AVI LIMITED

presentation to **analysts**

for the

YEAR ENDED

30 June 2008

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AGENDA

- Key features
- Group financial results
- Operating environment
- Prospects
- Q&A

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KEY FEATURES

- Revenue from continuing operations up 14%
- Operating profit from continuing operations up 14%
- HEPS from continuing operations up 15%
- Total dividend up 10% to 80 cents per share
- R550m returned to shareholders
- Decision to disinvest from Alpesca
- Margin pressure from significant cost increases

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Group
FINANCIAL
results

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GROUP FINANCIAL RESULTS

CONTINUING OPERATIONS

Income statement	08 Rm	07 Rm	%Δ
Revenue	6 660,6	5 851,9	*13,8*
Gross profit %	41,3	42,7	*(3,3)*
Operating profit	798,7	702,3	*13,7*
Operating margin %	12,0	12,0	-
Net financing cost	(64,0)	(23,2)	*(175,9)*
Share of JVs and associates	17,2	(21,4)	*180,4*
HEPS (cps)	159,0	138,4	*14,9*
Total dividend (cps)	80,0	73,0	*9,6*

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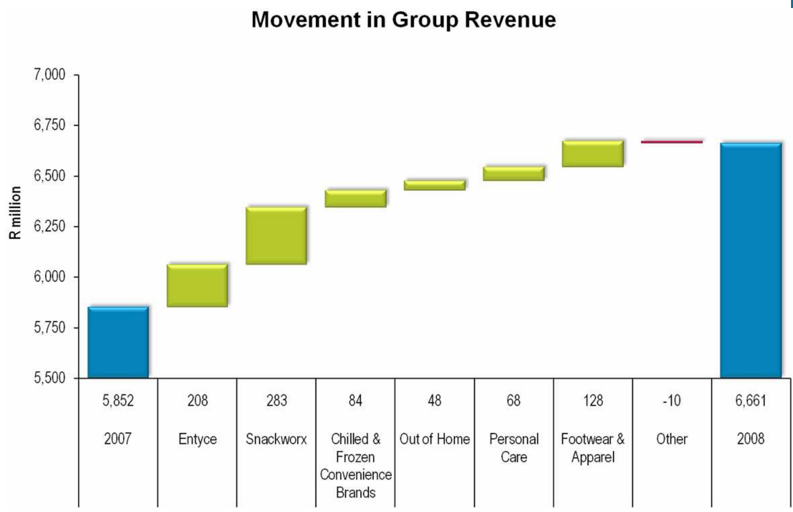
GROUP FINANCIAL RESULTS

CONTINUING OPERATIONS – REVENUE 14% UP



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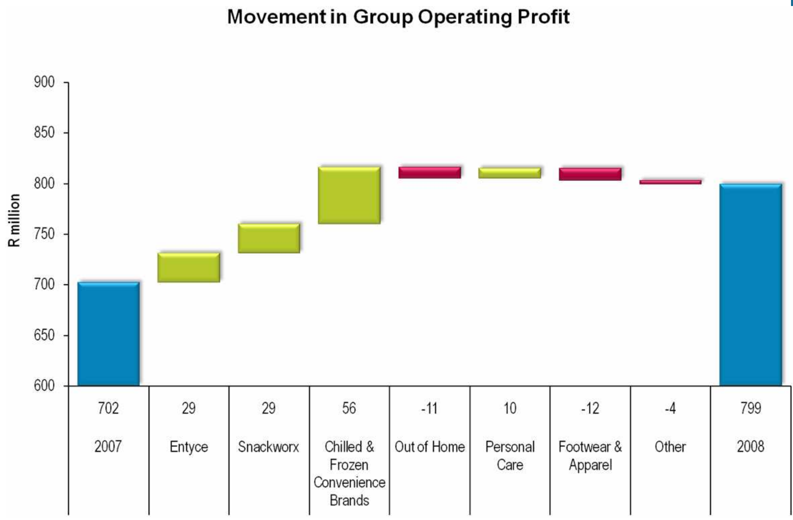
GROUP FINANCIAL RESULTS

CONTINUING OPERATIONS – OPERATING PROFIT 14% UP



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GROUP FINANCIAL RESULTS

CONTINUING OPERATIONS

	08 Rm	07 Rm	%Δ
Cash generated by operations	1 022,8	864,6	*18,3*
Working capital to revenue %	19,7	17,3	
Capital expenditure	271,6	233,8	*16,2*
Depreciation and amortisation	166,7	150,0	*11,1*
Net debt	724,4	83,5	*767,5*

