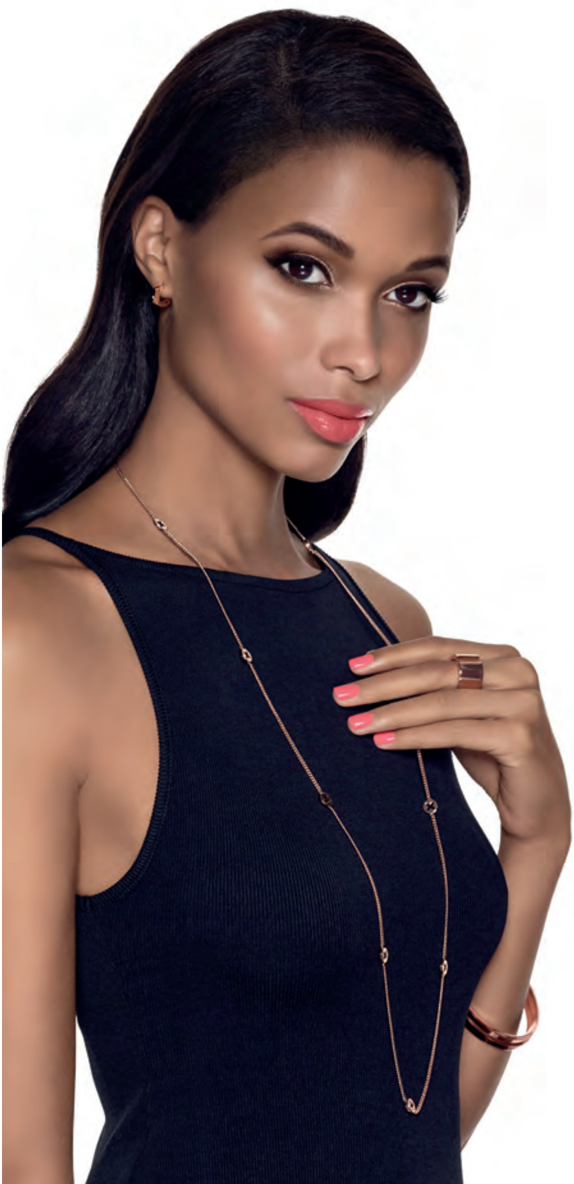
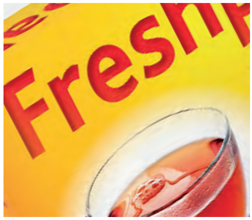
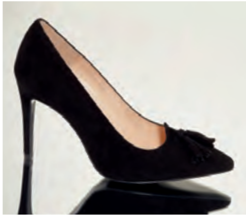
AVI

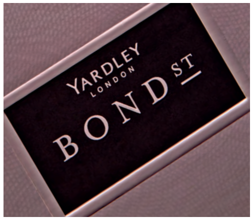
GROWING GREAT BRANDS

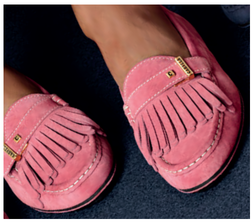
SENS DOCUMENT FOR THE YEAR ENDED 30 JUNE 2017

