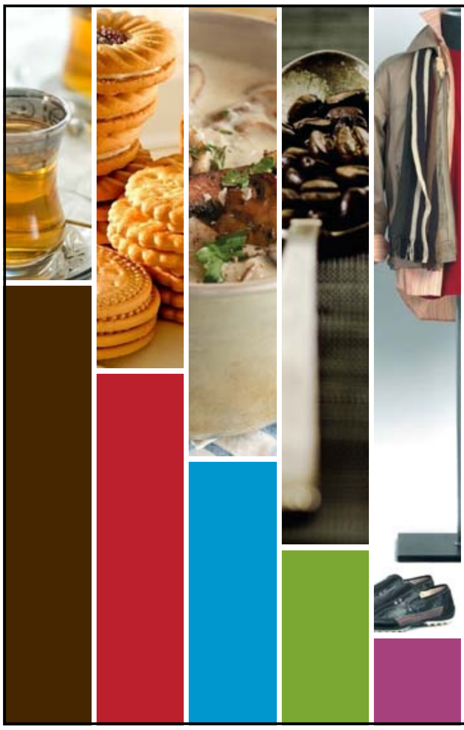
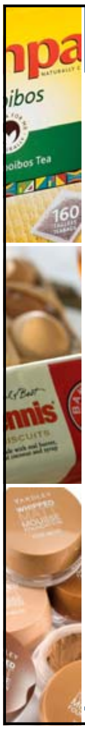


AVI Limited
Presentation to Analysts

for the year ended
30 June 2009

Agenda

- Key features
- Group financial results
- Operating environment
- Initiatives and prospects
- Q&A

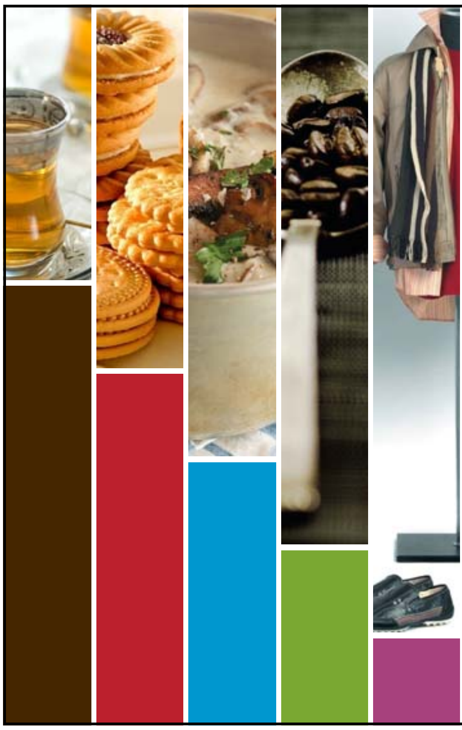


Key Features

Solid performance in a challenging environment

- Revenue from continuing operations up 12% to R7,5 billion
- Operating profit from continuing operations up 14% to R908 million
- Gross profit margin down from 41,3% to 39,9% due to input cost pressures
- Headline earnings per share from continuing operations up 10% to 175 cents
- Cash from operations before working capital changes up 6% to R1,1 billion
- Final dividend of 52 cents and total dividend up 10% to 88 cents per share
- Strengthened competiveness and relevance of our key brands to consumers

AVI



Group
Financial Results

AVI

Group Financial Results
Continuing Operations

Income statement	09 Rm	08 Rm	%Δ
Revenue	7 462,4	6 660,6	*12,0*
Gross profit %	39,9	41,3	*(3,4)*
Operating profit	908,5	798,7	*13,7*
Operating margin %	12,2	12,0	*1,6*
Net financing cost	(125,0)	(64,0)	*(95,3)*
Share of JVs and associates	15,3	17,2	*(11,0)*
Taxation	276,7	265,8	*4,1*
HEPS (cps)	174,7	159,0	*9,9*
Total dividend (cps)	88,0	80,0	*10,0*