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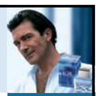
GROUP FINANCIAL RESULTS



CONTINUING OPERATIONS

- Gross margin pressure offset by volume leverage in tea, biscuits, creamer and personal care
- Improved Simplot operating performance due to better processing and retail performance, as well as unusually high seafood trading profits
- Tax rate affected by lower capital items
- Return of capital to shareholders
  - Payment out of share premium – R231m
  - Share buy-back – R319m (17,3 million shares)
- Net finance costs increased due to higher gearing and interest rates

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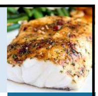
GROUP FINANCIAL RESULTS



DISCONTINUED OPERATION - ALPESCA

- Difficult to achieve consistent economic returns
- Operating loss of R10,2m in 2008 compared to profit of R33,1m in 2007
- Headline loss of R10,4m in 2008 compared to profit of R26,2m in 2007
- Distraction from South African operations which achieved 10,9% operating profit margin in 2008
- Classified as discontinued in accordance with accounting standards and comparatives re-presented
- No impairment provision at 30 June 2008

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The **year** in
REVIEW

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OPERATING ENVIRONMENT

CONSUMER DEMAND

- Generally sound demand for food, beverage and personal care categories
- I&J reduction due to timing of catches, lower own and purchased quota

Sales volume growth	% Δ vs 2007
Tea	10,6
Biscuits	4,1
Snacks	4,5
Creamer	9,2
Coffee	(3,5)
Denny	2,3
I&J South Africa	(15,9)
Personal Care	9,0
Spitz	17,3

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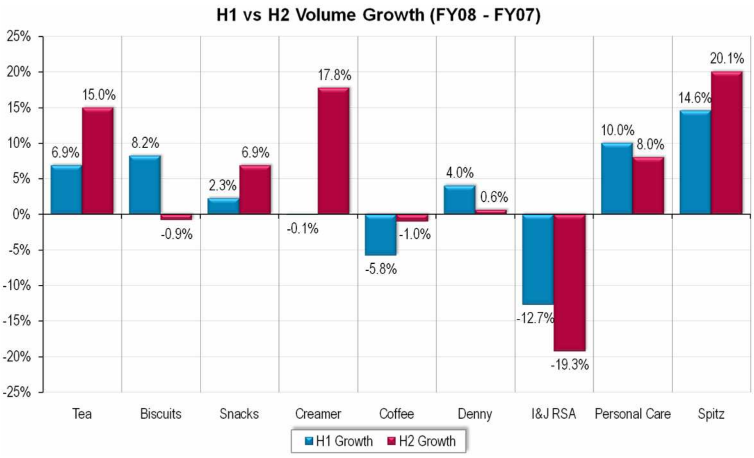
OPERATING ENVIRONMENT

CONSUMER DEMAND

- Slower growth in some categories in the second semester



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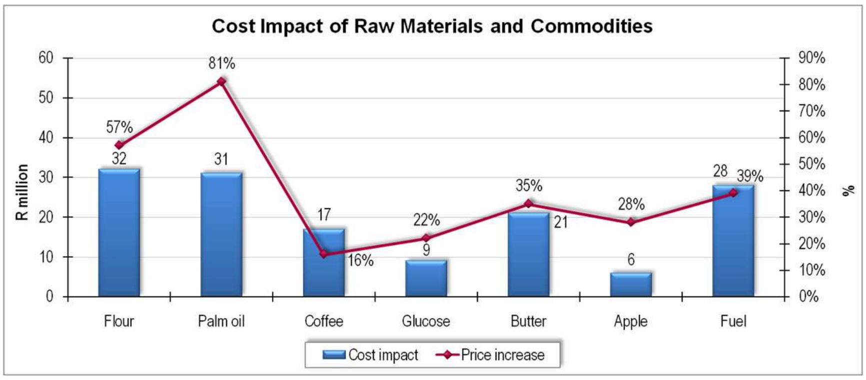
OPERATING ENVIRONMENT

COST PRESSURES

- Commodity input costs



- Packaging input cost increases 9% - 14%
- Labour cost increases 8% - 9%

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OPERATING ENVIRONMENT

SELLING PRICES

- Change in average realised selling prices:

