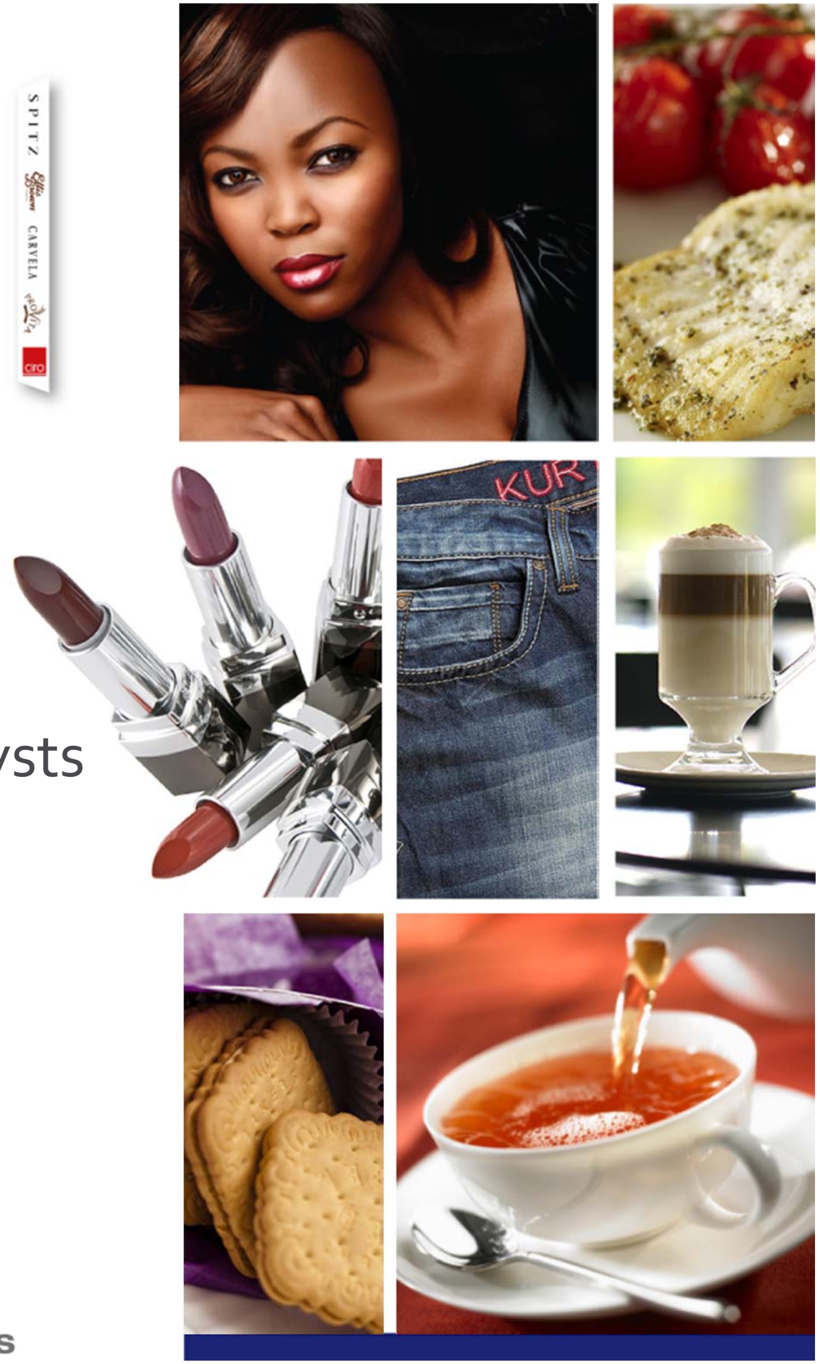
AVI Limited
Presentation to shareholders & analysts

for the financial year ended
30 June 2011



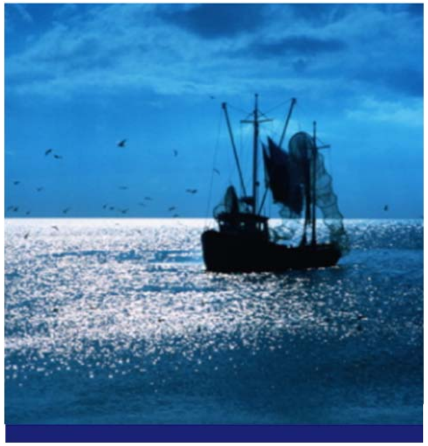
AVI

GROWING GREAT BRANDS

AGENDA

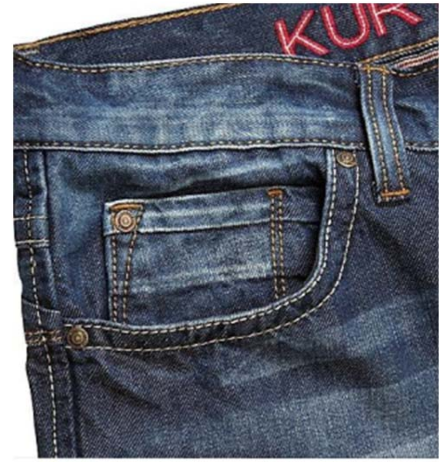
- Key features
- Group financial results
- Projects
- Operating environment
- Performance and prospects
- Questions and answers



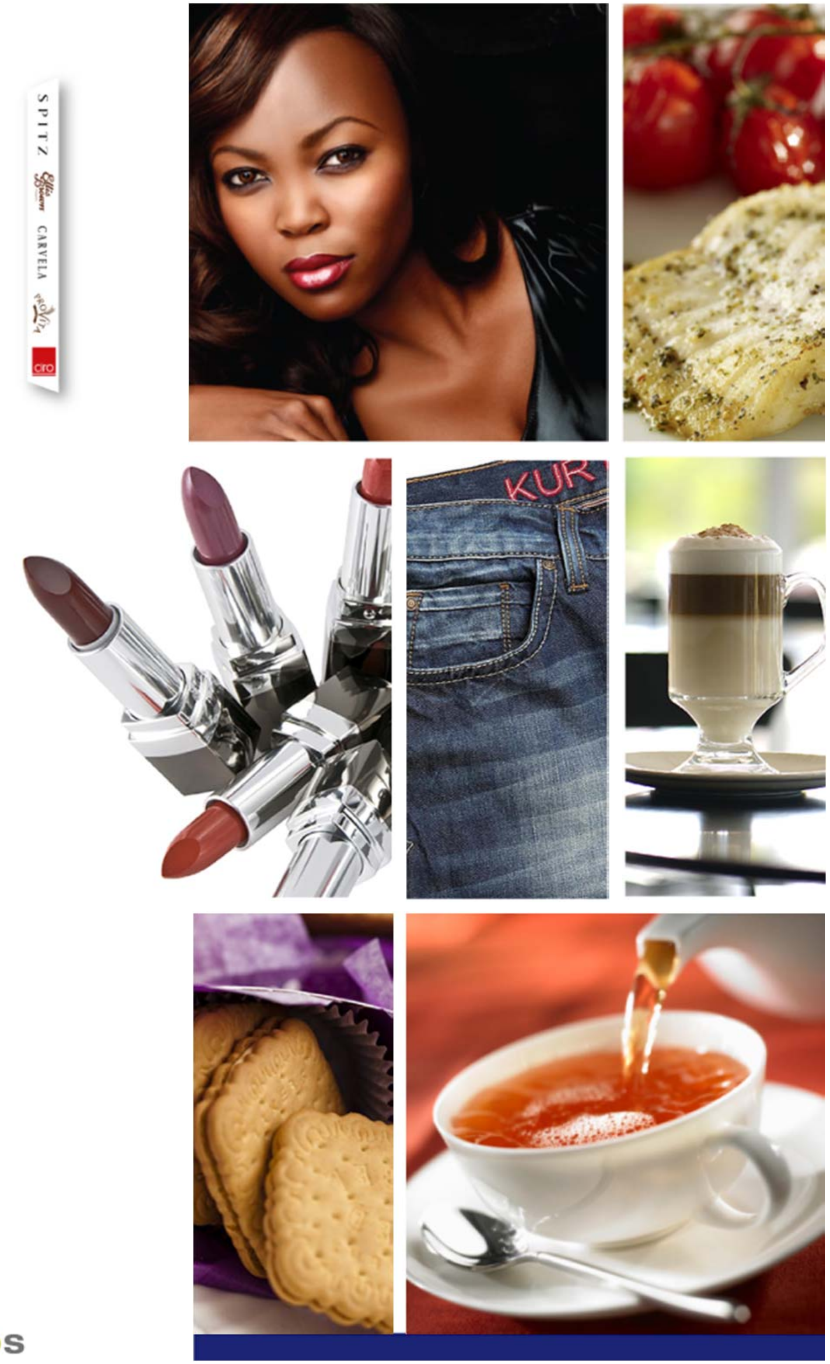


KEY FEATURES

- Operating profit from continuing operations up by 25% to R1,1 billion;
- Headline earnings per share from continuing operations up 31% to 248 cents;
- Significant Fashion Brands profit growth from increased volumes and improved gross margins;
- Strong Food & Beverage Brands profit growth in a competitive environment;
- Alpesca disposal completed;
- Cash generated from operations up 24% to R1,4 billion;
- Capital expenditure of R413 million to support growth;
- R496 million returned to shareholders via special payment and share buy-back;
- Final dividend of 75 cents per share, total normal dividend up 25% to 125 cents per share.