AVI

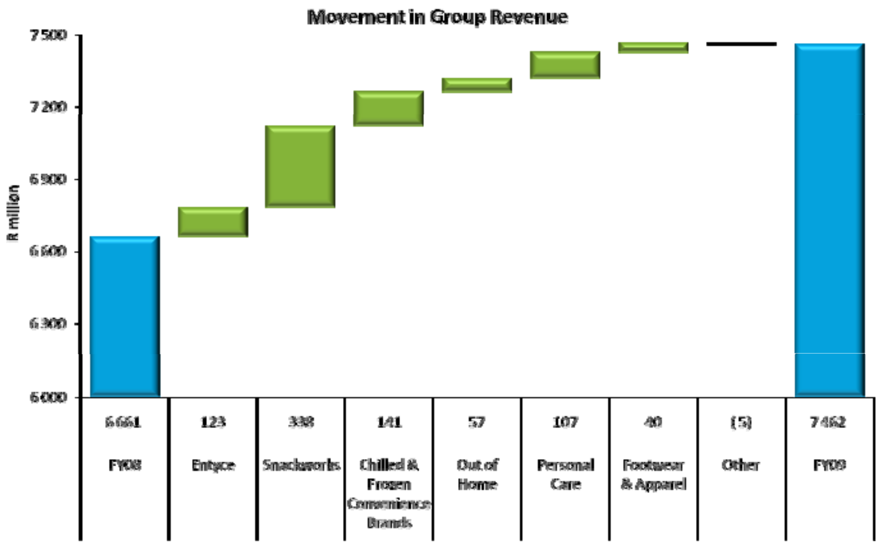
Group Financial Results
Continuing Operations

	Changes in Revenue		Changes in EBIT	
Comparison of first and second half to prior year	**1H08 = 100**	**2H08 = 100**	**1H08 = 100**	**2H08 = 100**
Entyce Beverages	116	100	110	127
Snackworks	128	112	109	78
Chilled & Frozen Convenience Brands	115	101	163	111
Out of Home	116	113	109	167
Fashion Brands	112	111	92	101
Group	**118**	**106**	**116**	**111**