Average realised selling prices by category	% Δ vs 2007
Tea	5,0
Biscuits	17,3
Snacks	10,6
Creamer	22,9
Coffee	12,2
Denny	10,8
I&J South Africa	22,7
Personal Care	2,9
Footwear	2,1

- I&J increase includes effect of weaker Rand on exports; domestic market average increase was 8%
- Footwear increase net of mix changes

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OPERATING ENVIRONMENT

EFFICIENCY

- Volume leverage benefit – Tea, Biscuits, Creamer, Personal Care
- Distribution savings rate of R30m per annum in place
- I & J South Africa
  - Negative impact of lower hake quota
  - Incremental improvement to operating base established during 2007
  - Catch rates slightly better – 7,6 hake tons per sea day (2007: 7,3 tons)
- Biscuit factories
  - Revised shift system introduced to improve working hours and shift changeovers – disruptive in the short term
  - Commissioned extra capacity of 8,5% of annual capacity

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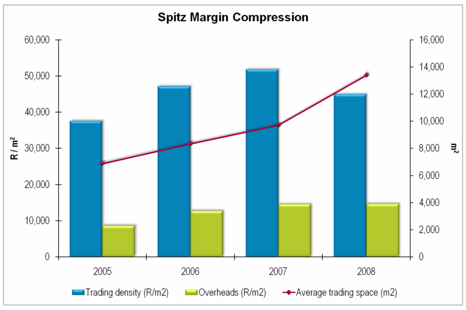
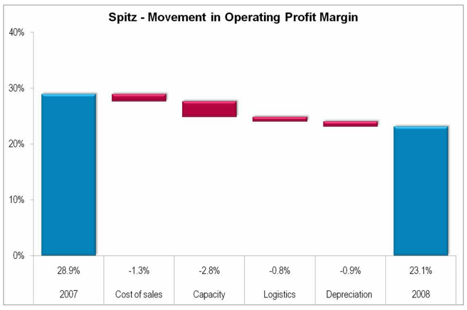
OPERATING ENVIRONMENT

A & D SPITZ

- 18 new stores opened, bringing total doors to 57
- Planned reduction in trading density to improve customer service
- Significant increase in people, systems and warehousing costs
- Quicker margin compression with slower growth in new stores
- Period of consolidation and re-leveraging with measured growth





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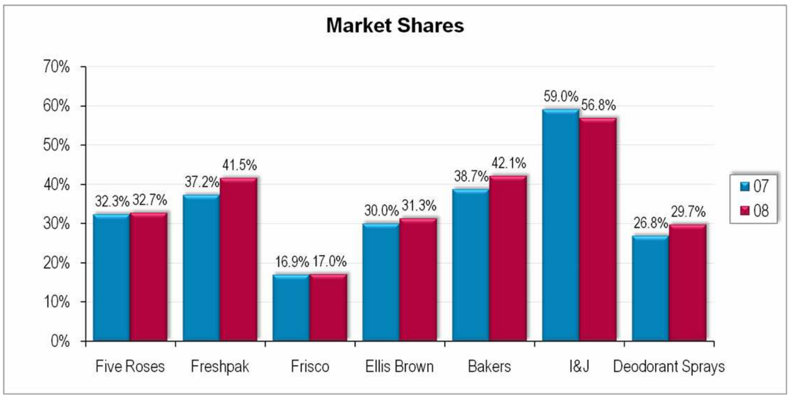
OPERATING ENVIRONMENT

MARKET SHARE

- Most leading market shares maintained or increased
- I&J reduction due to price discipline to protect margins
- Toppers biscuit range moved from Baumanns to Bakers



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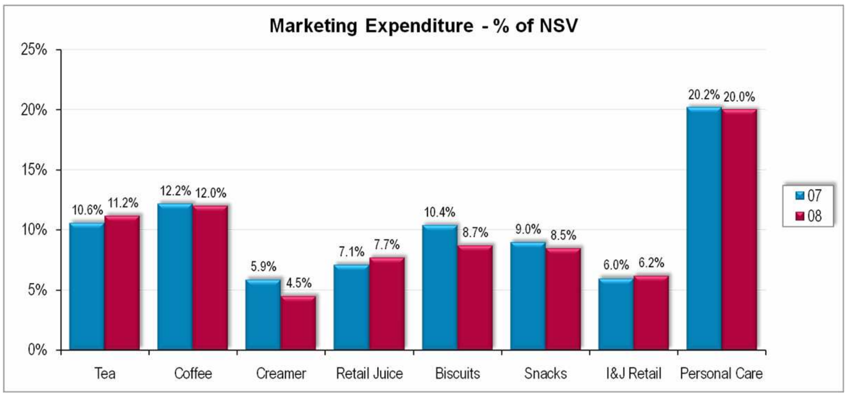
OPERATING ENVIRONMENT
MARKETING EXPENDITURE

