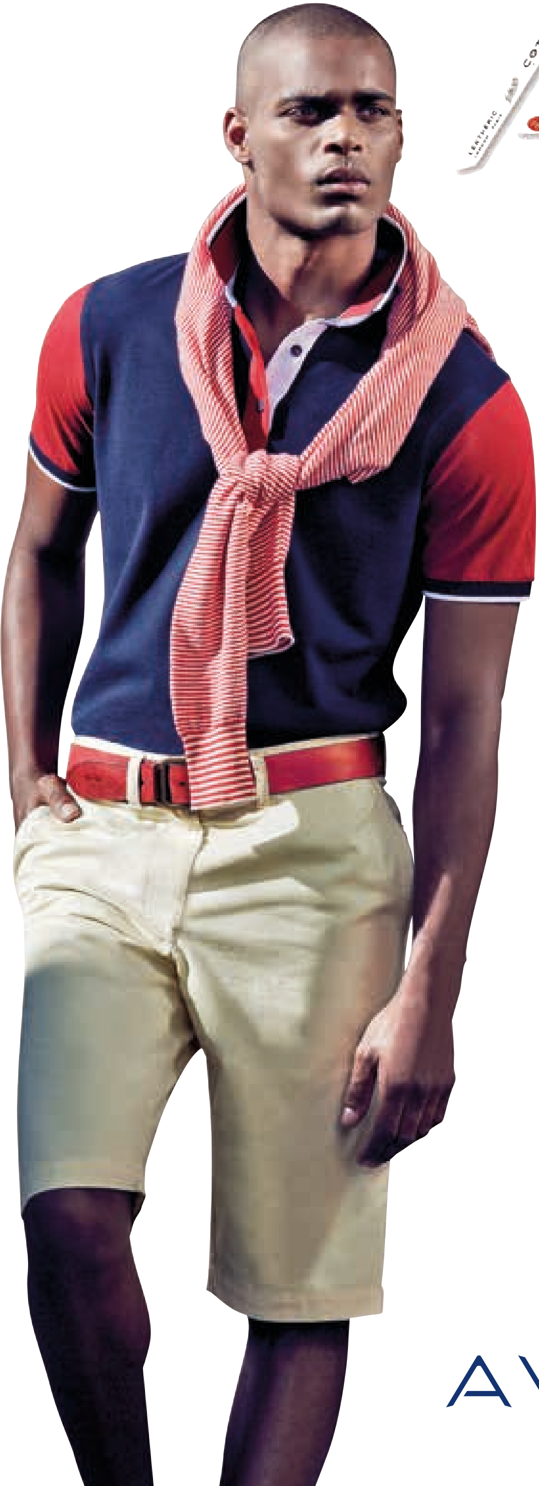
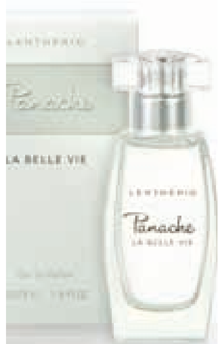
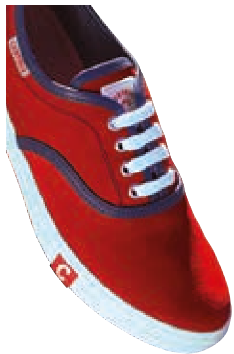


SENS DOCUMENT

Unaudited Interim Results

for the six months ended 31 December 2013

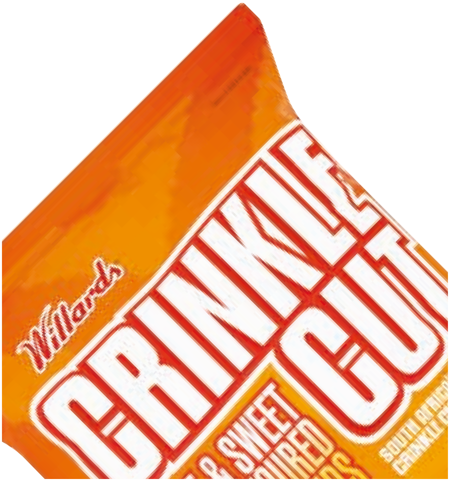




AVI

GROWING GREAT BRANDS

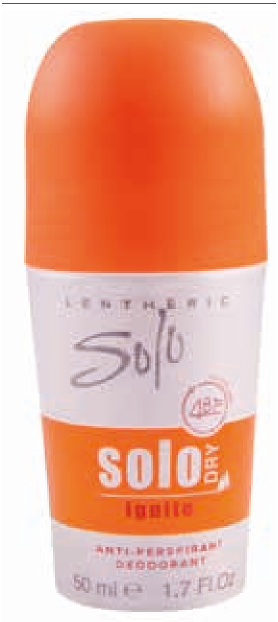
GROWING GREAT BRANDS



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



KEY FEATURES

Revenue from continuing operations up 10% to R5,40 billion

Operating profit from continuing operations up 11% to R1,02 billion

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Headline earnings per share from continuing operations up 10% to 231 cents