AVI

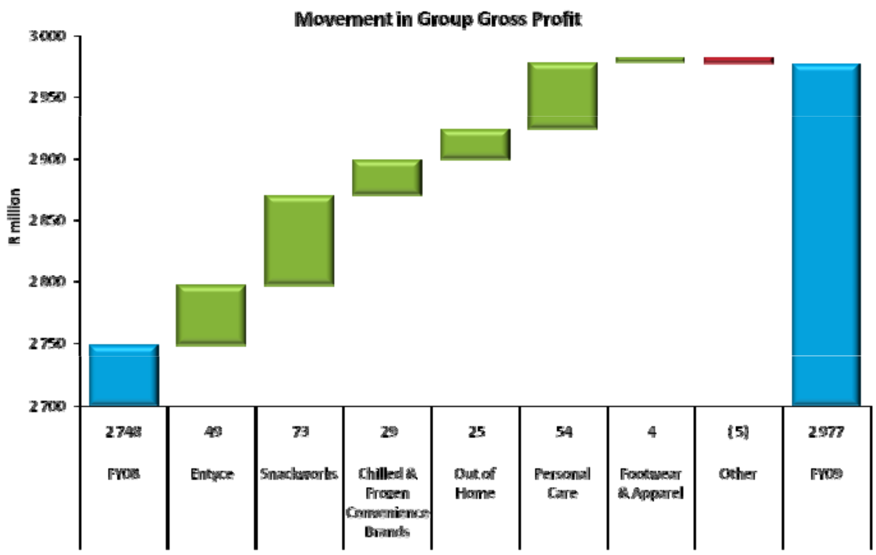
Group Financial Results

Continuing Operations – Revenue 12% up



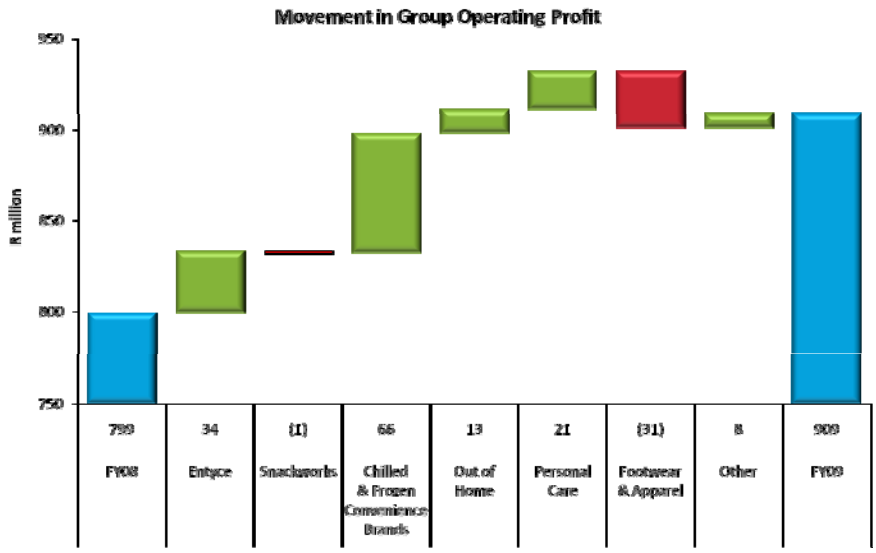
Group Financial Results

Continuing Operations – Gross Profit 8% up



Group Financial Results

Continuing Operations – Operating Profit 14% up



Group Financial Results

Continuing Operations – Taxation

	09 Rm	08 Rm
Normal tax	250,3	233,7
Tax on capital items	(0,8)	1,9
STC	27,2	30,2
Tax charge	276,7	265,8
Effective rate excl. capital items and STC	31,3%	31,1%
Non-deductible interest *	52,2	48,4
Adjusted effective rate	29,4%	29,2%

* = Interest incurred by the AVI Black Staff Empowerment Scheme Trust is not tax deductible. This interest is included in the share price determination and will be recovered from participants when they exercise their share purchase rights

Group Financial Results

Continuing Operations – Capital Items

	09 Rm	08 Rm
Disposal of non-core subsidiary - NBL	23,8	-
Disposal of overseas property – I&J	26,7	-
Disposal of surplus vessels – I&J	-	21,9
Impairment of juice trademarks – RBC	(15,6)	-
Other capital items	(17,8)	(8,2)
Total capital items before tax	**17,1**	**13,7**

Group Financial Results

Continuing Operations

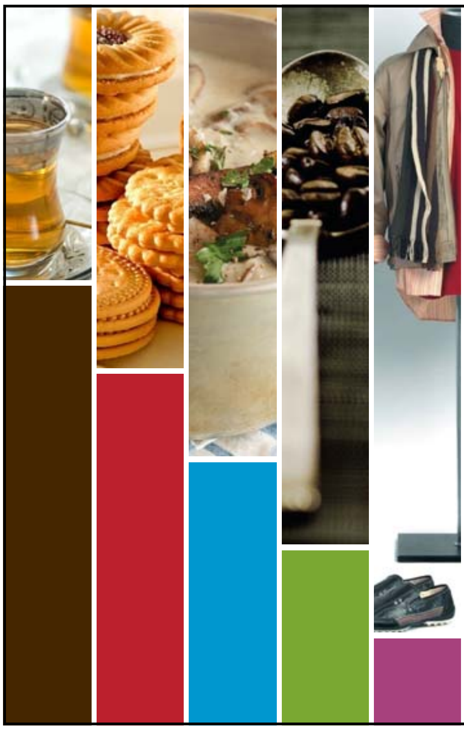
	09 Rm	08 Rm	%Δ
Cash generated by operations:			
Before working capital	1 086,6	1 022,8	*6,2*
After working capital	1 116,6	668,1	*67,1*
Working capital to revenue %	16,8	19,7	
Capital expenditure	257,8	271,6	*(5,1)*
Depreciation and amortisation	187,4	166,7	*12,4*
Net debt	547,7	724,4	*(24,4)*

Group Financial Results

Discontinued Operation - Alpesca

- Disposal frustrated by global liquidity crisis
- Separate disposal of shrimp assets – impairment of $3,9m
- Impending improvements to quota will enhance value if enacted
- Operating profit of R4,6m compared to loss of R10,2m in prior period
  - Improved hake result
  - Poor shrimp performance
- Results remain highly dependant on exogenous factors

