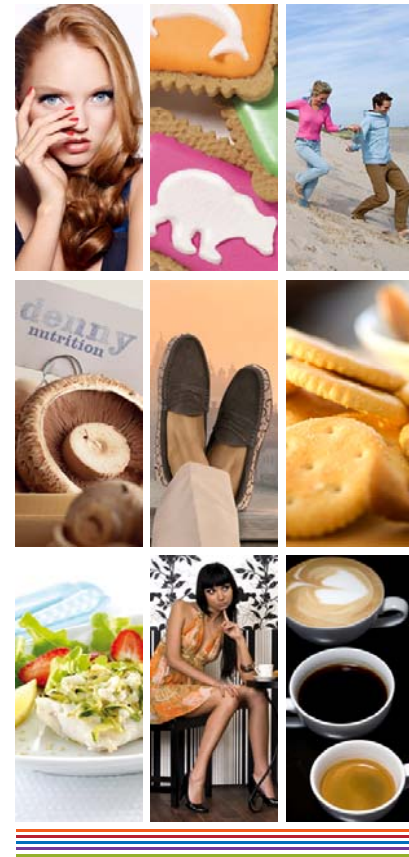




AVI Limited Presentation to shareholders & analysts

for the year ended 30 June 2010



AGENDA

- Key features
- Group financial results
- Operating environment
- Initiatives and prospects
- Questions and answers

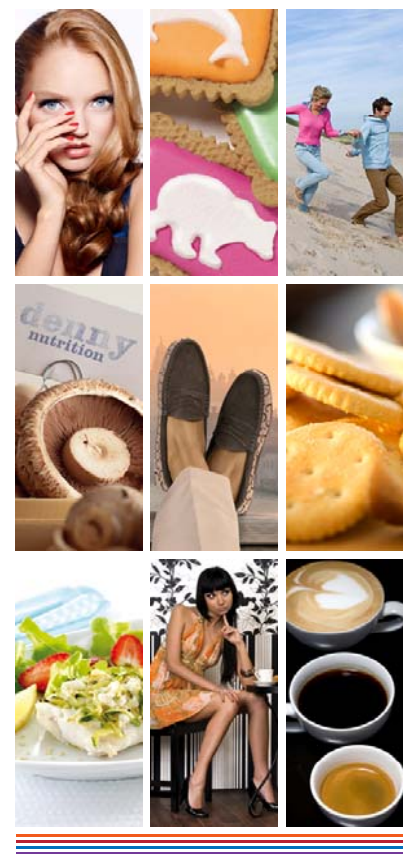


KEY FEATURES

- Headline earnings per share from continuing operations up 14% to 199 cents
- Strong operating performance constrained by material decline in I&J contribution
- Profit margin recovery in second half
- Net finance costs down 26%
- Simplot joint venture earnings up strongly
- Continuing strong cash generation, cash from operations R1,17bn
- Final dividend of 61 cents per share; total dividend up 14% to 100 cents per share
- Special payment of 75 cents per share proposed for shareholders approval



Group financial results



GROUP FINANCIAL RESULTS

Continuing Operations (excluding Alpesca)

	FY10 Rm	FY09 Rm	%Δ
Income statement			
Revenue	7 630,9	7 462,4	2,3
Gross profit	3 157,4	2 976,9	6,1
Gross profit %	41,4	39,9	3,8
Operating profit	941,0	908,5	3,6
Operating margin %	12,3	12,2	1,0
Net financing cost	93,1	125,0	(25,5)
Share of JVs and associates	40,0	15,3	161,4
HEPS (cps)	198,7	174,7	13,7
Total dividend (cps)	100,0	88,0	13,6
Capital items	(7,2)	17,1	(142,1)



