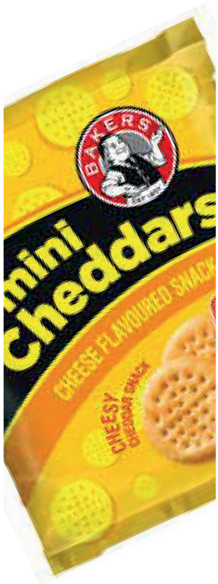
SENS DOCUMENT

for the year ended 30 June 2012

AVI GROWING GREAT BRANDS

AVI

GROWING GREAT BRANDS



AVI LIMITED

ISIN: ZAE000049433 JSE 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

Revenue from continuing operations up 11% to R8,29 billion

Operating profit from continuing operations up 23% to R1,37 billion

Headline earnings per share from continuing operations up 30% to 320 cents

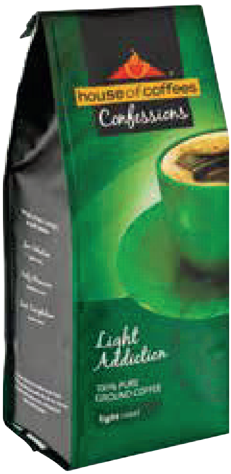
Operating profit margin from continuing operations improved from 14,9% to 16,6%

Increased capital expenditure of R541,1 million to cover major capacity and efficiency projects

Green Cross acquisition concluded

Final dividend of 120 cents per share and total normal dividend up 62% to 203 cents per share

Special dividend of 180 cents per share



GROUP OVERVIEW

AVI's portfolio of consumer businesses performed well in a year characterised by constrained consumer demand, increased competition and rising soft commodity input costs. Many of our brands grew sales volumes in the year and together with our on-going focus on, and investment in, manufacturing improvement drove good profit leverage.

The Fashion Brands businesses, Spitz and Indigo, achieved sound volume growth and realised strong gross profit margins supported by favourable import exchange rates that were secured before the rand weakened during the first half of the year. I&J benefited materially from the weaker rand, supported by on-going good performance from its catching and processing operations. Snackworks had a strong second half driven by recovery in sales volumes and improving manufacturing performance, resulting in a material improvement in full year profits. Entyce had a better second half performance, benefiting from new coffee and creamer capacity as well as a recovery in Ciro's out-of-home coffee business driven by volume growth. Revenue from the rest of Africa grew in line with the domestic market and healthy profit margins were maintained.

Revenue from continuing operations rose by 10,6%, from R7,49 billion to R8,29 billion with selling price increases and volume growth in most categories as well as stronger export revenue in I&J due to the weaker rand. Gross profit rose by 11,5% to R3,76 billion with the consolidated gross profit margin increasing from 45,1% to 45,4%. A significant increase in commodity input costs was ameliorated by volume leverage, on-going efficiency gains and favourable import exchange rates secured at the beginning of the year in line with our normal hedging practice. Operating profit increased by 22,8%, from R1,12 billion to R1,37 billion due to the higher gross profit margins and well managed selling and administrative costs, which rose by 5,9% compared to last year.

Headline earnings from continuing operations rose by 28,5%, from R745,4 million to R957,5 million due to the higher operating profit, lower net finance costs and higher earnings from I&J's joint venture with Simplot in Australia, which benefited from the strong Australian dollar. Headline earnings per share from continuing operations increased 29,9% from 246,4 cents to 320,0 cents with less shares in issue following the re-purchase of 9,0 million shares in June 2011.

Cash generated by operations was strong, increasing by 6,1% to R1,45 billion after working capital changes. Working capital increased by R226,3 million reflecting volume growth as well as stronger sales in the last few months of the year compared to the same period last year. Capital expenditure increased to R541,1 million with material expenditure on major projects to improve capacity, technology and efficiency. Other material cash outflows during the period were dividends of R475,5 million and taxation of R396,3 million. Net cash at the end of June 2012 was R175,0 million compared to net debt of R246,2 million at the end of June 2011.

On the project front, Indigo's new aerosol plant, the packaging automation at Isando biscuits and Entyce's new creamer tower and coffee granulation plant were all successfully commissioned during the year with benefits expected to accrue more materially in the 2013 financial year. In addition the expansion of the Isando distribution centre was successfully completed and SAP was implemented at Entyce and Snackworks with minimal disruption to sales volumes. A number of other material projects are on track to meet commissioning dates in 2013.

The Green Cross acquisition was concluded in July 2012 and we are excited about the additional scale and growth opportunity this business brings to our Fashion Brands portfolio. AVI will consolidate Green Cross' financial results with effect from 1 July 2012.The initial payment of R382,5 million was made in July 2012.

In March 2012 AVI announced a change in the annual dividend payout ratio from 2,0 to 1,5 times covered by diluted headline earnings from continuing operations. In line with this new policy a final dividend of 120 cents per share has been declared, bringing the total normal dividend for the year to 203 cents. In addition the Board has approved a special dividend of 180 cents per share, resulting in an effective dividend yield of 7,7% on the 30 June 2012 closing share price of R50,00.

Taking the initial payment for Green Cross of R382,5 million that was made in July 2012 and the special dividend into account, AVI's debt to capital employed ratio is expected to increase above 20% in the 2013 year.

The AVI Black Staff Empowerment Share Scheme reached its first normal vesting date on 31 December 2011 in respect of the first tranche of shares allocated in January 2007. AVI's strong share price performance has resulted in gains totalling R117,6 million accruing to 3 688 black employees at all levels across the Group since inception of the scheme.