AVI



Operating Environment

AVI

Operating Environment

Consumer Demand

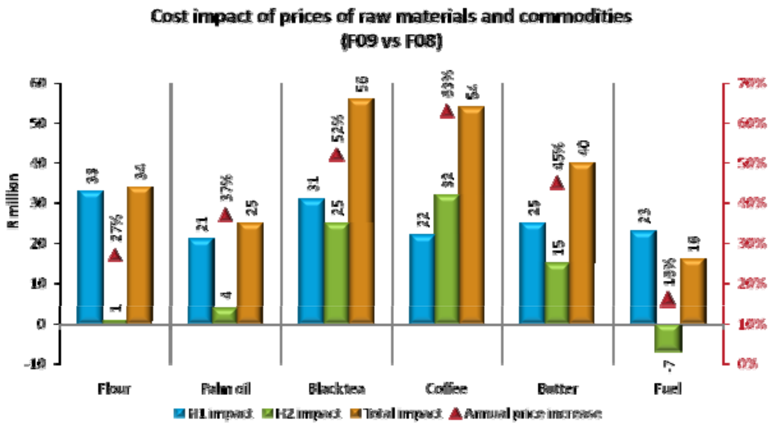
- Tea volumes impacted by sale of non-core subsidiary and strong competitor activity in H2
- Biscuit demand impacted by slowing consumer spending
- Snacks volumes boosted by strong promotional activity and competitor supply problems
- Creamer reduction due to cheap competitors
- Coffee volumes resilient in face of cost-driven price increases
- Denny production shortfall in H2
- I&J reduction due to lower quota
- Personal care growth in body spray market share
- Spitz reduction due to constrained consumer spending

Sales volume growth	% Δ vs F08
Tea (like-for-like)	*(1,9)*
Biscuits	*(2,3)*
Snacks	*7,2*
Creamer	*(11,9)*
Coffee	*(1,8)*
Denny	*(3,1)*
I&J South Africa	*(3,1)*
Personal Care	*10,0*
Spitz	*(10,4)*

Operating Environment

Cost Pressures

- Commodity input costs



- Impact of above increases = R225m (R159m > CPI)
- Labour cost increases 10% - 11%

Operating Environment

- Change in average realised selling prices

Average realised selling prices by category	% Δ vs F08
Tea *(raw material, Rand)*	*21,0*
Biscuits *(raw material, Rand)*	*21,1*
Snacks *(raw material, Rand)*	*16,9*
Creamer *(raw material, Rand)*	*14,5*
Coffee *(raw material, Rand)*	*34,6*
Denny *(raw material, Rand)*	*6,5*
I&J South Africa *(CPIX, Rand)*	*10,0*
Personal Care *(Rand)*	*6,5*
Footwear *(Rand)*	*16,9*

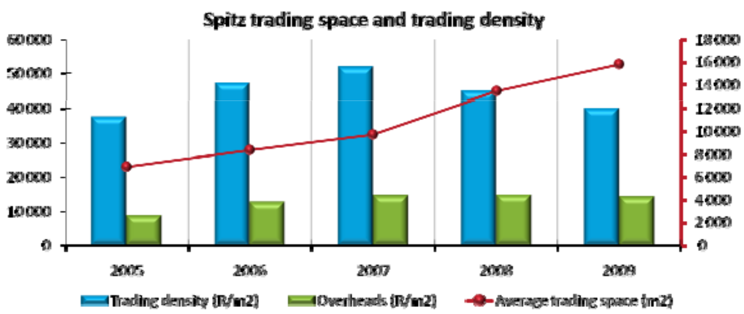
- Shows cumulative impact of price increases taken over the last two years
- Estimated CPI for 12 months to June 9,1%

AVI

Operating Environment

Spitz

- Carvela volumes strong despite economic environment
- 6 new stores opened and one closed in F09, bringing total doors to 62
- Average trading space 15 749m^2 (F08 13 393m^2)
- Supply chain delays and SAP implementation
- Operating profit margin 18,1% (F08 23,1%)

