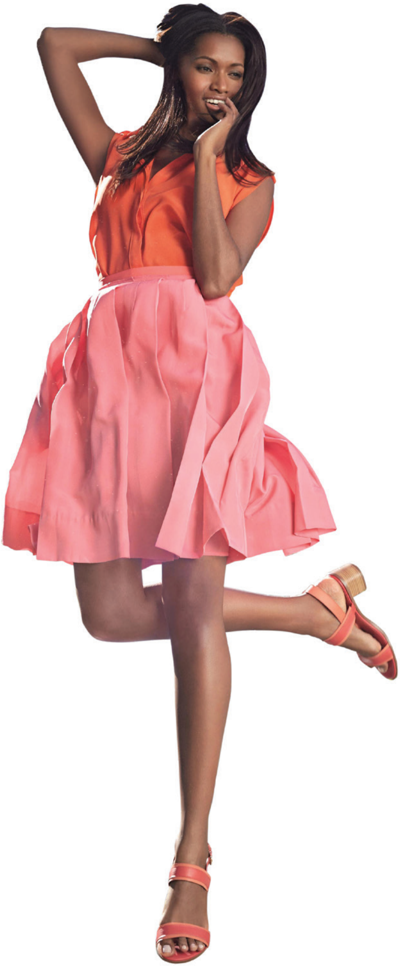
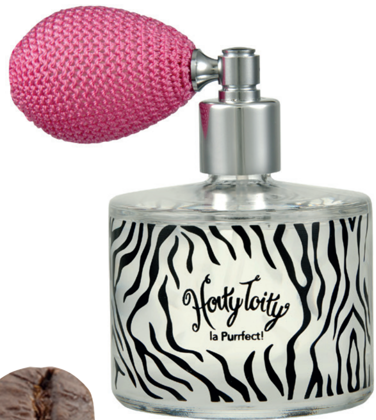
GROWING GREAT BRANDS

AVI

SENS DOCUMENT FOR THE YEAR ENDED 30 JUNE 2014

GROWING GREAT BRANDS



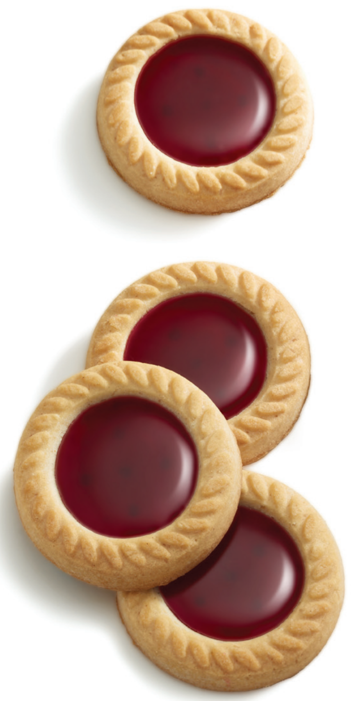


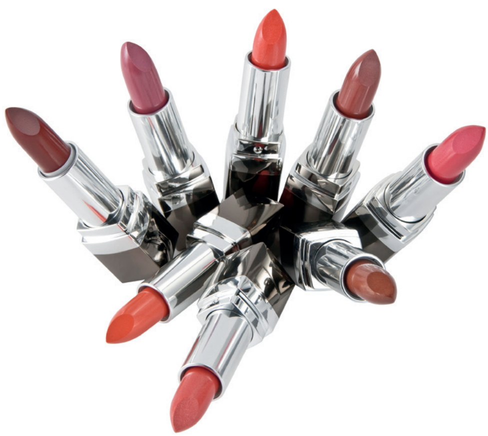
AVI LIMITED

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

AVI





KEY FEATURES

Revenue from continuing operations up 11,4% to R10,27 billion

Operating profit from continuing operations up 12% to R1,71 billion

Headline earnings per share from continuing operations up 12,2% to 384 cents

Sound group performance notwithstanding pressure on consumers and rising input costs

R532 million investment in capacity and efficiency

Capital profit of R150 million following revision of Coty licence agreement

Total dividend up 15% to 300 cents per share – final dividend of 180 cents

GROUP OVERVIEW

AVI's results for the twelve months ended 30 June 2014 reflect a sound overall performance in a period of increasing pressure on consumer spending and rising input costs stemming largely from the weaker Rand.