On 1 July 2012 Mr Angus Band stepped down as chairman ahead of his retirement from the Board at the Company's next annual general meeting scheduled for 2 November 2012. Mr Band joined the Board in 1997 as an executive director and was appointed Chief Executive Officer of National Brands Limited in 1998. He became AVI's Group Chief Executive Officer in 1999 and served in this role until 2005 when he stepped down and moved into the role of non-executive chairman. The Board wishes to express its sincere gratitude to Mr Band for his outstanding 16 years of service to AVI and vital contribution to AVI's success.

SEGMENTAL REVIEW – CONTINUING OPERATIONS

Year ended 30 June

	Segmental revenue			Segmental operating profit		
	2012 Rm	Restated* 2011 Rm	% change	**2012 Rm**	Restated* 2011 Rm	% change
Food & beverage brands	**6 274,8**	5 641,2	11,2	**922,5**	758,2	21,7
Entyce	**2 330,7**	2 112,2	10,3	**415,4**	402,2	3,3
Snackworks	**2 428,7**	2 159,7	12,5	**328,5**	263,9	24,5
Chilled & frozen convenience brands	**1 515,4**	1 369,3	10,7	**178,6**	92,1	93,9
Fashion brands	**2 005,2**	1 842,6	8,8	**463,6**	368,5	25,8
Personal care	**918,1**	890,3	3,1	**155,7**	132,4	17,6
Footwear & apparel	**1 087,1**	952,3	14,2	**307,9**	236,1	30,4
Corporate	**7,1**	5,9		**(13,6)**	(9,2)	
Group	**8 287,1**	7 489,7	10,6	**1 372,5**	1 117,5	22,8

** = restated to exclude Real Juice now shown as a discontinued operation.*

Entyce (excluding Real Juice now shown as discontinued)

Revenue increased 10,3% to R2,33 billion while operating profit increased by 3,3% from R402,2 million to R415,4 million with the operating profit margin at 17,8% compared to 19,0% in the prior period.

Growth in revenue came primarily from higher selling prices for tea, coffee and creamer in response to increased raw and wrapping material costs. Volume performance was pleasing in the context of constrained overall category performance, with volume declining in both the tea and coffee categories in the year. Tea volumes were 6,2% higher than last year due to effective promotional activity and tactical pricing. Coffee sales volumes for the second half showed growth on the same period in the prior year, however full year volumes declined without the additional demand that arose from competitor supply problems in the first half of last year. Creamer volumes increased sharply in the second half with tactical pricing supported by the capacity and lower costs from the new creamer tower and full year volumes were higher than last year despite additional demand that arose from competitor supply problems in the first half of last year.

Gross profit margins decreased with significant increases in coffee, glucose and rooibos input costs not fully recovered given the constrained consumer environment and competitive pressures. However, volume increases and well-controlled selling and administration costs contributed to an improvement in operating profit over last year's exceptional result. Profit margins in absolute terms remain at strong levels and the new creamer tower and coffee agglomeration plant at Isando are both expected to yield further benefits in the new financial year.

The Ciro out-of-home coffee business re-gained volume momentum and controlled costs tightly to deliver a material improvement in operating profit.

Snackworks

Revenue of R2,43 billion was 12,5% higher than last year while operating profit rose by 24,5%, from R263,9 million to R328,5 million. The operating profit margin increased from 12,2% to 13,5%.

The increase in revenue is attributable to higher selling prices and an 8,2% increase in biscuit sales volumes. Biscuit selling prices were higher on average following the increases implemented in the previous financial year, despite the re-alignment of price points for key products with consumer expectations. Better price points on key lines drove strong volume uplift in the second half and the resulting profit leverage, together with improved factory performance, enabled Snackworks to recover significant raw material cost increases and still improve operating profit margin. Factory performance improved during the year with higher throughput, improved product yields and more effective management of labour costs all contributing to the overall Snackworks result. Approximately 550 tons of production was lost at Westmead following an industry shortage of liquid petroleum gas in October and November, however the operating profit impact was largely covered by insurance proceeds.

The Snacks business benefited from better price points in the category, slightly higher sales volumes and tight control of selling and administrative costs, resulting in a meaningful improvement in operating profit. Sales volumes were slightly higher than last year despite lost sales attributable to temporary delistings during price negotiations with customers in the first half of the year.

The packaging automation project at Isando biscuits was successfully commissioned and is being extended to cover all major lines in the factory. Packaging automation is also being evaluated for the Westmead factory. New projects that will further improve capacity, yields and efficiency in both biscuit factories were approved during the semester.

Chilled & Frozen Convenience Brands (I&J excluding Alpesca)

Revenue increased by 10,7% from R1,37 billion to R1,52 billion while operating profit rose from R92,1 million to R178,6 million. The operating profit margin increased from 6,7% to 11,8%.

Export exchange rates in the first semester were materially weaker than the same period in the prior year, and the resulting increase in revenue was a key driver of I&J's improved result for the year. Export volumes increased with the benefit of increased quota, however prices remained under pressure with reduced demand from customers and increased supply from other fish resources. I&J improved its position in the domestic market, achieving both higher selling prices and an increase in volumes for the year.

High catch rates for the year and improved fishing and factory performance were offset by a significant increase in fuel costs, however tight cost control and the benefit of foreign exchange gains, compared to losses last year, contributed to the material improvement in operating profit for the year.

A major project to reconfigure and automate a large part of the Woodstock processing operation has been approved and is expected to be commissioned in the second half of the 2013 financial year. The project will cost R59 million and has a planned payback period of less than three years.