GROUP FINANCIAL RESULTS

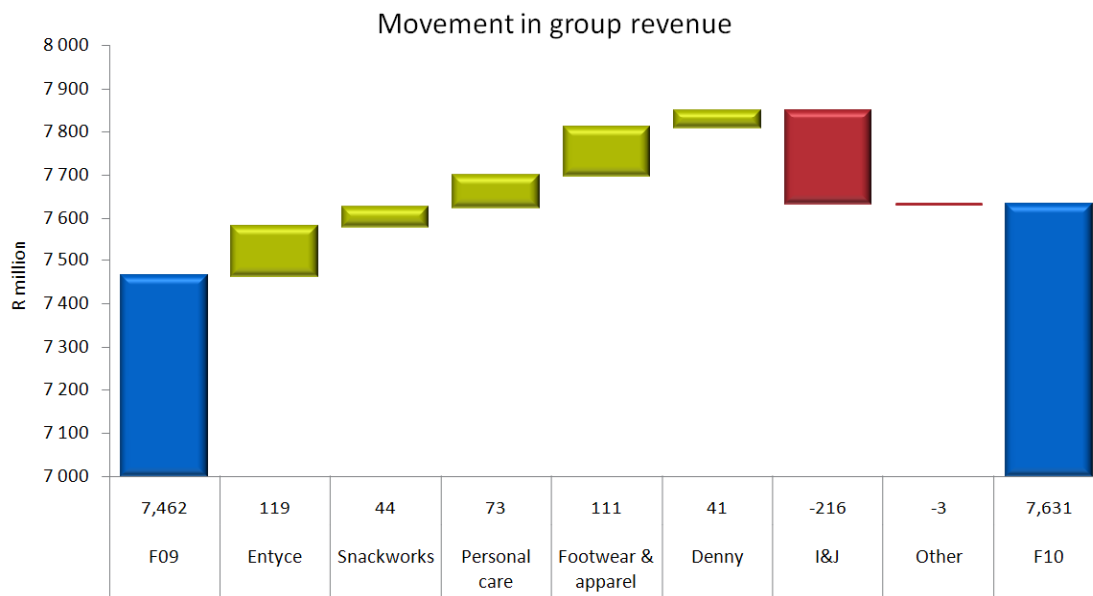
Continuing Operations

	Changes in Revenue		Changes in EBIT	
Comparison of first and second half to prior year	H1 %Δ	H2 %Δ	H1 %Δ	H2 %Δ
Entyce Beverages (incl Out of Home)	6,2	5,0	28,9	23,8
Snackworks	(0,4)	5,4	(15,7)	129,2
Chilled & Frozen Convenience Brands	(12,7)	(5,5)	(41,2)	(66,5)
Personal care	11,0	8,8	34,5	(8,3)
Footwear & apparel	15,8	17,4	35,6	100,9
Group	1,1	3,6	0,0	8,7



GROUP FINANCIAL RESULTS

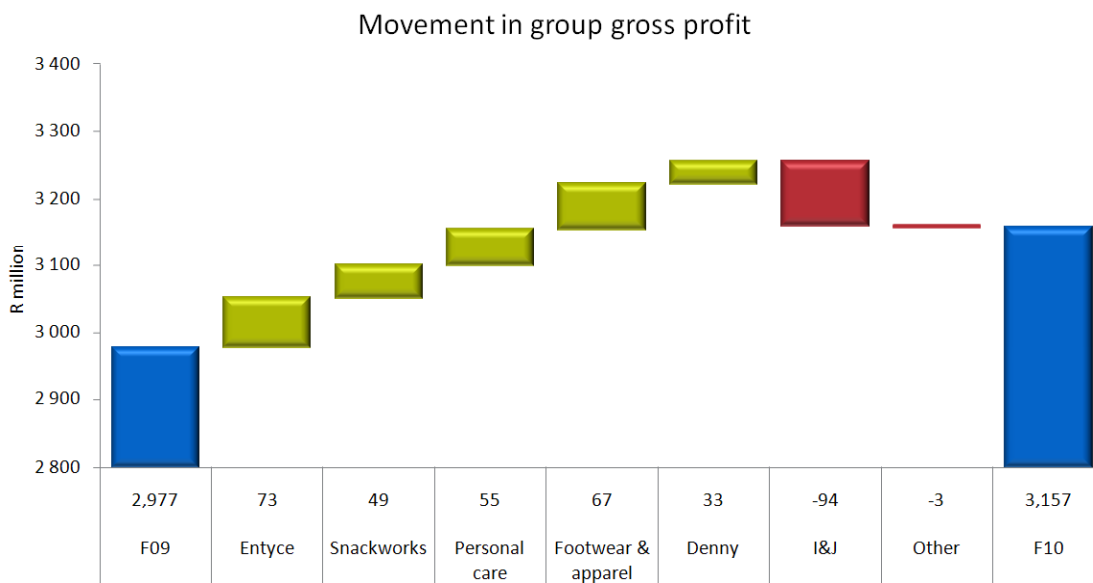
Continuing operations – revenue 2,3% up



■ Benign price environment in F10 with high sales activity to support volumes

GROUP FINANCIAL RESULTS

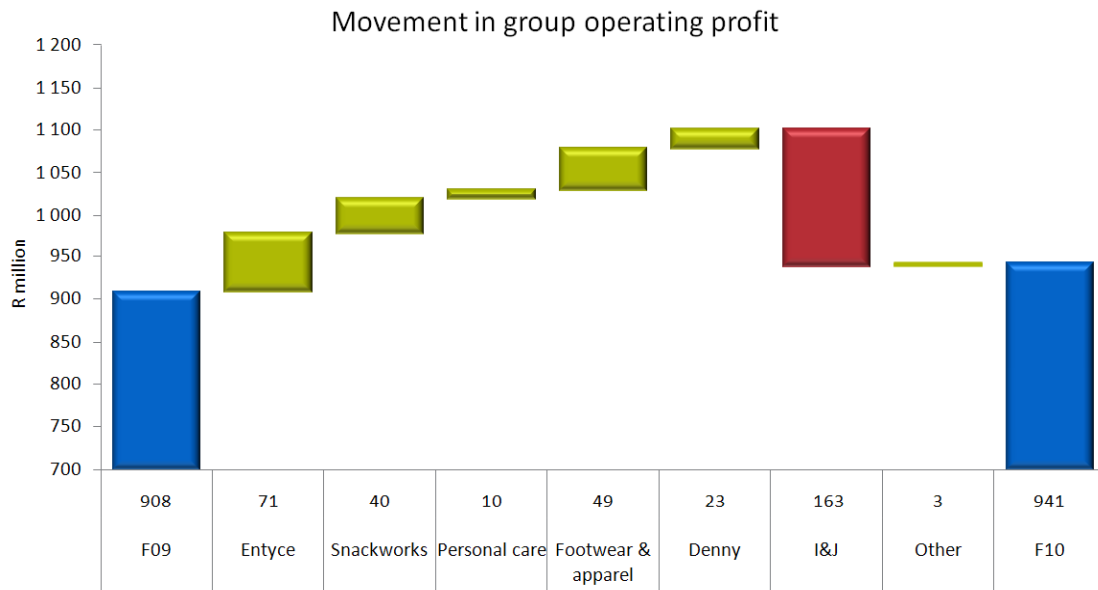
Continuing operations – gross profit 6,1% up



