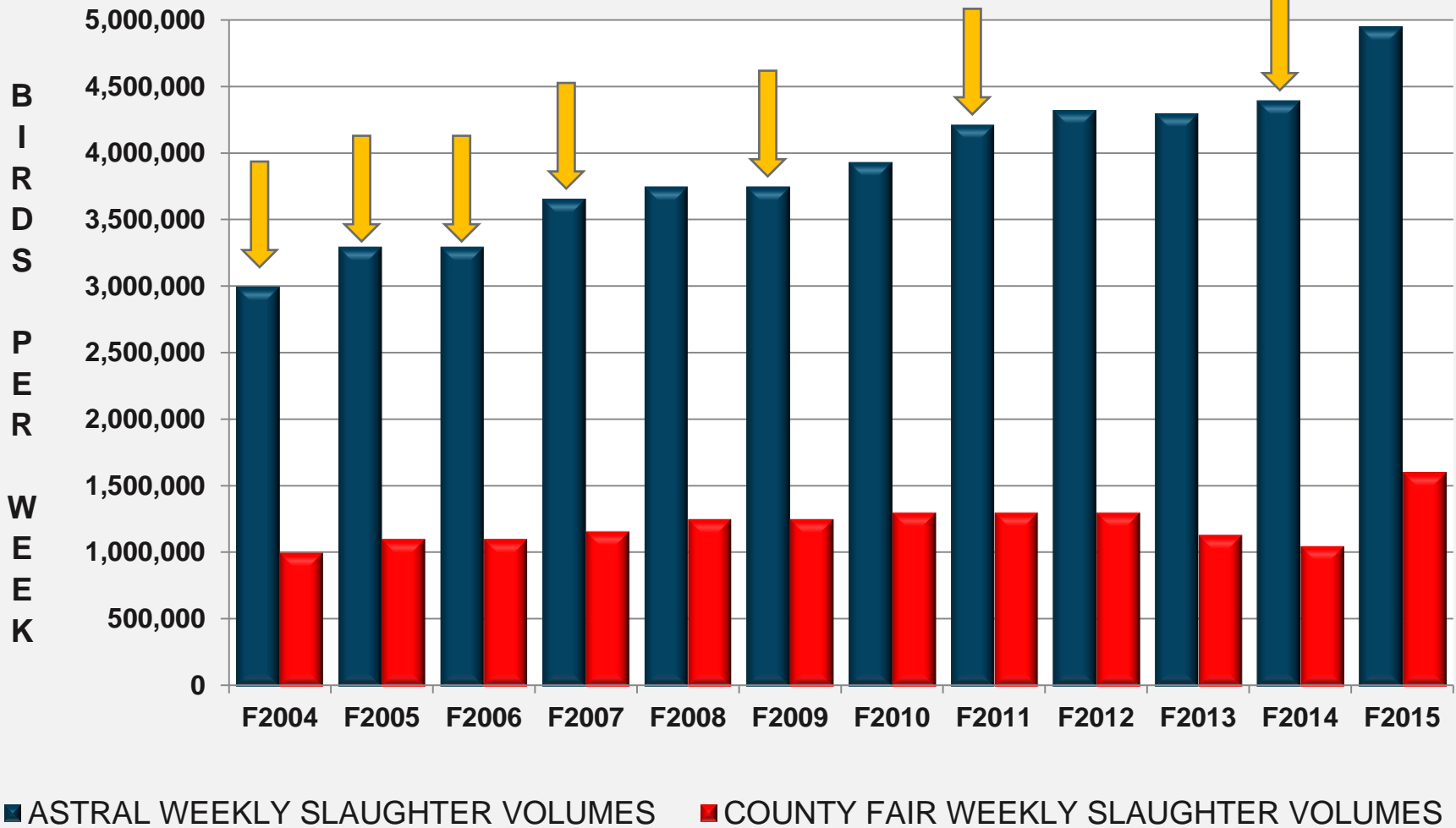
Growing 35 days

2½ years

ASTRAL POULTRY PRODUCTION CHAIN



ASTRAL POULTRY VOLUME GROWTH

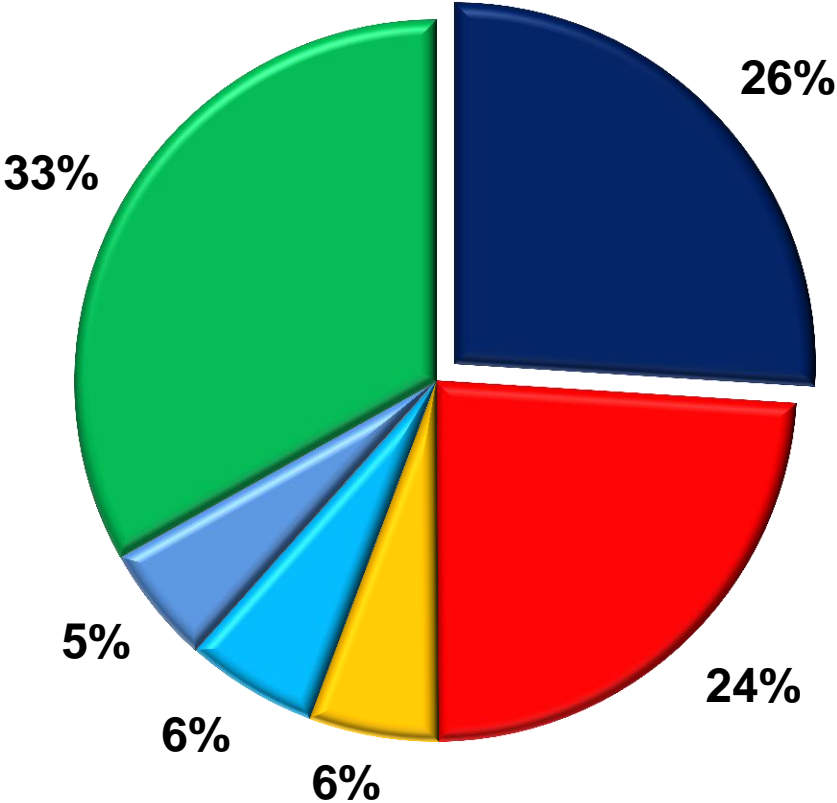


↓ Major capital investment or acquisition

RSA POULTRY INDUSTRY MARKET SHARE



- Local broiler production \approx 19,0 million birds per week



■ Astral ■ Rainbow ■ Country Bird ■ Sovereign ■ Afgri ■ Other



Poultry division