Fashion Brands (personal care, footwear and apparel)

Revenue rose by 8,8% to R2,01 billion and operating profit increased by 25,8%, from R368,5 million to R463,6 million with the operating profit margin increasing from 20,0% to 23,1%.

In the personal care category, Indigo's revenue grew by 3,1% to R918,1 million while operating profit increased 17,6% to R155,7 million. The operating profit margin for the period improved from 14,9% to 17,0%. Revenue growth was constrained in a highly competitive environment, however Indigo maintained its strong position in aerosols and achieved good growth in Yardley colour cosmetics. Profit margin benefited from lower input costs due to the favourable import exchange rates secured at the beginning of the year, higher volumes and tightly controlled selling and administrative costs.

In the footwear and apparel category, revenue increased by 14,2% to R1,09 billion and operating profit increased by 30,4% from R236,1 million to R307,9 million. The operating profit margin increased from 24,8% to 28,3%. The improvement is largely attributable to strong sales volume growth and higher gross profit margins in Spitz resulting from higher selling prices on core ranges and favourable import exchange rates secured at the beginning of the year. Footwear sales volumes in Spitz increased by 9,5% with the core Carvela, Lacoste, and Kurt Geiger brands performing well. The expansion of the mono branded Kurt Geiger men's clothing stores has progressed well with 11 new stores opened during the year, bringing the total to 26 stores at the end of the year. These stores are contributing to Spitz's overall result and trading density will continue to improve over the next few years.

DISCONTINUED OPERATIONS (REAL JUICE, DENNY AND ALPESCA)

Year ended 30 June

	Segmental revenue		Segmental operating profit		Capital items	
	2012	Restated* 2011	**2012**	Restated* 2011	**2012**	Restated* 2011
	Rm	Rm	**Rm**	Rm	**Rm**	Rm
Real Juice	**146,2**	196,6	**8,1**	10,7	**0,1**	(12,8)
Denny	**–**	385,2	**–**	50,0	**27,3**	(0,4)
Alpesca	**–**	298,4	**–**	(37,5)	**–**	(53,6)
	146,2	880,2	**8,1**	23,2	**27,4**	(66,8)

** = restated to include Real Juice now shown as a discontinued operation.*

In May 2012 AVI entered into an agreement in terms of which Clover will acquire 100% of Real Juice for R60 million, subject to the approval of the South African Competition Authorities, which was received on 30 August 2012. Revenue for the year decreased due to the sale of Sir Juice in November 2010, declining sales of the premium Real Juice brand and rationalisation of unprofitable product lines. The core Quali brand continues to perform well and together with excellent management of the manufacturing and distribution operations this enabled Real Juice to record a credible operating profit despite a significant increase in raw material costs during the year.

Denny was sold with effect from 1 July 2011 resulting in a capital profit of R27,3 million before capital gains taxation of R10,3 million.

I&J concluded the sale of Alpesca in May 2011.

DIVIDENDS

In March 2012 the Board approved a change in AVI's annual dividend pay-out ratio from 2,0 to 1,5 times covered by diluted headline earnings from continuing operations. This change is commensurate with the Group's strong cash-generating ability and also compensates shareholders for any dividend withholding tax that they may be liable for after 1 April 2012. In terms of this new policy a final dividend of 120 cents per share has been declared, bringing the total normal dividend for the year to 203 cents, 62,4% higher than last year.

In addition, in line with AVI's on-going commitment to return excess cash generated to shareholders the Board has approved a special dividend of 180 cents per share, resulting in an effective dividend yield of 7,7% on the 30 June 2012 closing share price of R50,00.

OUTLOOK

We anticipate that the current constrained consumer demand environment will persist and consequently expect increased competition in our categories which, coupled with raw material and other cost pressures, will put pressure on margins in the FMCG sector generally. I&J has secured more than half of its export foreign exchange requirements at rates comparable to last year and Entyce and Snackworks have implemented selling price increases to help offset the impact of higher commodity prices and the strong US dollar.

The performance of key categories in the 2012 financial year reinforces our confidence that with our strong brand portfolio, improving manufacturing performance and effective sales and marketing activity we can continue to compete effectively in the year ahead. In addition the capital projects commissioned in the last year will make a greater contribution and we continue to work on new projects and other initiatives that should deliver organic profit growth over time. These include local and regional market opportunities, factory improvements and the on-going development of shared and support services. The establishment of our new AVI International structure during the year under review will help to accelerate the sound growth that our Africa business has achieved over the last few years.

Green Cross' performance since the conclusion of the acquisition has been encouraging and will add meaningfully to the growth of our Fashion Brands portfolio.

The Board is confident that AVI is well-positioned to continue pursuing growth from the current brand portfolio while remaining vigilant for brand acquisition opportunities both domestically and regionally.