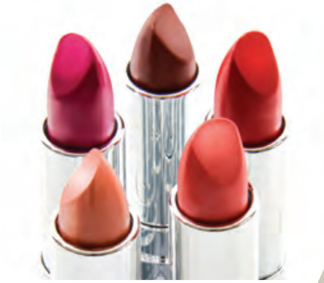


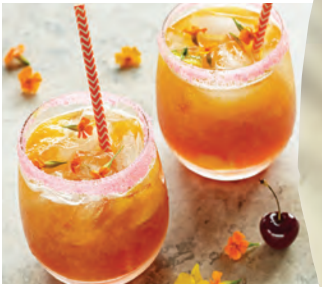


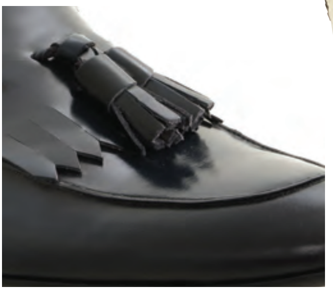


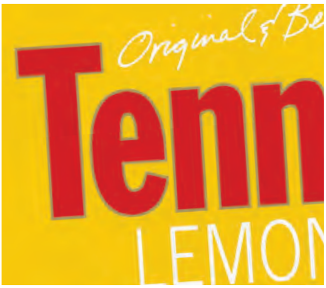


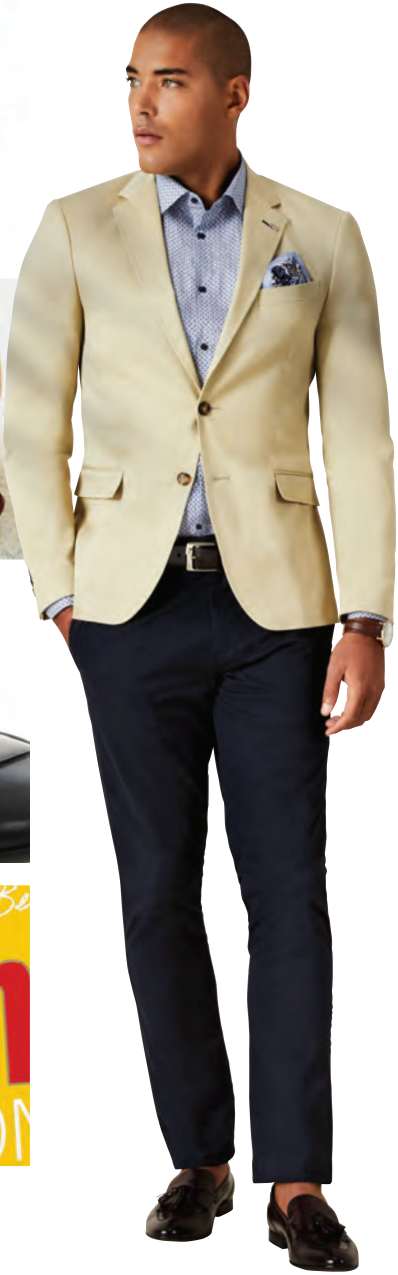












AVI LIMITED

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

For more information, please visit our website:
www.avi.co.za

KEY FEATURES

Sound performance in a challenging environment

Revenue up 8,2% to R13,18 billion

Gross profit margin recovered in second semester

Operating profit up 10,7% to R2,39 billion

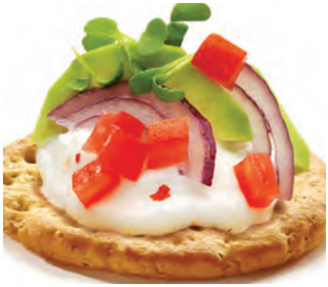
Cash from operations up 8,4% to R2,99 billion

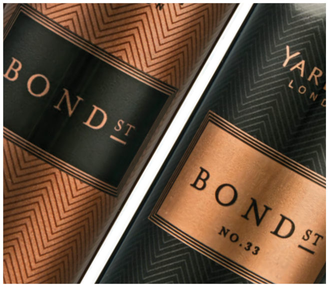
Capital expenditure of R545,6 million

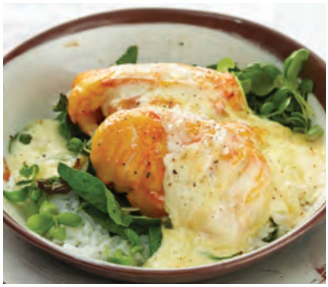
Return on capital employed of 28%

Headline earnings per share up 9,4% to 507,7 cents

Final dividend of 243 cents per share, total normal dividend up 9,5% to 405 cents per share







GROUP OVERVIEW

AVI's high quality brand portfolio underpinned a sound result in a challenging environment characterised by low economic growth and constrained consumer spending.

Group revenue for the year increased by 8,2%, from R12,19 billion to R13,18 billion. Revenue growth was substantially due to higher selling prices in response to weaker Rand exchange rates achieved and higher raw material costs, offset by volume pressure in a constrained spending environment. The impact of Rand weakness in the second half of the prior financial year was deferred into the current year by our consistent hedging practices, with the result that last year's profit margins were protected while we had opportunity to negotiate compensatory selling price increases that have carried into the current year. Gross profit margins were well protected overall, dropping slightly from 43,9% to 43,7%, and recovered in the second semester as exchange rate driven cost pressure eased in line with Rand strengthening during the year. Gross profit rose by 7,8% to R5,76 billion while operating profit increased by 10,7%, from R2,15 billion to R2,39 billion underpinned by the improvement in gross profit and the containment of selling and administrative expenses. The operating profit margin increased from 17,7% to 18,1%.

Entyce and Snackworks both performed soundly, with good growth in operating profit notwithstanding pressure on sales volumes in most categories, and particularly the biscuit category in the second half. Indigo Brands delivered a pleasing result with good performance from owned brands and gains in market shares in key categories. Spitz had a much improved second half supported by lower selling price inflation in line with the stronger Rand, resulting in credible growth for the full year in the current environment. Green Cross was adversely impacted by extensive and sustained discounting of competing product ranges which constrained sales volumes and selling prices, resulting in a slight decrease in operating profit for the year. I&J achieved profit growth mainly from favourable exchange rates, although the result was tempered by an operating profit shortfall of approximately R25 million due to a three week unprotected strike at the trawling operations in August 2016.

Headline earnings rose 10,3%, from R1,49 billion to R1,65 billion with the growth in operating profit and an improved result from I&J's Australian joint venture partially offset by higher finance costs in line with higher interest rates. Headline earnings per share increased 9,4% from 464,1 cents to 507,7 cents with a 0,8% increase in the weighted average number of shares in issue due to the vesting of employee share options, including the AVI Black Staff Empowerment Scheme.