Revenue from continuing operations rose by 11,4%, from R9,22 billion to R10,27 billion with selling price increases across the portfolio and volume growth in most of our categories. Gross profit rose by 7,8% to R4,43 billion with the consolidated gross profit margin declining from 44,6% to 43,1% due mainly to input cost pressure from the weaker Rand and the change in Indigo's trading model with Coty which reduced the gross profit margin, but positively impacted operating profit. Operating profit increased by 12,2%, from R1,53 billion to R1,71 billion with volume leverage supported by good containment of selling and administrative expenses across the Group. The operating profit margin increased from 16,6% to 16,7%.

Snackworks delivered an excellent result with strong volume growth in Biscuits and sustained margin improvement in Snacks. I&J benefited from the weaker Rand as well as improved fishing and processing to deliver an improved result notwithstanding unusually bad weather in the first semester, which adversely impacted the fishing performance of the wet vessel fleet. Entyce had strong volume growth in Tea, Coffee and Creamer in the second semester which underpinned a good full year result. At Indigo, the Coty profit contribution was preserved in the new relationship, while owned brands performed well in body sprays and colour cosmetics. Margins in the footwear and apparel businesses were impacted by the weaker Rand and increasing pressure on consumer spending, with some amelioration as a result of space growth in Kurt Geiger and Spitz.

Headline earnings from continuing operations rose by 14,9%, from R1,05 billion to R1,20 billion due to a lower effective tax rate, higher earnings from I&J's joint venture with Simplot in Australia and lower net finance costs. Headline earnings per share from continuing operations increased 12,4% from 341,2 cents to 383,6 cents with a 2,2% increase in the weighted average number of shares in issue due to the vesting of employee share options, particularly in the AVI Black Staff Empowerment Scheme.

Indigo's long relationship with Coty as a licensee was changed to a full service agency agreement with effect from November 2013, resulting in a capital receipt of R150,0 million and a reduction in Indigo's working capital. The overall profit contribution from the Coty business was preserved.

Cash generated by operations increased 28,6% to R2,00 billion after a net working capital increase of R101,1 million. The working capital increase reflects revenue growth and higher input costs, offset by a reduction in stock and debtors attributable to the Coty business. Capital expenditure of R531,9 million includes payments of R107,7 million for I&J's vessels on order, as well as ongoing investment in capacity and efficiency across the Group. An amount of R150,0 million was received from Coty on revision of their commercial relationship with Indigo. Other material cash out-flows during the period were dividends of R910,2 million and taxation of R465,1 million. Net debt at the end of June 2014 was R365,2 million compared to R697,2 million at the end of June 2013.

DIVIDEND

The dividend pay-out ratio has been maintained at the level of 1,25 times covered by diluted headline earnings from continuing operations that was implemented with last year's final dividend.

Accordingly, a final dividend of 180 cents per share has been declared, bringing the total dividend for the year to 300 cents, an increase of 15,4% on last year's normal dividend.

SEGMENTAL REVIEW – CONTINUING OPERATIONS

Year ended 30 June

	Segmental revenue			Segmental operating profit		
	2014 Rm	2013 Rm	% change	**2014 Rm**	2013 Rm	% change
Food & beverage brands	**7 598,4**	6 688,4	13,6	**1 161,5**	951,5	22,1
Entyce beverages	**2 717,4**	2 414,9	12,5	**442,4**	397,8	11,2
Snackworks	**3 057,9**	2 681,6	14,0	**474,5**	387,9	22,3
I&J	**1 823,1**	1 591,9	14,5	**244,6**	165,8	47,5
Fashion brands	**2 659,3**	2 518,2	5,6	**560,1**	576,9	(2,9)
Personal care	**1 043,8**	982,1	6,3	**172,0**	167,1	2,9
Footwear & apparel	**1 615,5**	1 536,1	5,2	**388,1**	409,8	(5,3)
Corporate	**9,7**	11,7		**(9,1)**	(2,2)	
Group	**10 267,4**	9 218,3	11,4	**1 712,5**	1 526,2	12,2

Entyce beverages

Revenue increased 12,5% to R2,72 billion while operating profit increased by 11,2% to R442,4 million with the operating profit margin at 16,3% compared to 16,5% in the prior period.