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

Gavin Tipper	Simon Crutchley
Chairman	*CEO*

10 September 2012

PRELIMINARY SUMMARISED GROUP BALANCE SHEETS

	Audited at 30 June 2012 Rm	Restated Audited at 30 June 2011 Rm	Restated Audited at 1 July 2010 Rm
Assets			
Non-current assets			
Property, plant and equipment	**1 756,9**	1 459,5	1 340,4
Intangible assets and goodwill	**748,6**	759,4	923,4
Investments	**328,4**	310,0	304,1
Deferred taxation	**47,2**	83,3	78,9
	2 881,1	2 612,2	2 646,8
Current assets			
Inventories and biological assets	**1 042,0**	943,1	918,4
Trade and other receivables including derivatives	**1 315,6**	1 116,9	1 189,5
Cash and cash equivalents	**242,1**	380,1	589,3
Assets of discontinued operations classified as held-for-sale*	**43,4**	344,3	288,8
Other assets classified as held-for-sale**	**5,7**	3,8	4,4
	2 648,8	2 788,2	2 990,4
Total assets	**5 529,9**	5 400,4	5 637,2
Equity and liabilities			
Capital and reserves			
Attributable to equity holders of AVI	**3 615,1**	2 866,7	2 905,7
Non-controlling interests	**(17,8)**	(19,8)	(19,8)
Total equity	**3 597,3**	2 846,9	2 885,9
Non-current liabilities			
Financial liabilities, borrowings and operating lease straight-line liabilities	**15,7**	55,8	65,1
Employee benefits	**349,7**	359,2	360,1
Deferred taxation	**90,9**	73,1	113,6
	456,3	488,1	538,8
Current liabilities			
Current borrowings	**63,2**	583,0	848,1
Trade and other payables including derivatives	**1 338,7**	1 279,1	1 183,4
Share buy-back liability	**–**	100,7	–
Corporate taxation	**15,3**	16,6	17,3
Liabilities of discontinued operations classified as held-for-sale*	**59,1**	86,0	163,7
	1 476,3	2 065,4	2 212,5
Total equity and liabilities	**5 529,9**	5 400,4	5 637,2
Net (cash)/debt***	**(175,0)**	246,2	310,1

* *Discontinued operations in 2010 comprised the Argentinian hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, that was sold in May 2011. In 2011 discontinued operations comprised the fresh, canned and value added mushroom business conducted by Denny, which was disposed of with effect from 1 July 2011. In 2012 discontinued operations comprise the fresh fruit juice manufacturing business of Real Juice Co Holdings Proprietary Limited ("Real Juice") which will be disposed with effect from 30 September 2012.*

** *Other assets held-for-sale comprise equipment and properties held for disposal.*

*** *Comprises financial liabilities, borrowings and current borrowings less cash and cash equivalents.*

PRELIMINARY SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

	Audited Year ended 30 June 2012 Rm	Restated Audited Year ended 30 June 2011 Rm	% change
Continuing operations			
Revenue	**8 287,1**	7 489,7	10,6
Cost of sales	**4 524,3**	4 114,7	10,0
Gross profit	**3 762,8**	3 375,0	11,5
Selling and administrative expenses	**2 390,3**	2 257,5	5,9
Operating profit before capital items	**1 372,5**	1 117,5	22,8
Income from investments	**13,8**	9,4	46,8
Finance costs	**(28,1)**	(49,6)	(43,3)
Share of equity-accounted earnings of joint ventures	**46,8**	36,1	29,6
Capital items	**(13,8)**	(8,4)	64,3
Profit before taxation	**1 391,2**	1 105,0	25,9
Taxation	**443,6**	365,9	21,2
Profit from continuing operations	**947,6**	739,1	28,2
Discontinued operations*			
Revenue	**146,2**	880,2	(83,4)
Operating profit before capital items	**8,1**	23,2	(65,1)
Income from investments	**2,2**	7,8	(71,8)
Finance costs	**(2,5)**	(13,7)	(81,8)
Capital items	**27,4**	(66,8)	(141,0)
Profit/(loss) before taxation	**35,2**	(49,5)	(171,1)
Taxation	**10,3**	(12,0)	(185,8)
Profit/(loss) from discontinued operations	**24,9**	(37,5)	(166,4)
Profit for the year	**972,5**	701,6	38,6
Profit attributable to:			
Owners of AVI	**970,5**	701,6	38,3
Non-controlling interests	**2,0**	–	
	972,5	701,6	38,6
Other comprehensive income/(expense), net of tax	**100,9**	17,5	476,6
Foreign currency translation differences	**59,7**	15,9	275,5
Actuarial gain/(loss) recognised	**32,7**	(10,5)	(411,4)
Cash flow hedging reserve	**24,4**	12,8	90,6
Income tax on other comprehensive income/(expense)	**(15,9)**	(0,7)	2 171,4
Total comprehensive income for the year	**1 073,4**	719,1	49,3
Total comprehensive income attributable to:			
Owners of AVI	**1 071,4**	719,1	49,0
Non-controlling interests	**2,0**	–	
	1 073,4	719,1	49,3
Basic earnings per share from continuing operations (cents)#	**316,7**	244,3	29,6
Diluted earnings per share from continuing operations (cents)##	**302,0**	236,0	28,0
Basic earnings per share (cents)#	**324,3**	231,9	39,8
Diluted earnings per share (cents)##	**309,3**	224,0	38,1
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit from continuing operations	**220,7**	192,8	14,5

** Discontinued operations comprise the fresh fruit juice manufacturing business of Real Juice which will be disposed of with effect from 30 September 2012, the Argentinian hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, that was sold in May 2011 as well as the fresh, canned and value added mushroom business conducted by Denny, which was disposed of with effect from 1 July 2011.*

Headline earnings per share from continuing operations (cents)#	**320,0**	246,4	29,9
Diluted headline earnings per share from continuing operations (cents)##	**305,2**	238,0	28,2

 # Basic earnings and headline earnings per share is calculated on a weighted average of 299 228 661 (30 June 2011: 302 547 792) ordinary shares in issue.

Diluted earnings and diluted headline earnings per share is calculated on a weighted average of 313 746 916 (30 June 2011: 313 191 990) ordinary shares in issue.