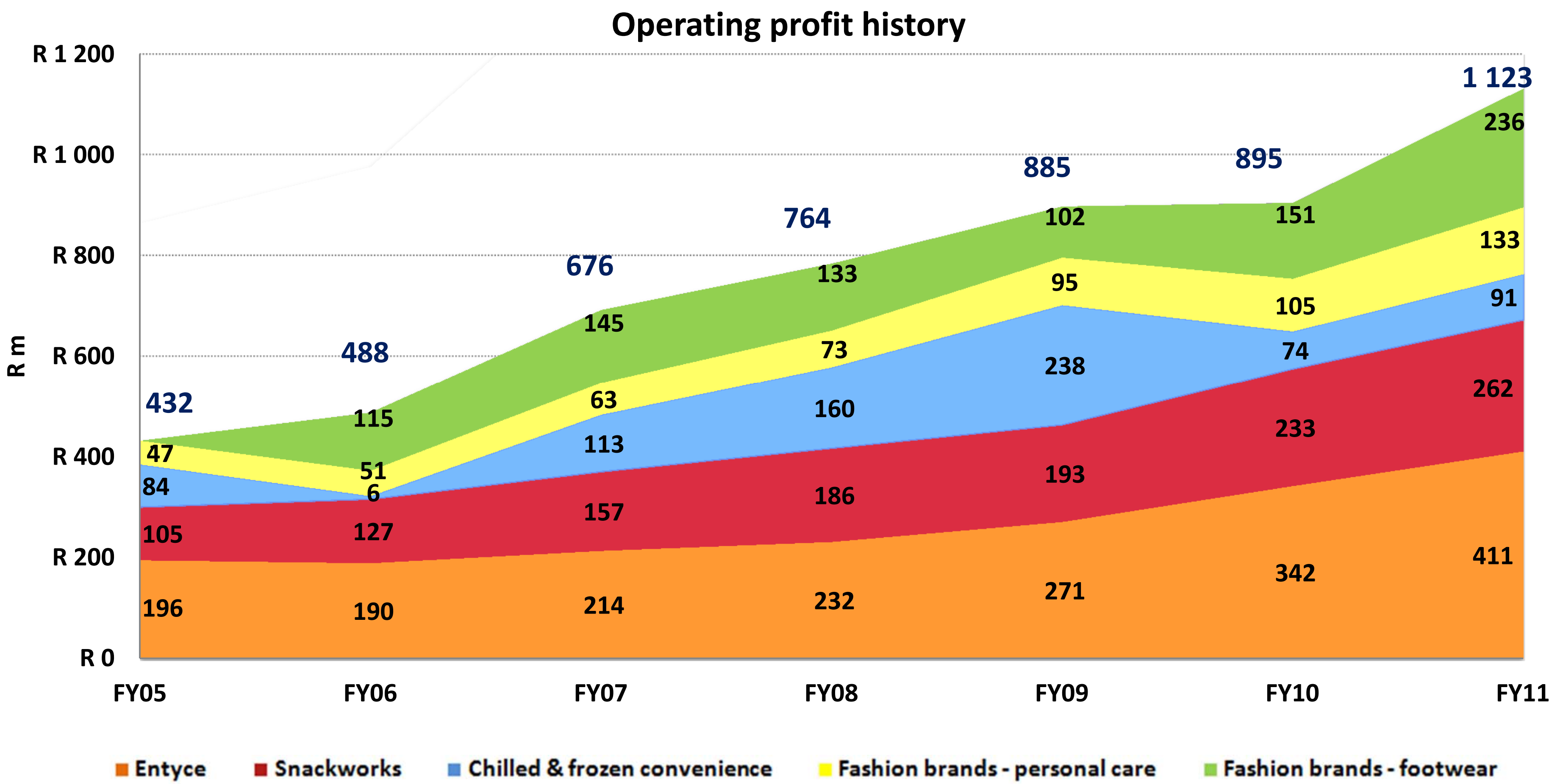
Group financial results



GROWING GREAT BRANDS

GROUP FINANCIAL RESULTS

Continuing operations (excluding Denny and Alpesca)



- CAGR from FY05 to FY11 = 17,4%
- Operating profit margin increased by 50,5%, from 9,7% in FY05 to 14,6% in FY11

AVI GROWING GREAT BRANDS

GROUP FINANCIAL RESULTS

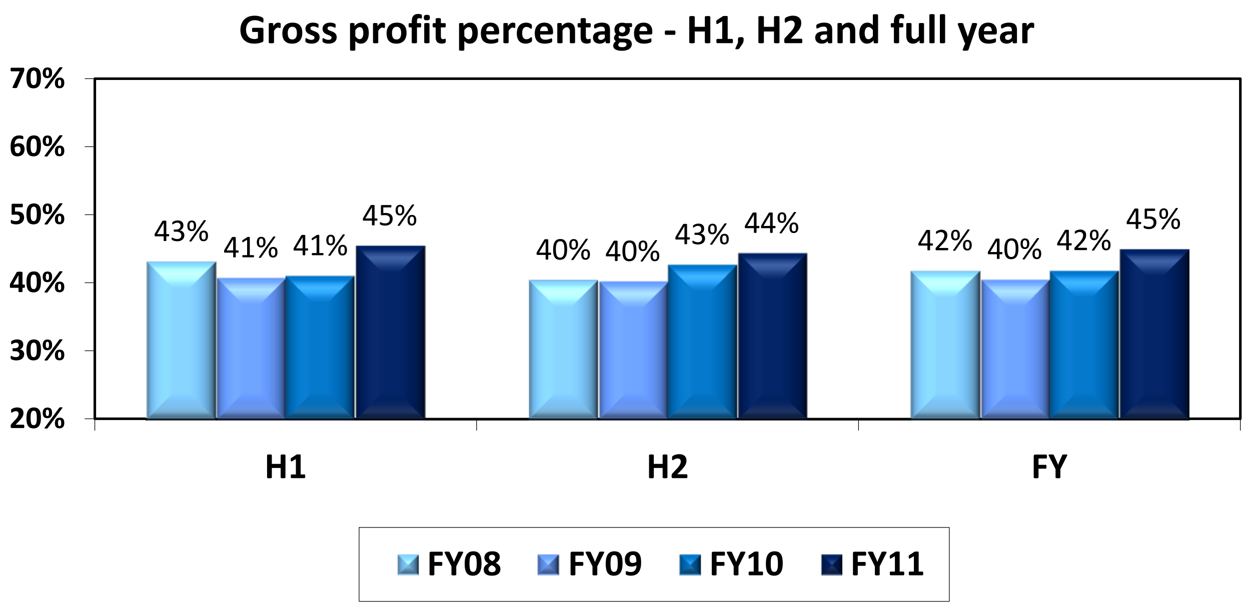
Continuing Operations (excluding Denny and Alpesca)

Income statement	FY11 Rm	FY10* Rm	%Δ
Revenue	7 686,3	7 271,0	5,7
Gross profit	3 452,2	3 038,8	13,6
Gross profit margin %	44,9	41,8	7,4
Operating profit	1 122,9	895,1	25,4
Operating profit margin %	14,6	12,3	18,7
Net financing cost	(39,8)	(85,6)	53,5
Share of JVs and associates	36,1	40,0	(9,8)
HEPS (cps)	248,2	189,4	31,1
Total dividend (cps)	125	100	25,0

** Restated to exclude Denny now shown as discontinued*

GROSS PROFIT MARGIN TREND

Continuing operations – gross profit margin history



- Margin recovery from H2 F10 due to lower raw material costs from strong Rand and lower commodity costs
- Consumer spending improved since F09 but still constrained
- Strong Fashion Brands growth at above average gross profit margin
- Leverage on factory costs from volume growth and efficiencies

GROUP FINANCIAL RESULTS

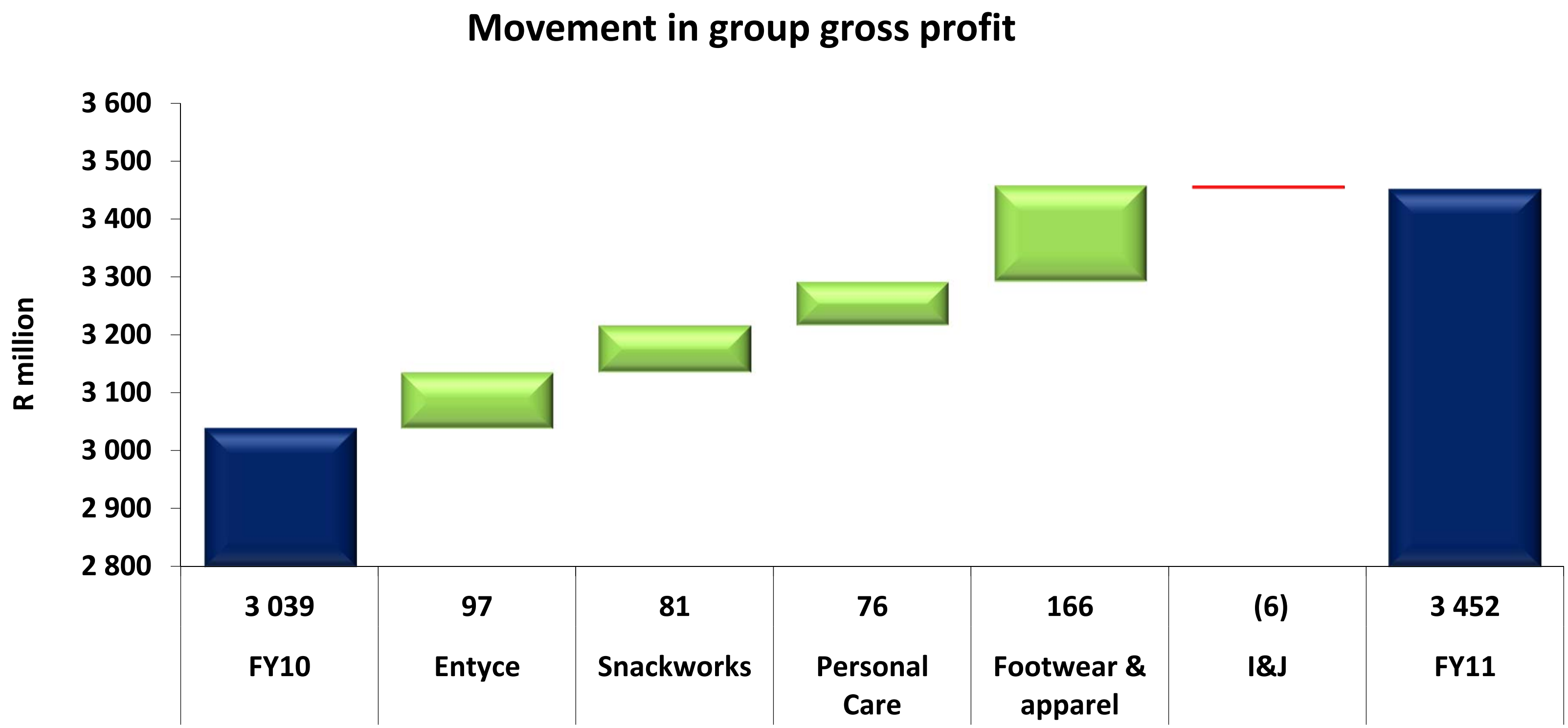
Continuing operations – revenue 5,7% up

Movement in group revenue

- Strong volume growth in footwear, personal care, creamer and coffee
- Higher selling prices in biscuits

GROUP FINANCIAL RESULTS

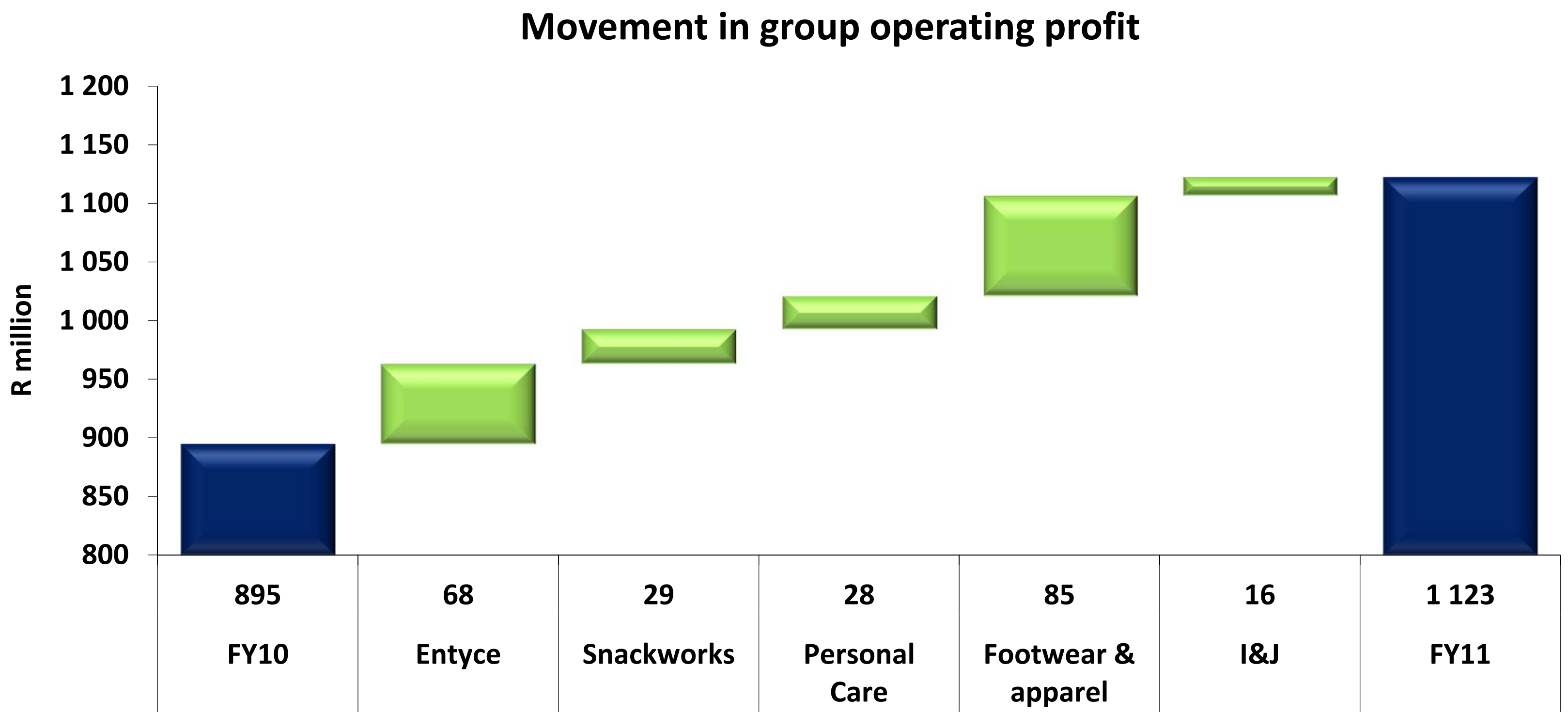
Continuing operations – gross profit 13,6% up