Tea revenue grew 15,8% due to volume growth of 6,7% and price increases necessary to offset rising black tea and rooibos tea input costs. Coffee revenue was 6,8% up with mixed instant coffee volumes recovering off a low base in the second half of the last financial year, and price increases to ameliorate the impact of the weaker Rand on raw material costs. Creamer revenue rose by 18,6% due to increased sales volumes.

Gross profit margin decreased with the weaker Rand resulting in higher raw material costs that were partially absorbed to support volumes in a constrained environment. Selling and administrative cost increases were well contained and profit margins in absolute terms remain at strong levels. The increase in operating profit was largely attributable to a strong tea category performance with smaller contributions from coffee and creamer where profit growth was constrained by sustained pressure from competitors and limited coffee category growth.

Snackworks

Revenue of R3,06 billion was 14,0% higher than last year while operating profit rose by 22,3%, from R387,9 million to R474,5 million. The operating profit margin increased from 14,5% to 15,5%.

Biscuits revenue grew 15,0% with a 9,4% increase in sales volumes and higher selling prices. Volumes benefited from strong category growth as well as increased market share. Snacks revenue increased 11,0% with sustained higher pricing in the category supported by volume growth of 3,7%.

Gross profit margin was slightly below last year due to stronger volume growth of the more affordable biscuit products, however leverage from higher volumes resulted in further improvement in the operating profit margin.

I&J

Revenue increased by 14,5% from R1,59 billion to R1,82 billion while operating profit increased from R165,8 million to R244,6 million. The operating profit margin increased from 10,4% to 13,4%.

Revenue growth largely reflects the benefit of the weaker Rand on export sales, supported by limited increases in selling prices and a 1,5% increase in sales volumes. Notwithstanding the adverse impact of unusually bad weather on wet fleet catch rates in the first semester, fishing fleet availability and freezer vessel catch rates improved, resulting in an increase in overall tons caught. Fishing and processing cost efficiency improved over last year, despite the adverse impact of higher fuel prices due to the weaker Rand. Selling and administrative expenses were well managed but increased ahead of inflation as the prior financial year benefited from the once-off inclusion of a pension fund surplus of R24,7 million.

Fashion brands (Personal care, Footwear and apparel)

Revenue rose by 5,6% to R2,66 billion while operating profit decreased 2,9% to R560,1 million. The operating profit margin decreased from 22,9% to 21,1%.

In the Personal care category, Indigo's revenue grew by 6,3% to R1,04 billion while operating profit increased by 2,9% to R172,0 million. The operating profit margin for the period decreased from 17,0% to 16,5%. Revenue growth reflects volume growth and price increases on owned brands offset by a reduction in Coty related revenue following the commencement of new trading terms with effect from November 2013. Revenue growth excluding Coty, on a like-for-like basis, was 7,7%. Body spray volumes recovered notwithstanding the competitive environment and Yardley colour cosmetics also performed well. Gross profit margin came under pressure from the weaker Rand however this was largely offset by well managed selling and administrative expenses.

In the Footwear and apparel category, revenue increased by 5,2% to R1,62 billion while operating profit decreased by 5,3% from R409,8 million to R388,1 million. The decrease is due to gross margin pressure from the weaker Rand and lower footwear sales volumes. The operating profit margin decreased from 26,7% to 24,0%.

In the Spitz business revenue grew 6,5% as a result of higher selling prices and increased trading space offset by lower footwear demand with consumer spending under pressure. Kurt Geiger clothing revenue increased by 21,1% due to maturing revenue from stores opened last year and new stores opened in the current period.

Footwear gross margins were materially impacted by the weaker Rand, with higher costs absorbed in key product ranges to support sales volumes. This resulted in a decline in gross profit margin from the high base built on an extended period of Rand stability. Footwear sales volumes decreased by 5,8% due to reduced consumer spending. Operating profit decreased from R326,4 million to R322,6 million and operating profit margin declined from 27,9% to 25,9%.