PRELIMINARY SUMMARISED GROUP STATEMENTS OF CASH FLOWS

	Audited Year ended 30 June 2012 Rm	Restated Audited Year ended 30 June 2011 Rm	% change
Continuing operations			
Operating activities			
Cash generated by operations before working capital changes	**1 678,9**	1 358,6	23,6
(Increase)/decrease in working capital	**(226,3)**	10,7	(2 215,0)
Cash generated by operations	**1 452,6**	1 369,3	6,1
Interest paid	**(28,1)**	(49,6)	(43,3)
Taxation paid	**(396,3)**	(327,6)	21,0
Net cash available from operating activities	**1 028,2**	992,1	3,6
Investing activities			
Interest received	**15,0**	13,1	14,5
Property, plant and equipment acquired	**(541,1)**	(410,2)	31,9
Proceeds from disposals of property, plant and equipment and businesses	**8,4**	4,9	71,4
Movement in joint ventures and other investments	**66,7**	52,2	27,8
Net cash used in investing activities	**(451,0)**	(340,0)	32,6
Financing activities			
Increase in shareholder funding	**99,9**	38,4	160,2
Short-term funding repaid	**(524,2)**	(179,5)	192,0
Own ordinary shares purchased by the Company	**(100,7)**	(169,2)	(40,5)
Capital repayment	**–**	(226,6)	(100,0)
Dividends paid	**(475,5)**	(335,6)	41,7
Net cash used in financing activities	**(1 000,5)**	(872,5)	14,7
Discontinued operations*			
Cash flows from operating activities	**(3,4)**	42,1	(108,1)
Cash flows from investing activities	**0,9**	16,5	(94,5)
Cash flows from financing activities	**(6,0)**	(105,0)	(94,3)
Proceeds on disposal of discontinued operation	**261,9**	69,6	276,3
Cash flows from discontinued operations	**253,4**	23,2	992,2
Decrease in cash and cash equivalents	**(169,9)**	(197,2)	(13,8)
Cash and cash equivalents at beginning of year	**404,1**	598,0	(32,4)
	234,2	400,8	(41,6)
Translation of cash equivalents of foreign subsidiaries	**7,9**	3,3	139,4
Cash and cash equivalents at end of year	**242,1**	404,1	(40,1)
Attributable to:			
Continuing operations	**242,1**	380,1	(36,3)
Discontinued operations**	**–**	24,0	(100,0)

* *Discontinued operations comprise the fresh fruit juice manufacturing business of Real Juice which will be disposed of with effect from 30 September 2012, the Argentinian hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, that was sold in May 2011 as well as the fresh, canned and value added mushroom business conducted by Denny, which was disposed of with effect from 1 July 2011.*

** *Cash flows between continuing and discontinued operations are eliminated on consolidation. These amounted to R277,4 million (2011: R39,0 million) net cash flow from discontinued operations to continuing operations.*

PRELIMINARY SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY

	Share capital and premium Rm	Treasury shares Rm	Reserves Rm	Retained earnings Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Year ended 30 June 2012							
Balance at 1 July 2011 (Restated)	29,5	(707,8)	69,7	3 475,3	**2 866,7**	(19,8)	**2 846,9**
Profit for the year				970,5	**970,5**	2,0	**972,5**
Other comprehensive income							
Foreign currency translation differences			59,7		**59,7**		**59,7**
Actuarial gains/(losses) recognised			23,6		**23,6**		**23,6**
Cash flow hedging reserve			17,6		**17,6**		**17,6**
Total other comprehensive income	–	–	100,9	–	**100,9**	–	**100,9**
Total comprehensive income for the year	–	–	100,9	970,5	**1 071,4**	2,0	**1 073,4**
Transactions with owners, recorded directly in equity							
Share-based payments			18,1		**18,1**		**18,1**
Deferred taxation on Group share scheme recharge			34,5		**34,5**		**34,5**
Dividends paid				(475,5)	**(475,5)**		**(475,5)**
Own ordinary shares sold by AVI Share Trusts		86,6		13,3	**99,9**		**99,9**
Total contributions by and distributions to owners	–	86,6	52,6	(462,2)	**(323,0)**	–	**(323,0)**
Total transactions with owners	–	86,6	52,6	(462,2)	**(323,0)**	–	**(323,0)**
Balance at 30 June 2012	**29,5**	**(621,2)**	**223,2**	**3 983,6**	**3 615,1**	**(17,8)**	**3 597,3**
Year ended 30 June 2011							
Balance at 1 July 2010	183,9	(682,0)	70,5	3 381,7	**2 954,1**	(19,8)	**2 934,3**
Change in accounting policy (refer note 3)			(53,9)	5,5	**(48,4)**		**(48,4)**
Restated balance at 1 July 2010	183,9	(682,0)	16,6	3 387,2	**2 905,7**	(19,8)	**2 885,9**
Profit for the year				701,6	**701,6**	–	**701,6**
Other comprehensive income							
Foreign currency translation differences			15,9		**15,9**		**15,9**
Actuarial gains/(losses) recognised			(7,6)		**(7,6)**		**(7,6)**
Cash flow hedging reserve			9,2		**9,2**		**9,2**
Total other comprehensive income	–	–	17,5	–	**17,5**	–	**17,5**
Total comprehensive income for the year	–	–	17,5	701,6	**719,1**	–	**719,1**
Transactions with owners, recorded directly in equity							
Share-based payments			25,7		**25,7**		**25,7**
Deferred taxation on Group share scheme recharge			9,9		**9,9**		**9,9**
Dividends paid				(335,6)	**(335,6)**		**(335,6)**
Capital repayment	(261,8)	35,2			**(226,6)**		**(226,6)**
Issue of ordinary shares to AVI Share Trusts	107,8	(107,8)			**–**		**–**
Own ordinary shares purchased by Company	(0,4)			(269,5)	**(269,9)**		**(269,9)**
Own ordinary shares sold by AVI Share Trusts		46,8		(8,4)	**38,4**		**38,4**
Total contributions by and distributions to owners	(154,4)	(25,8)	35,6	(613,5)	**(758,1)**	–	**(758,1)**
Total transactions with owners	(154,4)	(25,8)	35,6	(613,5)	**(758,1)**	–	**(758,1)**
Balance at 30 June 2011	**29,5**	**(707,8)**	**69,7**	**3 475,3**	**2 866,7**	**(19,8)**	**2 846,9**