Cash generated by operations, before working capital changes, increased 8,4% to R2,99 billion. Working capital rose R675,0 million, reflecting good trading in May and June and lower raw material creditors due to different timing of deliveries compared to last year. Capital expenditure of R545,6 million, which included capacity and efficiency projects in the manufacturing operations as well as new and refurbished stores in the retail businesses, was materially lower than last year, which included R259,9 million for I&J's new vessels. Other material cash outflows during the period were dividends of R1,24 billion and taxation of R546,7 million. Net debt at the end of June 2017 was R1,44 billion compared to R1,43 billion at the end of June 2016.

DIVIDEND

AVI has maintained a normal dividend payout ratio of 80% of diluted headline earnings dividends. In line with this a final dividend of 243 cents per share has been declared, bringing the total dividend for the year to 405 cents, an increase of 9,5% on last year.

SEGMENTAL REVIEW

Year ended 30 June

	Segmental revenue			Segmental operating profit		
	2017 Rm	2016 Rm	% change	**2017 Rm**	2016 Rm	% change
Food & Beverage brands	**10 076,0**	9 236,9	9,1	**1 790,6**	1 601,8	11,8
Entyce Beverages	**3 757,1**	3 421,9	9,8	**735,1**	661,7	11,1
Snackworks	**3 956,2**	3 643,2	8,6	**666,4**	609,1	9,4
I&J	**2 362,7**	2 171,8	8,8	**389,1**	331,0	17,6
Fashion brands	**3 108,6**	2 950,7	5,4	**607,5**	563,0	7,9
Personal Care	**1 194,5**	1 096,4	8,9	**241,5**	218,0	10,8
Footwear & Apparel	**1 914,1**	1 854,3	3,2	**366,0**	345,0	6,1
Corporate	**–**	1,3		**(12,8)**	(10,2)	
Group	**13 184,6**	12 188,9	8,2	**2 385,3**	2 154,6	10,7

Entyce Beverages

Revenue increased 9,8% to R3,76 billion while operating profit increased 11,1% to R735,1 million with the operating profit margin at 19,6% compared to 19,3% in the prior year.

Tea, Coffee and Creamer all achieved revenue growth from price increases implemented to offset higher raw material costs, including the impact of the weaker Rand exchange rates achieved. Sales volumes decreased due to the constrained environment and higher price points. Gross profit margins were compressed by cost pressure and competitor activity in the creamer and mixed instant coffee categories and were lower than last year, although some easing of pressure was noted in the second semester in line with Rand strengthening. Selling and administrative costs were well controlled, resulting in good growth in operating profit and an improvement in the operating profit margin.

The premium Five Roses and Freshpak tea brands performed commendably at higher price points, while the Hug In A Mug speciality coffee range grew strongly to underpin growth in the coffee business. Profit growth in Tea and Coffee was partially offset by a decline in Creamer profits attributable to aggressive competitor activity that limited selling price increases and sales volumes for most of the year. Despite the decline from last year's record performance, Creamer profit and profit margins remain healthy and second half performance was better than initially predicted.

Snackworks

Revenue of R3,96 billion was 8,6% higher than last year while operating profit rose 9,4%, from R609,1 million to R666,4 million. The operating profit margin increased from 16,7% to 16,8%.

Biscuits revenue grew 7,2% with higher selling prices offset by a 3,7% decrease in sales volumes, reflecting constrained demand at higher price points in the current environment. Snacks revenue increased 13,5% with higher selling prices supported by a 6,1% increase in sales volumes.

Gross profit margin decreased, largely due to higher raw material costs not fully recovered in the biscuit category. The snacks category made good progress on the corn portfolio, gaining volumes profitably and supporting a material improvement in profit. Selling and administrative cost increases were well contained, contributing to the overall growth in operating profit.

I&J

Revenue increased by 8,8% from R2,17 billion to R2,36 billion while operating profit increased from R331,0 million to R389,1 million. The operating profit margin increased from 15,2% to 16,5%.

Revenue growth largely reflects the benefit of the weaker Rand on export sales, with much of the foreign exchange utilised in the year secured in the second half of last year when rates were weaker, as well as selling price increases in both the domestic and export markets. Sales volumes were 6,8% lower than last year, impacted by the unprotected strike in August 2016 and lower quota.

A sound processing performance added to the benefit of the weaker Rand, resulting in a 17,6% increase in operating profit, notwithstanding the unprotected strike which reduced operating profit by approximately R25 million.

Personal Care

Indigo's revenue from owned brands grew by 11,3% with price increases and volume growth from gains in market share in key categories. Total revenue growth was lower at 8,9% due to lower growth in Coty revenue. The gross profit margin decreased due to cost pressure stemming from weaker Rand exchange rates achieved, lower commissions from Coty and sales mix changes. Selling and administrative expenses were well controlled and operating profit grew 10,8% from R218,0 million to R241,5 million. The operating profit margin increased from 19,9% to 20,2%.