- Lower commodity costs and stronger rand benefitted all categories except I&J
- Volume leverage on fixed costs and improvement at most factories
- Improved export prices, sales mix and catch rates at I&J offset by stronger Rand

GROUP FINANCIAL RESULTS

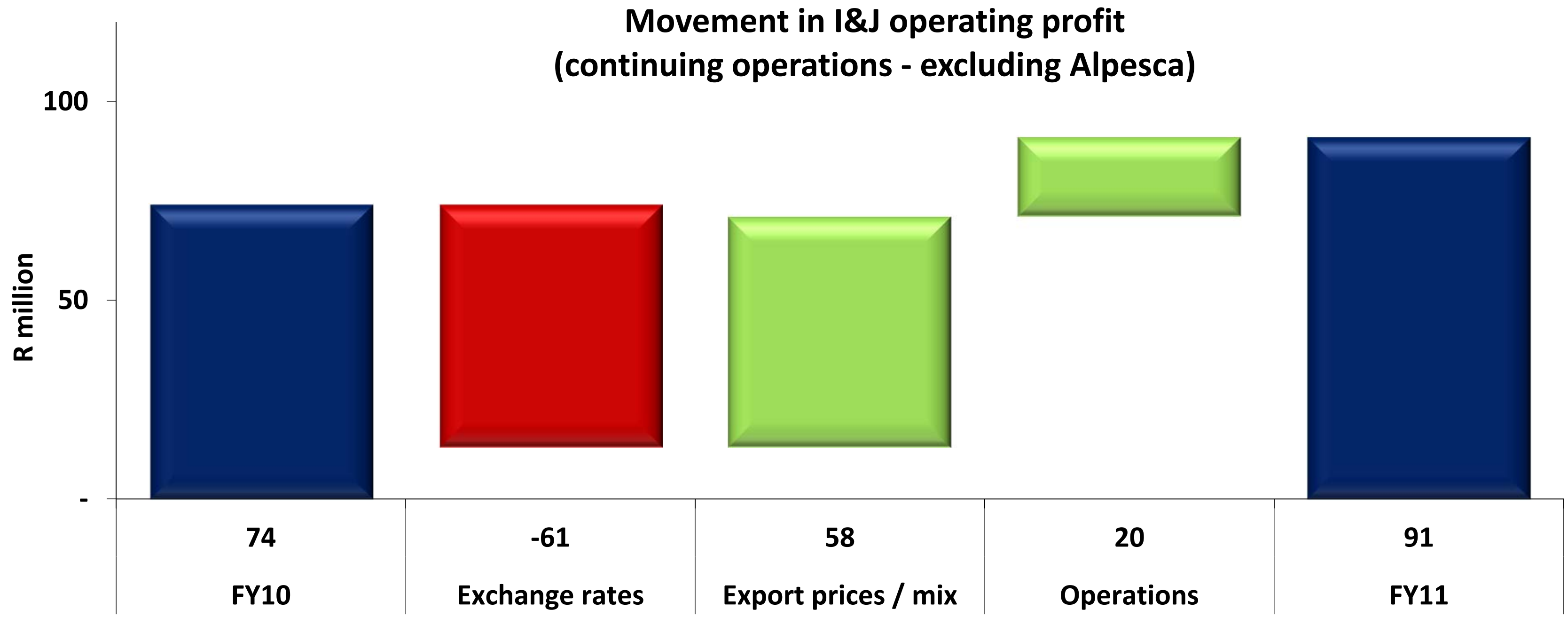
Continuing operations – operating profit 25,5% up



- Strong operating leverage from better gross margins and increased sales volumes

GROUP FINANCIAL RESULTS

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



- Operations improvement includes better catch rates, improved processing yields and cost reductions

GROUP FINANCIAL RESULTS

Continuing operations

	FY11 Rm	FY10* Rm	%Δ
Cash generated by operations	1 372,1	1 105,5	24,1
Working capital to revenue %	16,5	17,5	(5,7)
Capital expenditure	412,7	329,8	25,1
Depreciation and amortisation	195,6	179,7	8,8
Special payment to shareholders	226,6	-	
Share buy back (R100,7 m settled in FY12)	269,9	-	
Net debt	246,2	310,1	(20,6)

** Restated to exclude Denny now shown as discontinued*

GROUP FINANCIAL RESULTS

Discontinued operations – Alpesca

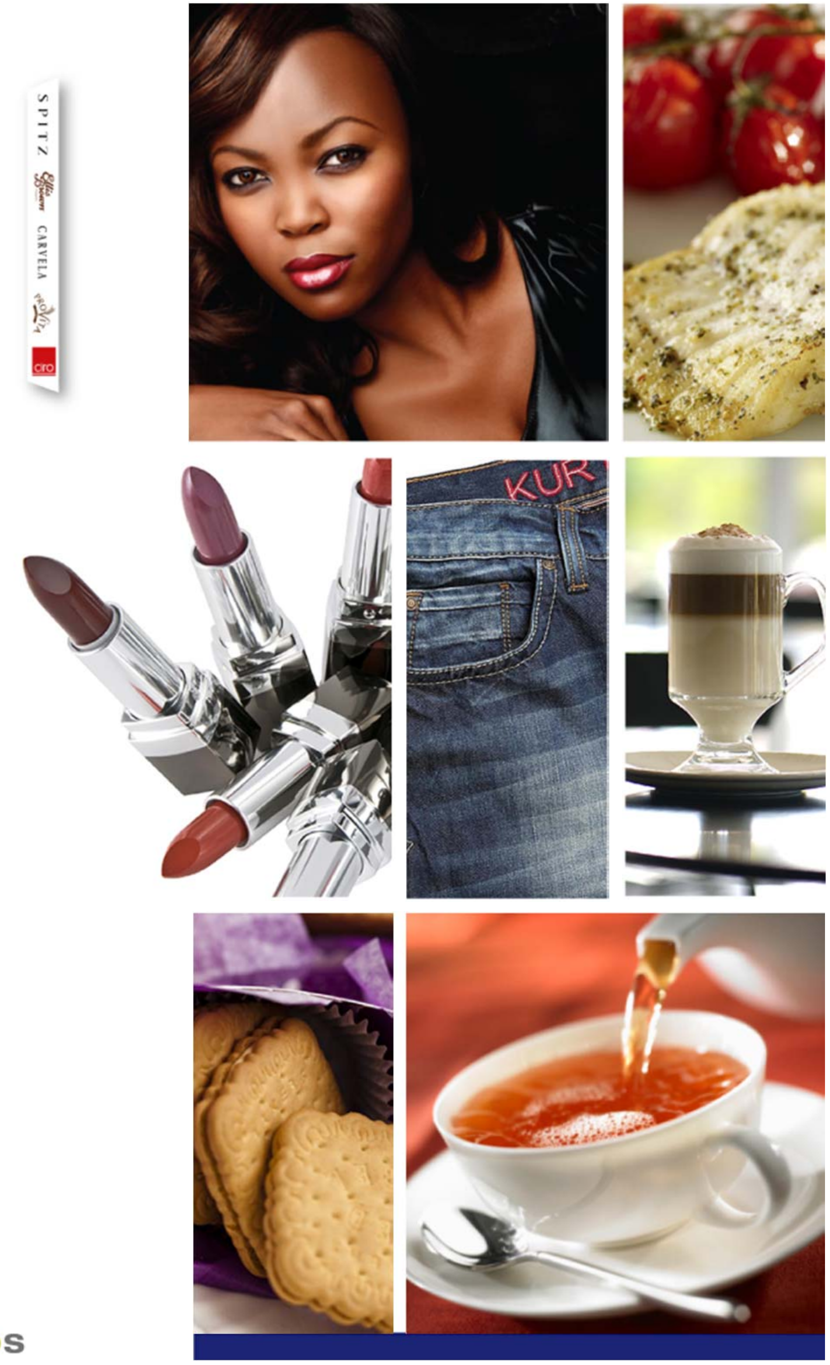
- Operating loss of R37,5 million in FY11 compared to R50,6 million in FY10
- Disposal completed in May 2011
- Consideration of USD 10 million (R69,6 million) plus transfer of loan guarantees of USD 4 million
- Loss on disposal of R40,8 million after tax

GROUP FINANCIAL RESULTS

Discontinued operations – Denny

- Continued good performance supported by improving production
- Operating profit of R50,0 million in FY11 compared to R45,9 million in FY10
- Not strategically aligned - declining importance of branding
- Sale effective 1 July 2011 - Competition Tribunal approval was received on 31 August 2011
- Disclosed as discontinued operation - FY10 income statement and cash flow statement restated accordingly
- Consideration of R263,5 million – expected profit on disposal of R15,1 million after tax in FY12