In Green Cross the retail stores performed soundly, achieving revenue growth in a constrained consumer environment, and the first new design store opened in June 2014. Wholesale volumes decreased due to lower demand, increased competition and non-recurrence of bulk orders recorded in the prior year. Selling and administrative expenses increased at a rate above inflation with investment in people to support medium-term growth targets. Operating profit decreased from R80,0 million to R58,8 million and operating profit margin decreased from 24,4% to 18,0%.

OUTLOOK

We expect the current constrained consumer demand environment to persist and possibly worsen given rising interest rates and a pull-back in unsecured lending. The pressure on profit margins from the weaker Rand will be ameliorated by selling price increases taken across the Group during the fourth quarter of the last financial year, however any further Rand weakness will increase margin pressure.

At I&J, catch rates were reasonable in the second semester and should these catch rates continue, the increased volumes, together with the benefit of foreign currency exchange rates already secured, will support a strong performance in the year ahead.

Entyce and Snackworks have well established capabilities to defend market share and profit margins and will be seeking to grow sales volumes where there is opportunity. Indigo is maintaining its strong body spray position and performing well in colour cosmetics. Spitz, Kurt Geiger and Green Cross will benefit from new store openings, while the Green Cross wholesale business will benefit from increased focus in the year ahead. Our international business is targeting a strong year on the back of improved distribution in several export markets.

Notwithstanding expectations of a difficult trading environment we remain confident that our unique brand portfolio can continue to deliver growth in key categories. This will be supported by ongoing improvements in manufacturing capability and procurement activity.

Accordingly the board is confident that AVI is well positioned to weather a difficult trading environment while continuing to pursue growth opportunities from the current brand portfolio and 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*

8 September 2014

PRELIMINARY SUMMARISED GROUP BALANCE SHEET

	Audited at 30 June 2014 Rm	Audited at 30 June 2013 Rm
Assets		
Non-current assets		
Property, plant and equipment	**2 317,1**	2 088,2
Intangible assets and goodwill	**1 146,6**	1 145,6
Investments	**406,8**	375,1
Deferred taxation	**41,8**	45,4
	3 912,3	3 654,3
Current assets		
Inventories and biological assets	**1 382,7**	1 270,7
Trade and other receivables including derivatives	**1 509,1**	1 425,8
Cash and cash equivalents	**298,5**	212,4
Other assets classified as held-for-sale*	**–**	5,6
	3 190,3	2 914,5
Total assets	**7 102,6**	6 568,8
Equity and liabilities		
Capital and reserves		
Total equity	**4 216,2**	3 677,6
Non-current liabilities		
Operating lease straight-line liabilities	**16,2**	16,1
Employee benefits	**348,5**	347,9
Deferred taxation	**269,8**	240,3
	634,5	604,3
Current liabilities		
Current borrowings	**647,5**	893,5
Trade and other payables including derivatives	**1 599,8**	1 375,7
Current tax liability	**4,6**	17,5
Other liabilities classified as held-for-sale	**–**	0,2
	2 251,9	2 286,9
Total equity and liabilities	**7 102,6**	6 568,8
Net debt**	**365,2**	697,2