POULTRY DIVISION OVERVIEW



▪ Ross Poultry Breeders



- Sole supplier and distributor of Ross genetics in SA

▪ National Chicks



- Day old chick and hatching egg supplier

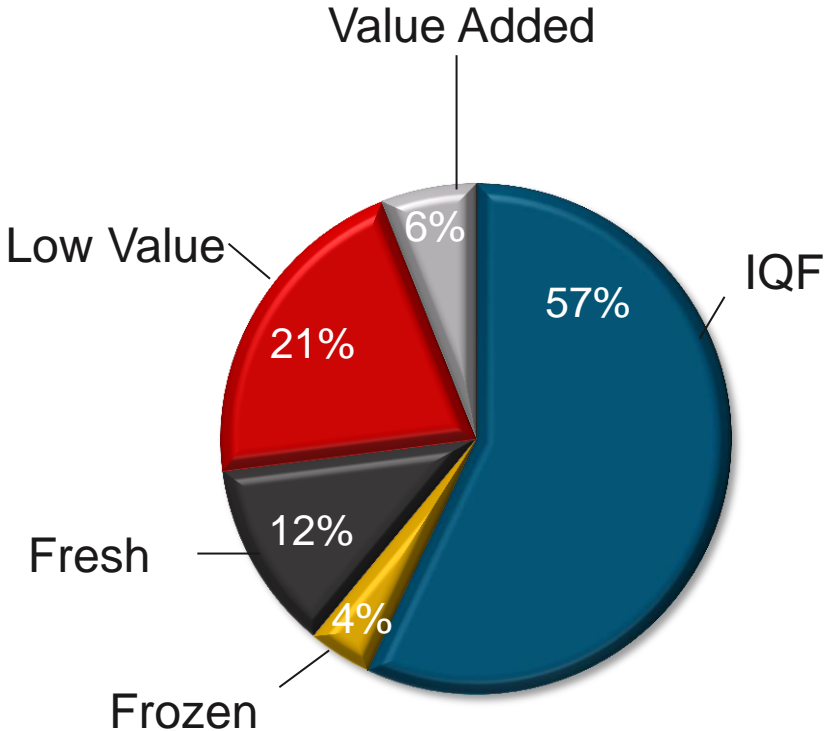
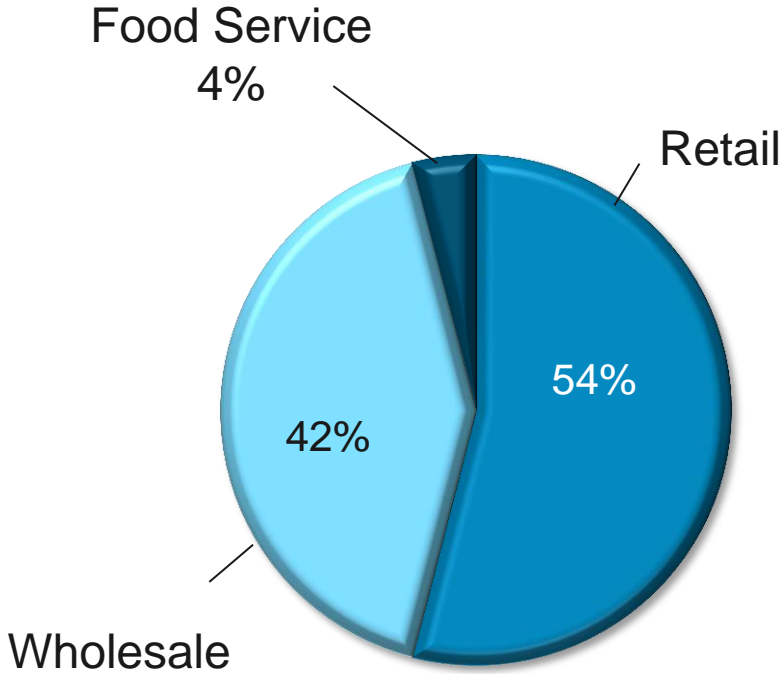
▪ Integrated broiler operations



- Day old chick production
- Broiler production
- Processing
- Distribution
- Sales and marketing

Revenue by sector

Volume by category



PROCESS FLOW AND FURTHER PROCESSING



Receiving & Slaughtering



Live birds → Hang → Stun → Kill → Bleed → Scald → Defeather → Head removal → Feet removal

Evisceration



Hang → Vent drill → Vent slit → EV → Pack removal → Crop drill → Neck crack → Inspection → Wash

Air Chilling



Selection for fresh & frozen → Hang onto 2 separate lines → Chilling process in 2 separate rooms