Footwear & Apparel

The Footwear & Apparel category increased revenue by 3,2% to R1,91 billion while operating profit increased by 6,1% from R345,0 million to R366,0 million. The operating profit margin increased from 18,6% to 19,1%.

The Spitz and Kurt Geiger brands grew revenue by 2,0% as a result of higher selling prices, offset by lower footwear volumes. Core footwear brands performed well considering the constrained consumer environment, particularly in the second semester when selling prices were left unchanged in recognition of improving Rand exchange rates and considering the material increases implemented in the last financial year. The gross profit margin increased due to easing exchange rate pressure through the second semester and was complemented by effective management of selling and administrative costs. Profit for the second semester was materially higher than for the same period last year, lifting full year growth in operating profit to 6,2%, from R320,2 million to R339,9 million. Operating profit margin for the year increased from 21,8% to 22,7%.

Green Cross revenue grew 9,4% to R371,9 million. Retail revenue increased by 15,5% due to price increases in response to the weaker Rand exchange rates achieved and increased trading space, with four new doors opened in addition to the eight new stores opened in the 2016 financial year. Product assortment and stock replenishment improved and together with new doors helped achieve growth in sales volumes notwithstanding sustained discounting by competitors and the constrained environment. Wholesale revenue declined by 4,7%, reflecting continued volume pressure on this channel as consumers increasingly display a preference to buy higher priced footwear in branded stores. Gross profit margin decreased slightly with selling prices constrained by competitive pressures. Selling and administrative costs increased in line with the number of new doors and operating profit decreased from R27,3 million to R26,8 million.

Profitability is expected to improve as retail trading densities improve and new doors are opened, however an after tax impairment of R108,0 million has been provided against the Green Cross trademark in recognition of the longer period required to grow the business to its target profitability.

OUTLOOK

The trading environment is likely to remain difficult in the year ahead, with little prospect of meaningful improvement in consumer spending and increasing competition in categories with low, or even negative, growth. We will continue to react quickly to market changes as we pursue the most appropriate balance of price, sales volumes and profit margins for each of our brands.

Our brands remain healthy and appealing to consumers and we will continue to invest in capabilities that underpin our manufacturing capacity, product quality and service levels. Where appropriate organisational structures and fixed overhead costs have been revised to improve operational effectiveness and reduce our cost base. These cost savings together with exchange rates secured at better levels than last year underpin AVI's opportunity to continue to grow earnings in the year ahead, provided that consumer demand is reasonable. AVI International, supported by our South African manufacturing capabilities, continues to build our brands' shares in export markets whilst sustaining strong profit margins.

I&J's prospects remain materially dependent on exchange rates and fishing performance. Notwithstanding the stronger Rand, taking account of currency hedges and assuming reasonably consistent catch rates, I&J should be able to achieve another sound performance supported by improved sales mix, increases in export selling prices and without a recurrence of the unprotected strike experienced in August 2016.

The Board is confident that AVI remains well positioned to compete effectively; prudently manage fixed and variable costs; and, recognising the challenging environment, be alert for appropriate acquisition opportunities both domestically and regionally.

The above outlook statements have not been reviewed or reported on by AVI's auditors.

Gavin Tipper
Chairman
11 September 2017

Simon Crutchley
CEO

PRELIMINARY SUMMARISED CONSOLIDATED BALANCE SHEET

	Audited at 30 June 2017 Rm	2016 Rm
Assets		
Non-current assets		
Property, plant and equipment	**3 480,8**	3 352,4
Intangible assets and goodwill	**994,0**	1 145,4
Investments	**376,9**	414,5
Deferred taxation	**24,1**	24,6
	4 875,8	4 936,9
Current assets		
Inventories and biological assets	**2 068,8**	1 889,6
Trade and other receivables including derivatives	**2 074,9**	1 895,5
Cash and cash equivalents	**246,7**	309,1
	4 390,4	4 094,2
Total assets	**9 266,2**	9 031,1
Equity and liabilities		
Capital and reserves	**4 851,7**	4 489,5
Total equity	**4 851,7**	4 489,5
Non-current liabilities		
Operating lease straight-line liabilities	**12,8**	10,6
Employee benefits	**379,7**	342,9
Deferred taxation	**375,6**	354,9
	768,1	708,4
Current liabilities		
Current borrowings	**1 690,8**	1 737,7
Trade and other payables including derivatives	**1 925,8**	2 081,7
Current tax liabilities	**29,8**	13,8
	3 646,4	3 833,2
Total equity and liabilities	**9 266,2**	9 031,1
Net debt*	**1 444,1**	1 428,6
Return on capital employed (%)**	**28,0**	27,9