** Other assets held-for-sale comprise property held for disposal.*

*** Comprises operating lease straight-line liabilities and current borrowings less cash and cash equivalents.*

PRELIMINARY SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 30 June 2014 Rm	Audited Year ended 30 June 2013 Rm	% change
Continuing operations			
Revenue	**10 267,4**	9 218,3	11,4
Cost of sales	**5 839,6**	5 110,5	14,3
Gross profit	**4 427,8**	4 107,8	7,8
Selling and administrative expenses	**2 715,3**	2 581,6	5,2
Operating profit before capital items	**1 712,5**	1 526,2	12,2
Income from investments	**7,6**	10,4	(26,9)
Finance costs	**(56,0)**	(63,1)	(11,3)
Share of equity accounted earnings of joint ventures	**28,5**	23,9	19,2
Capital items	**138,0**	(4,6)	
Profit before taxation	**1 830,6**	1 492,8	22,6
Taxation	**514,9**	448,6	14,8
Profit from continuing operations	**1 315,7**	1 044,2	26,0
Discontinued operation*			
Profit from discontinued operation	**–**	41,6	(100,0)
Profit for the year	**1 315,7**	1 085,8	21,2
Profit attributable to:			
Owners of AVI	**1 315,7**	1 085,7	21,2
Non-controlling interests	**–**	0,1	(100,0)
	1 315,7	1 085,8	21,2
Other comprehensive income net of tax	**17,5**	53,5	(67,3)
Items that are or may be subsequently reclassified to profit or loss			
Foreign currency translation differences	**41,3**	48,5	
Cash flow hedging reserve	**(31,3)**	0,7	
Taxation on items that are or may be subsequently reclassified to profit or loss	**8,8**	(0,3)	
Items that will never be reclassified to profit or loss			
Actuarial (loss)/gain recognised	**(1,8)**	6,4	
Taxation on items that will never be reclassified to profit or loss	**0,5**	(1,8)	
Total comprehensive income for the year	**1 333,2**	1 139,3	17,0
Total comprehensive income attributable to:			
Owners of AVI	**1 333,2**	1 139,2	17,0
Non-controlling interests	**–**	0,1	(100,0)
	1 333,2	1 139,3	17,0
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit from continuing operations	**286,1**	259,0	10,5
**The discontinued operation comprised the fresh fruit juice manufacturing business of Real Juice which was disposed of with effect from 1 October 2012.*			
Earnings per share			
Basic earnings per share from continuing operations (cents)#	**419,3**	340,1	23,3
Diluted earnings per share from continuing operations (cents)##	**409,3**	325,5	25,8
Basic earnings per share (cents)#	**419,3**	353,6	18,6
Diluted earnings per share (cents)##	**409,3**	338,4	21,0
Headline earnings per share from continuing operations (cents)#	**383,6**	341,2	12,4
Diluted headline earnings per share from continuing operations (cents)##	**374,5**	326,5	14,7

 # Basic earnings and headline earnings per share are calculated on a weighted average of 313 804 047 (30 June 2013: 306 993 534) ordinary shares in issue.

Diluted earnings and headline earnings per share are calculated on a weighted average of 321 421 910 (30 June 2013: 320 859 312) ordinary shares in issue.

PRELIMINARY SUMMARISED GROUP STATEMENT OF CASH FLOWS

	Audited Year ended 30 June 2014 Rm	Audited Year ended 30 June 2013 Rm	% change
Continuing operations			
Operating activities			
Cash generated by operations before working capital changes	**2 102,8**	1 750,6	20,1
Increase in working capital	**(101,1)**	(194,1)	(47,9)
Cash generated by operations	**2 001,7**	1 556,5	28,6
Interest paid	**(56,0)**	(63,1)	(11,3)
Taxation paid	**(465,1)**	(406,6)	14,4
Net cash available from operating activities	**1 480,6**	1 086,8	36,2
Investing activities			
Interest received	**7,6**	10,4	(26,9)
Property, plant and equipment acquired	**(531,9)**	(566,9)	(6,2)
Additions to intangible assets	**(4,0)**	–	
Proceeds from disposals of property, plant and equipment	**13,8**	20,9	(34,0)
Payment from Coty on revision of commercial relationship	**150,0**	–	
Acquisition of Green Cross (net of cash acquired)	**–**	(379,8)	(100,0)
Movement in joint ventures and other investments	**27,1**	23,1	17,3
Net cash used in investing activities	**(337,4)**	(892,3)	(62,2)
Financing activities			
Proceeds from shareholder funding	**93,9**	85,9	9,3
Short-term funding (repaid)/raised	**(246,1)**	830,9	(129,6)
Special dividend paid	**–**	(550,0)	(100,0)
Ordinary dividends paid	**(910,2)**	(645,4)	41,0
Net cash used in financing activities	**(1 062,4)**	(278,6)	281,3
Discontinued operation*			
Cash flows from discontinued operation	**–**	39,3	(100,0)
Increase/(decrease) in cash and cash equivalents	**80,8**	(44,8)	(280,4)
Cash and cash equivalents at beginning of year	**212,4**	242,1	(12,3)
	293,2	197,3	48,6
Translation of cash equivalents of foreign subsidiaries	**5,3**	15,1	(64,9)
Cash and cash equivalents at end of year	**298,5**	212,4	40,5

** The discontinued operation comprised the fresh fruit juice manufacturing business of Real Juice which was disposed of with effect from 1 October 2012.*

Cash flows between continuing and discontinued operations are eliminated on consolidation. In the current year there are no discontinued operations and consequently no cash flows (2013: R39,3 million) have occurred from discontinued operations to continuing operations.

