INTERIM RESULTS

for the six months ended 31 December 2005

AVI

PRESENTATION TO ANALYSTS

FINANCIAL SUMMARY CONTINUING OPERATIONS

AVI

	1H06 Rm	1H05 Rm	%∆
Revenue	2 891	2 501	*16*
Operating profit	290	250	*16*
Operating margin - %	10.0	10.0	-
Net financing cost	(15.3)	(8.4)	*(82)*
Effective tax rate - %	33.3	34.6	*(4)*
HEPS - cents	60.8	51.1	*19*
DPS - cents	20	16*	*25*

*Pro-forma

FINANCIAL SUMMARY CONTINUING OPERATIONS

	1H06 Rm	1H05 Rm
Net working capital	928	867
Capital expenditure	97	89
- Maintenance	50	41
- Expansion	47	48
Cash generated by operations	371	364
Net debt	(430)	(52)

ACCOUNTING ISSUES

- Restatement of prior year results
  - Reclassification of pelagic operations as discontinued
  - Change in accounting policy on BEE transactions (I&J)
  - Straight lining of operating leases
- Accounting treatment of Spitz acquisition
  - Acquired 100% effective 2 July 2005
  - 60% settled in cash (R255m)
  - 40% outstanding until July 2007
    - Current estimate – R315m
    - Interest at 6.4% (after tax)

ACCOUNTING ISSUES

AVI

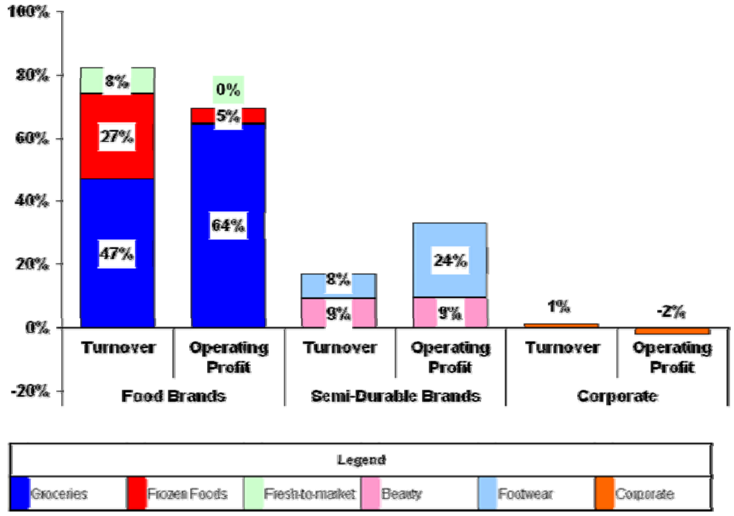
- Share based payments
  - AVI share scheme charge of R2.9m (2004: R0.6m)
  - Impact of phantom share incentive schemes R19.3m (2004: R14.6m)
  - I&J BEE charge of R0.4m
- Update on I&J tax contingency
  - "Official" grounds of assessment still outstanding
  - No change in management / advisor view of outcome

SEGMENTAL OVERVIEW

AVI

PRESENTATION TO ANALYSTS

SEGMENTAL CONTRIBUTIONS

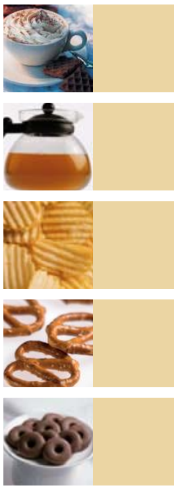


FOOD BRANDS

	1H06 Rm	1H05 Rm	%Δ
Revenue	1 391	1 313	*6*
Operating profit	187	172	*9*
Operating profit - %	13.4	13.1	*2*
Capex	34	40	*(15)*
Working capital to revenue - %	14	14	-

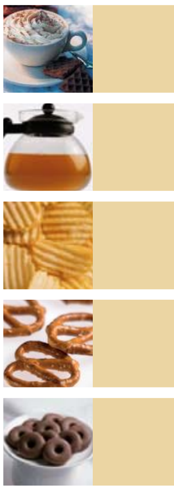
FOOD BRANDS

- Revenue growth of 6% driven by volumes
  - Strong biscuit and creamer performance (volumes up 9% / 12%)
  - Further recovery in Snacks (volumes up 4%)
  - Pricing remains constrained
- Operating profit increase of 9% compounded by benefit of cost management
  - Improved procurement and stronger Rand
  - Increase in coffee bean prices
  - PE impact on share scheme valuation
- Snacks – year-on-year performance improvement continued