Projects

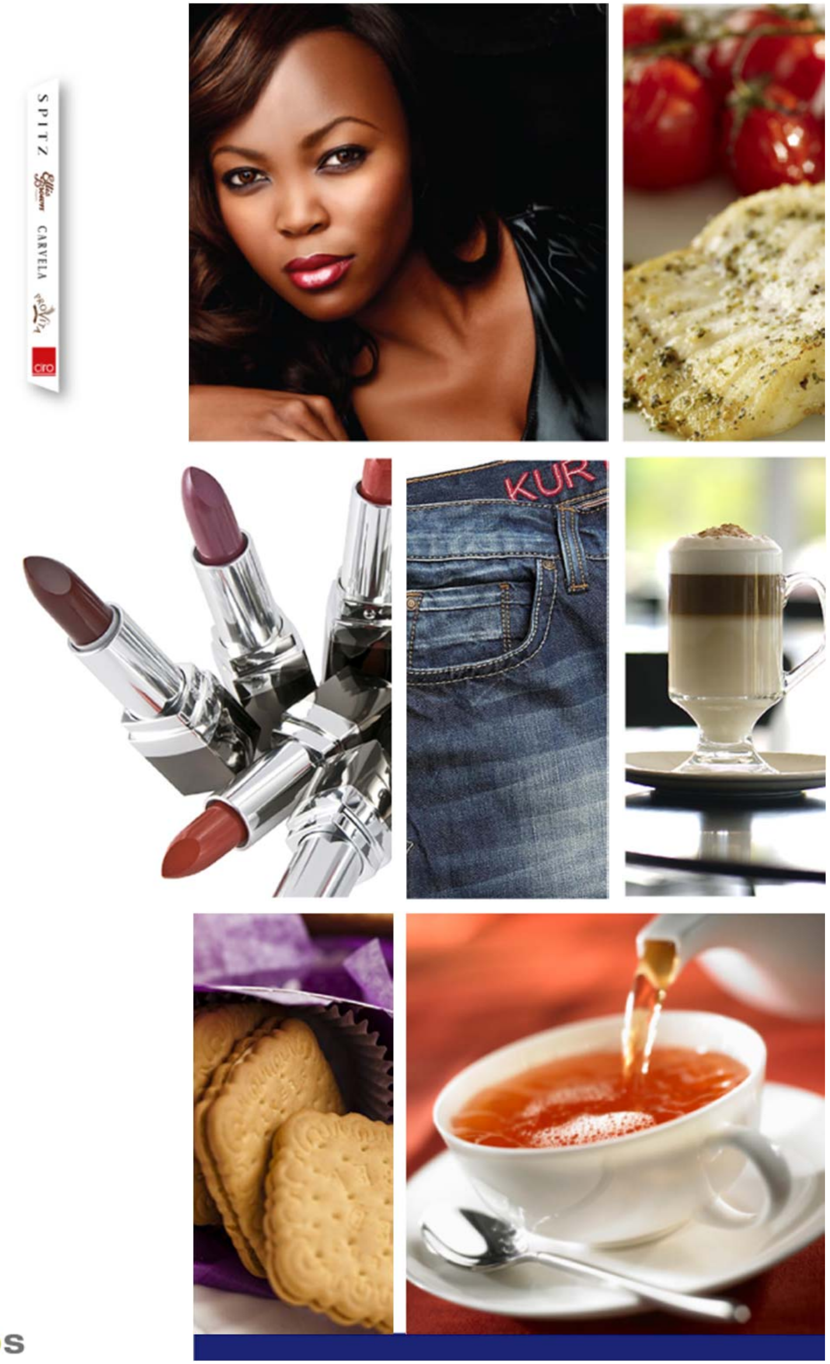


AVI

GROWING GREAT BRANDS

PROJECTS

	Rm
Major projects	
Entyce – new creamer tower (commissioning H1 FY12)	74
Entyce - coffee capability and capacity phase 1 (commissioning H1 FY12)	12
Snackworks – pumpable shortening (commissioned FY11)	28
Snackworks – finished goods handling (commissioning H1 FY12)	45
Indigo – new aerosol line (commissioning Qtr 1 FY12)	41
Spitz clothing expansion (25 stores in FY11 and FY12)	35
Isando distribution centre expansion (complete H1 FY12)	92
Entyce and Snackworks SAP implementation (FY12)	105



Operating environment

GROWING GREAT BRANDS

OPERATING ENVIRONMENT

Consumer demand

- Tea: strong second half - pricing and promotional activity
- Coffee: good performance boosted by competitor supply problems in H1
- Creamer: strong demand throughout year boosted by competitor supply problems in H1
- Biscuits: higher selling prices, product rationalisation and increased competition
- Snacks: growth in corn; potato constrained by aggressive competitor pricing
- I&J: growth in food service volumes; lower out-of-home volumes in local market
- Indigo: growth in most segments, particularly body sprays
- Spitz: extended Carvela range supported by good performance from Kurt Geiger, Lacoste and Tosoni

Sales volume growth	% Δ FY11 vs FY10
Tea	*3,0*
Coffee	*7,6*
Creamer	*20,0*
Biscuits	*(5,3)*
Snacks	*1,1*
I&J RSA Local	*(3,5)*
I&J RSA Export	*5,0*
Personal care	*13,4*
Spitz footwear	*22,3*

OPERATING ENVIRONMENT

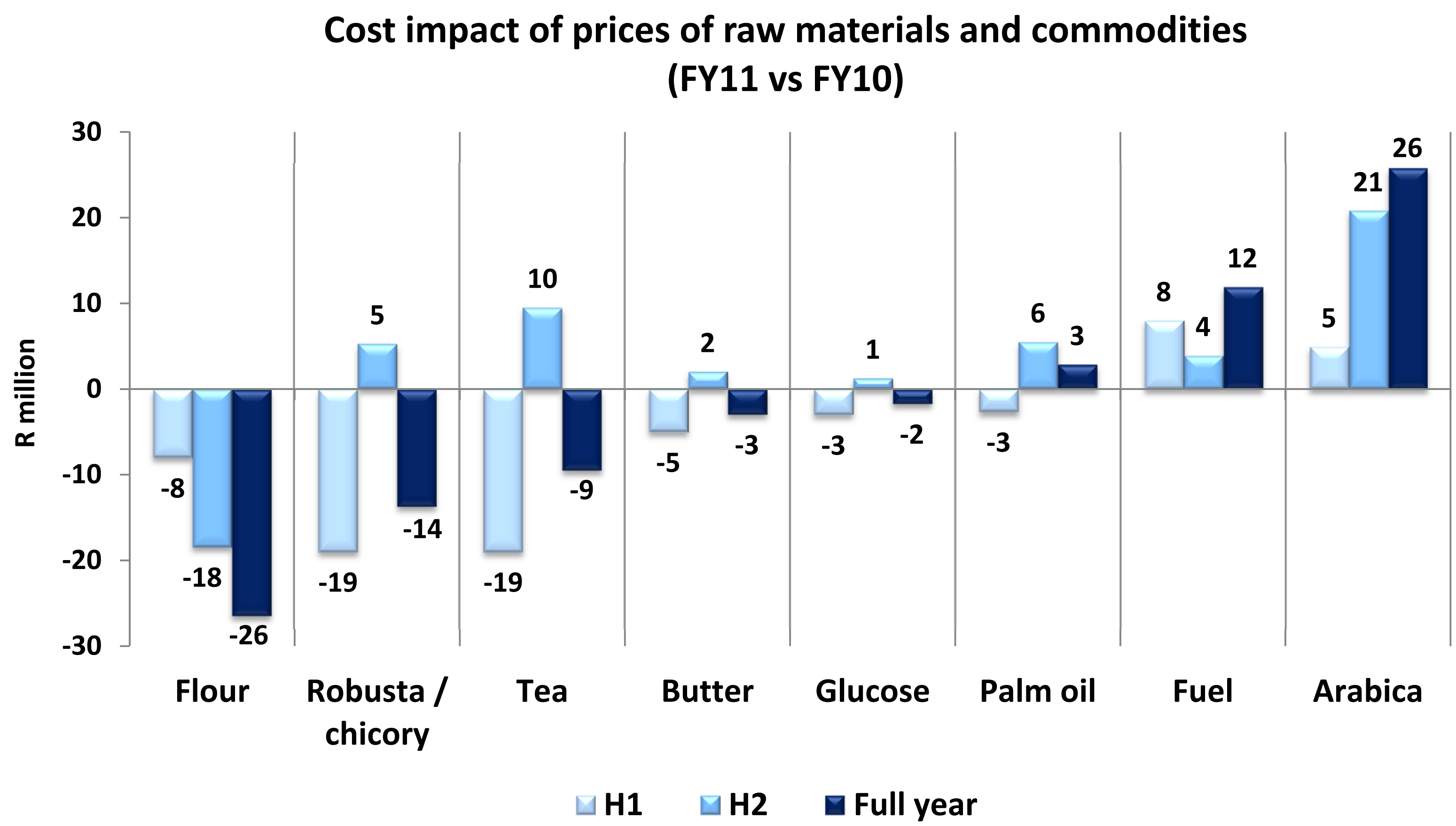
Selling prices

- Tea: overall flat prices supported by stable black tea cost and strong rand
- Coffee: effect of April 2011 price increase offset by mix change
- Creamer: lower tactical discounts
- Biscuits: price increases in August 2010 and February 2011
- Snacks: mix change and limited price increases
- I&J local: prices constrained by competitive environment
- I&J export: improved prices offset by exchange rate
- Indigo: small price increases in H2 FY11 offset by mix change
- Spitz: limited price increases in the year

Average realised selling prices by category	% Δ FY11 vs FY10
Tea	*0,1*
Coffee	*0,6*
Creamer	*2,6*
Biscuits	*9,8*
Snacks	*2,2*
I&J RSA Local	*(0,6)*
I&J RSA Export	*(4,0)*
Personal care	*(2,4)*
Spitz footwear	*0,6*

OPERATING ENVIRONMENT

Raw material / commodity costs

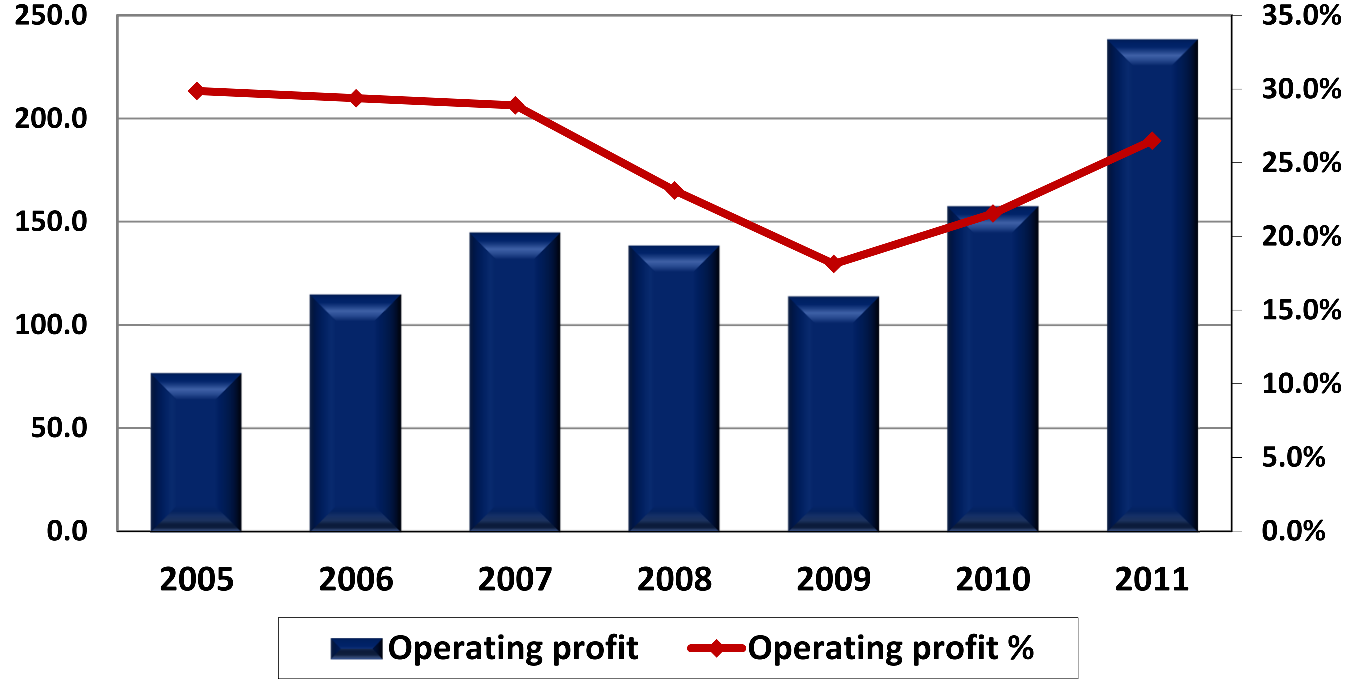


- Includes impact of better exchange rates
- Costs trending higher during second half
- Net reduction of R14 million on total spend of R937 million