PRELIMINARY SUMMARISED GROUP STATEMENT 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 2014							
Balance at 1 July 2013	29,5	(538,2)	309,0	3 877,3	**3 677,6**	–	**3 677,6**
Profit for the year				1 315,7	**1 315,7**	–	**1 315,7**
Other comprehensive income							
Foreign currency translation differences			41,3		**41,3**		**41,3**
Actuarial losses recognised, net of tax			(1,3)		**(1,3)**		**(1,3)**
Cash flow hedging reserve, net of tax			(22,5)		**(22,5)**		**(22,5)**
Total other comprehensive income	–	–	17,5	–	**17,5**	–	**17,5**
Total comprehensive income for the year	–	–	17,5	1 315,7	**1 333,2**	–	**1 333,2**
Transactions with owners, recorded directly in equity							
Share-based payments			13,0		**13,0**		**13,0**
Group share scheme recharge			8,0		**8,0**		**8,0**
Dividends paid				(910,2)	**(910,2)**		**(910,2)**
Own ordinary shares sold by AVI Share Trusts		90,1		4,5	**94,6**		**94,6**
Total contributions by and distributions to owners	–	90,1	21,0	(905,7)	**(794,6)**	–	**(794,6)**
Balance at 30 June 2014	**29,5**	**(448,1)**	**347,5**	**4 287,3**	**4 216,2**	–	**4 216,2**
Year ended 30 June 2013							
Balance at 1 July 2012	29,5	(621,2)	223,2	3 983,6	**3 615,1**	(17,8)	**3 597,3**
Profit for the year				1 085,7	**1 085,7**	0,1	**1 085,8**
Other comprehensive income							
Foreign currency translation differences			48,5		**48,5**		**48,5**
Actuarial gains recognised, net of tax			4,6		**4,6**		**4,6**
Cash flow hedging reserve, net of tax			0,4		**0,4**		**0,4**
Total other comprehensive income	–	–	53,5	–	**53,5**	–	**53,5**
Total comprehensive income for the year	–	–	53,5	1 085,7	**1 139,2**	0,1	**1 139,3**
Transactions with owners, recorded directly in equity							
Share-based payments			13,4		**13,4**		**13,4**
Group share scheme recharge			18,9		**18,9**		**18,9**
Dividends paid				(1 195,4)	**(1 195,4)**		**(1 195,4)**
Own ordinary shares sold by AVI Share Trusts		83,0		3,4	**86,4**		**86,4**
Total contributions by and distributions to owners	–	83,0	32,3	(1 192,0)	**(1 076,7)**	–	**(1 076,7)**
Changes in ownership interests in subsidiaries							
Disposal of Real Juice					**–**	17,7	**17,7**
Total transactions with owners	–	83,0	32,3	(1 192,0)	**(1 076,7)**	17,7	**(1 059,0)**
Balance at 30 June 2013	**29,5**	**(538,2)**	**309,0**	**3 877,3**	**3 677,6**	–	**3 677,6**

SUPPLEMENTARY NOTES TO THE PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2014

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 joint ventures.

1. Statement of compliance

The preliminary summarised consolidated 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 SAICA Financial Reporting Guides, the Listing Requirements of the JSE Limited (the "JSE") and the South African Companies Act.

2. Basis of preparation

The preliminary summarised 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 financial statements for the year ended 30 June 2014 and have been applied consistently to the years presented in these preliminary summarised consolidated financial statements by all Group entities.

The Group has adopted the following new accounting standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013, in the preparation of these results:

- IAS 19 – *Employee Benefits* (as revised in 2011)
- IAS 28 – *Investments in Associates and Joint Ventures* (2011)
- *Presentation of items of Other Comprehensive Income* (Amendments to IAS 1)
- Amendments to IAS 36 – *Recoverable amount disclosures for non-financial assets* (early adoption)
- IFRS 10 – *Consolidated Financial Statements*
- IFRS 11 – *Joint Arrangements*
- IFRS 13 – *Fair Value Measurement*

The adoption of the above accounting standards had no impact on the Group's results. The remaining standards, amendments and interpretations, which became effective in the year ended 30 June 2014 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.