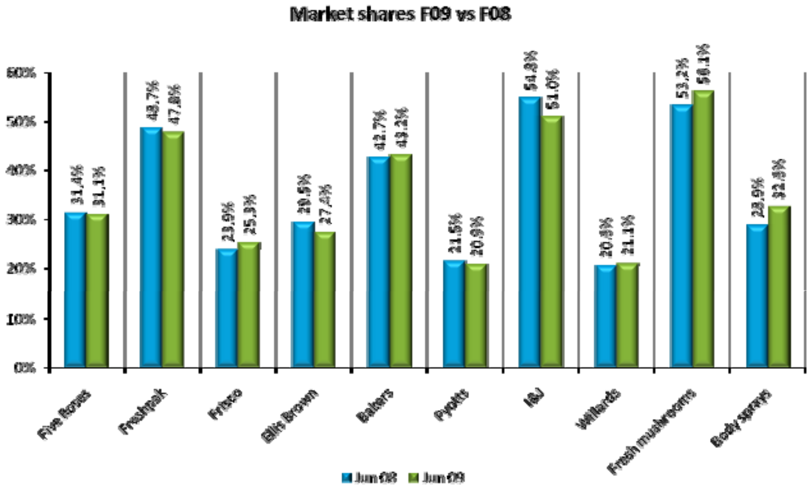


AVI

Operating Environment

Market Shares

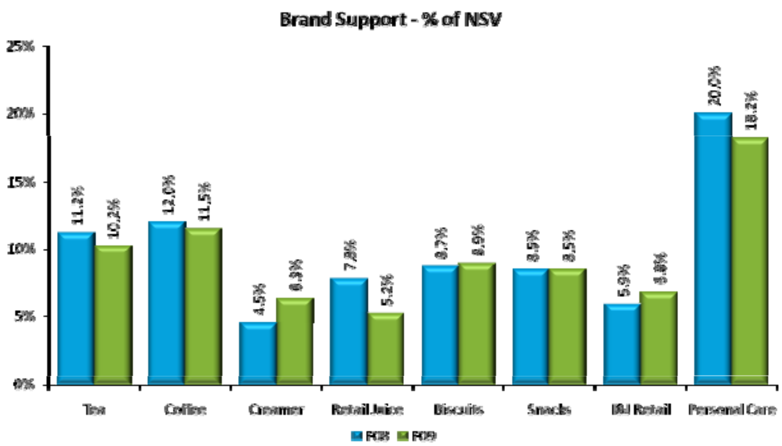
- Average value share for 12 month periods



AVI

Operating Environment

Marketing Expenditure



- Includes advertising and promotions, co-operative expenditure with customers and marketing department costs
- Total expenditure for F09 was R552m compared to R501m F08

AVI


Initiatives and Prospects
AVI


ENTYCE
BEVERAGES
Initiatives and Prospects
FIVE ROSES
Freshpak
house of coffees
frisco
Koffiehuis
Ellis Brown
TRINCO
Quali
Real Juice
AVI

Initiatives and Prospects

Entyce

- F2009 - material focus on key brands during the year
  - Product performance vs. competitors
  - Packaging upgrades
  - New pack sizes / formats for current market conditions
  - Cost effective marketing and promotion

- F2010 – stick to basics
  - Coffee and black tea prices remain high and volatile
  - Targeting increase in volumes and market shares
  - Expanded ranges will exploit price / quality gaps in the market
  - Widen distribution in under-serviced channels
  - Accelerate regional growth for key brands

AVI

Snackworks

That's Good Times!

Initiatives and Prospects

AVI

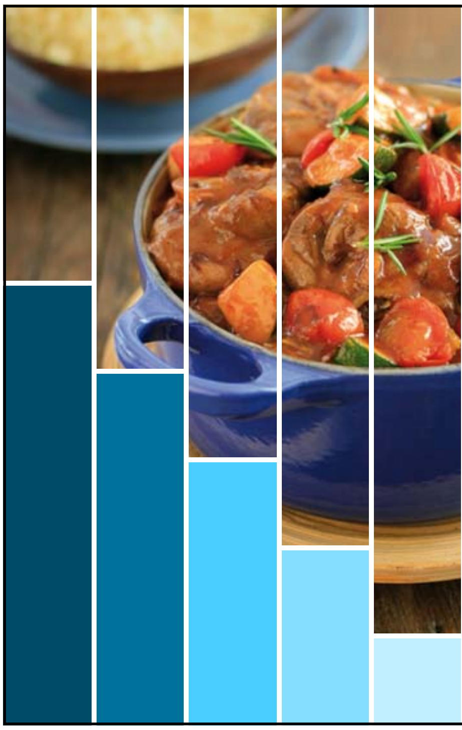
Initiatives and Prospects

Snackworks

- F2009 - focus on basic brand health
  - Improved market share despite lower category demand
  - Range extensions, new packaging, pack sizes
  - Supported by marketing investment in Bakers and Willards
  - Material improvement in service levels and product quality
  - Selective price adjustments in H2