■ Margin recovery in second semester with improved commodity prices and exchange rates

GROUP FINANCIAL RESULTS

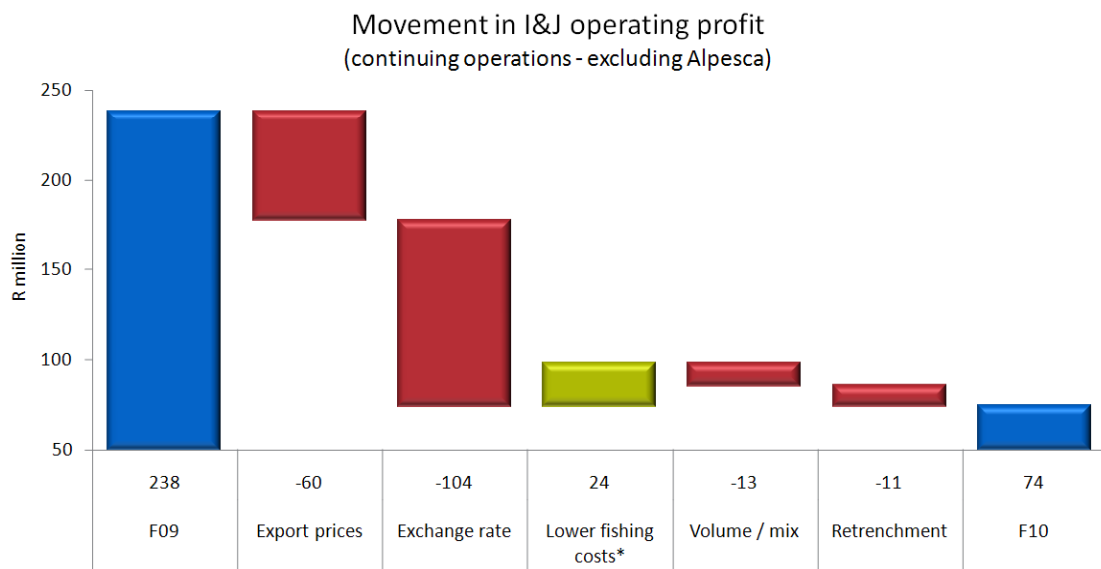
Continuing operations – operating profit 3,6% up



■ Strong operating leverage from better gross margins and tight cost control

GROUP FINANCIAL RESULTS

Continuing operations – change in I&J operating profit (excluding Alpesca)



* = lower variable costs due to higher catch rates as well as lower maintenance and fuel costs

■ Cumulative annualised impact of savings = R60m

GROUP FINANCIAL RESULTS

Continuing operations

	FY10 Rm	FY09 Rm	%Δ
Cash generated by operations	1 165,9	1 116,6	4,4
Working capital to revenue %	17,5	16,8	4,2
Capital expenditure	337,3	257,8	30,8
Depreciation and amortisation	190,7	187,4	1,8
Net debt	310,1	547,7	(43,4)

- Special payment out of share premium of 75 cents per share if approved by shareholders



GROUP FINANCIAL RESULTS

Capital projects

	Rm
Major projects approved in F10	
Entyce – new creamer tower (commissioning H1 F12)	73,8
Indigo – new aerosol line (commissioning H1 F12)	40,7
Snackworks – pumpable shortening (commissioning F11)	27,8
Spitz clothing expansion phase 1 (during F11)	15,0
Project evaluations in progress	
Snackworks – affordable biscuit capacity	40,0
Snackworks – finished goods handling	45,0
Entyce – coffee capabilities and capacity	40,0
Group systems platform review	80,0



OPERATING ENVIRONMENT

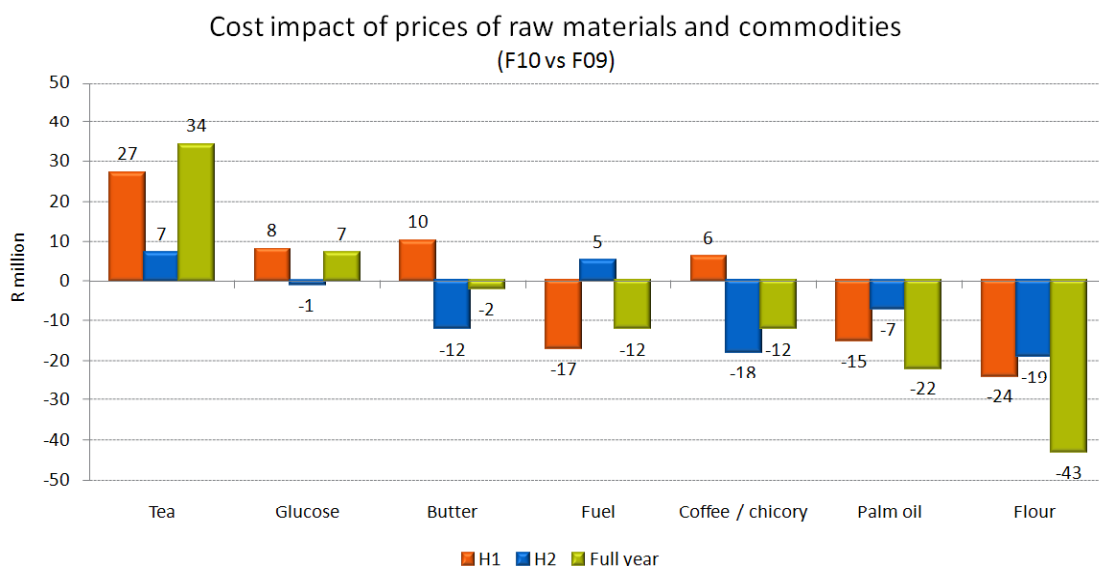
Consumer demand

- Tea, biscuit and creamer volumes supported by tactical pricing introduced in H2 F09
- Snacks volumes reflect strong corn performance, offset by constrained potato crisp volumes due to H1 potato shortage
- Denny sales of fresh mushrooms increased in line with improved production
- I&J volumes down due to lower quota in H1
- Indigo volume growth = domestic volumes. Exports into Africa impacted by strong Rand
- Spitz performance driven by core brands and re-introduction of Tosoni in H1

