AVI

AVI LIMITED

AUDITED RESULTS

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Presentation to analysts

for the year ended 30 June 2006

Agenda

- 2006 Key features
- Group financial results
- Operational performance
- Structure for growth
- Prospects

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2006 Key features

- Turnover and operating income up 14,2% and 10,3% despite poor performances from I&J and RBC
- HEPS of 107,2 cents versus prior year of 108,2 cents
- Full year dividend of 53c up from 51c in the prior year
- Solid performance from NBL and Indigo Cosmetics; excellent Spitz result
- In aggregate earnings were compromised by I&J's poor performance and to a lesser extent, RBC
- Material I&J and RBC re-structuring underway – progress visible which underpins our confidence for F07 and the future

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2006 Key features

- New AVI operating structure developed which substantially aligns objectives and strategies for the medium term
- Heightened brand focus maturing the group to a single company ethos
- Substantially strengthened management teams across most business units and AVI
- Material acquisition effort not rewarded but pleased with early buy-out of Spitz minorities
- BEE proposal finalised, terms published with Annual Report

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Group financial results

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Group financial results

Continuing operations

Income statement	FY06 Rm	FY05 Rm	%Δ
Revenue	5 406,6	4 734,8	*14,2*
Operating profit	517,3	469,1	*10,3*
Operating margin %	9,6	9,9	*(3,0)*
Net financing cost	(33,2)	(8,7)	*(281,6)*
Share of JVs and associates	(12,3)	1,2	*(1 125,0)*
Effective tax rate	31,0	28,4	*9,2*
HEPS	107,2	108,2	*(0,9)*
Dividend (cents per share)	53,0	51,0	*3,9*

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Group financial results

	FY06 Rm	FY05 Rm	%Δ
Cash generated by operations	660,2	631,6	*4,5*
Working capital to revenue %	14,7	14,7	-
Capital expenditure	215,1	207,1	*3,9*
Net debt / (cash)	268,5	(257,8)	*(204,2)*

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Group financial results

- Net financing cost includes R20,8 million notional interest in respect of Spitz transaction (based on 6,4% after tax rate)
- Loss from JVs includes
  - Simplot restructuring cost – R7,6m
  - Simplot asset scrapping – R7,5m (capital item)
- Effective tax rate
  - Higher STC
- I&J contingent tax liability
  - Grounds of assessment received
  - Preparing statement of Grounds of Appeal
  - Litigation over extended period expected

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Operational performance

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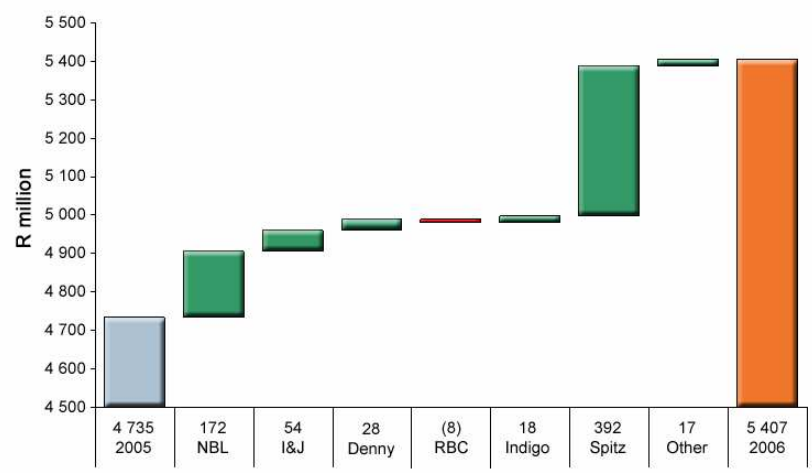
Operational performance