OPERATING ENVIRONMENT

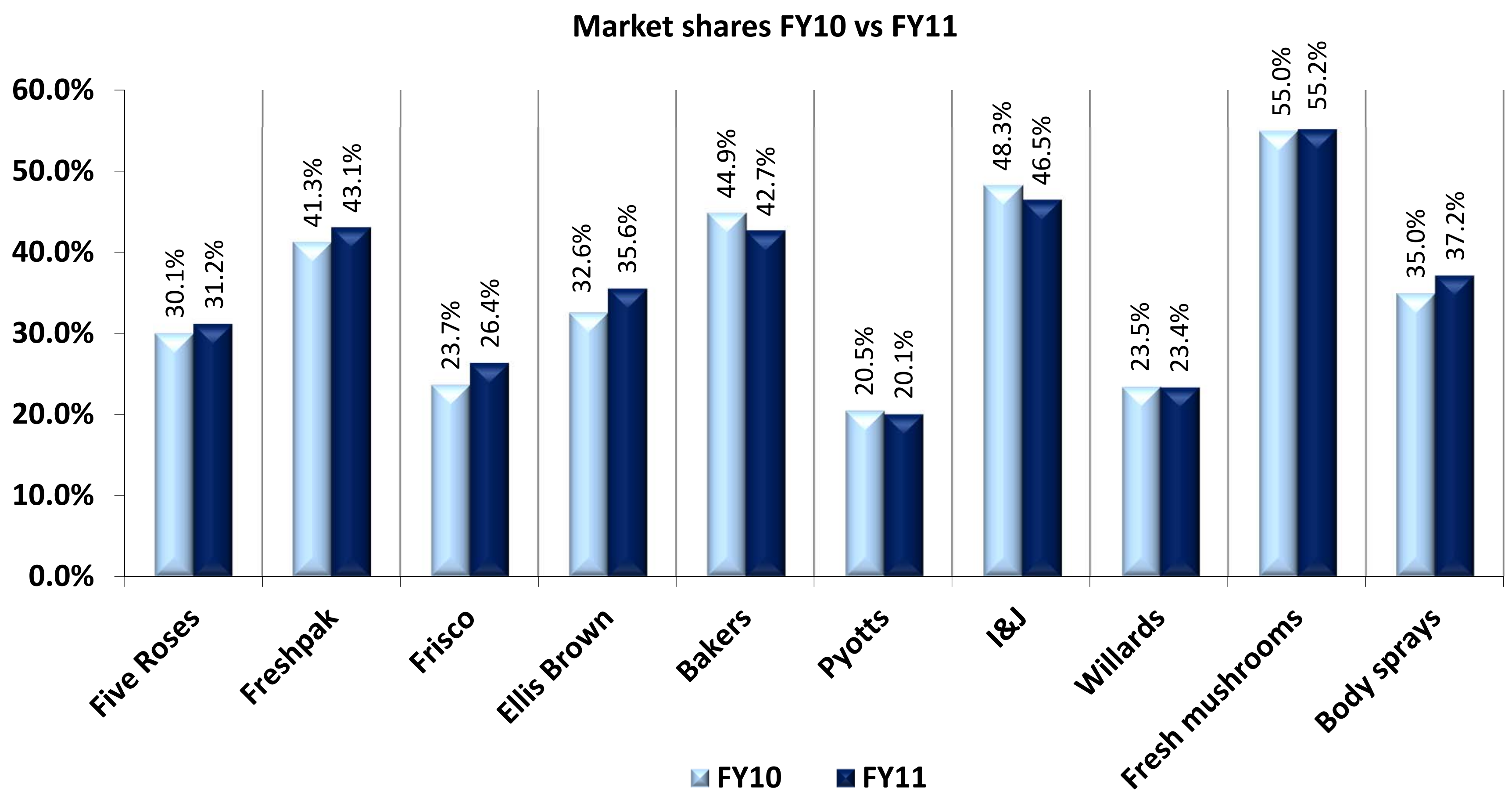
Spitz

- Footwear volume growth of 22,3%
- Gross profit margin up from 54,4% to 61,9% - exchange rate and sales mix
- Operating profit up from R157,8 million to R238,6 million
- Operating profit margin up from 21,6% to 26,5%
- Kurt Geiger store roll-out on track – 15 stores at end of year



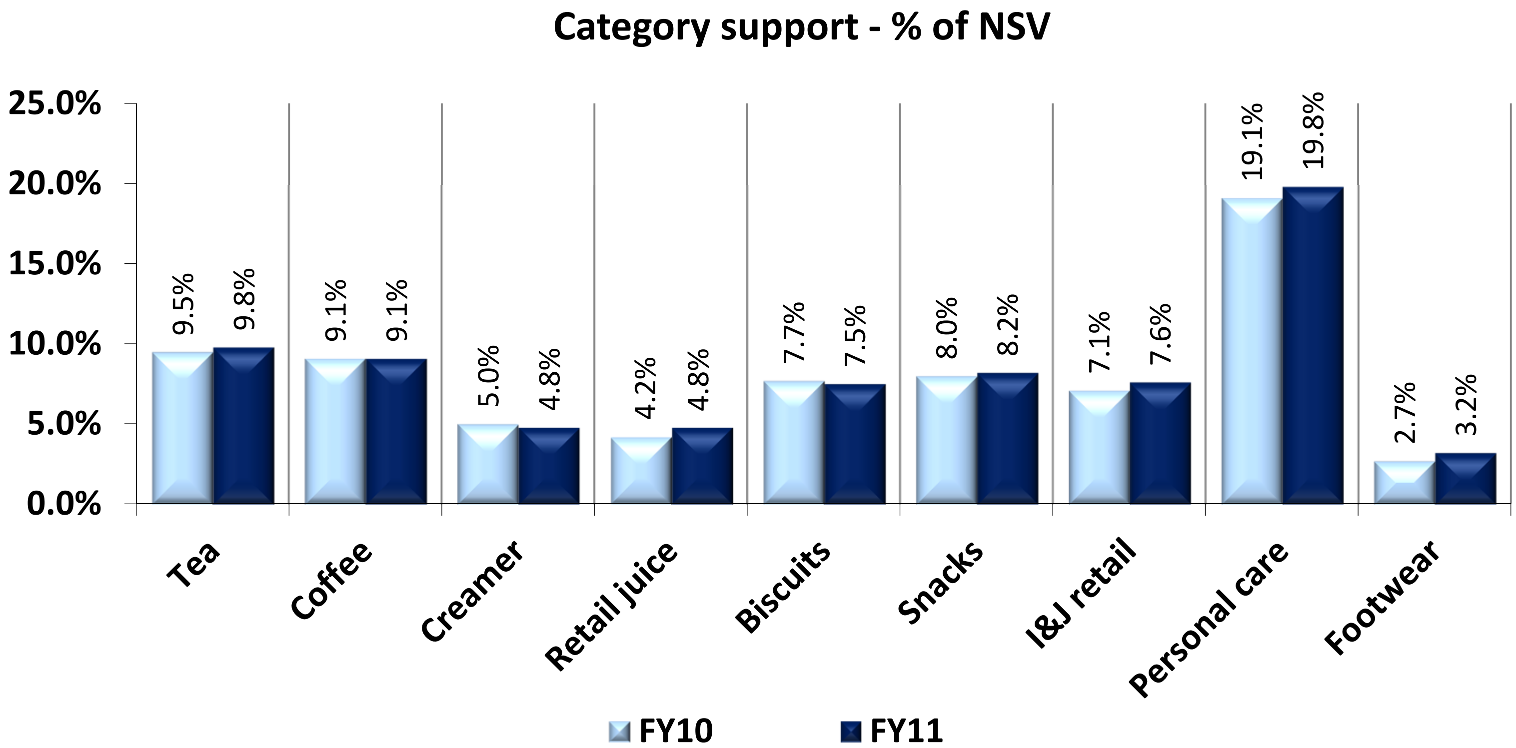
OPERATING ENVIRONMENT

Key market shares



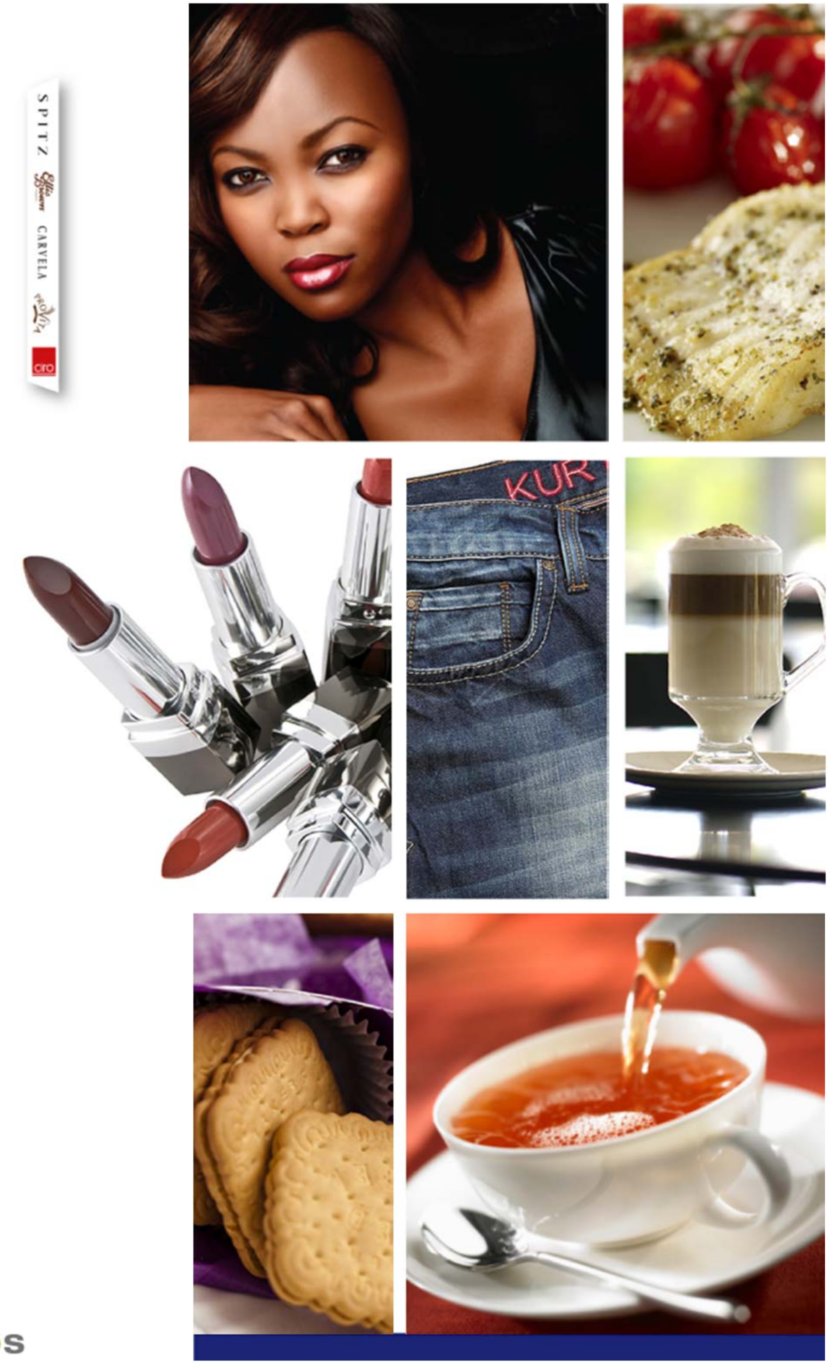
OPERATING ENVIRONMENT

Marketing expenditure



- Includes advertising and promotions, co-operative expenditure with customers and marketing department costs
- Total expenditure for FY11 was R604m compared to R553m in FY10