Processing & Packing

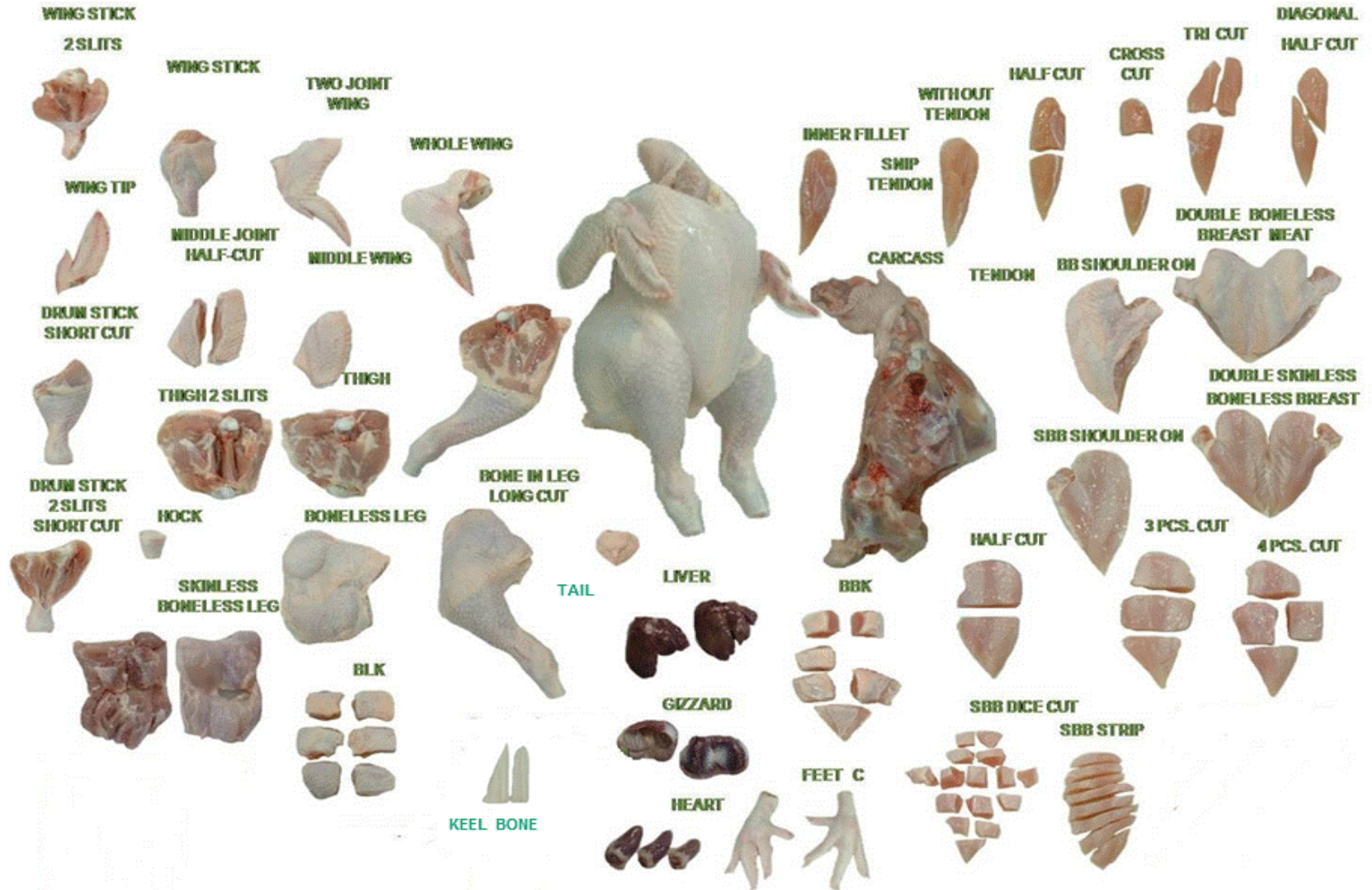


FRESH → Cutting → Packing → Scale & Price → Boxing → Storage → Despatch



IQF → Cutting → Injection → Freezing → Packing → Bagging → Storage → Despatch

BIRD CUT UP DIAGRAM



To improve sensory and functional properties of meat:

- **Sensory**

- Flavour
- Colour
- Succulence
- Tenderness

- **Functional**

- Moisture holding capacity
- Cooked yield

BRINE MARINADE INJECTION



Thursday, June 11 2015 11°C Johannesburg JSE Sens Business Sites Subscribe



South African poultry companies are adding large and unhealthy amounts of salt to pieces of frozen chicken in an attempt to make them look larger and juicier. Picture: THE HERALD

bags of quick-frozen, mixed portions, which cost about R40

Related articles

- Avoid those quick-fix detox diets that fix nothing
- Eating more nuts helps you cheat death, studies find
- Mediterranean diet boosts brain power, study finds

