AVI Limited
Presentation to shareholders & analysts

for the six months ended
31 December 2011

AVI

GROWING GREAT BRANDS

AGENDA

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

KEY FEATURES

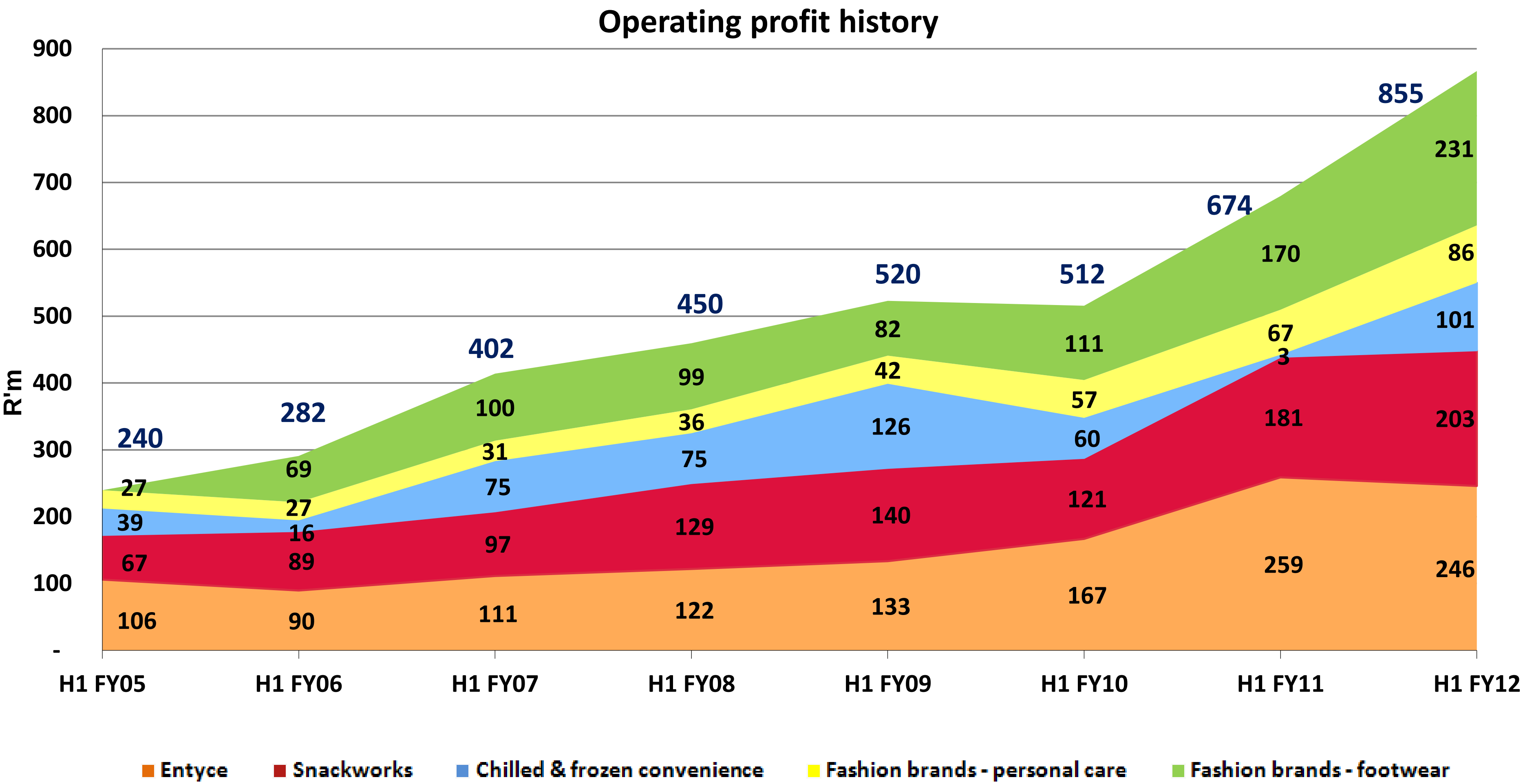
- Revenue from continuing operations up 9% to R4,49 billion;
- Operating profit from continuing operations up 27% to R855 million;
- Headline earnings per share from continuing operations up 32% to 194 cents;
- I&J result underpinned by weaker Rand and improving operational performance;
- Strong Fashion Brands profit growth from increased volumes and improved gross margins;
- Sound overall Food & Beverage Brands performance in a competitive environment;
- High project activity in the semester;
- Annual dividend cover reduced from 2,0 to 1,5.