Business unit performance and prospects



GROWING GREAT BRANDS

ENTYCE BEVERAGES

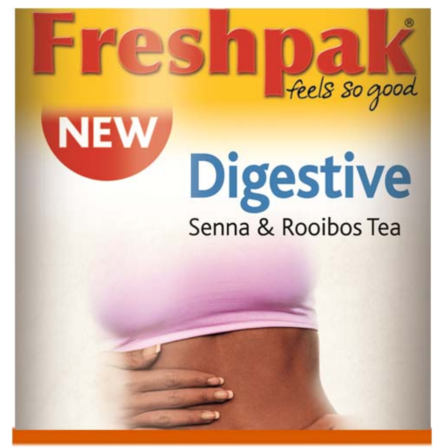
Performance and prospects

GROWING GREAT BRANDS

ENTYCE BEVERAGES

Performance and prospects

- Performance in FY11
  - Strong tea performance, especially in H2
  - Good Frisco promotion and production; benefitted from competitor supply problems in H1
  - Strong performance in affordable brewed coffee
  - Strong Ellis Brown creamer volume growth aided by competitor supply problems in H1
  - Sustained profit in juice business
  - Gross margin improvement from commodity prices, exchange rates and factory efficiency
  - Progress with major capex projects – creamer and coffee
  - Good regional export growth



ENTYCE BEVERAGES

Performance and prospects

- Prospects for FY12
  - Consumer demand expected to remain constrained
  - Leverage strong brands to deliver top line growth
  - Selling price increases in Qtr 1
  - Commodity positions secured for most of H1; forex positions secured into H2
  - Raw materials higher than FY11 – especially coffee
  - Coffee granulation project
  - Lower costs of creamer production from H2 when new tower is commissioned
  - Ongoing improvements in factory performance

Snackworks

Performance and prospects

Bakers Pyotts Provita Willards Baumann's

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GROWING GREAT BRANDS

Snackworks

Performance and prospects

- Performance in FY11
  - Poor management performance
  - Volume decline due to:
    - Sub-optimal selling price / volume management
    - Product rationalisation
    - Increased competition
    - Category decline at top end
  - Continued good performance on key lines – Blue Label Marie, Tennis, Eet Sum Mor, Red Label Lemon Creams
  - Lower overall commodity cost – mostly flour
  - Strong growth in corn snacks
  - Potato snacks constrained by aggressive pricing
  - Solid improvement in Isando factory performance; Westmead factory had a poor second half

Snackworks

Performance and prospects

- Prospects for FY12
  - Stronger management focus
  - Dynamic competitive landscape
  - Increased marketing activity to support master brands
  - Ongoing focus on manufacturing yields / efficiency
  - Selling price increases Qtr 1
  - Commodity and forex positions secured into H2
  - Raw material cost savings from pumpable shortening project
  - Finished goods handling project at Isando
  - Increased replacement capex on biscuit factories

CHILLED AND FROZEN CONVENIENCE BRANDS

Performance and prospects

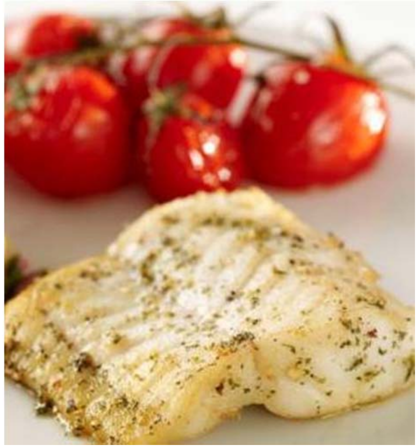
AVI

GROWING GREAT BRANDS

CHILLED AND FROZEN CONVENIENCE BRANDS

Performance and prospects

- Performance in FY11
  - TAC increase of 10% and improved performance of hake resource
  - Good operational performance and cost management
  - Improved sales mix and better export selling prices
  - Aggressive domestic market price competition
  - Additional quota volumes offset by less product buy-in
  - Material adverse impact of exchange rate – mostly in H1
  - Consistent performance from Simplot JV in Australia



CHILLED AND FROZEN CONVENIENCE BRANDS

Performance and prospects

- Prospects in FY12
  - Anticipated increase in TAC in calendar 2012
  - Higher hake volumes from quota increase
  - Mix improvement – target growth in key export categories
  - Exchange rate opportunity off low base
  - New products and effective promotion to improve local market position and gross margins
  - Ongoing cost saving initiatives – fixed and variable
  - Reduce non-core activities
  - Better focus without Alpesca distraction
  - Further investment in Simplot JV – R25 million

FASHION BRANDS

Performance and prospects

indigo brands

YARDLEY LENTHÉRIC LONDON • PARIS COTY PARIS · NEW YORK RIMMEL LONDON adidas

nailene. Sally Hansen

SPITZ

CARVELA KURT GEIGER Tosoni LACOSTE GEOX BREATHES J.Renee'

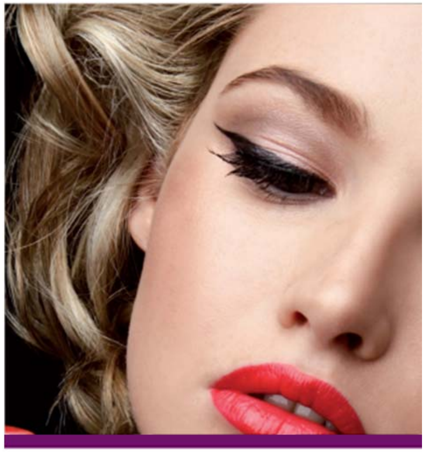
GANT

FASHION BRANDS – PERSONAL CARE

Performance and prospects

- **Performance in FY11**
  - Good volume growth – body sprays, cosmetics, fragrances
  - Strong brand performance – Yardley, Lentheric and Coty
  - Improved gross margin – stronger Rand and procurement
  - Volumes adversely impacted by poor supplier service levels
  - Investment in personal care – people and marketing
  - New aerosol line installation completed
  - Technical capabilities enhanced

- **Prospects in FY12**
  - Strong growth ambition supported by product development and launch program
  - New structure to leverage growth opportunities
  - Full commissioning of new aerosol line in Qtr 1
  - Forex positions secured into H2



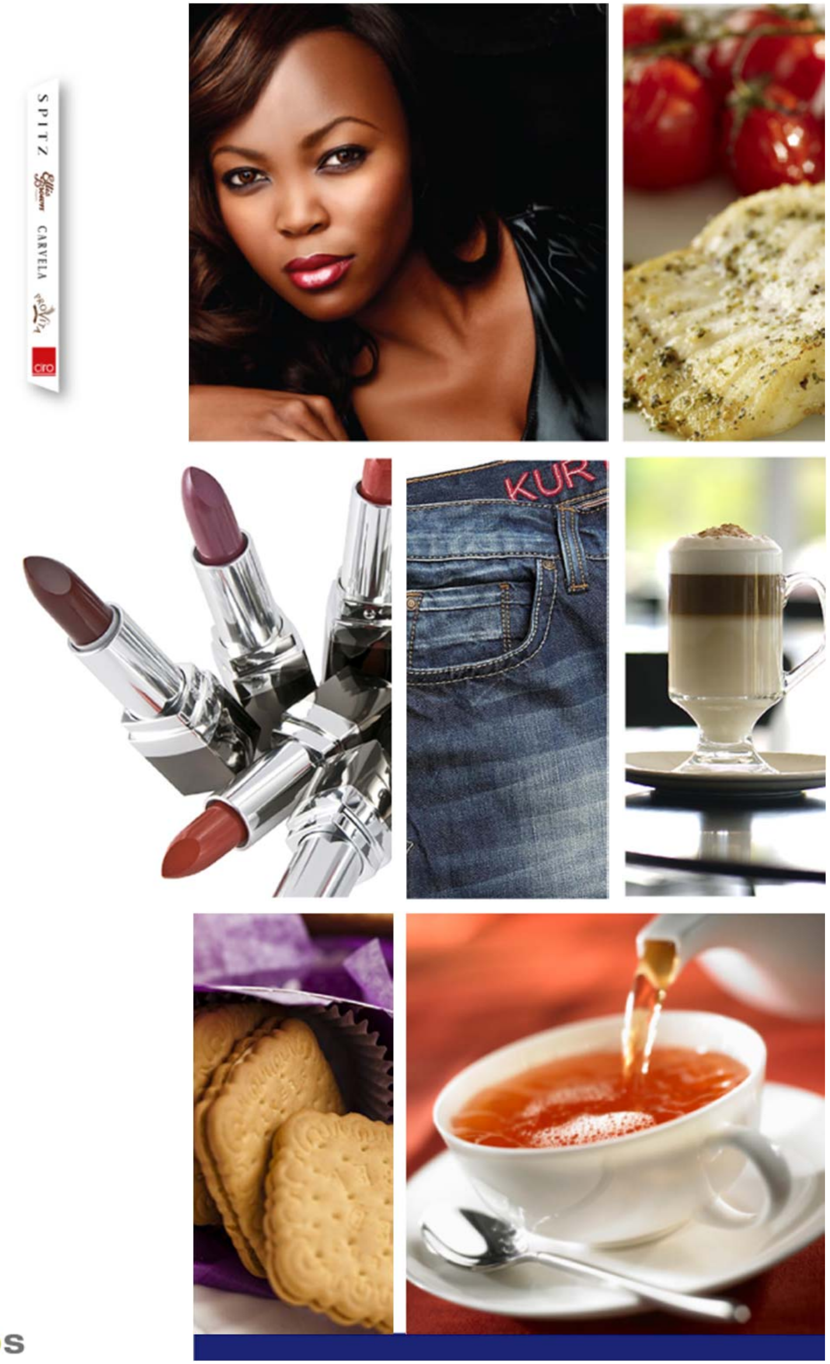
FASHION BRANDS – FOOTWEAR & APPAREL

Performance and prospects

- Performance in FY11
  - Strong volume growth in core brands – Carvela, Kurt Geiger, Lacoste, Tosoni
  - Margin improvement from better exchange rate and sales mix
  - Kurt Geiger clothing expansion – from 3 to 15 stores
  - Benefits of effective supply chain management

- Prospects in FY12
  - Volume growth
  - Incremental growth in Spitz doors – 3 to 4 new stores
  - Kurt Geiger clothing rollout – at least 10 new doors
  - Forex positions secured into H2

Group initiatives and prospects

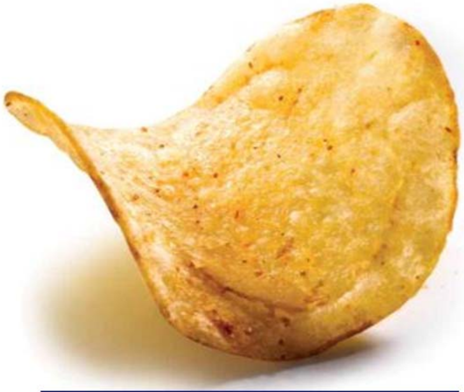


GROWING GREAT BRANDS

AVI GROUP

Focus areas for FY12

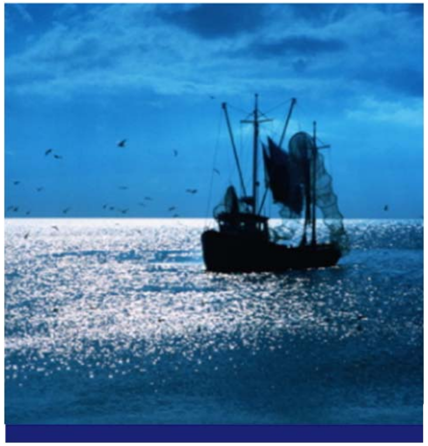
- Top line growth
  - Volumes / market share
  - Innovation - new formats and products
  - Field Marketing and distribution – service levels and presence on shelf
  - Regional focus
- Margin expansion
  - Factory efficiencies
  - Price / volume / margin management
  - Procurement
  - Fixed cost control
- Increased capital program – replacement, capacity and technology
- Portfolio housekeeping to leverage management focus
- Acquisitions