Sales volume growth	% Δ vs FY09
Tea	2,4
Biscuits	6,4
Snacks	0,1
Creamer	8,2
Coffee	1,1
Denny	12,5
I&J South Africa	(5,3)
Personal care	2,1
Spitz footwear	12,8

OPERATING ENVIRONMENT

Cost pressures



- Better exchange rates in second half of F10 once opening hedge positions utilised

OPERATING ENVIRONMENT

Selling prices

- Price increases largely attributable to increases during F09
- Tactical pricing on tea, biscuits, snacks and creamer to support volumes
- Lower commodity costs in biscuits, snacks and creamer offset profit impact of lower selling prices
- I&J reduction due to lower export prices and stronger Rand partially offset by higher domestic retail prices
- Footwear price increase includes mix change

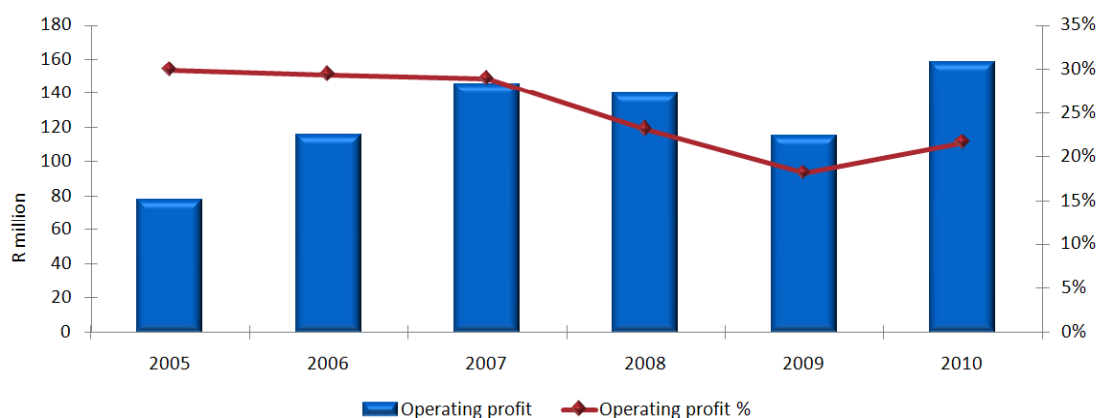
Average realised selling prices by category	% Δ vs FY09
Tea	7,2
Biscuits	(3,0)
Snacks	(0,9)
Creamer	(3,0)
Coffee	9,7
Denny fresh	3,2
I&J South Africa	(6,6)
Personal Care	7,7
Footwear	3,0

Shows cumulative impact of price increases taken in F09 and F10

OPERATING ENVIRONMENT

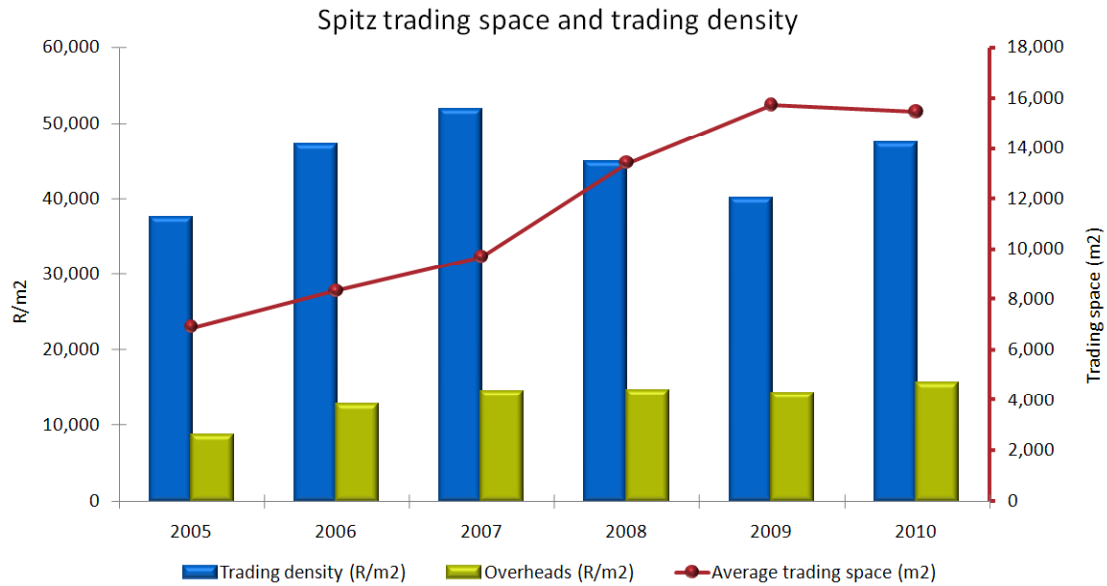
Spitz

- Increased volumes and F09 price increases resulted in better trading density
- Stable operating cost base resulted in profit leverage
- Gross margin up from 53,6% to 54,4%; operating profit margin up from 18,1% to 21,6%
- Exchange rate benefit in F10 muted due to hedge positions