- F2010
  - Consumer spending outlook will impact prospects for volume/mix
  - Benefit from momentum of F2009 initiatives
  - Gross margin benefit from prospect of stable raw material prices
  - Surplus capacity – product and channel initiatives
  - Affordability project 30 000 ton market opportunity

AVI



Chilled & Frozen Convenience Brands

Initiatives and Prospects

I&J DENNY

AVI

Initiatives and Prospects

Chilled & Frozen Convenience Brands

- F2009
  - I&J solid financial performance underpinned by high selling prices and currency
  - RSA quota reduced by 9% CY09
  - Ongoing restructuring
    - Overseas sales relocated to RSA at lower cost
    - Closure of Mossel Bay processing
  - Mixed operating performance
    - Sustained good catch rates
    - Processing efficiency and fleet repair spend disappointing vs plan
    - Domestic retail and food service market pressures in H2
    - Constrained export demand – particularly out of home in H2
    - Simplot JV stable but below potential
    - Distribution costs reduced
  - Denny affected by poor production and weaker demand in H2

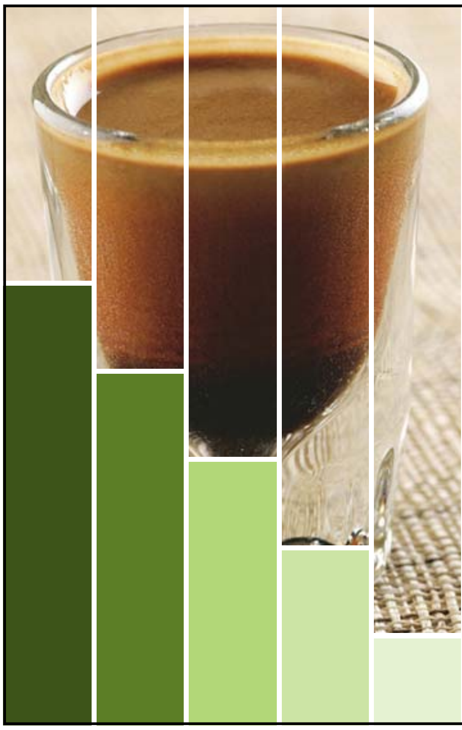
AVI

Initiatives and Prospects

Chilled & Frozen Convenience Brands

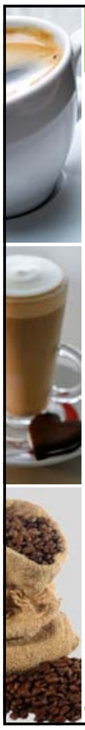
- F2010
  - I&J
    - Local quota likely to be stable and catch rates sound
    - Global fish markets over supplied and prices weak
    - Prolonged Rand/Euro 'strength' will impact on international and local margins
    - Ongoing focus on restructuring
    - Export growth opportunities in retail value-added ranges
    - Simplot JV expected to improve performance
  - Denny
    - Production performance improved post year-end
    - Value-add range poised to leverage efficient manufacturing base

AVI



Out of Home

Initiatives and Prospects



Initiatives and Prospects

Out of Home

- F2009
  - Sound performance in tough trading environment
  - Successful drive to increase and improve coffee vending business
  - Established stable profit base in out of home juice business
- F2010
  - Large Food Service customers back to Entyce / Snackworks
  - Smaller business
    - focus on vending / dispensing solutions
    - Right-sizing of fixed cost base in the year ahead
  - Exploit CIRO's competitive advantages
    - Brands: Lavazza, Douwe Egberts, Ciro
    - National distribution and service capabilities
  - Consumer demand impact on Restaurants, Coffee Shops and Hotels