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Solid Group performance notwithstanding pressure on consumers and rising input costs

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Capital profit of R150 million following revision of Coty licence agreement

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Interim dividend up 33% to 120 cents per share in line with reduced dividend cover

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GROUP OVERVIEW

AVI's results for the first semester reflect a solid overall performance in a period of increasing pressure on consumer spending and rising input costs stemming from the weaker Rand.

Revenue from continuing operations rose by 10,4% from R4,89 billion to R5,40 billion with selling price increases across the portfolio and volume growth in most of our categories. Gross profit rose by 6,6% to R2,39 billion with the consolidated gross profit margin declining from 45,9% to 44,3% 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 10,8%, from R921,3 million to R1,02 billion with volume leverage in Snackworks and I&J supported by good containment of selling and administrative expenses across the Group. The operating profit margin increased from 18,8% to 18,9%.

Snackworks delivered another excellent result with strong volume growth in Biscuits and sustained margin improvement in Snacks. I&J benefited from the weaker Rand and higher sales volumes to deliver an improved result notwithstanding unusually bad weather for part of the semester, which adversely impacted the fishing performance of the wet vessel fleet. Indigo delivered satisfactory growth in earnings and Entyce's profit rose with a strong performance from its Tea business, partially offset by continued competitive pressure in the Coffee and Creamer categories. 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 12,2%, from R640,0 million to R718,3 million due to a lower effective tax rate and higher earnings from I&J's joint venture with Simplot in Australia, offset by higher net finance costs. Headline earnings per share from continuing operations increased 9,7% from 210,2 cents to 230,6 cents with a 2,3% increase in the 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 during the semester, resulting in a capital receipt of R150,0 million and a reduction in the working capital investment. The overall profit contribution from the business was preserved.

Cash generated by operations increased 23,5% to R941,7 million after a net working capital increase of R190,3 million. The working capital increase reflects revenue growth and higher input costs as well as a temporary increase in the stock of some raw materials for strategic reasons, offset by a reduction in stock and debtors attributable to the Coty business. Capital expenditure of R199,9 million was materially lower than last year with a strong second half bias in the cash flows of many of this year's projects. Other material cash outflows during the period were dividends of R531,0 million, and taxation of R220,4 million. Net debt at the end of December 2013 was R539,9 million compared to R795,8 million at the end of December 2012.

SEGMENTAL REVIEW – CONTINUING OPERATIONS

Six months ended 31 December

	Segmental revenue			Segmental operating profit		
	2013 Rm	2012 Rm	% change	**2013 Rm**	2012 Rm	% change
Food & Beverage Brands	**3 854,6**	3 454,1	11,6	**631,1**	539,8	16,9
Entyce Beverages	**1 416,1**	1 310,0	8,1	**258,9**	247,4	4,6
Snackworks	**1 614,0**	1 424,4	13,3	**297,9**	245,9	21,1
I&J	**824,5**	719,7	14,6	**74,3**	46,5	59,8
Fashion Brands	**1 540,6**	1 431,7	7,6	**393,2**	394,1	(0,2)
Personal Care	**574,4**	515,8	11,4	**97,2**	91,1	6,7
Footwear & Apparel	**966,2**	915,9	5,5	**296,0**	303,0	(2,3)
Corporate	**5,1**	5,8		**(3,6)**	(12,6)	
Group	**5 400,3**	4 891,6	10,4	**1 020,7**	921,3	10,8

Entyce Beverages

Revenue increased 8,1% to R1,41 billion while operating profit increased by 4,6% to R258,9 million with the operating profit margin at 18,3% compared to 18,9% in the prior period.