In this article

Companies and organisations:
Department of Health

WITH THREE SHIP WHISKY

ENTER NO

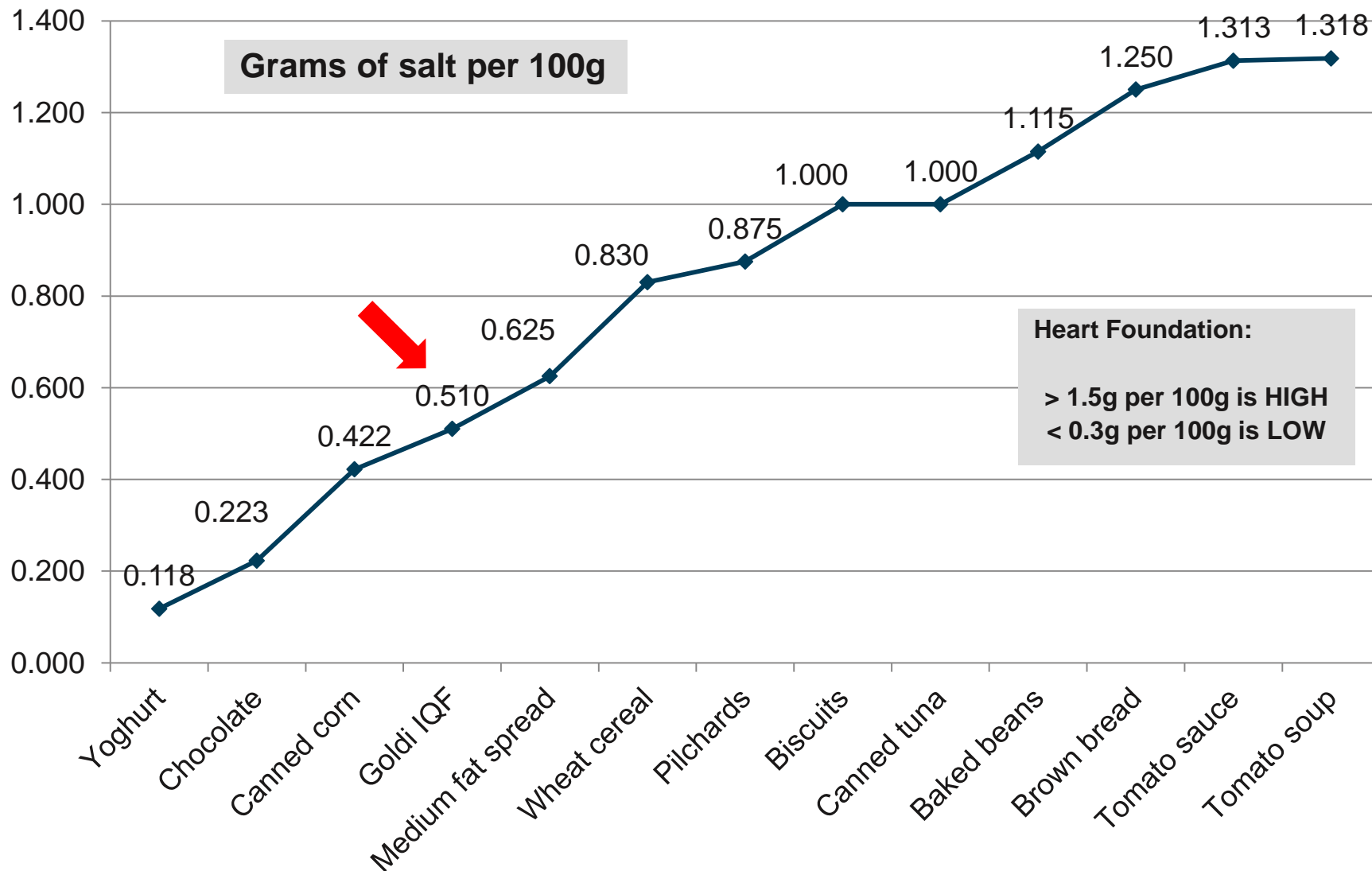


CHICKEN is a family favourite at dinner time in SA, and poor families favour 2kg

MY CONSOLE All data is delayed by 15 min Data supplied by Profile Data

11:05 AM 2015-06-11

LABELLED SALT LEVELS IN SELECTED FOOD PRODUCTS



- A grid or series of needles that force marinade into the tissue under pressure
- Needles are spring loaded and stop penetration upon contact with bone surfaces
- Brine is diffused into raw meat portions



INJECTION EQUIPMENT – ASTRAL PROCESSING





County Fair development



COUNTY FAIR – HOCROFT PROCESSING PLANT



Key Indicator	“Before” Tydstroom	“After” Tydstroom
Factory built	1976	
Slaughter volumes (1976)	350 000 birds per week	
Slaughter volumes	1 050 000	1 600 000
County Fair broiler farms	26	24
Employees on site	950	1 625
Shifts per week	10	11
Continuous shift	No	Yes
Electricity usage	7 Megawatt	8 Megawatt
Fresh processing capacity	580 000 birds per week	880 000 birds per week
Distribution vehicles	44	66
Floor area new extension		2 730 square meters
Capital spent		R85,9 million
Product mix	IQF 40% : Fresh 28%	IQF 36% : Fresh 32%

COUNTY FAIR – TYDSTROOM SUPPLY AGREEMENT



- The Tydstroom negotiations commenced in October 2013
- A supply agreement was concluded and signed on 26 February 2014
- The agreement caters for the supply of 550 000 bpw to County Fair
- Price paid to Quantum based on County Fair live cost
- The first delivery of birds took place on 28 September 2014
- Capital expenditure to the value of R85,9 million was required
- The construction phase of the project commenced in June 2014