Revenue – 14% improvement



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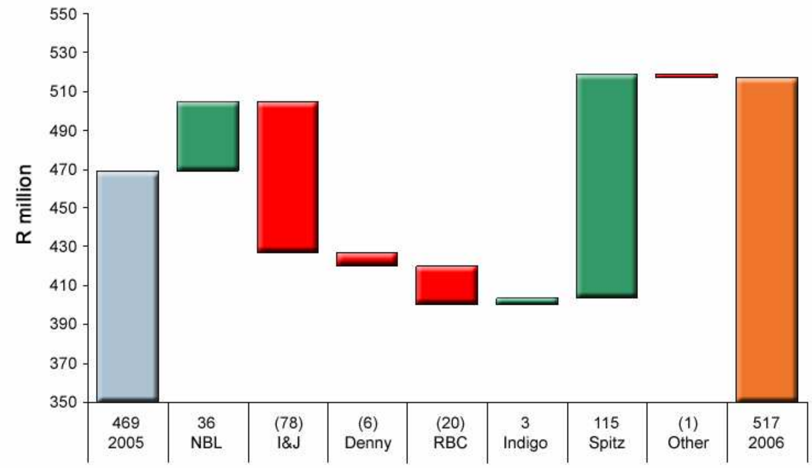
Group financial results

Operating profit – 10% improvement



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NATIONAL BRANDS LIMITED

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Operational performance

Financial results

	FY06 Rm	FY05 Rm	%Δ
Revenue	2 606,7	2 434,9	*7,1*
Operating profit	337,0	301,1	*11,9*
Operating margin %	12,9	12,4	*4,0*
Capital expenditure	95,9	85,9	*11,6*

Operational performance

2006 Key features

- Volume growth of 7,2% in competitive environment
- Market shares maintained – Biscuits strongly up
- Costs well controlled
  - Raw/wrap costs tightly managed
  - Benefit of strong rand
  - Coffee prices negative impact
- Product development – Bakers Jambos, Willards Kettle Chips, Five Roses Iced Tea
- Marketing investment up 9%

Operational performance

2007 Focus areas

- Smooth transition to new business unit structure
- Accelerate top-line growth
  - Category extensions for brands
  - Focus on innovation in areas of relevant scale
  - Improve product development and launch performance
- Implement price increases in response to rising costs
- Increase Biscuits and Creamer production capacity

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I&J

I&J Alpesca s.a. Simplot AUSTRALIA

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Operational performance

Financial results

	FY06 Rm	FY05 Rm	%Δ
Revenue	1 432,5	1 378,3	*3,9*
Operating profit	5,9	84,3	*(93,0)*
Operating margin %	0,4	6,1	*(93,4)*
Capital expenditure	65,7	72,2	*(9,0)*

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Operational performance

Financial results

Operating profit derived from each fishing resource	FY06 Rm	FY05 Rm	%Δ
South Africa	(1,9)	85,8	*(102,2)*
Argentina	0,1	(18,3)	*100,5*
Other	7,7	16,8	*(54,2)*
Total	5,9	84,3	*(93,0)*

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Operational performance

2006 Key features – South Africa

- Revenue growth due to increased price realisation offset by lower volumes
- Poor fishing conditions (12% lower catch rates)
- Increased fuel prices
- Management changes
- Restructuring commenced and costs incurred
- Long term fishing rights awarded

Operational performance

2006 quota outcome

Hake quota (tons)	FY06	FY05
South Africa	150 000	158 000
I&J	**41 950**	**46 830**
%	*28,0*	*29,6*
Argentina	380 000	394 000
Alpesca	**27 847**	**24 259**
%	*7,3*	*6,2*

- South African quota allocation appeals finalised August 2006 – impact 10,4% CY06 including TAC reduction
- Alpesca purchased 3 000 tons including transfer of 2 Arum vessels from South African fleet

Operational performance

2006 Key features

- Alpesca
  - Increase in hake volumes (fishing and quota)
  - Shrimp fishery closed for most of the year
  - Increased labour costs following strikes
  - Increased fuel prices
- Simplot JV
  - Staff retrenchment costs and asset scrapping costs
  - Benefit of manufacturing plant restructure delayed

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Operational performance

2007 Focus areas

- Industry initiatives to improve South African fish resource management
- Restructuring process continues
  - Reflect changing business drivers and quota position
  - Head Office rationalised and building sold
  - Benefit of head count reductions realised
- Optimisation of sales mix
  - Maximise high margin products
  - Rationalise processed products
  - Develop new channels
- Review Alpesca operating model in context of high labour costs
- Restructure Australian JV
- Review ownership of non-core operations

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the real beverage co.