Tea revenue grew 13,6% due to volume growth of 4,1% and price increases necessary to offset rising black tea and rooibos tea input costs. Coffee revenue was 2,6% up with higher prices offset by lower mixed instant coffee volumes, which were heavily promoted in the prior period. Creamer revenue rose by 4,9% due mainly 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 strong Tea category performance with Coffee and Creamer performance impacted by sustained pressure from competitors and constrained consumer spending.

Snackworks

Revenue of R1,61 billion was 13,3% higher than last year while operating profit rose by 21,1%, from R245,9 million to R297,9 million. The operating profit margin increased from 17,3% to 18,5%.

Biscuits revenue grew 14,1% with a 10,4% increase in sales volumes and higher selling prices. Volumes benefited from strong category growth as well as increased market share. Snacks revenue increased 10,8% with sustained higher pricing in the category supported by volume growth of 4,7%.

The overall increase in cost for Snackworks' basket of raw materials was not material, with lower underlying prices offsetting most of the impact of the weaker Rand. Gross profit margin was maintained in line with last year and the leverage from higher volumes resulted in further improvement in the operating profit margin.

I&J

Revenue increased by 14,6% from R719,7 million to R824,5 million while operating profit increased from R46,5 million to R74,3 million. The operating profit margin increased from 6,5% to 9,0%.

GROUP OVERVIEW continued

Revenue growth largely reflects the benefit of the weaker Rand on export sales, supported by limited increases in selling prices and a 2,6% increase in sales volumes, with improved fishing fleet availability and freezer vessel catch rates resulting in an increase in overall tons caught. Operating costs were adversely impacted by higher fuel prices and planned maintenance costs, as well as unusually bad weather which resulted in a decrease in wet vessel catch rates and lower production recoveries in the land-based processing facilities. Selling and administrative expenses were well managed.

Fashion Brands (Personal Care, Footwear and Apparel)

Revenue rose by 7,6% to R1,54 billion while operating profit decreased slightly to R393,2 million. The operating profit margin decreased from 27,5% to 25,5%.

In the Personal Care category, Indigo's revenue grew by 11,4% to R574,4 million while operating profit increased by 6,7% to R97,2 million. The operating profit margin for the period decreased from 17,7% to 16,9%. Revenue growth reflects volume growth and price increases as well as a once-off sale of Coty stock on hand on commencement of the new trading terms with Coty. Colour cosmetics performed well and aerosol volumes stabilised, notwithstanding increased competition. 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 5,5% to R966,2 million while operating profit decreased by 2,3% from R303,0 million to R296,0 million. The decrease is due to gross margin pressure from the weaker Rand which was partially absorbed to support sales volumes. The operating profit margin decreased from 33,1% to 30,6%.

In the Spitz business, revenue grew 7,5% 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 26,8% 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. Together with the cost of more stores this restricted operating profit growth to 1,9%, from R254,1 million to R258,9 million. Operating profit margin declined from 34,9% to 33,1%.

In Green Cross, revenue decreased 4,6% due to a declining wholesale performance attributable to lower demand, increased competition and non-recurrence of bulk orders recorded in the prior year. The retail stores performed soundly, achieving revenue growth in a constrained consumer environment. No new stores were opened as plans for our revised retail platform were developed with new openings expected to commence in the second semester. Selling and administrative expenses increased at a rate above inflation, with investment in people to support medium-term growth targets. Operating profit decreased from R47,6 million to R34,3 million and operating profit margin decreased from 27,9% to 21,0%.

DIVIDEND

The interim dividend has increased by 33,3% to 120 cents per share and is in line with AVI's reduced dividend cover introduced in September 2013.

OUTLOOK

We expect the current constrained consumer demand environment to persist and possibly worsen if interest rates continue to rise and the Rand's weakness is sustained. The cost pressure attributable to the weaker Rand will result in continued margin pressure that, in turn, is likely to result in selling price increases in many of our categories in the second semester.

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 on-going improvements in manufacturing capability and procurement activity.

At I&J, wet vessel catch rates improved in the latter part of the period under review and should these catch rates continue, the increased volumes, together with the benefit of foreign currency exchange rates secured for the second semester, will support a strong second half and full-year performance.

Regarding the other business units, 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 regaining momentum in aerosol volumes and performing well in colour cosmetics. The Spitz and Kurt Geiger businesses will benefit from new store openings in the second half that should ameliorate some of their gross margin and demand pressures. Green Cross will commence the roll-out of a new design retail store and is working hard to build a stronger and focused platform in its wholesale business. Our international business is targeting a strong second half on the back of improved distribution in several export markets.