* *Comprises current borrowings less cash and cash equivalents.*

** *Operating profit before capital items and after taxation, as a percentage of average capital employed.*

PRELIMINARY SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited year ended 30 June		
	2017 Rm	2016 Rm	% change
Revenue	**13 184,6**	12 188,9	8,2
Cost of sales	**(7 422,4)**	(6 842,3)	8,5
Gross profit	**5 762,2**	5 346,6	7,8
Selling and administrative expenses	**(3 376,9)**	(3 192,0)	5,8
Operating profit before capital items	**2 385,3**	2 154,6	10,7
Interest received	**5,1**	6,5	(21,5)
Finance costs	**(157,5)**	(135,9)	15,9
Share of equity accounted earnings of joint ventures	**63,2**	58,1	8,8
Capital items	**(127,5)**	(14,3)	791,6
Profit before taxation	**2 168,6**	2 069,0	4,8
Taxation	**(615,4)**	(587,8)	4,7
Profit for the year	**1 553,2**	1 481,2	4,9
Profit attributable to:			
Owners of AVI	**1 553,2**	1 481,2	4,9
Other comprehensive income, net of tax	**(59,2)**	114,3	(151,8)
Items that are or may be subsequently reclassified to profit or loss			
Foreign currency translation differences	**(37,5)**	75,1	
Cash flow hedging reserve	**(8,7)**	15,8	
Taxation on items that are or may be subsequently reclassified to profit or loss	**2,4**	(4,4)	
Items that will never be reclassified to profit or loss			
Actuarial (loss)/gain recognised	**(21,4)**	38,6	
Taxation on items that will never be reclassified to profit or loss	**6,0**	(10,8)	
Total comprehensive income for the year	**1 494,0**	1 595,5	(6,4)
Total comprehensive income attributable to:			
Owners of AVI	**1 494,0**	1 595,5	(6,4)
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit	**397,4**	350,2	13,5
Earnings per share			
Basic earnings per share (cents)#	**479,0**	460,7	4,0
Diluted earnings per share (cents)##	**475,2**	455,4	4,3
Headline earnings per share (cents)#	**507,7**	464,1	9,4
Diluted headline earnings per share (cents)##	**503,6**	458,8	9,8

 # Basic earnings and headline earnings per share are calculated on a weighted average of 324 230 182 (30 June 2016: 321 536 201) ordinary shares in issue.

Diluted earnings and diluted headline earnings per share are calculated on a weighted average of 326 828 137 (30 June 2016: 325 220 785) ordinary shares in issue.

PRELIMINARY SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited year ended 30 June		
	2017 Rm	2016 Rm	% change
Operating activities			
Cash generated by operations before working capital changes	**2 993,6**	2 761,8	8,4
Increase in working capital	**(675,0)**	(469,3)	43,8
Cash generated by operations	**2 318,6**	2 292,5	1,1
Interest paid	**(157,5)**	(135,9)	15,9
Taxation paid	**(546,7)**	(508,6)	7,5
Net cash available from operating activities	**1 614,4**	1 648,0	(2,0)
Investing activities			
Interest received	**5,1**	6,5	(21,5)
Property, plant and equipment acquired	**(545,6)**	(881,8)	(38,1)
Additions to intangible assets	**(2,3)**	(2,4)	(4,2)
Proceeds from disposals of property, plant and equipment	**18,0**	10,2	76,5
Movement in joint ventures	**79,1**	53,3	48,4
Net cash used in investing activities	**(445,7)**	(814,2)	(45,3)
Financing activities			
Proceeds from shareholder funding	**63,3**	56,3	12,4
Short-term funding (repaid)/raised	**(46,9)**	72,6	(164,6)
Ordinary dividends paid	**(1 244,5)**	(1 126,9)	10,4
Net cash used in financing activities	**(1 228,1)**	(998,0)	23,1
Decrease in cash and cash equivalents	**(59,4)**	(164,2)	(63,8)
Cash and cash equivalents at beginning of year	**309,1**	462,5	(33,2)
	249,7	298,3	(16,3)
Translation of cash equivalents of foreign subsidiaries	**(3,0)**	10,8	(127,8)
Cash and cash equivalents at end of year	**246,7**	309,1	(20,2)
Movement in net debt			
Opening balance	**1 428,6**	1 202,6	18,8
Short-term funding (repaid)/raised	**(46,9)**	72,6	(164,6)
Decrease in cash and cash equivalents	**59,4**	164,2	(63,8)
Translation of cash equivalents of foreign subsidiaries	**3,0**	(10,8)	127,8
Net debt	**1 444,1**	1 428,6	1,1