3. Determination of headline earnings

	Audited Year ended 30 June 2014 Rm	Audited Year ended 30 June 2013 Rm	% change
Profit for the year attributable to owners of AVI	**1 315,7**	1 085,7	21,2
Total capital items after taxation	**111,9**	37,7	
Net loss on disposal of property, plant and equipment	**(5,1)**	(1,2)	
Net profit on disposal of assets of disposal groups held-for-sale	**–**	0,2	
Payment from Coty on revision of commercial relationship	**150,0**	–	
Profit on disposal of Real Juice	**–**	40,9	
Impairment of assets	**(6,9)**	(3,6)	
Other	**–**	0,2	
Taxation attributable to capital items	**(26,1)**	1,2	
Headline earnings	**1 203,8**	1 048,0	14,9
Attributable to:			
Continuing operations	**1 203,8**	1 047,5	14,9
Discontinued operation	**–**	0,5	
	1 203,8	1 048,0	14,9
Headline earnings per ordinary share (cents)	**383,6**	341,4	12,4
Continuing operations (cents)	**383,6**	341,2	12,4
Discontinued operation (cents)	**–**	0,2	
Diluted headline earnings per ordinary share (cents)	**374,5**	326,7	14,6
Continuing operations (cents)	**374,5**	326,5	14,7
Discontinued operation (cents)	**–**	0,2	

	Number of shares	Number of shares	% change
Weighted average number of ordinary shares	**313 804 047**	306 993 534	2,2
Weighted average diluted number of ordinary shares	**321 421 910**	320 859 312	0,2

4. Segmental results

	Audited Year ended 30 June 2014 Rm	Audited Year ended 30 June 2013 Rm	% change
CONTINUING OPERATIONS			
Segmental revenue			
Food & beverage brands	**7 598,4**	6 688,4	13,6
Entyce beverages	**2 717,4**	2 414,9	12,5
Snackworks	**3 057,9**	2 681,6	14,0
I&J	**1 823,1**	1 591,9	14,5
Fashion brands	**2 659,3**	2 518,2	5,6
Personal care	**1 043,8**	982,1	6,3
Footwear & apparel	**1 615,5**	1 536,1	5,2
Corporate and consolidation	**9,7**	11,7	
Group	**10 267,4**	9 218,3	11,4
Segmental operating profit before capital items			
Food & beverage brands	**1 161,5**	951,5	22,1
Entyce beverages	**442,4**	397,8	11,2
Snackworks	**474,5**	387,9	22,3
I&J	**244,6**	165,8	47,5
Fashion brands	**560,1**	576,9	(2,9)
Personal care	**172,0**	167,1	2,9
Footwear & apparel	**388,1**	409,8	(5,3)
Corporate and consolidation	**(9,1)**	(2,2)	
Group	**1 712,5**	1 526,2	12,2

5. Discontinued operation

The disposal of the fresh fruit juice manufacturing business of Real Juice with effect from 1 October 2012 resulted in the operation being classified as a discontinued operation in the previous financial year. The composition of the profit and cash flows from the discontinued operation presented in the comparative period was as follows:

	3 months to 1 October 2012 Rm
Revenue	33,6
Operating profit before capital items	0,6
Income from investments	0,5
Finance costs	(0,6)
Capital items	41,1
Profit before taxation	41,6
Taxation	–
Profit from discontinued operation	41,6
Summarised cash flow statement	
Cash flows from operating activities	(18,7)
Cash flows from investing activities	0,2
Cash flows from financing activities	(4,6)
Proceeds on disposal of discontinued operation	62,4
Net cash flows from discontinued operation	39,3

6. Payment from Coty on revision of commercial relationship

Effective 31 October 2013, AVI Limited and Coty Inc. agreed to a revision of their existing commercial relationship whereby AVI ceased to be the exclusive licensee of Coty in South Africa and was appointed as the exclusive manufacturer, importer, distributor and marketer of Coty's value branded portfolio in South Africa and 13 other African countries. The core rationale for the revision was:

- Coty's desire to have direct control and ownership of its South African business;
- the desire of the parties to meaningfully expand the presence and sales of Coty's value brand portfolio in certain African countries in the short term; and
- the opportunity for the parties to continue to extract material synergistic benefits from the sharing of AVI's manufacturing and route to market infrastructure.