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
Chairman

Simon Crutchley
CEO

10 March 2014

CONDENSED GROUP BALANCE SHEET

	Unaudited at 31 December		Audited at 30 June
	2013 Rm	2012 Rm	2013 Rm
## Assets			
Non-current assets			
Property, plant and equipment	**2 142,6**	1 967,8	2 088,2
Intangible assets and goodwill	**1 144,2**	1 146,8	1 145,6
Investments	**380,4**	338,3	375,1
Deferred taxation	**38,9**	46,0	45,4
	3 706,1	3 498,9	3 654,3
Current assets			
Inventories and biological assets	**1 308,2**	1 190,8	1 270,7
Trade and other receivables including derivatives	**1 666,6**	1 516,7	1 425,8
Cash and cash equivalents	**358,3**	404,8	212,4
Other assets classified as held-for-sale*	**5,9**	4,6	5,6
	3 339,0	3 116,9	2 914,5
Total assets	**7 045,1**	6 615,8	6 568,8
Equity and liabilities			
Capital and reserves			
Total equity	**4 018,3**	3 410,8	3 677,6
Non-current liabilities			
Borrowings and operating lease straight-line liabilities	**17,3**	15,6	16,1
Employee benefits	**354,1**	365,1	347,9
Deferred taxation	**267,0**	226,9	240,3
	638,4	607,6	604,3
Current liabilities			
Current borrowings	**880,9**	1 185,0	893,5
Trade and other payables including derivatives	**1 422,7**	1 362,3	1 375,7
Corporate taxation	**84,6**	50,1	17,5
Other liabilities classified as held-for-sale	**0,2**	–	0,2
	2 388,4	2 597,4	2 286,9
Total equity and liabilities	**7 045,1**	6 615,8	6 568,8

Net debt**	**539,9**	795,8	697,2

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

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

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December 2013 Rm	2012 Rm	% change	Audited year ended 30 June 2013 Rm
Continuing operations				
Revenue	**5 400,3**	4 891,6	10	9 218,3
Cost of sales	**3 006,1**	2 645,0	14	5 110,5
Gross profit	**2 394,2**	2 246,6	7	4 107,8
Selling and administrative expenses	**1 373,5**	1 325,3	4	2 581,6
Operating profit before capital items	**1 020,7**	921,3	11	1 526,2
Income from investments	**2,8**	4,5	(38)	10,4
Finance costs	**(33,5)**	(28,5)	18	(63,1)
Share of equity-accounted earnings of joint ventures	**11,7**	5,4	117	23,9
Capital items	**149,2**	2,3	6 387	(4,6)
Profit before taxation	**1 150,9**	905,0	27	1 492,8
Taxation	**311,2**	263,3	18	448,6
Profit from continuing operations	**839,7**	641,7	31	1 044,2
Discontinued operation*				
Profit from discontinued operation	**–**	41,6	(100)	41,6
Total operations				
Profit for the period	**839,7**	683,3	23	1 085,8
Profit attributable to:				
Owners of AVI	**839,7**	683,2	23	1 085,7
Non-controlling interests	**–**	0,1	(100)	0,1
	839,7	683,3	23	1 085,8
Other comprehensive income net of tax	**6,4**	3,6	78	53,5
Items that are or may be subsequently reclassified to profit or loss				
Foreign currency translation differences	**21,3**	20,1	6	48,5
Cash flow hedging reserve	**(20,1)**	(22,9)	(12)	0,7
Taxation on items that are or may be subsequently reclassified to profit or loss	**5,6**	6,4		(0,3)
Items that will never be reclassified to profit or loss				
Actuarial (loss)/gain recognised	**(0,6)**	–		6,4
Taxation on items that will never be reclassified to profit or loss	**0,2**	–		(1,8)
Total comprehensive income for the period	**846,1**	686,9	23	1 139,3
Total comprehensive income attributable to:				
Owners of AVI	**846,1**	686,8	23	1 139,2
Non-controlling interests	**–**	0,1	(100)	0,1
	846,1	686,9	23	1 139,3
Basic earnings per share from continuing operations (cents)#	**269,6**	210,7	28	340,1
Diluted basic earnings per share from continuing operations (cents)##	**261,6**	201,1	30	325,5
Basic earnings per share (cents)#	**269,6**	224,3	20	353,6
Diluted basic earnings per share (cents)##	**261,6**	214,0	22	338,4
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit from continuing operations	**138,8**	128,3	8	259,0
Headline earnings per share from continuing operations (cents)#	**230,6**	210,2	10	341,2
Diluted headline earnings per share from continuing operations (cents)##	**223,8**	200,5	12	326,5

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

Basic earnings and headline earnings per share are calculated on a weighted average of 311 458 224 (31 December 2012: 304 503 220 and 30 June 2013: 306 993 534) ordinary shares in issue.