FOOD BRANDS

- Expansion of management structure to support development and growth
  - Continued effective operational management
  - Drive to develop Africa / international expansion
  - OOH strategy
- Access to the “affordability” market continues to show progress with successful launch of new biscuit pack sizes
  - Eet Sum Mor
  - Jambos
- Progress on “premiumisation” of Willards – Kettle launch



FOOD BRANDS

AVI

Market Shares	1H06 %	1H05 %
Tea*	44.5	42.6
Affordable instant coffee*	36.0	34.9
Creamer*	27.5	27.9
Premium brewed coffee*	67.2	69.0
Biscuits*	58.7	58.6
Snacks†‡	15.0	

*Source AC Nielsen
†Estimated
‡ PC and hard/soft extrudes

FOOD BRANDS

AVI

Continuing Operations	1H06 Rm	1H05 Rm	%Δ
Revenue	775	709	*9*
Operating profit	16	39	*(59)*
Operating profit - %	2.1	5.5	*(62)*
Capex	32	22	*45*
Working capital to revenue - %	21	17	*24*

CURRENCY TABLE

Continuing Operations	1H06 % total of sales	1H06 Ave rate*	1H05 % total of sales	1H05 Ave rate*
Rand	36.8		39.6	
US$	17.1	6.49	26.6	6.20
€uro	36.8	7.82	28.9	8.27
Aus$	6.1	4.90	3.2	4.54
Other	3.2		1.7	

*Effective rate achieved, including FECs

FOOD BRANDS

Continuing Operations	1H06 Rm	1H05 Rm	%∆
Revenue			
RSA Operations	546	510	*7*
Alpesca	150	107	*40*
Other	79	92	*(14)*
	775	**709**	*9*
Operating profit			
RSA Operations	(9)	18	*(150)*
Alpesca	(6)	(6)	*-*
Other	31	27	*15*
	16	**39**	*(59)*

FOOD BRANDS

RSA operations

- Revenue up 7% led by increase in selling prices
- Operating profit performance continues to be constrained by
  - Rand strength
  - Increase in cost
    - Lower catch rates
    - Fuel and other inflationary factors
  - Loss of premium products due to size mix
- Cost reduction program ongoing – short-term impact of restructuring costs
- “Favourable” outcome on LTR
  - 97% of its share of the total 2005 hake quota retained
  - Coincides with 5% reduction in the total hake quota

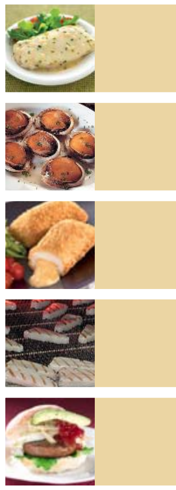
FOOD BRANDS

Alpesca

- Improved fishing from increased TAC and increased access to quota
- Disappointing performance despite fishing improvements
  - Program of increasing value add relatively slower given additional volume
  - Revised salary structures eroded short term returns – increased variable portion
  - Further industrial action, although limited
  - Under-recovery of fixed overheads from temporary suspension of shrimp fishing
- Access to additional 3 000 tons – replacement with vessels from RSA

FOOD BRANDS I&J

- Simplot
  - Significant improvement in operating performance
    - Increase in realisations
    - Operating efficiencies in plant
  - Factory rationalisation
    - Retrenchment charges expected in 2H06
    - Progressing well
- Pelagic operations
  - Final vessel sales completed in November



FOOD BRANDS DENNY

	1H06 Rm	1H05 Rm	%Δ
Revenue	127	106	*20*
Operating profit	8	11	*(27)*
Operating profit - %	6.3	10.4	*(39)*
Capex	8	5	*60*
Working capital to revenue - %	14	15	*(7)*

Denny and Dining-In consolidated

FOOD BRANDS DENNY

- Previous production problems resolved
- Significant price deflation offset strong volume growth in the fresh category
  - Poor fresh price/volume strategy execution in Gauteng
- Operating profit impacted by
  - Price pressure on canned product from Chinese imports
  - Selling price deflation in fresh category
  - Charges related to factory upgrade
- Confident that brand strategy is developing well and benefits are being realised
- Management team expanded to include marketing skills

FOOD BRANDS the real beverage co.