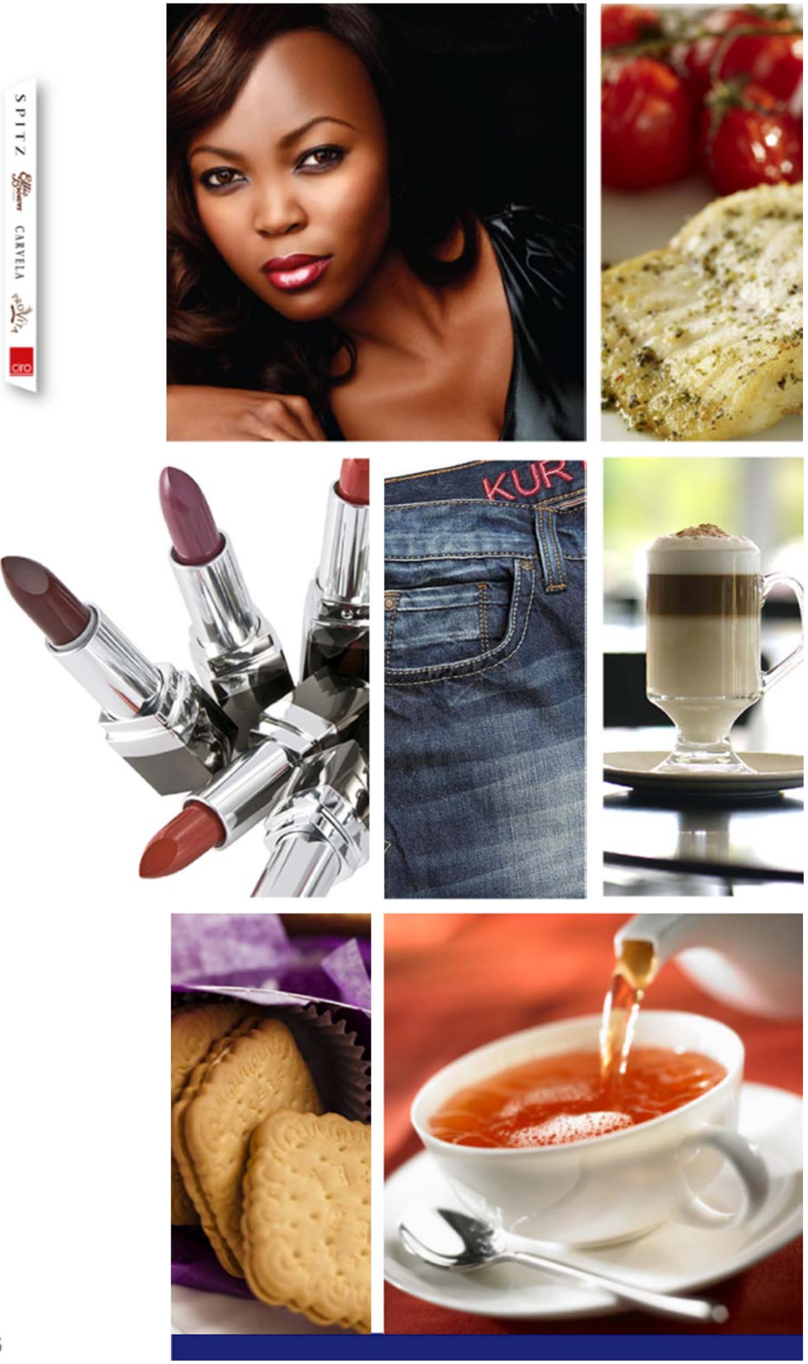
AVI GROUP

Prospects

- Constrained consumer demand
- More competitive retail environment
- Portfolio of initiatives to sustain profit margins and compete effectively
- Good overall commodity and foreign exchange positions
- I&J exchange rate opportunity off low base
- High project activity – maturing benefits



Questions and answers



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GROWING GREAT BRANDS

Thank you

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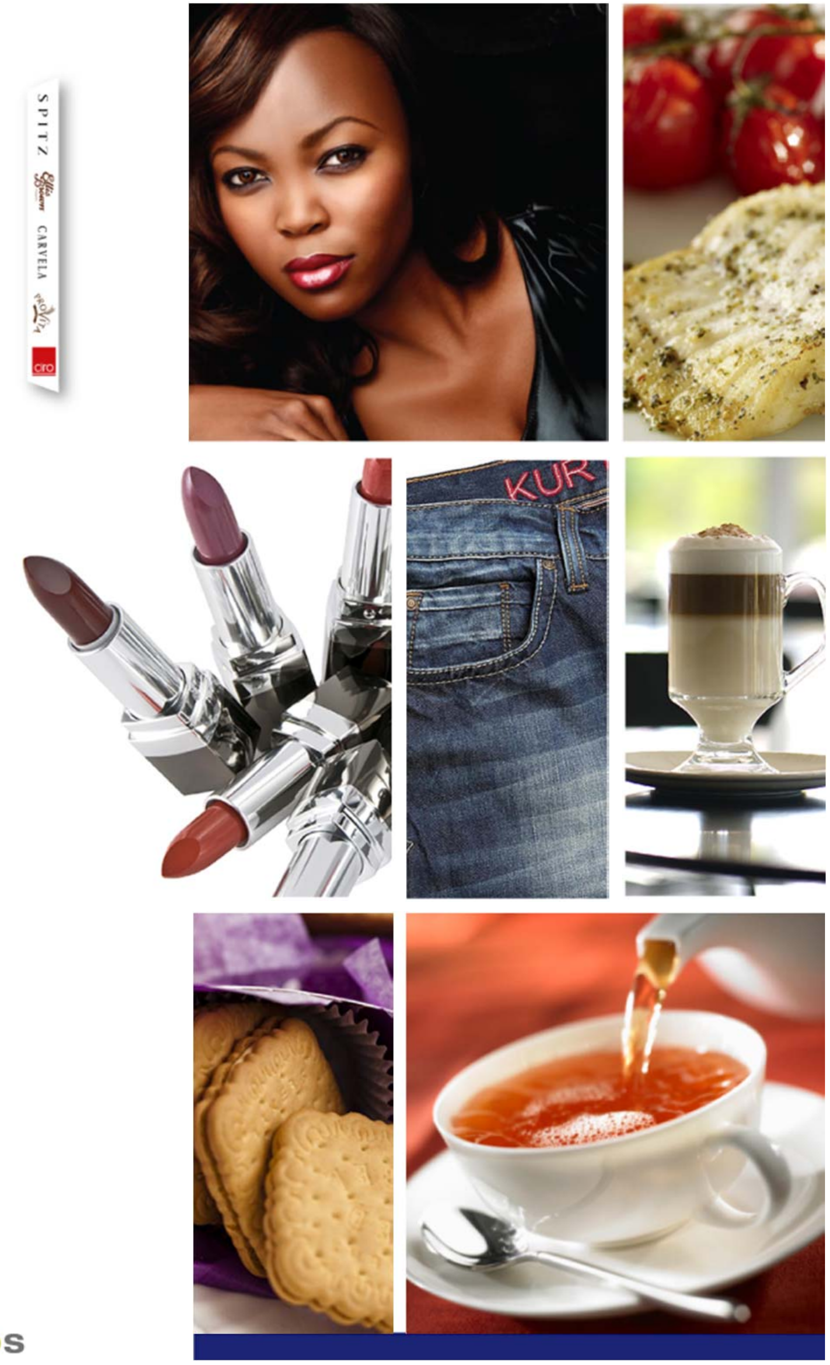
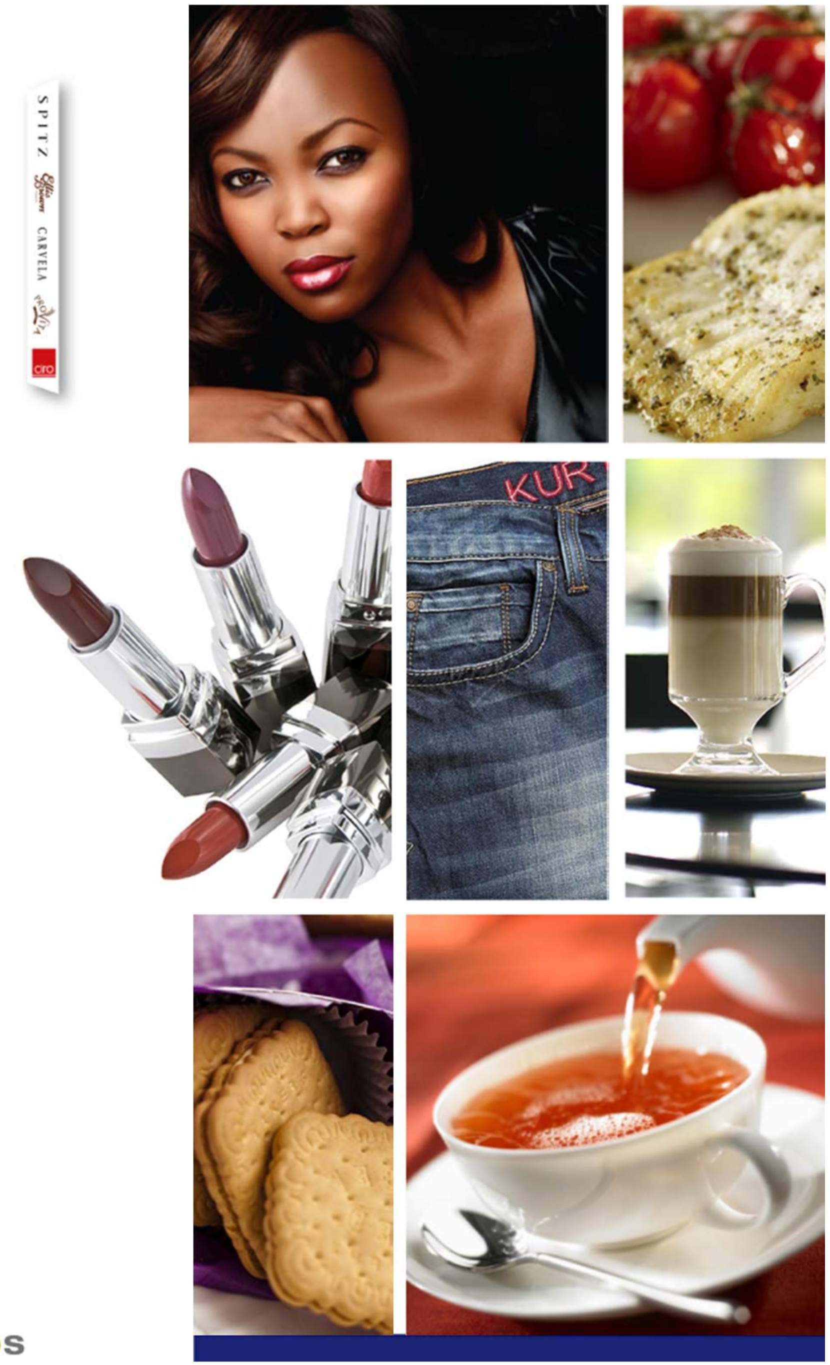