Diluted basic earnings and headline earnings per share are calculated on a weighted average of 320 932 285 (31 December 2012: 319 214 311 and 30 June 2013: 320 859 312) ordinary shares in issue.

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December 2013 Rm	2012 Rm	% change	Audited year ended 30 June 2013 Rm
Continuing operations				
Operating activities				
Cash generated by operations before working capital changes	**1 132,0**	969,8	17	1 750,6
Increase in working capital	**(190,3)**	(207,5)	(8)	(194,1)
Cash generated by operations	**941,7**	762,3	24	1 556,5
Interest paid	**(33,5)**	(28,5)	18	(63,1)
Taxation paid	**(220,4)**	(215,2)	2	(406,6)
Net cash available from operating activities	**687,8**	518,6	33	1 086,8
Investing activities				
Interest received	**2,8**	4,5	(38)	10,4
Property, plant and equipment acquired	**(199,9)**	(309,9)	(35)	(566,9)
Proceeds from disposals of property, plant and equipment	**8,1**	20,5	(60)	20,9
Acquisition of Green Cross (net of cash acquired)	**–**	(344,8)	(100)	(379,8)
Payment from Coty on revision of commercial relationship	**150,0**	–		–
Movement in joint ventures and other investments	**12,7**	10,6	20	23,1
Net cash used in investing activities	**(26,3)**	(619,1)	(96)	(892,3)
Financing activities				
Proceeds from shareholder funding	**21,2**	22,8	(7)	85,9
Short-term funding (repaid)/raised	**(12,6)**	1 124,5	(101)	830,9
Dividends paid	**(531,0)**	(926,2)	(43)	(1 195,4)
Net cash (used in)/generated by financing activities	**(522,4)**	221,1	(336)	(278,6)
Discontinued operation*				
Net cash flows from discontinued operation	**–**	39,2	(100)	39,3
Total operations				
Increase/(decrease) in cash and cash equivalents	**139,1**	159,8	(13)	(44,8)
Cash and cash equivalents at beginning of period	**212,4**	242,1	(12)	242,1
	351,5	401,9		197,3
Translation of cash equivalents of foreign subsidiaries at beginning of period	**6,8**	2,9	134	15,1
Cash and cash equivalents at end of period	**358,3**	404,8		212,4

* *The discontinued operation comprises 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 and therefore the movement on the closing cash balances does not reconcile to the individual cash flow movements reflected above.

CONDENSED 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
Six months ended 31 December 2013							
Balance at 1 July 2013	29,5	(538,2)	309,0	3 877,3	**3 677,6**	–	**3 677,6**
Profit for the period				839,7	**839,7**	–	**839,7**
Other comprehensive income							
Foreign currency translation differences			21,3		**21,3**		**21,3**
Actuarial gains recognised			(0,4)		**(0,4)**		**(0,4)**
Cash flow hedging reserve			(14,5)		**(14,5)**		**(14,5)**
Total other comprehensive income	–	–	6,4	–	**6,4**	–	**6,4**
Total comprehensive income for the period	–	–	6,4	839,7	**846,1**	–	**846,1**
Transactions with owners, recorded directly in equity							
Share-based payments			7,6		**7,6**		**7,6**
Deferred taxation on Group share scheme recharge			(2,7)		**(2,7)**		**(2,7)**
Dividends paid				(531,0)	**(531,0)**		**(531,0)**
Own ordinary shares sold by AVI Share Trusts		17,6		3,1	**20,7**		**20,7**
Total contributions by and distributions to owners	–	17,6	4,9	(527,9)	**(505,4)**	–	**(505,4)**
Balance at 31 December 2013	**29,5**	**(520,6)**	**320,3**	**4 189,1**	**4 018,3**	**–**	**4 018,3**
Six months ended 31 December 2012							
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 period				683,2	**683,2**	0,1	**683,3**
Other comprehensive income							
Foreign currency translation differences			20,1		**20,1**		**20,1**
Cash flow hedging reserve			(16,5)		**(16,5)**		**(16,5)**
Total other comprehensive income	–	–	3,6	–	**3,6**	–	**3,6**
Total comprehensive income for the period	–	–	3,6	683,2	**686,8**	0,1	**686,9**
Transactions with owners, recorded directly in equity							
Share-based payments			8,2		**8,2**		**8,2**
Deferred taxation on Group share scheme recharge			4,1		**4,1**		**4,1**
Dividends paid				(926,2)	**(926,2)**		**(926,2)**
Own ordinary shares sold by AVI Share Trusts		23,5		(0,7)	**22,8**		**22,8**
Total contributions by and distributions to owners	–	23,5	12,3	(926,9)	**(891,1)**	–	**(891,1)**
Changes in ownership interests in subsidiaries							
Disposal of Real Juice					**–**	17,7	**17,7**
Total transactions with owners	–	23,5	12,3	(926,9)	**(891,1)**	17,7	**(873,4)**
Balance at 31 December 2012	**29,5**	**(597,7)**	**239,1**	**3 739,9**	**3 410,8**	**–**	**3 410,8**
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			4,6		**4,6**		**4,6**
Cash flow hedging reserve			0,4		**0,4**		**0,4**
Total other comprehensive income	–	–	53,5	–	**53,5**	–	**53,5**
Total comprehensive income for the period	–	–	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**
Deferred taxation on 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2013

