

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 2008

The following update is based on the latest available trading information for the five months ended November 2008 and covers performance for the Group’s continuing operations.

Segmental revenue for continuing operations for the five months ended 30 November 2008

Revenue	2008 Rm	2007 Rm	Change %
Entyce beverages	744	656	13.4
Snackworks	945	743	27.2
Chilled & frozen convenience brands*	784	666	17.7
Out of home	198	175	13.1
Fashion brands - personal care	322	287	12.2
Fashion brands - footwear & apparel	272	250	8.8
Corporate	4	(1)	
GROUP	3,269	2,776	17.8

* = excludes Alpesca

Group revenue for the five month period to November 2008 was 17.8% higher than in the comparable period of the prior year. Demand for the Group’s food, beverage and personal care brands has remained sound in the context of significant pressure on consumer disposable income. Demand for AVI’s premium footwear brands was adversely impacted by reduced consumer spending and like-for-like revenue, excluding stores not open for a full year, was 10% lower than the same period in the previous year.

Gross margins to the end of November 2008 were generally lower as a result of high commodity and fuel prices and a weaker rand that were not fully recovered due to the phasing of selling price increases. Lower volume growth than in the comparable period of the previous year resulted in less operating leverage over the fixed cost base and some concomitant tightening of operating profit margins. Notwithstanding these pressures and assuming that December trading volumes are as planned, Group operating profit growth is expected to be above 10% for the trading period ended December 2008.

As disclosed in the annual report for the year ended June 2008, the Group’s planned increase in gearing, combined with higher interest rates, has resulted in a material increase in net finance charges compared to the same period in the prior year.

Efforts to disinvest from the Argentinean hake and shrimp operations conducted by Alpesca s.a.(“Alpesca”), a wholly owned subsidiary of Irvin and Johnson Holding Company (Proprietary) Limited (“I & J”) are continuing. The Board remains committed to disinvesting from this asset, but recognises that reduced access to funding for prospective purchasers caused by the global liquidity crisis may extend the planned disposal process. The accounting classification of Alpesca as a discontinued operation that was adopted for the 2008 annual results will be reviewed in February 2009 based on the status of the disposal process at that time. Alpesca recorded a profit for the five

months to November 2008, despite lower hake quota, due to improved shrimp prices and advantageous foreign exchange cover on export sales.

As a consequence of AVI's share buy-back program in the previous financial year, the weighted average number of shares in issue for the six months ended 31 December 2008 is expected to be approximately 4.2% lower than for the six months ended 31 December 2007.

With reference to AVI's response on 17 November 2008 to the announcement by Tiger Brands Limited ("Tiger Brands") of a potential offer for AVI, the Board would like to confirm that it has not received a formal offer from Tiger Brands nor has Tiger Brands initiated any other form of discussion since 17 November 2008.

Assuming that Alpesca remains classified as a discontinued operation, financial results for the six months to December 2008 are expected to fall within the following ranges:

- Consolidated headline earnings per share for the continuing operations of the Group for the six months ending 31 December 2008 are expected to increase by between 5% and 15% over the comparable period in the prior year;
- Consolidated headline earnings per share for the Group's total operations (including Alpesca) for the six months ending 31 December 2008 are expected to increase by between 5% and 15% over the comparable period in the prior year; and
- Consolidated earnings per share for the continuing operations of the Group for the six months ending 31 December 2008, including net capital gains on the disposal of assets, are expected to reflect an improvement of between 5% and 15% over the comparable period in the prior year.

It is expected that AVI will release its interim results for the six months ending 31 December 2008 on 9 March 2009.

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

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24 December 2008

Sponsor
Standard Bank

Enquiries

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