	1H06 Rm	1H05 Rm	%Δ
Revenue	102	109	*(6)*
Operating profit	(9)	1	
Operating profit - %	(8.8)	0.9	
Capex	1	8	*(88)*
Working capital to revenue - %	10	13	*(23)*

FOOD BRANDS

the real beverage co.

- Results below expectation
  - Poor management – change made
  - Decline in sales – unsuccessful brand repositioning
  - Inappropriate outsourcing of key services
  - Significant increase in distribution costs
- Despite setbacks, AVI remains positive about RBC
  - Category continues to deliver attractive growth
  - OOH collaboration with Ciro Alliances
  - Early stages of business recovery evident

BRANDED SEMI-DURABLES

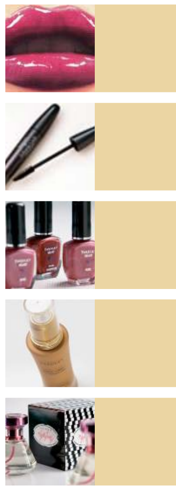
indigo cosmetics

	1H06 Rm	**1H05 Rm**	**%Δ**
Revenue	262	264	*(1)*
Operating profit	27	27	-
Operating profit - %	10.3	10.3	-
Capex	10	8	*25*
Working capital to revenue - %	36	29	*24*

BRANDED SEMI-DURABLES

indigo cosmetics

AVI



- Revenue in line with the prior year
  - 2% effective price increase on toiletries
  - Growth rates in SA business disappointing
  - Impact of decline in Australia
- Operating profit levels sustained
  - Benefit from reduction in brand development costs in Australia
  - Price increases to recover inflationary cost impact implemented in 2Q06
- Australasia
  - Lenthéric performance disappointing – further investment has been constrained
- Management changes concluded – smooth transition achieved

BRANDED SEMI-DURABLES

SPITZ

AVI

	1H06 Rm	1H05* Rm	%Δ
Revenue	217	142	*53*
Operating profit	69	44	*57*
Operating profit - %	31.8	31.0	*3*
Capex	6		
Working capital to revenue - %	4		

*Pro-forma – acquired July 2005

BRANDED SEMI-DURABLES

SPITZ

- Performance YTD, exceeding prior year and budget
- Owned brands performing well (Carvela / Kurt Geiger)
- New store expansion
  - The number of new openings ahead of plan
  - All new stores profitable
- Business remains a strong cash generator ending the period with net cash of R107m

AVI

PROSPECTS

AVI

PRESENTATION TO ANALYSTS

PROSPECTS

- NBL
  - Re-aligning structure and management instincts to drive the top-line
  - Heightened commitment to productivity and cost
  - Align effort to scale of opportunity
  - Maintain profit momentum
- I & J
  - Management transition
  - Diagnose and treat structural performance barriers in RSA and Alpesca rapidly
  - Resource management in RSA

PROSPECTS

- Denny
  - Securing the brand and widening the relevance of Denny
  - De-commoditising the cannery
  - Margin recovery, profit recovery
- RBC
  - Management and organisational stability
  - Exploiting brand equity
  - Sales – leverage national footprint
  - Road to profit

PROSPECTS

- Indigo
  - Regaining top and bottom-line momentum
  - Beauty acquisition top priority – leverage scale and skill of management
- Spitz
  - Adding to our insight
  - Strengthening “owned brand” equity
  - New stores / new brand pipeline
  - Sustaining sales momentum and profit growth

PROSPECTS

**“Everybody wants growth.
Nobody wants change.”**

Paul Romer

PROSPECTS

- Making AVI's structure pay – evolve the conglomerate
  - Ability to influence, insight for our broad strategy
  - Portfolio mentality fuels complacency and cross-subsidy
  - Ability to act in times of need strengthened
  - No longer can afford to be parochial about costs and efficacy – use the group's clout meaningfully
  - Limits our ability to build talent across the group

PROSPECTS

- A change in cadence – top-line fitness
  - Out-performance can only come though the top-line over the medium term
  - Need to adapt our reward structures
  - Not all our categories have top-line saliency – focus on the winners

PROSPECTS

- Marrying the consumer
  - It doesn't matter how strong your brands are – they must remain relevant
  - "Unnatural" evolution in FMCG has arrived
    - Incredible choice
    - Lifestyle change driving growth in convenience
    - Fickle young consumers

THANK YOU

www.avi.co.za