The Real Juice Company

Sir Juice

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Operational performance

Financial results

the real beverage co.

	FY06 Rm	FY05 Rm
Revenue	209,0	217,3
Operating profit	(20,4)	(0,2)
Capital expenditure	2,8	11,3

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Operational performance

2006 Key features

- Significant impact of ineffective management
  - Lost market share
  - Retail gross margin declined
  - Distribution costs increased
- Corrective actions implemented
  - Senior structure and personnel resolved
  - Recovery of relevant industry experience
  - Sales and merchandising service upgraded
  - Distribution restructured to more effective arrangement
  - Systems and controls upgraded
- High abnormal costs – benefits will accrue over time

Operational performance

2007 Focus areas

- Access benefits from new business unit structure
- Grow top line
  - Improve sales and merchandising function
  - Improve selling prices
  - Accelerate innovation
- Reduce distribution cost
- Leverage volume growth

Operational performance

Financial results

	FY06 Rm	FY05* Rm	%Δ
Revenue	254,7	226,9	*12,3*
Operating profit	21,5	27,8	*(22,7)*
Operating margin %	8,4	12,3	*(31,7)*
Capital expenditure	15,0	11,8	*27,1*

*2005 numbers are for 11 months – acquisition was effective August 2004

Operational performance

DENNY®

2006 Key features

- Fresh sales volumes increased by 5,6% over the previous 12 months
- Fresh market share increased from 52% to 55%
- Industry margins reduced with prices declining year on year
  - Increased imports of Chinese processed mushrooms
  - Pricing in the fresh market decreased by 2% in the In-home sector and by 7% in the out-of-home sector
- Significant marketing investment

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Operational performance

DENNY®

2007 Focus areas

- Continue to strengthen the Denny brand (above the line TV)
- Optimise fresh pricing in the market via premiumisation
- Continued innovation of Denny branded processed convenience products
- Expand production facilities in Gauteng – brown mushroom project
- Real reduction in manufacturing costs

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indigo cosmetics

YARDLEY COTY LENTHÉRIC LONDON · PARIS RIMMEL GALENIC adidas MONTEIL

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Operational performance

indigo cosmetics

Financial results

	FY06 Rm	FY05 Rm	%Δ
Revenue	479,6	461,9	*3,8*
Operating profit	50,5	47,0	*7,4*
Operating margin %	10,5	10,2	*2,9*
Capital expenditure	16,9	14,8	*14,2*

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Operational performance

indigo cosmetics

2006 Key features

- Much improved H2
- First price increase in four years
  - Weighted average below 2%
- Key de-listings in Australasian market and reduced investment

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Operational performance

indigo cosmetics

2007 Focus areas

- Maintain high levels of innovation
  - 16 new fragrance launches
- Widen consumer mix
- Acquisitive ambition for new brands
- Take advantage of residual Australasian opportunities

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SPITZ

CARVELA LACOSTE Kurt Geiger DKNY J.Renee PRADA MIU MIU Salvatore Ferragamo

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Operational performance

Financial results

SPITZ

	FY06 Rm	FY05* Rm	%Δ
Revenue	391,8	258,1	*51,8*
Operating profit	115,1	77,1	*49,3*
Operating margin %	29,4	29,9	*(1,7)*
Capital expenditure	9,5	4,1	*131,7*