- Marketing spend % of revenue for key categories



* = includes advertising and promotions, co-operative expenditure with customers and marketing department costs

- Total marketing expenditure for 2008 was R501m

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PROSPECTS

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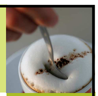
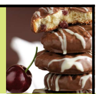
PROSPECTS



- Demand
  - YTD demand acceptable across most categories
  - August softer than budgeted
  - Christmas demand is important
  - Impact of future price increases on demand
- Cost pressures
  - Some indication that commodity prices are starting to trend down
  - Labour cost increases will lag CPI

PROSPECTS



- Restructuring
  - Real Beverage operations to be rationalised to Western and Eastern Cape only
- Opportunities
  - Merchandising
  - Innovation
  - Brand opportunities in Channel / OOH
  - Projects for procurement, manufacturing
  - Acquisitions

QUESTIONS
and
answers

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THANK YOU

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Business UNIT summaries

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OPERATIONAL performance

ENTYCE BEVERAGES

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FIVE ROSES Freshpak house of coffees Frisco Koffiehuis Ellis Brown The Real Juice Company Quali

OPERATIONAL PERFORMANCE – ENTYCE

FINANCIAL RESULTS

	08 Rm	07 Rm	%Δ
Revenue	1 547,5	1 339,1	*15,6*
Operating profit	189,1	160,6	*17,7*
Operating margin %	12,2	12,0	*1,7*

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OPERATIONAL PERFORMANCE – ENTYCE

FY08 KEY FEATURES

- Strong tea and creamer volume growth – increased market share
- Extensive promotional activity supporting new packaging and new speciality teas
- Tea selling price increases averaged 5%
  - ameliorated by softer rooibos input costs
  - effect of Kenyan supply constraint delayed by forward buying
- Coffee and creamer selling prices increased due to raw material pressure – coffee, palm oil, glucose
- Operating margin slightly improved at 12,2% due to higher volumes
- Juice operating loss of R21m same as last year – inland operations to be closed
- R24m coffee technology / capacity project commenced – commissioning in October 2008

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OPERATIONAL performance

OPERATIONAL PERFORMANCE – SNACKWORX

FINANCIAL RESULTS

	08 Rm	07 Rm	%Δ
Revenue	1 677,2	1 394,2	*20,3*
Operating profit	185,8	156,8	*18,5*
Operating margin %	11,1	11,2	*(0,9)*

OPERATIONAL PERFORMANCE – SNACKWORX

FY08 KEY FEATURES

- Volume growth of 4% – slower in second half
- Average selling price increases 16% to address sustained high input costs for flour, butter, shortening, palm oil
- Lower gross margins largely offset by increased volumes
- Operating profit margin slightly lower at 11,1%
- Potato crisp profits constrained by high raw material input costs and strong competition
- New Isando biscuit line commissioned in second half – increased capacity and improved service levels
- Short term disruption from revised shift system – affecting throughput and yields
- Extensive work on brand rejuvenation by new marketing team

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OPERATIONAL performance

Chilled & Frozen Convenience Brands

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I&J DENNY DINING IN

OPERATIONAL PERFORMANCE
– CHILLED & FROZEN CONVENIENCE BRANDS

FINANCIAL RESULTS – CONTINUING OPERATIONS

	08 Rm	07 Rm	%Δ
Revenue	1 775,4	1 690,8	*5,0*
Operating profit	194,9	139,1	*40,1*
Operating margin %	11,0	8,2	*34,1*

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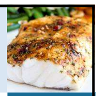
OPERATIONAL PERFORMANCE
– CHILLED & FROZEN CONVENIENCE BRANDS



FINANCIAL RESULTS – SEAFOOD PRODUCTS

	Revenue		Operating profit	
Fishing resource	**08 Rm**	**07 Rm**	**08 Rm**	**07 Rm**
South Africa	1 341,4	1 322,9	148,6	103,9
Other	135,4	104,3	11,7	9,0
Continuing	**1 476,8**	**1 427,2**	**160.3**	**112,9**
Argentina	445,5	480,5	(10,2)	33,1
Total	**1 922,3**	**1 907,7**	**150,1**	**146,0**