Fashion Brands

Initiatives and Prospects

AVI

Initiatives and Prospects

Fashion Brands - Personal Care

- F2009 – strong performance
  - Driven by new product development – Yardley, Coty, Lenthéric
  - Increasing focus on Personal Care and grocery channels
  - Extended Coty license agreement for 2 years
  - Manufacturing upgrade completed – capacity and flexibility
  - Price increases deferred to Qtr 4 – volume leverage vs. gross margin

- F2010 – build on momentum
  - Ambitious plans for Personal Care (face and body creams / oils)
  - Secured continuity of existing site – purchased adjoining distribution facility
  - Opportunity to improve performance in wholesale channel

AVI

Initiatives and Prospects

Fashion Brands - Footwear & Apparel

- F2009
  - Credible performance in a tough environment
  - Successful extension of core Italian Carvela range
  - Consolidated store base
  - SAP implemented with usual initial disruption
  - Nina Roche / Gant / Jimmy Choo losses – growth phase and tough consumer environment for luxuries

- F2010
  - Aiming for improved gross margin at current exchange rates and selling prices
  - Leverage investment in people and systems
  - Limited new capital investment in F2010
  - Increase investment in core brands – Carvela, Lacoste, Kurt Geiger
  - Improved utilisation of trading space – accessories, clothing
  - Better merchandise selection by store/region

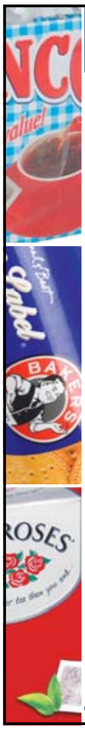
AVI

Initiatives and Prospects

AVI Group

- AVI Field Marketing – launched August 2009
  - Improved management of consumer environment
  - Better control of supply chain
- Group Procurement co-ordination – benefit from momentum
- Ongoing benefit from more efficient distribution
- Manufacturing productivity – benefit from momentum
- Improved utilisation of key resources – bigger ideas
- Sustain double digit growth into relevant African markets

AVI



Initiatives and Prospects

Exports into Africa – Entyce and Snackworks

	09 Rm	08 Rm	%Δ
Revenue	392,9	315,5	24,6
Operating profit	58,3	55,8	4,5
Operating margin %	14,8	17,7	(16,0)

- Key contributors are Tea and Biscuits into sub-Saharan Africa
- Measured growth in line with expansion of RSA retailers into Africa

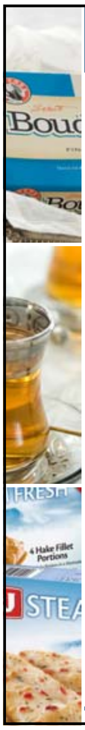
AVI

Initiatives and Prospects

Foreign Exchange and Commodity Hedges

- Forex import requirements for F2010 70% covered
- Forex export requirements for F2010 10% covered
- Soft commodities priced 3 – 6 months forward
- Fuel for fishing fleet 50% hedged for F2010