GROWING GREAT BRANDS

Business unit information



GROWING GREAT BRANDS

BUSINESS UNIT FINANCIAL RESULTS

Continuing operations (excluding Alpesca and Denny)

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	FY11 Rm	FY10 Rm	Δ %	FY11 Rm	FY10 Rm	Δ %	FY11 Rm	FY10 Rm
Food & Beverage Brands	**5 837,8**	**5 680,6**	***2,8***	**763,3**	**649,5**	***17,5***	**13,1**	**11,4**
Entyce	2 308,8	2 217,9	*4,1*	410,9	342,4	*20,0*	17,8	15,4
Snackworks	2 159,7	2 080,9	*3,8*	261,8	232,8	*12,5*	12,1	11,2
Chilled & Frozen Convenience Brands	1 369,3	1 381,8	*(0.9)*	90,6	74,3	*21,9*	6,6	5,4
Fashion Brands	**1 842,6**	**1 583,7**	***16,3***	**368,8**	**255,4**	***44,4***	**20,0**	**16,1**
Personal Care	890,3	802,8	*10,9*	132,7	104,7	*26,7*	14,9	13,0
Footwear & Apparel	952,3	780,9	*22,0*	236,1	150,7	*56,7*	24,8	19,3
Corporate	**5,9**	**6,7**		**(9,2)**	**(9,8)**			
Group	**7 686,3**	**7 271,0**	***5,7***	**1 122,9**	**895,1**	***25,4***	**14,6**	**12,3**

BUSINESS UNIT FINANCIAL RESULTS

Continuing operations (excluding Alpesca and Denny)

Comparison of first and second half to prior year	Changes in Revenue H1 %Δ	Changes in Revenue H2 %Δ	Changes in EBIT H1 %Δ	Changes in EBIT H2 %Δ
Entyce Beverages (incl Out of Home)	5,7	2,3	55,2	(13,5)
Snackworks	4,4	3,0	48,8	(27,1)
Chilled & Frozen Convenience Brands*	-	(1,7)	(94,8)	503,3
Personal care	12,3	9,4	19,0	35,9
Footwear & apparel	20,8	23,7	53,3	67,3
Group	**6,8**	**4,4**	**31,7**	**17,0**

** Restated to exclude Denny now shown as discontinued*

EXPORTS INTO AFRICA

Entyce, Snackworks and Indigo

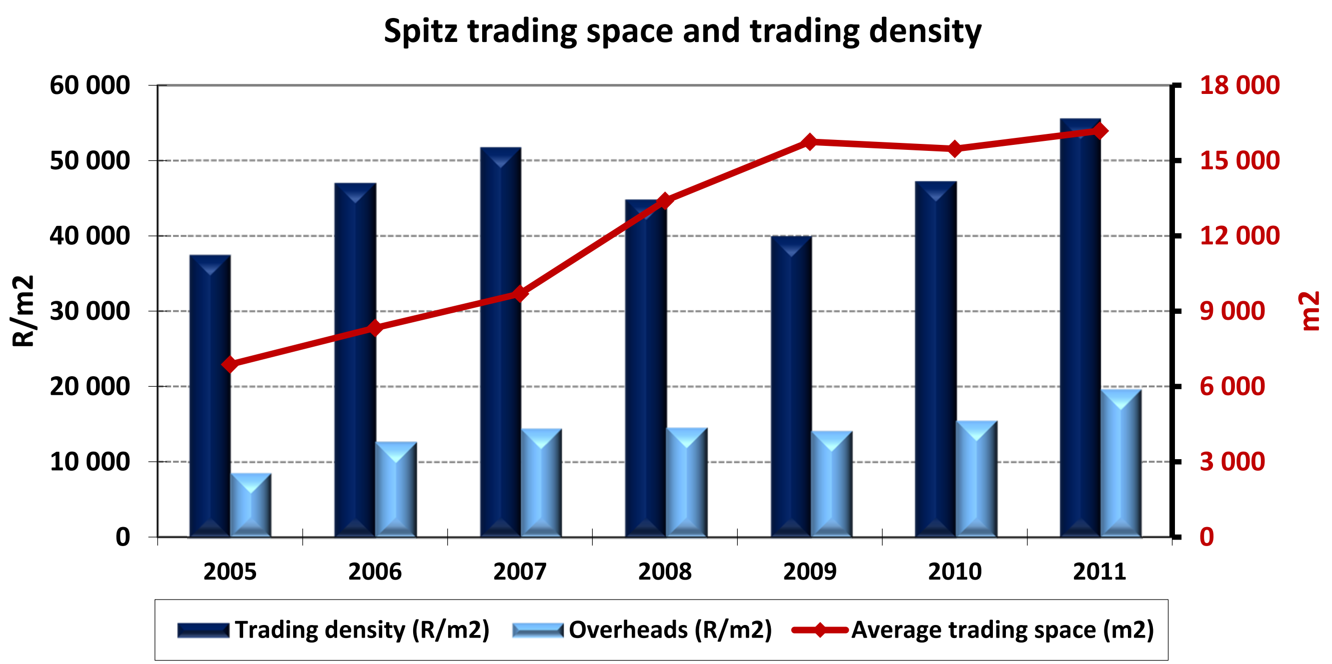
	FY11 Rm	FY10 Rm	% Δ
International Revenue	**410,4**	**378,0**	***8,6***
% of AVI Group	5,3	5,2	*2,7*
International Operating profit	**86,6**	**73,3**	***18,2***
% of AVI Group	7,7	8,2	*(5,8)*
International Operating margin	**21,1**	**19,4**	***8,9***
AVI Group Operating margin	14,6	12,3	*18,7*

SPITZ

Trading space and trading density

	FY11	FY10
Spitz		
Number of Stores	57	56
Turnover (Rm)	876	720
Average m2	15 233	15 147
Trading Density (R/m2)	**57 480**	**47 539**
Closing m2	14 991	15 012

	FY11	FY10
Kurt Geiger		
Number of Stores	15	3
Turnover (Rm)	25	12
Average m2	953	318
Trading Density (R/m2)	**26 149**	**38 241**
Closing m2	1 910	318



CHILLED & FROZEN CONVENIENCE BRANDS

Analysis of financial results

	Revenue		Operating Profit	
	FY11 Rm	FY10 Rm	FY11 Rm	FY10 Rm
I&J – continuing operations	**1 369,3**	**1 381,8**	**90,6**	**74,3**
Discontinued operations	**683,6**	**689,3**	**12,5**	**(4,7)**
Denny	385,2	359,9	50,0	45,9
Alpesca	298,4	329,4	(37,5)	(50,6)
Total	**2 052,9**	**2 071,1**	**103,1**	**69,6**

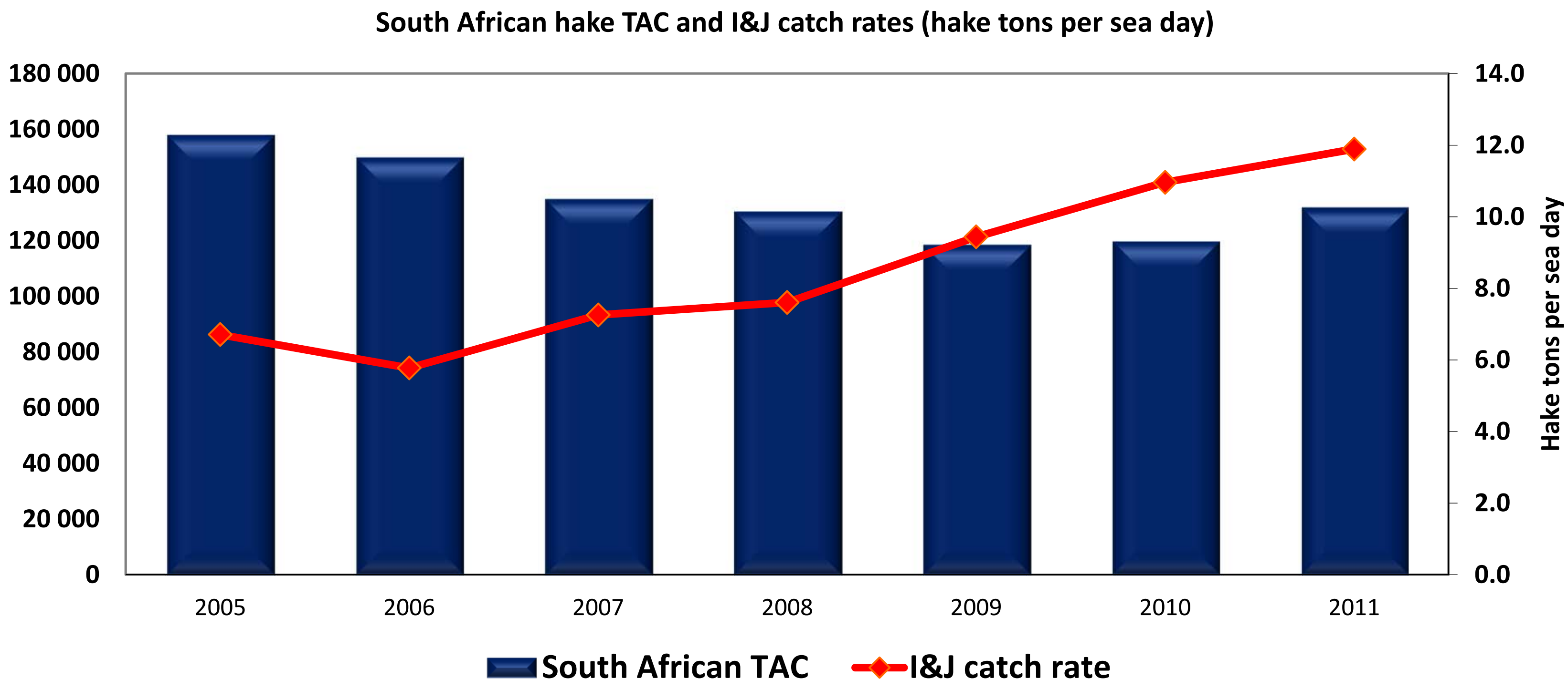
CHILLED & FROZEN CONVENIENCE BRANDS

Quota– seafood products

Hake Quota (tons)	CY11	CY10
South Africa Total Allowable Catch (TAC)	131 847	119 861
I&J	**36 906**	**33 550**
%	*28,0*	*28,0*

CHILLED & FROZEN CONVENIENCE BRANDS

I&J – Hake TAC and catch rates



SIR JUICE

Historical information

	July – Oct 2010 Rm	Jul – Dec 2009 Rm	FY10
Revenue	**34,5**	50,6	102,5
Operating profit	**2,1**	3,6	7,1

- Sold with effect from November 2010

DENNY

Historical information

	H1	H2	FY11	H1	H2	FY10
Revenue	187,6	197,6	**385,2**	177,2	182,7	**359,9**
Operating profit	20,9	29,1	**50,0**	22,9	23,0	**45,9**

- Sold with effect from 1 July 2011. Competition Tribunal approval received on 31 August 2011.

RESTATEMENT OF HEADLINE EARNINGS WITH DENNY DISCLOSED AS DISCONTINUED

HEADLINE EARNINGS PER SHARE (CONTINUING OPERATIONS)	FY11 cents	FY10 cents	Variance %
HEPS excluding Denny	**248,2**	189,4	31,1
HEPS including Denny	**258,9**	198,7	30,3