SUPPLEMENTARY NOTES TO THE PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2012

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

1. Statement of compliance

The preliminary summarised consolidated annual financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34 – *Interim Financial Reporting*, the AC 500 Standards issued by the Accounting Practices Board, the Listing Requirements of the JSE Limited (the "JSE") and the South African Companies Act.

2. Basis of preparation

The preliminary summarised consolidated financial statements are prepared in millions of South African Rands ("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 and non-current assets and disposal groups held-for-sale which are stated at the lower of carrying amount and fair value less costs to sell.

The accounting policies used in the preparation of these results are consistent with those presented in the annual financial statements for the year ended 30 June 2012 and have been applied consistently to the years presented in these preliminary summarised consolidated financial statements by all Group entities.

3. Changes in accounting policies

In the 2012 financial year the Group adopted the option to recognise immediately in other comprehensive income actuarial gains and losses arising from the defined benefit post retirement medical aid plan, in accordance with the allowed alternative under the existing IAS 19 – *Employee Benefits*. In prior years, the Group applied the corridor method to recognise actuarial gains or losses in profit or loss.

The change in accounting policy has been applied retrospectively with the restatement of comparatives. The table below summarises the adjustment made to the balance sheet and statement of comprehensive income on implementation.

	Employee benefits liability R'm	Net deferred taxation asset/ (liability) R'm	Retained earnings/ profit or loss R'm	Reserves R'm
Balance as reported at 1 July 2010	(292,8)	(53,6)	(3 381,7)	(70,5)
Effect of change in accounting policy	(67,3)	18,9	(5,5)	53,9
Restated balance at 1 July 2010	(360,1)	(34,7)	(3 387,2)	(16,6)
Balance as reported at 30 June 2011	(286,7)	(10,1)	(3 466,0)	(131,2)
Effect of change in accounting policy	(67,3)	18,9	(5,5)	53,9
Effect on profit or loss	(5,2)	1,4	(3,8)	7,6
Restated balance at 30 June 2011	(359,2)	10,2	(3 475,3)	(69,7)

3. Changes in accounting policies continued

The effect on the statement of comprehensive income was as follows:

	2012 R'm	2011 R'm
Selling and administrative expenses	**(2,7)**	(5,3)
Taxation	**0,8**	1,5
	(1,9)	(3,8)

The effect on basic earnings per share and diluted earnings per share was as follows:

	2012 cents	2011 cents
Basic earnings per share from total operations as previously reported	**323,7**	230,6
Effect of change in accounting policy	**0,6**	1,3
Restated basic earnings per share from total operations	**324,3**	231,9
Diluted earnings per share from total operations as previously reported	**308,7**	222,8
Effect of change in accounting policy	**0,6**	1,2
Restated diluted earnings per share from total operations	**309,3**	224,0

SUPPLEMENTARY NOTES TO THE PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 June 2012

4. Determination of headline earnings

	Audited Year ended 30 June 2012 Rm	Restated Audited Year ended 30 June 2011 Rm	% change
Profit for the year attributable to owners of AVI	**970,5**	701,6	38,3
Total capital items after taxation	**7,1**	(56,8)	
Net loss on disposal of investments, properties and plant and equipment	**(1,8)**	(1,0)	
Net profit/(loss) on disposal of assets of disposal groups held-for-sale	**0,3**	(0,2)	
Profit on disposal of Denny	**27,3**	–	
Loss on disposal of Sir Juice	**–**	(12,4)	
Loss on disposal of Alpesca	**–**	(53,9)	
Impairment of plant and equipment, investments, intangible assets and assets classified as held-for-sale	**(13,5)**	(7,7)	
Other	**1,3**	–	
Capital items attributable to non-controlling interests	**(0,1)**	3,2	
Taxation attributable to capital items	**(6,4)**	15,2	
Headline earnings	**963,4**	758,4	27,0
Attributable to:			
Continuing operations	**957,5**	745,4	28,5
Discontinued operations	**5,9**	13,0	
	963,4	758,4	27,0
Headline earnings per ordinary share (cents)	**322,0**	250,7	28,4
Continuing operations (cents)	**320,0**	246,4	29,9
Discontinued operations (cents)	**2,0**	4,3	
Diluted headline earnings per ordinary share (cents)	**307,1**	242,2	26,8
Continuing operations (cents)	**305,2**	238,0	28,2
Discontinued operations (cents)	**1,9**	4,2	