AVI Limited ("AVI" or the "Company") is a South African registered company. These condensed consolidated interim financial statements 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 condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. These condensed interim financial statements have not been reviewed or audited by the Group's auditors.

2. Basis of preparation

The condensed consolidated interim 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 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 applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and, except for the adoption of the new accounting standards detailed below, are consistent with those applied in the previous annual financial statements.

The Group has adopted the following new accounting standards, which all became effective in the interim period ended 31 December 2013, in the preparation of these interim results:

- IAS 19 (2011) – *Employee Benefits*
- IAS 28 (2011) – *Investments in Associates and Joint Ventures*
- Amendments to IFRS 7 – *Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities*
- 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 interim period ended 31 December 2013 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

	Unaudited six months ended 31 December			Audited year ended 30 June
	2013 Rm	2012 Rm	% change	2013 Rm
Profit for the year attributable to owners of AVI	**839,7**	683,2	23	1 085,7
Total capital items after taxation	**121,4**	42,8		37,7
Net (loss)/profit on disposal of investments and property, plant and equipment	**(0,8)**	1,4		(1,2)
Net profit on disposal of assets of disposal groups classified as held-for-sale	**–**	1,1		0,2
Payment from Coty on revision of commercial relationship	**150,0**	–		–
Profit on disposal of Real Juice	**–**	40,9		40,9
Impairment of assets	**–**	–		(3,6)
Other	**–**	–		0,2
Taxation attributable to capital items	**(27,8)**	(0,6)		1,2
Headline earnings	**718,3**	640,4	12	1 048,0
Attributable to:				
Continuing operations	**718,3**	640,0	12	1 047,5
Discontinued operations	**–**	0,4		0,5
	718,3	640,4	12	1 048,0
Headline earnings per ordinary share (cents)	**230,6**	210,3	10	341,4
Continuing operations (cents)	**230,6**	210,2	10	341,2
Discontinued operations (cents)	**–**	0,1		0,2
Diluted headline earnings per ordinary share (cents)	**223,8**	200,6	12	326,7
Continuing operations (cents)	**223,8**	200,5	12	326,5
Discontinued operations (cents)	**–**	0,1		0,2

4. Segmental results

	Unaudited six months ended 31 December 2013 Rm	2012 Rm	% change	Audited year ended 30 June 2013 Rm
CONTINUING OPERATIONS				
Segmental revenue				
Food & Beverage Brands	**3 854,6**	3 454,1	12	6 688,4
Entyce Beverages	**1 416,1**	1 310,0	8	2 414,9
Snackworks	**1 614,0**	1 424,4	13	2 681,6
I&J	**824,5**	719,7	15	1 591,9
Fashion Brands	**1 540,6**	1 431,7	8	2 518,2
Personal Care	**574,4**	515,8	11	982,1
Footwear & Apparel	**966,2**	915,9	5	1 536,1
Corporate and consolidation	**5,1**	5,8		11,7
Group	**5 400,3**	4 891,6	10	9 218,3
Segmental operating profit before capital items				
Food & Beverage Brands	**631,1**	539,8	17	951,5
Entyce Beverages	**258,9**	247,4	5	397,8
Snackworks	**297,9**	245,9	21	387,9
I&J	**74,3**	46,5	60	165,8
Fashion Brands	**393,2**	394,1	0	576,9
Personal Care	**97,2**	91,1	7	167,1
Footwear & Apparel	**296,0**	303,0	(2)	409,8
Corporate and consolidation	**(3,6)**	(12,6)		(2,2)
Group	**1 020,7**	921,3	11	1 526,2