PRELIMINARY SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital and premium Rm	Treasury shares Rm	Reserves Rm	Retained earnings Rm	Total equity Rm
Year ended 30 June 2017					
Balance at 1 July 2016	114,3	(435,9)	456,7	4 354,4	4 489,5
Profit for the year	–	–	–	1 553,2	1 553,2
Other comprehensive income					
Foreign currency translation differences	–	–	(37,5)	–	(37,5)
Actuarial losses recognised, net of tax	–	–	(15,4)	–	(15,4)
Cash flow hedging reserve, net of tax	–	–	(6,3)	–	(6,3)
Total other comprehensive income	–	–	(59,2)	–	(59,2)
Total comprehensive income for the year	–	–	(59,2)	1 553,2	1 494,0
Transactions with owners, recorded directly in equity					
Share-based payments	–	–	28,0	–	28,0
Group share scheme recharge	–	–	21,4	–	21,4
Dividends paid	–	–	–	(1 244,5)	(1 244,5)
Issue of ordinary shares to AVI Share Trusts	166,0	(166,0)	–	–	–
Own ordinary shares sold by AVI Share Trusts	–	60,0	–	3,3	63,3
Transfer between reserves	–	–	0,3	(0,3)	–
Total contributions by and distributions to owners	166,0	(106,0)	49,7	(1 241,5)	(1 131,8)
Balance at 30 June 2017	**280,3**	**(541,9)**	**447,2**	**4 666,1**	**4 851,7**
Year ended 30 June 2016					
Balance at 1 July 2015	79,2	(453,7)	330,5	3 984,5	3 940,5
Profit for the year	–	–	–	1 481,2	1 481,2
Other comprehensive income					
Foreign currency translation differences	–	–	75,1	–	75,1
Actuarial gains recognised, net of tax	–	–	27,8	–	27,8
Cash flow hedging reserve, net of tax	–	–	11,4	–	11,4
Total other comprehensive income	–	–	114,3	–	114,3
Total comprehensive income for the year	–	–	114,3	1 481,2	1 595,5
Transactions with owners, recorded directly in equity					
Share-based payments	–	–	15,0	–	15,0
Group share scheme recharge	–	–	9,1	–	9,1
Dividends paid	–	–	–	(1 126,9)	(1 126,9)
Issue of ordinary shares to AVI Share Trusts	35,1	(35,1)	–	–	–
Own ordinary shares sold by AVI Share Trusts	–	52,9	–	3,4	56,3
Transfer between reserves	–	–	(12,2)	12,2	–
Total contributions by and distributions to owners	35,1	17,8	11,9	(1 111,3)	(1 046,5)
Balance at 30 June 2016	**114,3**	**(435,9)**	**456,7**	**4 354,4**	**4 489,5**

NOTES TO THE PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

AVI Limited ("AVI" or the "Company") is a South African registered company. These preliminary summarised consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in joint ventures.

1. Basis of preparation

The preliminary summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by IAS 34 – *Interim Financial Reporting*.

The accounting policies used in the preparation of the preliminary summarised consolidated financial statements were derived and are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The preliminary summarised consolidated financial statements are prepared in millions of South African Rand ("Rm") on the historical cost basis, except for derivative financial instruments, biological assets and liabilities for cash settled share-based payment arrangements, which are measured at fair value.

The Group has adopted the following new accounting standards, including any consequential amendments to other standards, in the preparation of these results, all of which became effective to the Group from 1 July 2016:

– Amendments to IAS 1 (*Disclosure Initiative*)

– Annual improvements to IFRSs: 2012 – 2014 (various standards)

Amendments to IAS 1 (*Disclosure Initiative*)

The amendments were published by the IASB to provide clarification to IAS 1 – *Presentation of Financial Statements*. These amendments aim to improve presentation and disclosures in financial reporting to address both the preparers as well as the users concerns.

Annual improvements to IFRSs: 2012 – 2014 (various standards)

The new cycles of improvements form part of the IASB's annual improvements process to make non-urgent but necessary amendments to IFRS. Amendments have been made to a total of four standards.

The implementation of these improvements has not had a significant impact on the Group's results.

The remaining standards, amendments and interpretations, which became effective in the period ended 30 June 2017 were assessed for applicability to the Group and management concluded that they were not applicable to the business of the Group and consequently will have no impact.

2. Segmental results

	Audited year ended 30 June		
	2017 Rm	2016 Rm	% change
Segmental revenue			
Food & Beverage brands	**10 076,0**	9 236,9	9,1
Entyce Beverages	**3 757,1**	3 421,9	9,8
Snackworks	**3 956,2**	3 643,2	8,6
I&J	**2 362,7**	2 171,8	8,8
Fashion brands	**3 108,6**	2 950,7	5,4
Personal Care	**1 194,5**	1 096,4	8,9
Footwear & Apparel	**1 914,1**	1 854,3	3,2
Corporate and consolidation	**–**	1,3	
Group	**13 184,6**	12 188,9	8,2
Segmental operating profit before capital items			
Food & Beverage brands	**1 790,6**	1 601,8	11,8
Entyce Beverages	**735,1**	661,7	11,1
Snackworks	**666,4**	609,1	9,4
I&J	**389,1**	331,0	17,6
Fashion brands	**607,5**	563,0	7,9
Personal Care	**241,5**	218,0	10,8
Footwear & Apparel	**366,0**	345,0	6,1
Corporate and consolidation	**(12,8)**	(10,2)	
Group	**2 385,3**	2 154,6	10,7