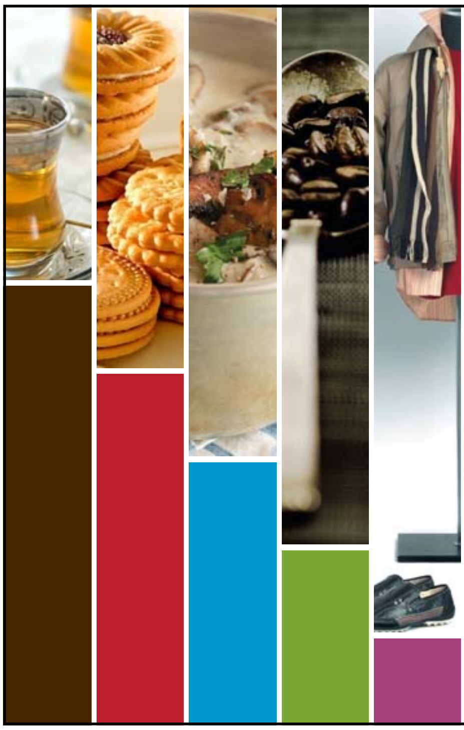
AVI



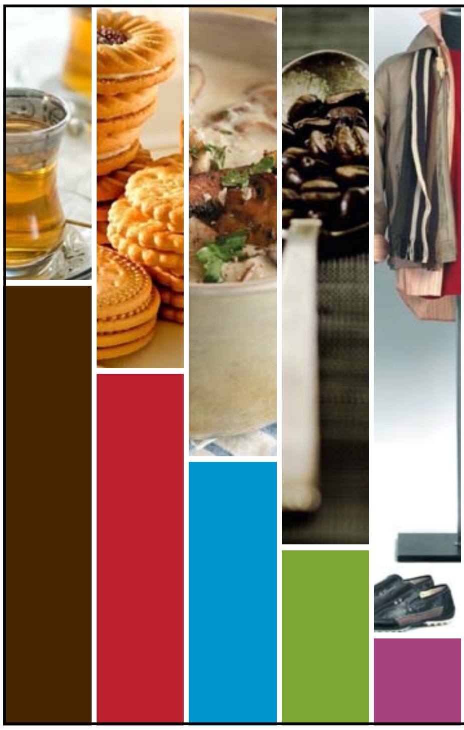
Initiatives and Prospects

AVI Group

- Demand key to performance
  - Brands' health and product innovation pipeline sound
  - Christmas trading important
- Potential for recovery of gross margins at current exchange rates
  - Foreign prices of most raw materials still reasonably high
  - Flexibility to stimulate demand or offset lower volumes
- I&J results leveraged to exchange rates and selling prices
- Lower finance charges – reducing net debt and lower rates
- Portfolio review and acquisitions

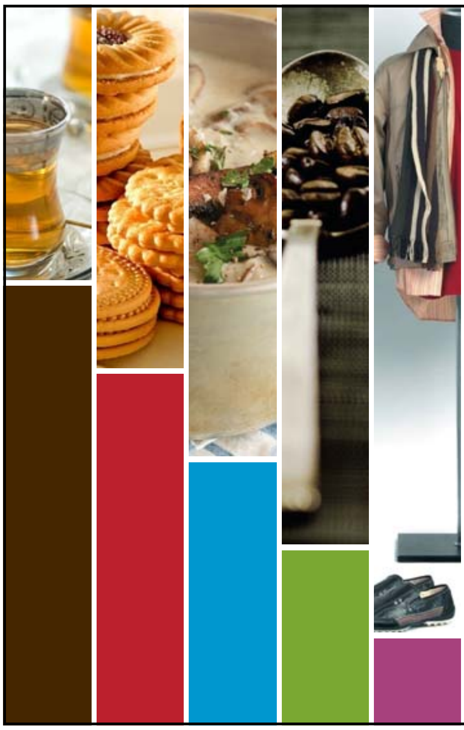


Questions and Answers



Thank You

www.avi.co.za



Business Unit
Information

Business Unit Financial Results

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	F09 Rm	F08 Rm	Δ %	F09 Rm	F08 Rm	Δ %	F09 %	F08 %
Food & Beverage Brands	**6 052,1**	**5 392,8**	***12,2***	**724,8**	**612,5**	***18,3***	**12,0**	**11,3**
Entyce	1 670,5	1 547,5	*7,9*	223,4	189,1	*18,1*	13,4	12,2
Snackworks	2 015,6	1 677,2	*20,2*	184,6	185,8	*(0,6)*	9,2	11,1
Chilled & Frozen Convenience Brands	1 916,3	1 775,4	*7,9*	261,0	194,9	*33,9*	13,6	11,0
Out of Home	449,7	392,7	*14,5*	55,8	42,7	*30,7*	12,4	10,9
Fashion Brands	**1 400,6**	**1 253,3**	***11,8***	**196,2**	**206,3**	***(4,9)***	**14,0**	**16,5**
Personal Care	730,2	623,5	*17,1*	94,5	73,4	*28,7*	12,9	11,8
Footwear & Apparel	670,4	629,8	*6,4*	101,7	132,9	*(23,5)*	15,2	21,1
Corporate	9,7	14,5		(12,5)	(20,1)			
Group	**7 462,4**	**6 660,6**	***12,0***	**908,5**	**798,7**	***13,7***	**12,2**	**12,0**

AVI