5. Segmental results

	Audited Year ended 30 June 2012 Rm	Restated Audited Year ended 30 June 2011 Rm	% change
CONTINUING OPERATIONS			
Segmental revenue			
Food and beverage brands	**6 274,8**	5 641,2	11,2
Entyce	**2 330,7**	2 112,2	10,3
Snackworks	**2 428,7**	2 159,7	12,5
Chilled and frozen convenience brands	**1 515,4**	1 369,3	10,7
Fashion brands	**2 005,2**	1 842,6	8,8
Personal care	**918,1**	890,3	3,1
Footwear and apparel	**1 087,1**	952,3	14,2
Corporate and consolidation	**7,1**	5,9	
Group	**8 287,1**	7 489,7	10,6
Segmental operating profit before capital items			
Food and beverage brands	**922,5**	758,2	21,7
Entyce	**415,4**	402,2	3,3
Snackworks	**328,5**	263,9	24,5
Chilled and frozen convenience brands	**178,6**	92,1	93,9
Fashion brands	**463,6**	368,5	25,8
Personal care	**155,7**	132,4	17,6
Footwear and apparel	**307,9**	236,1	30,4
Corporate and consolidation	**(13,6)**	(9,2)	
Group	**1 372,5**	1 117,5	22,8
DISCONTINUED OPERATIONS			
Segmental revenue			
Alpesca	**–**	298,4	(100,0)
Denny	**–**	385,2	(100,0)
Real Juice	**146,2**	196,6	(25,6)
	146,2	880,2	(83,4)
Segmental operating profit before capital items			
Alpesca	**–**	(37,5)	(100,0)
Denny	**–**	50,0	(100,0)
Real Juice	**8,1**	10,7	(24,3)
	8,1	23,2	(65,1)

On 31 May 2012 AVI entered into an agreement in terms of which Clover will acquire 100% of the equity in and shareholders' loans against Real Juice. The transaction is subject to the approval of the South African Competition Authorities in terms of the Competition Act No 89 of 1998, as amended, which was received on 30 August 2012. Real Juice has therefore been disclosed as a discontinued operation in AVI's results for the year ended 30 June 2012 and comparatives for the year ended 30 June 2011 in the statements of comprehensive income and cash flows have been restated accordingly.

SUPPLEMENTARY NOTES TO THE PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 June 2012

6. Investment activity

Effective 1 July 2011, the Group entered into an agreement in terms of which it sold 100% of the issued share capital of and AVI's shareholder claims against Denny to Blue Falcon 134 Trading Proprietary Limited ("Blue Falcon") for a consideration of R261,9 million (after adjustments and interest). Blue Falcon's shareholders include RMB Ventures Six Proprietary Limited, an indirect subsidiary of FirstRand Limited, which holds a 49,9% interest therein, and Denny's executive management team. The value of the net assets disposed at the effective date amounted to R234,6 million and consequently a capital profit of R27,3 million was earned, before attributing capital gains taxation of R10,3 million.

Other than the above transaction there were no significant changes to investments during the period.

7. Commitments

	Audited Year ended 30 June 2012 Rm	Restated Audited Year ended 30 June 2011 Rm
Capital expenditure commitments for property, plant and equipment*	**302,4**	372,8
Contracted for	**175,0**	182,6
Authorised but not contracted for	**127,4**	190,2

** Not included in capital commitments in respect of property, plant and equipment contracted for at 30 June 2011 are commitments of R1,6 million relating to Denny.*

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

8. Post balance sheet events

Acquisition of Green Cross

Effective 1 March 2012 AVI entered into an agreement in terms of which it acquired 100% of the issued share capital and shareholders' loans of Green Cross. Since the acquisition of A&D Spitz Proprietary Limited ("Spitz") in July 2005, AVI's premium branded footwear and apparel portfolio has contributed meaningfully to the Group's growth in profitability. The transaction represents a rare opportunity to acquire an established, category leading brand of relevant scale with a solid record of profitable operations.

The purchase consideration payable by AVI was an initial amount of R382,5 million plus a contingent earn-out payment up to a maximum amount of R35,0 million, payable in March 2013 subject to certain profit hurdles being achieved in Green Cross' financial year ending 28 February 2013. The transaction was subject to the fulfilment of certain conditions precedent including the unconditional approval of the South African Competition Authorities in terms of the Competition Act No 89 of 1998, as amended, and the receipt by the parties of the written consent of certain landlords in respect of the transfer of certain leases over premises utilised by Green Cross in its retails operations. The conditions precedent were met shortly after year-end and consequently the transaction will be effective fom 1 July 2012.

8. Post balance sheet events continued

Acquisition of Green Cross continued

If the acquisition had occurred on 1 July 2011, Group revenue and profit after taxation would have been increased by a further R315,5 million and R42,7 million respectively. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the business for the impact of funding the purchase consideration from existing cash resources. The purchase price allocation exercise has not yet been completed, however, it is expected that the intangible assets recognised will be of an indefinite life and will therefore not be amortised going forward but rather be assessed for impairment on an annual basis.

	Carrying amount Rm
Non-current assets	45,6
Current assets	134,2
Non-current liabilities	(97,9)
Current liabilities	(33,1)
Net identifiable assets and liabilities	48,8
Premium paid	377,3
Total consideration	426,1
Total consideration comprises:	
Initial purchase consideration	382,5
Interest payable on initial consideration	8,6
Contingent purchase consideration	35,0

Disposal of Real Juice Co Holdings Proprietary Limited

Effective 31 May 2012 AVI entered into an agreement with Clover S.A. Proprietary Limited ("Clover"), a subsidiary of Clover Industries Limited, in terms of which 100% of the equity in and shareholders' loans against Real Juice Co. Holdings Proprietary Limited ("Real Juice") will be disposed of for a consideration of R60 million.