OPERATING ENVIRONMENT

Spitz (continued)



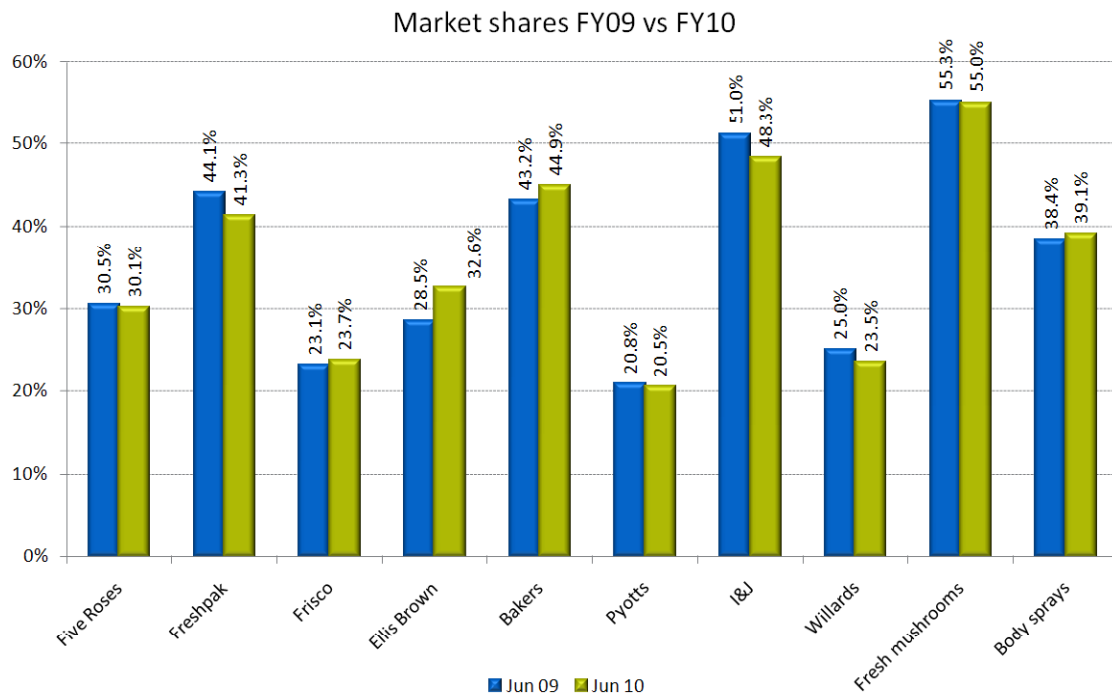
■ 59 stores at year end; 3 stores closed during the year