FORK-LIFT

B2

H 12241

MODEL 220







FARMBEST
5
PIECE
**FRESH CHICKEN
BRAAIPACK**
UNCOOKED - KEEP
REFRIGERATED BELOW 4°C
SUITABLE FOR HOME FREEZING
- FREEZE ON DAY OF PURCHASE
PRODUCT OF SOUTH AFRICA
SPECIALLY PACKED FOR
SHOPRITE CHECKERS PTY (LTD)
CNR WILLIAM DAES AND
OLD PAARL ROAD, BRACKENFELL 7580
CUSTOMER CARE LINE: 0800 81 81 81 (9:00 - 18:00)



US Poultry Imports



- Agreed quota of 65 000 tons per annum \approx 1 000 000 birds per week
- Agreement covers bone-in portions only i.e. brown meat
- Phase in period of 4 to 6 months due to legislative and administration processes
- 65 000 ton quota will not be subject to the anti-dumping duty
- A 37% ad valorem most favored nation (MFN) import duty will apply
- A portion of the quota will be allocated to historically disadvantaged individuals

General market perception

Astral's response

1

Do chickens grow so fast because they are injected with growth hormones?

- No, definitely not!
- No chickens produced by any of Astral's poultry operations are injected, fed or in any way whatsoever subjected to hormones.
- Desired growth and weight targets are obtained via a perfect combination of superior genetics, scientific nutrition and best farming practices - ethically applied.
- Be assured, eating our chicken products is perfectly safe for you!

2

Are all chickens injected with water before being sold?

- No, not entirely true!
- Our fresh chicken, never frozen, is 100% natural.
- Excess moisture is removed from fresh chicken through an air-chilling process before being packed.
- We do flavour enhance Individually Quick Frozen (IQF) portions with a water-based brine, to improve meat tenderness and succulence by means of a scientifically applied injection method.

General market perception

Astral's response

3

Are chickens restricted from movement by being kept in small wire cages?

- Not true at all!
- Our chickens are raised in large poultry sheds designed to keep them as comfortable as possible.
- Disinfected floors are bedded with wood shavings, sunflower husks or wheat straw which allows them to scratch and move around as they please.
- Unrestricted access to light, clean water and nutritious feed 24 hours a day.

4

Are chickens reared on a diet of maize only?

- Maize, the main energy source in a chicken's diet, comprises approximately 50% of the feed ration.
- Specially formulated protein ingredients, together with key vitamins and minerals, are added creating the perfect balanced diet - fed in the form of easily digested crumbles or pellets.

General market perception

5

The antibiotics administered to chickens – do they remain in the meat and are they dangerous to our health?

Astral's response

- No, not entirely true!
- Antibiotics are administered when necessary through feed intake and under the strict guidance of a registered veterinary practitioner.
- Any incidental antibiotic residues are well within the legislated maximum residual levels (MRL).
- Our standard practice is to withdraw antibiotics from feed according to the manufacturers' guidelines, at least five days prior to slaughter.
- Additionally our independent laboratory tests of the livers and muscles of slaughtered chickens for traces of antibiotic residues.



Thank you

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

PROGRAM FOR THE DAY



Astral invites you to spend the afternoon viewing the recent expansion to our County Fair poultry processing operation in the Western Cape, followed by a fun evening cooking up a storm at The Giggling Gourmet

Thursday, 11 June 2015

<u>Time</u>	<u>Activity</u>
12:00 – 12:30	Registration and light lunch at The Giggling Gourmet 32 Napier Street, De Waterkant, Cape Town
12:30 – 13:15	Presentation by Astral
13:30 – 14:30	Travel to the County Fair processing plant at Hocroft, Durbanville
14:30 – 16:30	Facility tour of poultry processing plant
16:30 – 17:30	Travel back to The Giggling Gourmet
18:00 – late	Fun evening cooking with Jenny Morris

Please note that only 40 delegates can be accommodated on the tour, so to avoid disappointment, please RSVP by Friday, 15 May 2015 to Reneé Botha | renee@kris.co.za or 087-351-3811.

Parking is available across the street in the Cape Quarter Shopping Centre. Kindly indicate your jacket and shoe sizes, as well as any dietary requirements, in your response.