Real Juice is a leading producer of fresh fruit juices, nectars and concentrates sold under the Quali and Real Juice brands predominantly in the Eastern, Western and Northern Cape. The only condition precedent to which the transaction is subject is the approval of the South African Competition Authorities in terms of the Competition Act No 89 of 1998, as amended. Approval was received on 30 August 2012 and consequently the transaction will be effective on the last day of the month following the receipt of such approval, being 30 September 2012. Real Juice has been disclosed as a discontinued operation in AVI's results for the year ended 30 June 2012 and comparatives for the year ended 30 June 2011 have been restated accordingly.

Other than the above acquisition and disposal there have been no significant events outside the ordinary course of business since the reporting date.

SUPPLEMENTARY NOTES TO THE PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 June 2012

9. Dividend declaration

Notice is hereby given that a gross final dividend No 76 of 120 cents per share for the year ended 30 June 2012 and gross special dividend No 77 of 180 cents per share have been declared payable to shareholders of ordinary shares. Both dividends have been declared out of income reserves and will be subject to dividend withholding tax at a rate of 15%. The Company has no secondary tax credits available and consequently a net final dividend of 102 cents per share and a net special dividend of 153 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of the dividend tax legislation, the dividends 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 342 144 990 ordinary shares. AVI's tax reference number is 9500/046/71/0. The salient dates relating to the payment of both dividends are as follows:

Last day to trade cum dividend on the JSE	Friday, 5 October 2012
First trading day ex dividend on the JSE	Monday, 8 October 2012
Record date	Friday, 12 October 2012
Payment date	Monday, 15 October 2012

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Monday, 8 October 2012 and Friday, 12 October 2012, 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, 15 October 2012.

10. Reports of the independent auditors

The unmodified audit reports of KPMG Inc., the independent auditors, on the annual financial statements and the preliminary summarised financial statements contained herein for the year ended 30 June 2012, dated 7 September 2012, are available for inspection at the registered office of the company.

11. Preparer of financial statements

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

12. Annual report

The annual report for the year ended 30 June 2012 will be posted to shareholders on or about Tuesday, 2 October 2012. The financial statements will include the notice of the annual general meeting of shareholders to be convened on Friday, 2 November 2012.

ADMINISTRATION AND PRINCIPAL SUBSIDIARIES

Administration

Company registration

AVI Limited ("AVI")
Reg no: 1944/017201/06
JSE share code: AVI
ISIN: ZAE000049433

Company secretary

Sureya Naidoo

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 2004 (Pty) Limited

Business address

70 Marshall Street, Marshalltown
Johannesburg 2001
South Africa

Postal address

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

Principal subsidiaries

Food and beverage brands

National Brands Limited

Reg no: 1948/029389/06
(incorporating Entyce Beverages, Snackworks and Ciro Beverage Solutions)

30 Sloane Street, Bryanston 2021

PO Box 5159, Rivonia 2128

Telefax: +27 (0)11 707 7799

Managing directors

Donnee MacDougall (Entyce Beverages)
Telephone: +27 (0)11 707 7100

Gaynor Poretti (Snackworks)
Telephone: +27 (0)11 707 7200

Paul Hanlon (Ciro Beverage Solutions)
Telephone: +27 (0)11 287 6700

The Real Juice Co Holdings (Pty) Limited

Reg no: 2001/001413/07

2 Harries Road, Illovo 2196

PO Box 1897, Saxonwold 2132

Managing director

Donnee MacDougall
Telephone: +27 (0)11 707 7100
Telefax: +27 (0)11 707 7808

Chilled and frozen convenience brands

Irvin & Johnson Holding Company (Pty) Limited

Reg no: 2004/013127/07

1 Davidson Street, Woodstock
Cape Town 8001

PO Box 1628, Cape Town 8000

Managing director

Ronald Fasol
Telephone: +27 (0)21 402 9200
Telefax: +27 (0)21 402 9282

Fashion brands

Indigo Brands (Pty) Limited

Reg no: 2003/009934/07

16-20 Evans Avenue, Epping 1 7460

PO Box 3460, Cape Town 8000

Managing director

Susan O'Keeffe
Telephone: +27 (0)21 507 8500
Telefax: +27 (0)21 507 8501

A&D Spitz (Pty) Limited

Reg no: 1999/025520/07

29 Eaton Avenue, Bryanston 2021

PO Box 782916, Sandton 2145

Managing director

Robert Lunt
Telephone: +27 (0)11 707 7300
Telefax: +27 (0)11 707 7763

Green Cross

Incorporating the following legal entities:
Green Cross Manufacturing (Pty) Limited
Reg no: 1994/08549/07
Green Cross Properties (Pty) Limited
Reg no: 1994/09874/07
Green Cross Retail Holdings (Pty) Limited
Reg no: 1998/003766/07

26 – 30 Benbow Avenue
Epping Industria 7460

PO Box 396
Eppindust 7475

Managing director

Gunter Zeppel
Telephone: +27 (0)21 507 9700
Telefax: +27 (0)21 507 9707

DIRECTORS

Executive

Simon Crutchley
(Chief executive officer)

Owen Cressey
(Chief financial officer)

Independent non-executive

Gavin Tipper[2]
(Chairman)

Angus Band[2]

James Hersov

Kim Macilwaine[5]

Adriaan Nühn[4]

Mike Bosman[1]

Andisiwe Kawa[2]

Abe Thebyane

Neo Dongwana[1,3]

Barry Smith[3]

[1] Member of the Audit and Risk Committee
[2] Member of the Remuneration, Nomination and Appointments Committee
[3] Member of the Social and Ethics Committee
[4] Dutch
[5] British

www.avi.co.za