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23 May 2018

ASX Announcements

Market Guidance Trading Results for Financial Year Ending June 2018

The Company has previously flagged during FY18 that industry conditions had deteriorated due to egg over supply and that there was no immediate relief in sight.

Conditions have not improved and we now expect FY18 EBITDA to be in the range of \$5 to \$6 million, subject to the completion of our annual audit by Ernst & Young.

The egg industry has a history of operating in cycles of over and under supply and during periods of sustained over supply trading conditions are particularly difficult as egg producers struggle to deal with variable demand, diminishing margins and a short shelf life product.

The underlying demand and increasing egg consumption is driven largely by the increase in population plus a greater awareness of the health benefits of eggs. The current imbalance between the underlying demand and supply is impacting our margins and sales volumes and is being exacerbated by the increase in cage free capacity as suppliers move to satisfy the changing requirements of the major retailers.

Bruce De Lacy
Company Secretary