AVI Limited

(Registration number 1944/017201/06)
Share code: AVI
ISIN: ZAE000049433
("AVI" or "the Group")

TRADING UPDATE AND STATEMENT FOR THE SIX MONTHS ENDING 31 DECEMBER 2009

The following update is based on the latest available trading information for the six months ended December 2009 and covers performance for the Group's continuing operations.

Segmental revenue for continuing operations for the six months ended 31 December 2009

Revenue	2009 Rm	2008 Rm	Change %
Entyce beverages	1,179	1,107	6.5
Snackworks	1,136	1,143	-0.1
Chilled & frozen convenience brands*	847	970	-12.7
Fashion brands - personal care	418	378	10.6
Fashion brands - footwear & apparel	464	400	16.0
Corporate	4	5	
GROUP	4,047	4,003	1.1

* = excludes Alpesca

Group revenue for the six months to December 2009 was similar to the comparable period in the prior year. Irvin and Johnson Holding Company (Proprietary) Limited's ("I&J") revenue was 17.1% lower due to a combination of reduced export selling prices and a stronger Rand. Demand for the Group's other food and beverage brands was satisfactory in the context of constrained consumer spending. In some categories revenue growth was muted by tactical price reductions implemented during the second half of the last financial year to support volumes.

AVI's personal care, footwear and apparel brands performed well, benefiting from price increases implemented in the second half of the last financial year as well as volume growth.

The consolidated gross margin to the end of December 2009 was slightly higher than the first half of last year with the benefit of softer commodity prices in some categories but partially offset by lower realised selling prices in I&J and the tactical price reductions referred to above. Selling and administration costs have been well controlled and operating profit margin is in line with that achieved in the same period last year.

Lower average debt levels during the period, combined with lower interest rates, have resulted in a material decrease in net finance charges compared to the same period in the prior year.

Capital items

Results for the first half of the prior year included a R26.4 million profit on the sale of an I&J property and a R23.6 million profit on the disposal of a non-core subsidiary that packed private label teas and coffees. There have been no disposals of material assets during the current period and consequently capital profits are expected to be negligible.

The following statement is made in accordance with Section 3.4 (b) of the Listings Requirements of the JSE Limited:

- Consolidated headline earnings per share for the continuing operations of the Group for the six months ending 31 December 2009 are expected to increase by between 5% and 10% over the comparable period in the prior year;

- Consolidated earnings per share for the continuing operations of the Group for the six months ending 31 December 2009, including net capital gains on the disposal of assets, are expected to reflect a reduction of between 5% and 10% over the comparable period in the prior year.

Discontinued operations

The Board remains committed to disinvesting from the Argentinean hake and shrimp operations conducted by Alpesca s.a. ("Alpesca"), a wholly owned subsidiary of I&J. The recent implementation of a transferable quota system in Argentina, which enhances long term quota security and allows quota to be transferred separately from vessels, is a positive development which should improve value for prospective buyers. Alpesca's hake operation has been materially impacted by lower selling prices into export markets and is expected to make an operating loss for the first half.

AVI anticipates the release of its interim results for the six months ending 31 December 2009 on 8 March 2010.

The information above has not been reviewed and reported on by the Group's auditors.

Illovo
18 January 2010

Sponsor
Standard Bank

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