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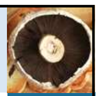

OPERATIONAL PERFORMANCE
– CHILLED & FROZEN CONVENIENCE BRANDS

FY08 KEY FEATURES

- Revenue growth from weaker Rand, higher export prices and higher domestic prices
- Hake volumes reduced due to lower quota
- I&J catch rates slightly higher than 2007
- Fleet capacity reduced in line with lower quota
- Incremental improvement to operating base established in 2007
- Higher input costs – mainly fuel
- Denny operating profit up from R26,2m to R34,5m
- Operating margin of 11,0% from continuing operations
- Alpesca adversely impacted by high wage costs, reduced quota and lower shrimp prices

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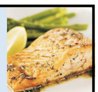

CHILLED AND FROZEN CONVENIENCE BRANDS

QUOTA – SEAFOOD PRODUCTS

Hake quota (tons)	**CY08**	**CY07**
South Africa Total Allowable Catch (TAC)	130 532	135 000
I&J	**36 530**	**37 755**
%	*28,0*	*28,0*
Argentina TAC	270 000	340 000
Alpesca	**20 270**	**25 923**
%	*7,5*	*7,6*

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OPERATIONAL
performance

Out of Home

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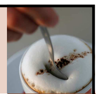
OPERATIONAL PERFORMANCE – OUT OF HOME

FINANCIAL RESULTS



	08 Rm	07 Rm	%Δ
Revenue	392,7	344,9	*13,9*
Operating profit	42,7	53,5	*(20,1)*
Operating margin %	10,9	15,5	*(29,7)*

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OPERATIONAL PERFORMANCE – OUT OF HOME

FY08 KEY FEATURES

- Volume growth in fresh juice and hot chocolate
- Core coffee volumes maintained in tougher consumer environment
- Decrease in margins from lower margin products and higher raw material costs
- Investment in sales and equipment servicing capability
- Increased regional competition

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OPERATIONAL performance

Fashion Brands

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indigo cosmetics YARDLEY LENTHÉRIC LONDON · PARIS COTY KURT GEIGER SPITZ CARVELA nina roche JIMMY CHOO GEOX GANT LACOSTE

OPERATIONAL PERFORMANCE – FASHION BRANDS

FINANCIAL RESULTS

	08 Rm	07 Rm	%Δ
Revenue	1 253,3	1 058,1	*18,4*
Operating profit	206,3	208,4	*(1,0)*
Operating margin %	16,4	19,7	*(16,7)*

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OPERATIONAL PERFORMANCE – FASHION BRANDS

FINANCIAL RESULTS

	Revenue			Operating profit		
	08 Rm	**07 Rm**	**%Δ**	**08 Rm**	**07 Rm**	**%Δ**
Personal Care	623,5	555,9	*12,2*	73,4	63,3	*16,0*
Footwear & Apparel	629,8	502,2	*25,4*	132,9	145,1	*(8,4)*
Total	**1 253,3**	**1 058,1**	***18,4***	**206,3**	**208,4**	***(1,0)***

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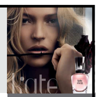
OPERATIONAL PERFORMANCE – FASHION BRANDS



FY08 KEY FEATURES – PERSONAL CARE

- Successful product development and launch in major brands – Yardley, Lenthéric, Coty
- Strong growth in deodorant sprays
- Average realised selling prices up 3%
- Solid performance from fragrance and make-up categories
- Operating profit margin improved from 11,4% to 11,8%

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OPERATIONAL PERFORMANCE – FASHION BRANDS

FY08 KEY FEATURES – FOOTWEAR & APPAREL

- Like for like revenue growth 4%
- 18 new stores opened – 13 Spitz, 2 Geox, 2 Kurt Geiger and 1 Lacoste
- 13 stores in H1, 5 stores in H2
- Average trading space 13 393 m^2 in 2008 vs 9 696 m^2 in 2007
- Average price increase 5% before mix changes
- Strong brand appeal giving relatively soft landing to sales volumes
- Investment in stores, people and systems
- Expected de-leveraging amplified by slowing revenue growth
- Start-up costs in Nina Roche and Gant

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