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 profit and cash flows from the discontinued operation presented in the comparative periods were 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	62,3
Net cash flows from discontinued operation	39,2

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 brand 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 initial term of the transitional agreement in place between the parties expires on 30 June 2014. It is the intention of the parties to conclude a final agreement for a period of no less than five years, commencing on 1 July 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 six months ended 31 December 2013 is not significant and is not expected to be significant going forward.

The impact on Group results for the six months ended 31 December 2013 is as follows:

	Rm
Compensation for revision	150,0
Less: Capital gains taxation	(28,0)
Net capital profit	122,0

7. Commitments

	Unaudited six months ended 31 December 2013 Rm	2012 Rm	Audited year ended 30 June 2013 Rm
Capital expenditure commitments for property, plant and equipment	**187,3**	161,0	208,8
Contracted for	**170,1**	138,0	130,2
Authorised but not contracted for	**17,2**	23,0	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 significant events outside the ordinary course of business have occurred since the balance sheet date.

9. Dividend declaration

Notice is hereby given that a gross interim ordinary dividend number 80 of 120 cents per share for the six months ended 31 December 2013 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 interim dividend of 102 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 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, 28 March 2014
First trading day ex dividend on the JSE	Monday, 31 March 2014
Record date	Friday, 4 April 2014
Payment date	Monday, 7 April 2014

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Monday, 31 March 2014 and Friday, 4 April 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 Central Securities Depository Participant ("CSDP") or broker credited on Monday, 7 April 2014.

10. Preparation of financial statements

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

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

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

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)11 507 8500
Telefax: +27 (0)11 507 8501

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

29 Eaton Avenue
Bryanston 2021

PO Box 782916
Sandton 2145

Managing Director
Paul Presbury
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 10 September 2013)
(Business Development Director)

Independent non-executive

Gavin Tipper[1]
(Chairman)

James Hersov[2]

Adriaan Nühn[1, 4]

Mike Bosman[2]

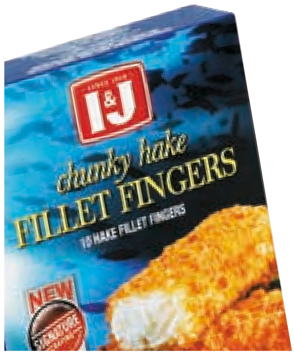
Andisiwe Kawa[1]

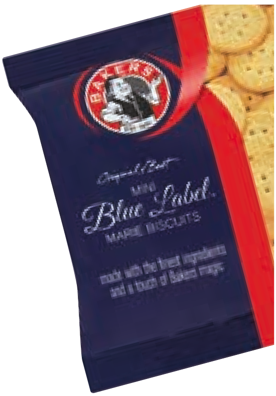
Abe Thebyane[1]

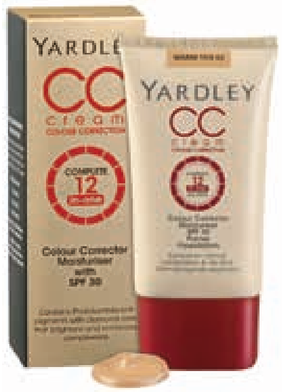
Neo Dongwana[2, 3]

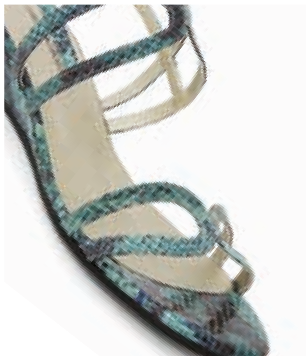
Barry Smith[3]

[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*


I&J
chunky hake
FILLET FINGERS
NEW


BAKERS
Original & Best
MINI
Blue Label
MARIE BISCUITS
made with the finest ingredients and a touch of Bakers magic


YARDLEY
CC cream
Colour Corrector Moisturiser with SPF 30
YARDLEY
CC cream



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