3. Determination of headline earnings

	Audited year ended 30 June 2017 Rm	2016 Rm	% change
Profit for the year attributable to owners of AVI	**1 553,2**	1 481,2	4,9
Total capital items after taxation	**(92,8)**	(11,0)	
Net gain/(loss) on disposal of property, plant and equipment	**9,7**	(11,3)	
Impairment of property, plant and equipment	**(2,3)**	(3,0)	
Impairment of Green Cross trademark*	**(150,0)**	–	
Joint venture capital profit	**15,1**	–	
Taxation attributable to capital items	**34,7**	3,3	
Headline earnings	**1 646,0**	1 492,2	10,3
Headline earnings per ordinary share (cents)	**507,7**	464,1	9,4
Diluted headline earnings per ordinary share (cents)	**503,6**	458,8	9,8

	Number of shares	Number of shares	% change
Weighted average number of ordinary shares	**324 230 182**	321 536 201	0,8
Weighted average diluted number of ordinary shares	**326 828 137**	325 220 785	0,5

** The Green Cross trademark of R399,7 million was recognised on acquisition of the business on 1 March 2012. As part of the annual review of the carrying amounts of trademarks with indefinite useful lives, an impairment of R150 million has been raised against the trademark in recognition of the longer period required to grow the business to AVI's target profitability in the current constrained environment.*

4. Commitments

	Audited year ended 30 June	
	2017 Rm	2016 Rm
Capital expenditure commitments for property, plant and equipment	**351,8**	327,4
Contracted for	**97,6**	183,9
Authorised but not contracted for	**254,2**	143,5

It is anticipated that this expenditure will be financed by cash resources, cash generated from operating activities and existing borrowing facilities. Other contractual commitments have been entered into in the normal course of business.

5. Fair value classification and measurement

The Group measures derivative foreign exchange contracts, fuel swaps and biological assets at fair value.

The fair value of foreign exchange contracts and fuel swaps is determined based on inputs as described in Level 2 of the fair value hierarchy being quotes from financial institutions. Similar contracts are traded in an active market and the quotes reflect the actual transactions on similar instruments. The carrying values of all other financial assets or liabilities approximate their fair values based on the nature or maturity period of the financial instrument.

Biological assets comprise abalone which is farmed by I&J. These assets are disclosed as Level 3 financial instruments with their fair value determined using a combination of the market comparison and cost technique as prescribed by IAS 41.

There were no transfers between Levels 1, 2 or 3 of the fair value hierarchy during the year ended 30 June 2017.

Further information about the assumptions made in measuring fair values is included in the consolidated financial statements. This is available at the Company's registered office.

6. Post-balance sheet events

No events that meet the requirements of IAS 10 have occurred since the balance sheet date.

7. Dividend declaration

Notice is hereby given that a gross final dividend No 88 of 243 cents per share for the year ended 30 June 2017 has been declared payable to shareholders of ordinary shares. The dividend has been declared out of income reserves and will be subject to dividend withholding tax at a rate of 20%. Consequently a net final dividend of 194,4 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Services by a nominee company, stockbroker or Central Securities Depository Participant ("CSDP") (collectively "Regulated Intermediary") on behalf of shareholders. However, all shareholders should declare their status to their Regulated Intermediary, as they may qualify for a reduced dividend tax rate or exemption. AVI's issued share capital at the declaration date is 350 799 039 ordinary shares. AVI's tax reference number is 9500/046/71/0. The salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Tuesday, 10 October 2017
First trading day ex dividend on the JSE	Wednesday, 11 October 2017
Record date	Friday, 13 October 2017
Payment date	Monday, 16 October 2017

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Wednesday, 11 October 2017, and Friday, 13 October 2017, both days inclusive.

Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant ("CSDP") or broker credited on Monday, 16 October 2017.

8. Reports of the independent auditors

The preliminary summarised consolidated financial statements for the year ended 30 June 2017 have been audited by KPMG Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual consolidated financial statements from which these preliminary summarised consolidated financial statements were derived. The auditor's report on the preliminary summarised consolidated financial statements does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report on the preliminary summarised consolidated financial statements and of the auditor's report on the annual consolidated financial statements which is available for inspection at the Company's registered office, together with the accompanying financial statements identified in the respective auditor's report.

9. Preparer of financial statements

These summarised financial statements have been prepared under the supervision of Owen Cressey CA(SA), the AVI Group Chief Financial Officer.

10. Annual report

The annual report for the year ended 30 June 2017 will be posted to shareholders on or about Friday, 29 September 2017. The financial statements will include the notice of the annual general meeting of shareholders to be convened on Thursday, 2 November 2017.