*2005 numbers for comparative purposes only

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Operational performance

2006 Key features

- Acquisition effective July 2005
  - Final acquisition cost R596 million
- Revenue growth driven by
  - Same store growth of 30%
  - Eight new stores
  - Trading density from R38k to R44k per annum
- Strong consumer demand for key brands – Carvela, Lacoste, Kurt Geiger
- Cash generated from operations R88 million

Operational performance

2007 Focus areas

- Investment in people and infrastructure to sustain growth
- Upgrade shopping experience
- Expansion of brand portfolio
- Increased brand investment
- Continue geographic expansion
- Wider use of owned brands in fashion category (Kurt Geiger collection)

Structure for growth

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Structure rationale

- To aggregate brands into natural groupings where the core skills, market instincts and business activities are as similar as possible
- To take advantage of AVI’s heightened focus to extract all the embedded linkages existing within the underlying activity
- To create business units of scale with bottom-line accountability and which better support the employment of experienced, talented managers

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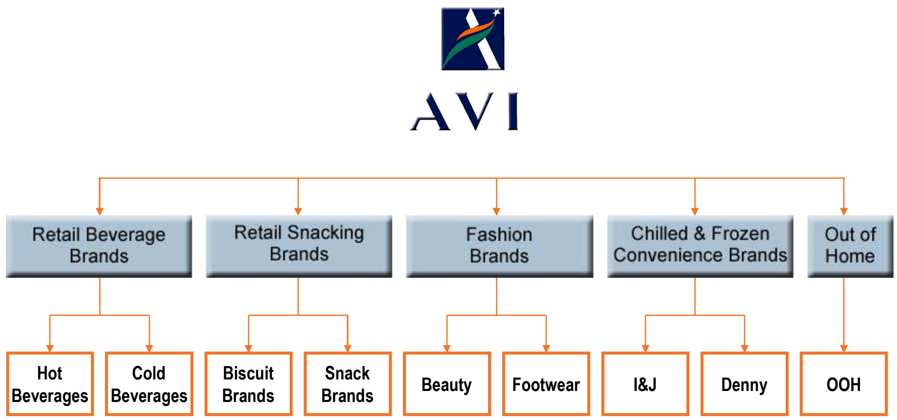
Structure for growth



A balance between business unit sovereignty and single company instinct

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Structure for growth

- The proposed new business units are similar in size, have a good balance of mature and growth brands with similar brand attributes
- Facilitates appropriate shared and support services (where rational and economic)
- Elevates our growth categories and places recent acquisitions into appropriately resourced structures
- Has established roots in key areas
- Has no big IT "plug & pray risks"
- No big bang – process will be prioritised, carefully planned and phased

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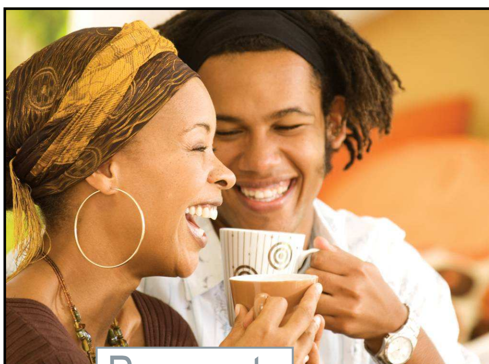
Structure for growth

Results viewed in accordance with the revised operating structure

	Revenue		Operating profit		Operating margin	
	FY06 Rm	FY05 Rm	FY06 Rm	FY05 Rm	FY06 %	FY05 %
Retail beverage brands	1 207,1	1 162,1	149,3	137,5	12,4	11,8
Retail snacking brands	1 288,9	1 184,6	125,9	105,4	9,8	8,9
Chilled & frozen convenience brands	1 687,2	1 605,2	27,4	112,1	1,6	7,0
Out of home	319,7	305,5	41,4	58,0	12,9	19,0
Fashion brands	871,4	461,9	165,6	47,0	19,0	10,2
Corporate	32,3	15,5	7,7	9,1		
Total	5 406,6	4 734,8	517,3	469,1	9,6	9,9