■ Closing trading space 15 330 m² vs 16 224 m² at end F09

AVI GROWING GREAT BRANDS

OPERATING ENVIRONMENT

Market shares

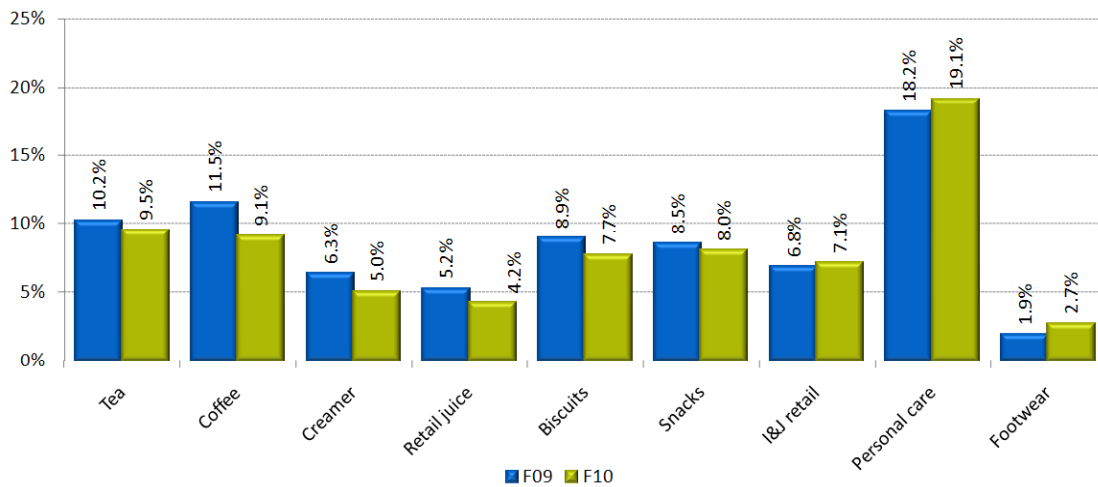


AVI GROWING GREAT BRANDS

OPERATING ENVIRONMENT

Marketing expenditure

Brand support - % of NSV



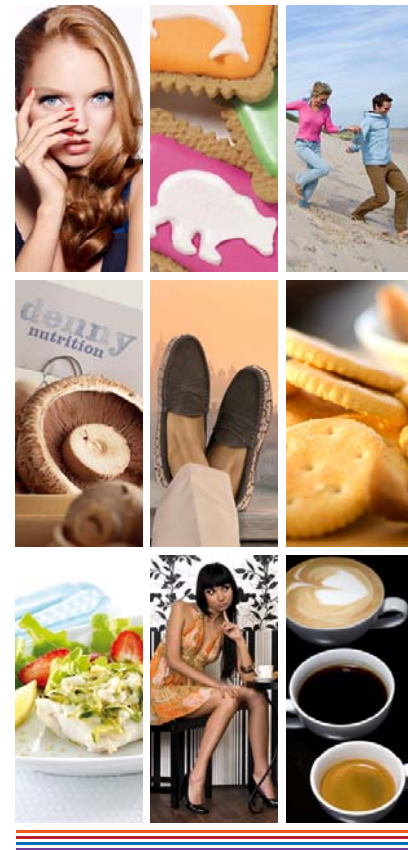
- Includes advertising and promotions, co-operative expenditure with customers and marketing department costs
- Total expenditure for F10 was R553m compared to R552m in F09
- Higher discounting and promotions than F09

AVI GROWING GREAT BRANDS



Business unit performance and prospects

AVI
GROWING GREAT BRANDS





Performance and prospects



GROWING GREAT BRANDS

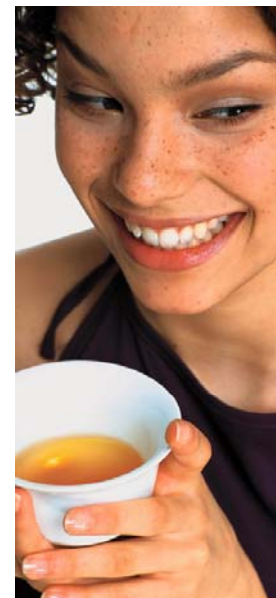


Performance in F10

- Good performance across all categories - strong overall profit growth
- Tactical pricing to support tea and creamer volumes for most of year
- New Five Roses packaging and African Blend launched successfully
- Ellis Brown volumes and market share recovered
- Coffee prices and volumes maintained – gains in affordable brewed
- Premium coffee new packaging and “spoon it, fill it, plunge it” campaign
- Retail juice operating profit for the year
- Cost savings from improved procurement focus
- Capital projects – creamer tower and packaging replacement



GROWING GREAT BRANDS



- Better exchange rates for imported commodities
- Ongoing challenge of high black tea costs
- Balance margins with volumes / market share
- Ongoing focus on wider distribution
- Capital projects
 - implementation of new creamer tower
 - evaluation of improvements in coffee capability and capacity
- Out of Home focus on customer and revenue growth



Snackworks

Performance and prospects



Snackworks

Performance in F10

- Margin recovery in H2 and strong profit growth for full year
- Supported demand with price adjustments in H2 F09 and tactical pricing through F10
- Strong KVI focus and performance in tougher times
- Margin recovery in H2 with lower commodity prices
- Increased focus on product quality impacted manufacturing yields and service levels – improvement in H2
- Lower marketing spend with consumer focus on value / KVIs
- Investment in baking technical capabilities
- Strong corn snacks performance
- Potato chip profits constrained by low selling prices
- Capital projects – pumpable shortening in biscuit factories

AVI GROWING GREAT BRANDS



Snackworks

Prospects for F11

- Further margin improvement
 - Selling price management
 - Manufacturing and raw materials
- Investment in master brand core values
- Continued focus on factory performance and service levels
- Review snacks manufacturing infrastructure and overhead
- Capital projects - evaluation of affordable biscuit capabilities and finished goods handling

AVI GROWING GREAT BRANDS



Chilled and frozen convenience brands

Performance and prospects



AVI

GROWING GREAT BRANDS



CHILLED & FROZEN CONVENIENCE BRANDS

Performance in F10

- Material decline in I&J profit due to export prices and exchange rate
- Excellent fishing and processing performance ameliorated the impact of I&J export market pressures
- Domestic market margins preserved with some loss of market share
- I&J head office retrenchment program in H2
- Denny achieved highest ever operating profit of R45,9m
- Denny production improvement supported effective selling and promotion activity
- Capital projects – upgrade of Woodstock fish processing facility

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GROWING GREAT BRANDS



CHILLED & FROZEN CONVENIENCE BRANDS

Prospects for F11

- White fish export markets still constrained – some improvement in H2 F10
- Further cost saving initiatives at I&J
- High exposure to R / € exchange rate movements
- Development of stronger export selling capabilities
- Quota for calendar year 2010 up by 1%
- Alpesca – expedite disposal
- Sustain Denny production improvements and improve efficiency

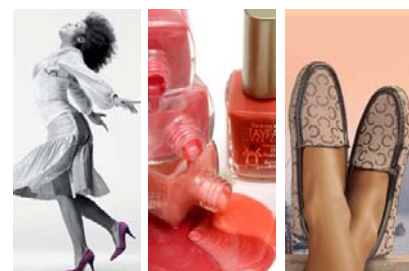
AVI GROWING GREAT BRANDS



Fashion brands

Performance and prospects

indigo brands
YARDLEY **LENTHERIC** **COTY** **RIMMEL** **adidas**
 nailene. *Sally Hansen*
SPITZ
CARVELA **KURT GEIGER** **Tosoni** **LACOSTE** **GEORX** **J.Renee'**
GANT **nina roche** **JIMMY CHOO**
AVI
 GROWING GREAT BRANDS



FASHION BRANDS – PERSONAL CARE

Performance in F10

- Sustained volume growth in domestic market
- Benefit from selling price increases in H2 F09
- Exports into Africa constrained by strong Rand
- Addition of new brands – Sally Hansen, Guess
 - acquired adjoining distribution facility to secure continuity of existing site
 - approved new automated aerosol line