As compensation for the revision Coty made a once-off pre-tax payment to Indigo of R150,0 million in November 2013.

The transitional agreement in place between the parties expires on 1 December 2014. It is the intention of the parties to conclude a final agreement for a period of no less than five years, commencing on 2 December 2014. The terms of the transitional agreement result in the same operating profit being earned by Indigo as it would have earned had the original licence agreement remained in place, and it is expected that the final agreement will achieve a similar result.

Following the revision Indigo no longer reports revenue and profit associated with the sale of Coty branded product but instead recognises revenue and profit in relation to the services provided to Coty by Indigo. The impact on the individual lines disclosed in AVI's consolidated statement of comprehensive income for the year ended 30 June 2014 is not significant and is not expected to be significant going forward.

The impact on Group results for the year ended 30 June 2014 is as follows:

	Rm
Payment from Coty on revision of commercial relationship	**150,0**
Less: Capital gains taxation	**(28,0)**
Net capital profit	**122,0**

7. Commitments

	Audited Year ended 30 June 2014 Rm	Audited year ended 30 June 2013 Rm
Capital expenditure commitments for property, plant and equipment	**562,1**	208,8
Contracted for	**436,9**	130,2
Authorised but not contracted for	**125,2**	78,6

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

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

9. Dividend declaration

Notice is hereby given that a gross interim dividend No 81 of 180 cents per share for the year ended 30 June 2014 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 15%. The company has no secondary tax credits available and consequently a net 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 Security 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 344 938 392 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	Friday, 10 October 2014
First trading day ex dividend on the JSE	Monday, 13 October 2014
Record date	Friday, 17 October 2014
Payment date	Monday, 20 October 2014

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Monday, 13 October 2014 and Friday, 17 October 2014, 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 CSDP or broker credited on Monday, 20 October 2014.

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 2014, dated 5 September 2014, are available for inspection at the registered office of the company.

11. 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.

12. Annual report

The annual report for the year ended 30 June 2014 will be posted to shareholders on or about Tuesday, 30 September 2014. The financial statements will include the notice of the annual general meeting of shareholders to be convened on Thursday, 30 October 2014.

ADMINISTRATION AND PRINCIPAL SUBSIDIARIES

ADMINISTRATION

Company registration
AVI Limited ("AVI")
Reg no: 1944/017201/06
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 Proprietary 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 & beverage brands
National Brands Limited
Reg no: 1948/029389/06
(incorporating Entyce beverages
& Snackworks)

30 Sloane Street
Bryanston 2021

PO Box 5159
Rivonia 2128

Managing Directors
Sarah-Anne Orphanides
(Entyce beverages)
Telephone: +27 (0)11 707 7100
Telefax: +27 (0)11 707 7799

Gaynor Poretti (Snackworks)
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 8001

PO Box 1628
Cape Town 8000

Managing Director
Jonty Jankovich
Telephone: +27 (0)21 402 9200
Telefax: +27 (0)21 402 9282

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

Telephone: +27 (0)21 507 8500
Telefax: +27 (0)21 507 8501

Managing Director
Robert Lunt
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
Greg Smith
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 (Appointed 9 September 2013)
(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]

Barry Smith[3]

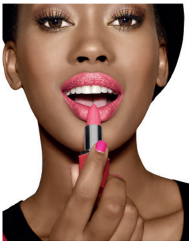
Richard Inskip (Appointed 18 June 2014)

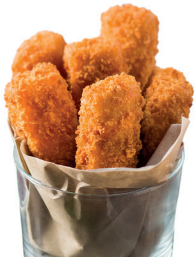
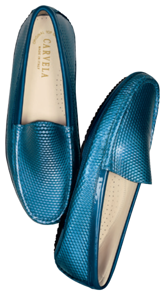
[1] *Member of the Remuneration, Nomination and Appointments Committee*

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

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

[4] *Dutch*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