Prospects

Prospects – positive outlook

- Impact of inflationary environment and rising interest rates not readily predictable
- I&J (Rand weakness) and Food Brands, Indigo have defensive properties in tougher economic circumstances
- I&J's multi-faceted re-structuring supports a sound recovery in 2007
- Spitz's limited market share, brand strength and store rollout are good growth prospects
- AVI's new structure heightens focus across our food brands and will drive top-line prospects
- Acquisition opportunities in key brand areas looks positive

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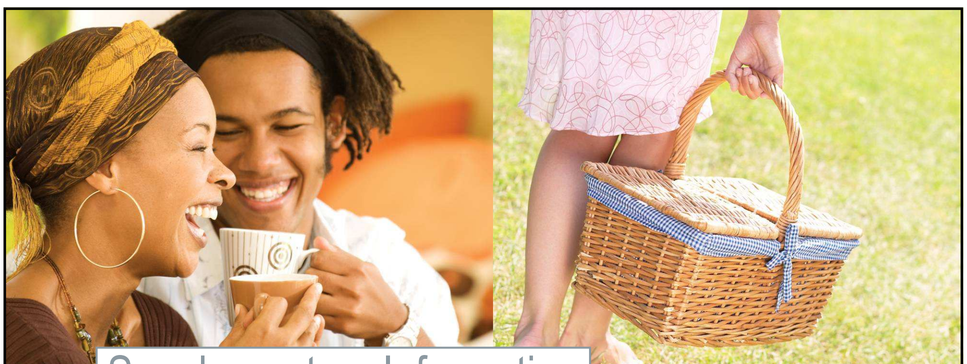

Supplementary Information

Information added on 27 September 2006 in response to requests received

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Group financial results

	FY06	FY05	%Δ
Depreciation and amortisation (Rm)	168,2	153,9	9,3
Return on average capital employed (%)	11,6	14,2	-18,3

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Group financial results

Effect of revenue restatement on interim results

	Reported		Adjusted with Circular 9/2006		Adjustment	
Revenue	1H06 Rm	1H05 Rm	1H06 Rm	1H05 Rm	1H06 Rm	1H05 Rm
NBL	1 391,1	1 312,8	1 367,0	1 289,3	(24,1)	(23,5)
I&J	775,0	708,5	774,5	707,9	(0,5)	(0,6)
Denny	127,4	106,0	125,5	104,3	(1,9)	(1,7)
RBC	102,1	108,5	102,1	108,5	-	-
Indigo	262,3	263,7	260,4	261,9	(1,9)	(1,8)
Spitz	217,0		216,5		(0,5)	
Corporate	15,6	1,2	15,6	1,2	-	-
	2 890,5	2 500,7	2 861,6	2 473,1	(28,9)	(27,6)

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Operational performance

Financial results

Revenue derived from each fishing resource	FY06 Rm	FY05 Rm	%Δ
South Africa	1 035,1	1 032,4	*0,3*
Argentina	294,2	199,0	*47,8*
Other	103,2	146,9	*(29,7)*
Total	1 432,5	1 378,3	*3,9*

Structure for growth

Results viewed in accordance with the revised operating structure – **interim results**

	Revenue		Operating profit		Operating margin	
	1H06 Rm	**1H05 Rm**	**1H06 Rm**	**1H05 Rm**	**1H06 %**	**1H05 %**
Retail beverage brands	584,6	581,8	66,8	74,9	11,4	12,9
Retail snacking brands	705,4	645,1	89,5	67,0	12,7	10,4
Chilled & frozen convenience brands	900,0	812,2	23,7	50,4	2,6	6,2
Out of home	179,1	171,0	22,3	30,9	12,5	18,1
Fashion brands	476,9	261,9	96,4	27,4	20,2	10,5
Corporate	15,6	1,2	-9,0	-0,2		
Total	2 861,6	2 473,1	289,7	250,4	10,1	10,1

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AUDITED RESULTS

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