AVI GROWING GREAT BRANDS

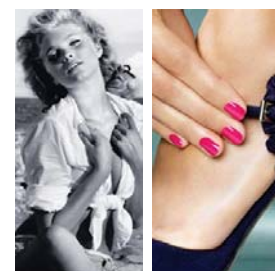
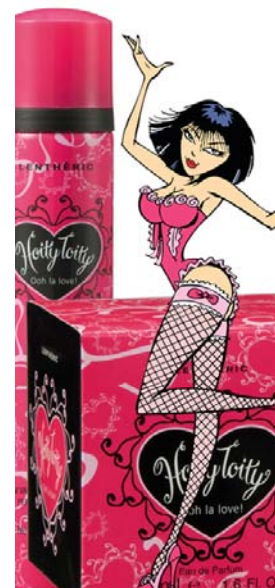


FASHION BRANDS – PERSONAL CARE

Prospects for F11

- Restructuring to support FMCG growth ambitions
 - Continued focus on under-represented personal care segment
- Ongoing drive to improve operating profit margin
- More focus on wholesale channel opportunities
- Installation of new automated aerosol line

AVI GROWING GREAT BRANDS



FASHION BRANDS – FOOTWEAR & APPAREL

Performance in F10

- Strong performance from key brands – Carvela, Kurt Geiger, Lacoste
- Tosoni brand re-introduced in H1
- Strong December sales despite limited credit
- Increased marketing support for owned brands
- Three stores closed and limited refurbishments
- Stable fixed cost base resulting in strong operating profit leverage

AVI GROWING GREAT BRANDS



FASHION BRANDS – FOOTWEAR & APPAREL

Prospects for F11

- Gross margin benefit from stronger Rand
- Maintain higher marketing investment in core brands
- Four to five new Spitz stores
- Expansion of Kurt Geiger clothing – stand alone and in-store
- Increase utilisation of store space

AVI GROWING GREAT BRANDS



KURT GEIGER CLOTHING EXPANSION

Objectives

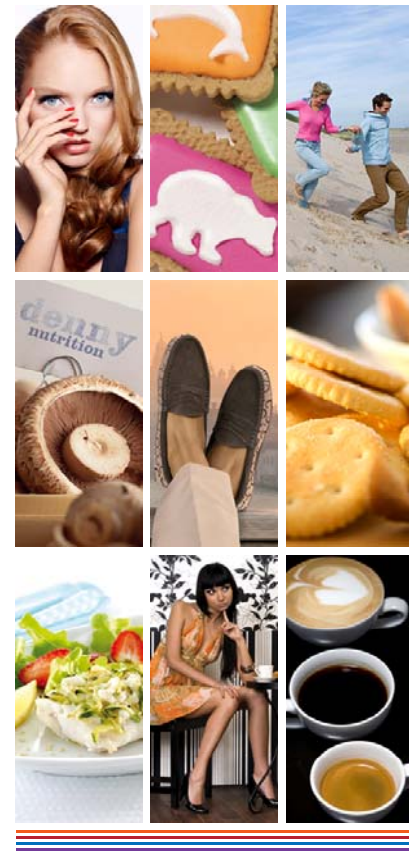
- To position Kurt Geiger as a leading male apparel and footwear brand retailed exclusively through Kurt Geiger concept stores targeting discerning consumers who are brand, fashion and quality-conscious.
- 55% gross margin and R60k m² trading density in maturity
- 24 stores in three to four years
- Approximately 100m² to 150m² in size
- Capital investment of R1m per store + R1m for inventory

AVI GROWING GREAT BRANDS



Group initiatives and prospects

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GROWING GREAT BRANDS



AVI GROUP

F10 initiatives

■ AVI Field Marketing

- Successful transition in F10 - costs higher initially
- Ongoing focus on optimisation and efficiency

■ Distribution

- Further cost savings and efficiency improvements
- Strategic alliances to reduce costs and deepen penetration

■ Manufacturing performance

- Improved biscuits quality, yields and service levels in H2
- Further opportunity to improve yields, cost efficiency and service levels
- Investment in capabilities and capacity



AVI GROUP

F11 focus areas

■ Exploit organic profit growth opportunities

- Top line growth
 - market share
 - affordability formats and new products
- Manufacturing – capital investment and skills
- Group procurement
- Field marketing

■ Portfolio housekeeping to leverage management focus

■ Acquisitions



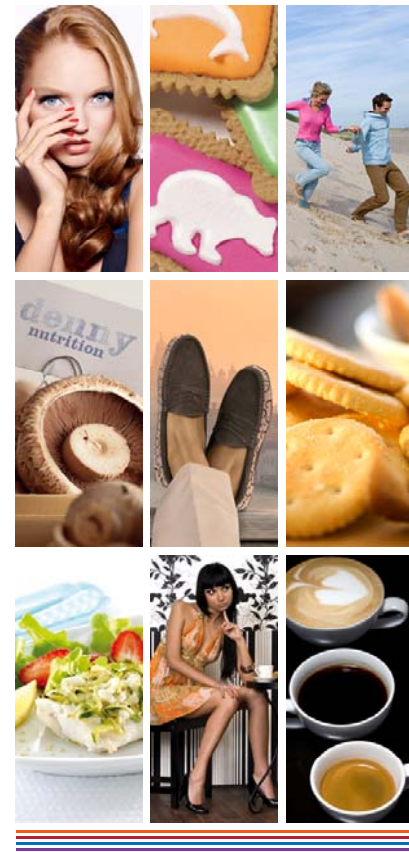
AVI GROUP

Prospects

- Consumers likely to remain cautious and price conscious
- Opportunity for margin recovery in some categories at current exchange rates / hedge positions
- Hedging:
 - Importers generally well covered into H2 F11
 - High export exposure – mainly Euro in I&J
- I&J results dependant on exogenous factors – fishing conditions, export markets, exchange rate