ADMINISTRATION AND PRINCIPAL SUBSIDIARIES

ADMINISTRATION

Company registration
AVI Limited ("AVI")
Reg no: 1944/017201/06
Share code: AVI
ISIN: ZAE000049433

Company Secretary
Sureya Scheepers

Business address and registered office
2 Harries Road
Illovo
Johannesburg 2196
South Africa

Postal address
PO Box 1897
Saxonwold 2132
South Africa

Telephone: +27 (0)11 502 1300
Telefax: +27 (0)11 502 1301
E-mail: info@avi.co.za
Website: www.avi.co.za

Auditors
KPMG Inc.

Sponsor
The Standard Bank of South Africa Limited

Commercial bankers
Standard Bank
FirstRand Bank

Transfer secretaries
Computershare Investor Services Proprietary Limited
Business address
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196

Postal address
PO Box 61051
Marshalltown 2107
South Africa
Telephone: +27 (0)11 370 5000
Telefax: +27 (0)11 370 5271

PRINCIPAL SUBSIDIARIES

Food & Beverage brands
National Brands Limited
Reg no: 1948/029389/06
(incorporating Entyce Beverages and Snackworks)

30 Sloane Street
Bryanston 2021

PO Box 5159
Rivonia 2128

Managing director
Gaynor Poretti
Telephone: +27 (0)11 707 7200
Telefax: +27 (0)11 707 7799

I&J
Irvin & Johnson Holding Company Proprietary Limited
Reg no: 2004/013127/07

1 Davidson Street
Woodstock
Cape Town 7925

PO Box 1628
Cape Town 8000

Managing director
Jonty Jankovich
Telephone: +27 (0)21 440 7800
Telefax: +27 (0)21 440 7270

Fashion brands
Personal Care
Indigo Brands Proprietary Limited
Reg no: 2003/009934/07

16 – 20 Evans Avenue
Epping 1 7460

PO Box 3460
Cape Town 8000

Managing director
John Knox
Telephone: +27 (0)21 507 8500
Telefax: +27 (0)21 507 8501

Footwear & Apparel
A&D Spitz Proprietary Limited
Reg no: 1999/025520/07

29 Eaton Avenue
Bryanston 2021

PO Box 782916
Sandton 2145

Acting managing director
Simon Crutchley
Telephone: +27 (0)11 707 7300
Telefax: +27 (0)11 707 7763

Green Cross Manufacturers Proprietary Limited
Reg no: 1994/08549/07

26 – 30 Benbow Avenue
Epping Industria
7460

PO Box 396
Epping Industria 7475

Managing director
Tracey Chiappini-Young
Telephone: +27 (0)21 507 9700
Telefax: +27 (0)21 507 9707

DIRECTORS

Executive

Simon Crutchley
(Chief Executive Officer)

Owen Cressey
(Chief Financial Officer)

Michael Koursaris
(Business Development Director)

Independent non-executive

Gavin Tipper[1]
(Chairman)

James Hersov[2]

Adriaan Nühn[1, 4]

Mike Bosman[2]

Andisiwe Kawa[1]

Abe Thebyane[1]

Neo Dongwana[2, 3]

Richard Inskip[5]

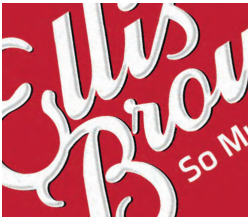
[1] *Member of the Remuneration, Nomination and Appointments Committee*

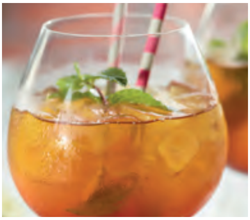
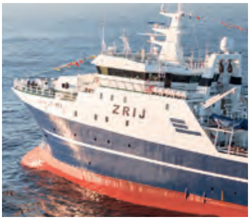
[2] *Member of the Audit and Risk Committee*

[3] *Member of the Social and Ethics Committee*

[4] *Dutch*

[5] *Resigned 23 November 2016*

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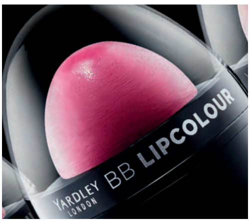
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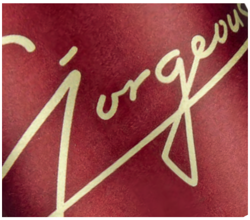
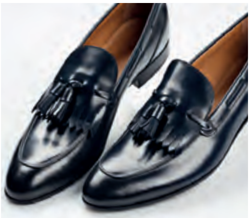
LONDON
BB LIPCOLOUR


Good Morning
Breakfast Biscuits


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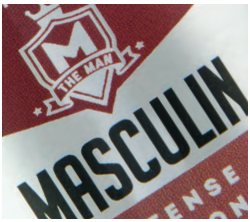
THE MAN


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