Questions and answers

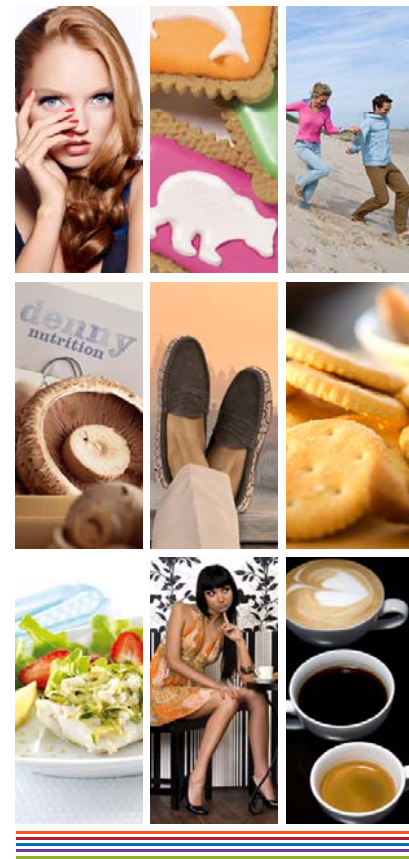




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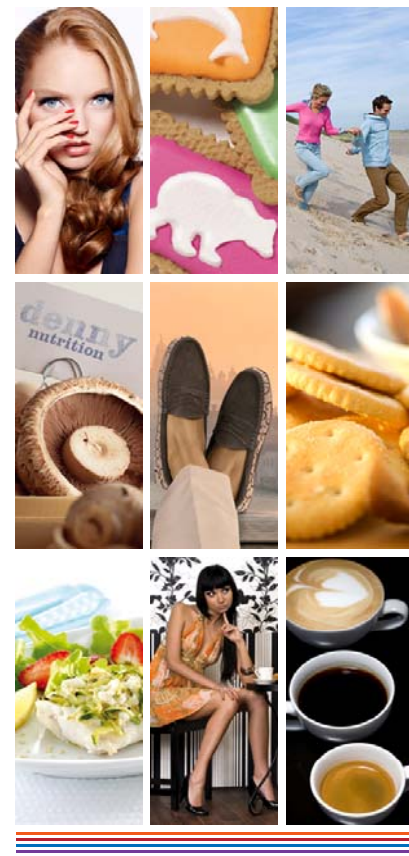
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Business unit information

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BUSINESS UNIT FINANCIAL RESULTS

Continuing operations

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	FY10 Rm	FY09 Rm	Δ %	FY10 Rm	F09 Rm	Δ %	FY10 %	FY09 %
Food & Beverage Brands	6 040,5	6 052,1	(0,2)	695,4	724,8	(4,1)	11,5	12,0
Entyce	2 217,9	2 099,0	5,7	342,4	271,3	26,2	15,4	12,9
Snackworks	2 080,9	2 036,8	2,2	232,8	192,5	20,9	11,2	9,5
Chilled & Frozen Convenience Brands	1 741,7	1 916,3	(9,1)	120,2	261,0	(53,9)	6,9	13,6
Fashion Brands	1 583,7	1 400,6	13,1	255,4	196,2	30,2	16,1	14,0
Personal Care	802,8	730,2	9,9	104,7	94,5	10,8	13,0	12,9
Footwear & Apparel	780,9	670,4	16,5	150,7	101,7	48,2	19,3	15,2
Corporate	6,7	9,7		(9,8)	(12,5)			
Group	7 630,9	7 462,4	2,3	941,0	908,5	3,6	12,3	12,2



CHILLED & FROZEN CONVENIENCE BRANDS

Analysis of financial results

	Revenue		Operating Profit	
	FY10 Rm	FY09 Rm	FY10 Rm	FY09 Rm
I&J – continuing operations	1 381,8	1 597,6	74,3	237,8
Denny	359,9	318,7	45,9	23,2
Continuing operations	1 741,7	1 916,3	120,2	261,0
Alpesca	329,4	428,8	(50,6)	4,6
Total operations	2 071,1	2 345,1	69,6	265,6



EXPORTS INTO AFRICA

Entyce and Snackworks

	FY10 Rm	FY09 Rm	% Δ
Revenue	386,2	392,9	(1,7)
Operating profit	73,9	58,3	26,8
Operating Margin %	19,1	14,8	29,0

CHILLED & FROZEN CONVENIENCE BRANDS

Quota– seafood products

Hake Quota (tons)	CY10	CY09
South Africa Total Allowable Catch (TAC)	119 861	118 578
I&J	33 550	33 199
%	28,0	28,0
Argentina TAC	290 000	266 000
Alpesca*	20 880	19 875
%	7,2	7,5

** = in addition Alpesca has the right to make a defined number of voyages into fishing grounds that were previously denied to it. Depending on catch rates these rights could amount to another 4 000 to 5 000 quota tons per annum.*

CHILLED & FROZEN CONVENIENCE BRANDS

TAC and Catch Rates