Group financial results

GROWING GREAT BRANDS

GROUP FINANCIAL RESULTS

Continuing operations (excluding Denny and Alpesca)



GROUP FINANCIAL RESULTS

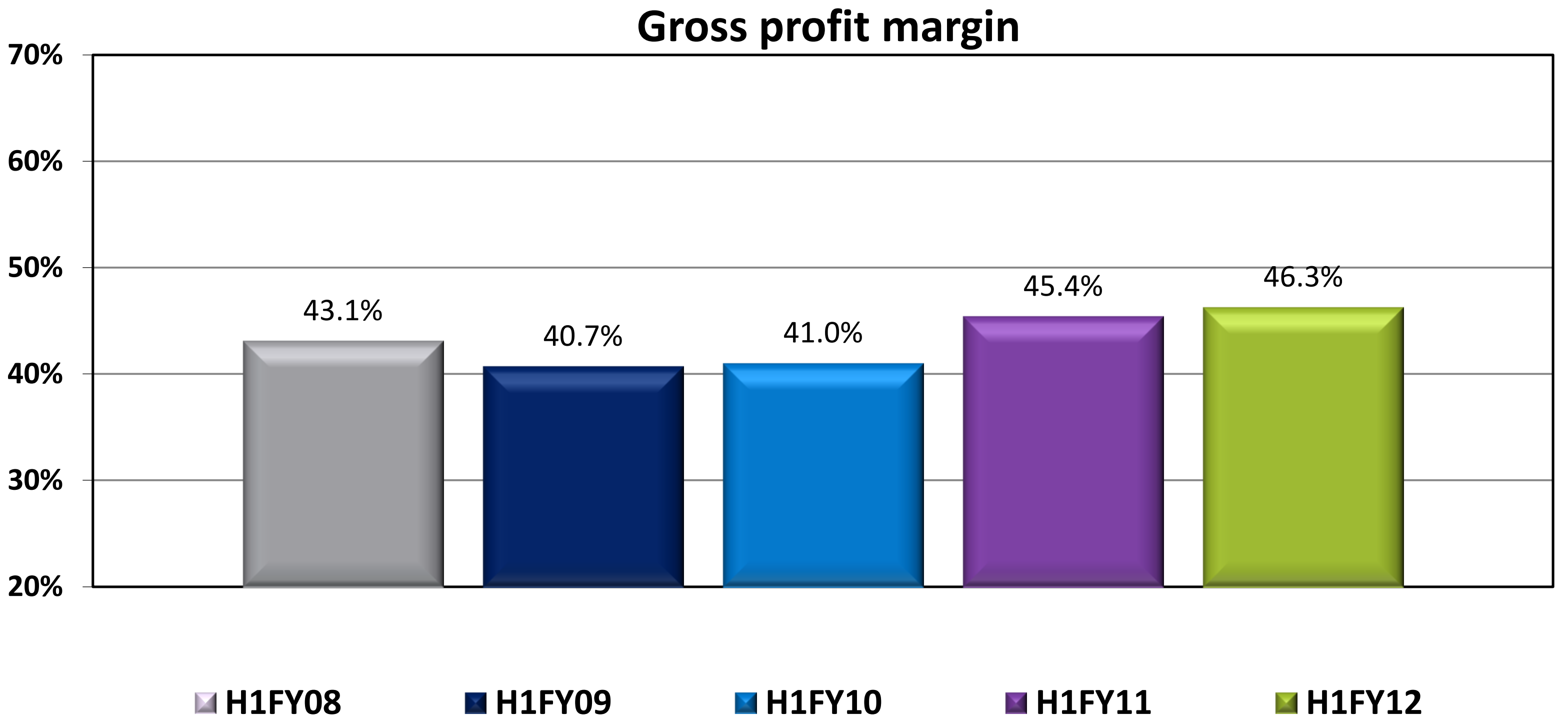
Continuing Operations (excluding Denny and Alpesca)

Income statement	1H12 Rm	1H11* Rm	%Δ
Revenue	4 492,8	4 135,5	8,6
Gross profit	2 080,2	1 878,6	10,7
Gross profit margin %	46,3	45,4	1,9
Operating profit	855,0	674,2	26,8
Operating profit margin %	19,0	16,3	16,6
Net financing cost	(13,6)	(26,0)	47,7
Share of JVs and associates	25,3	14,6	73,3
HEPS (cps)	194,4	147,8	31,5

* Restated to exclude Denny now shown as discontinued

GROSS PROFIT MARGIN TREND

Continuing operations – gross profit margin history

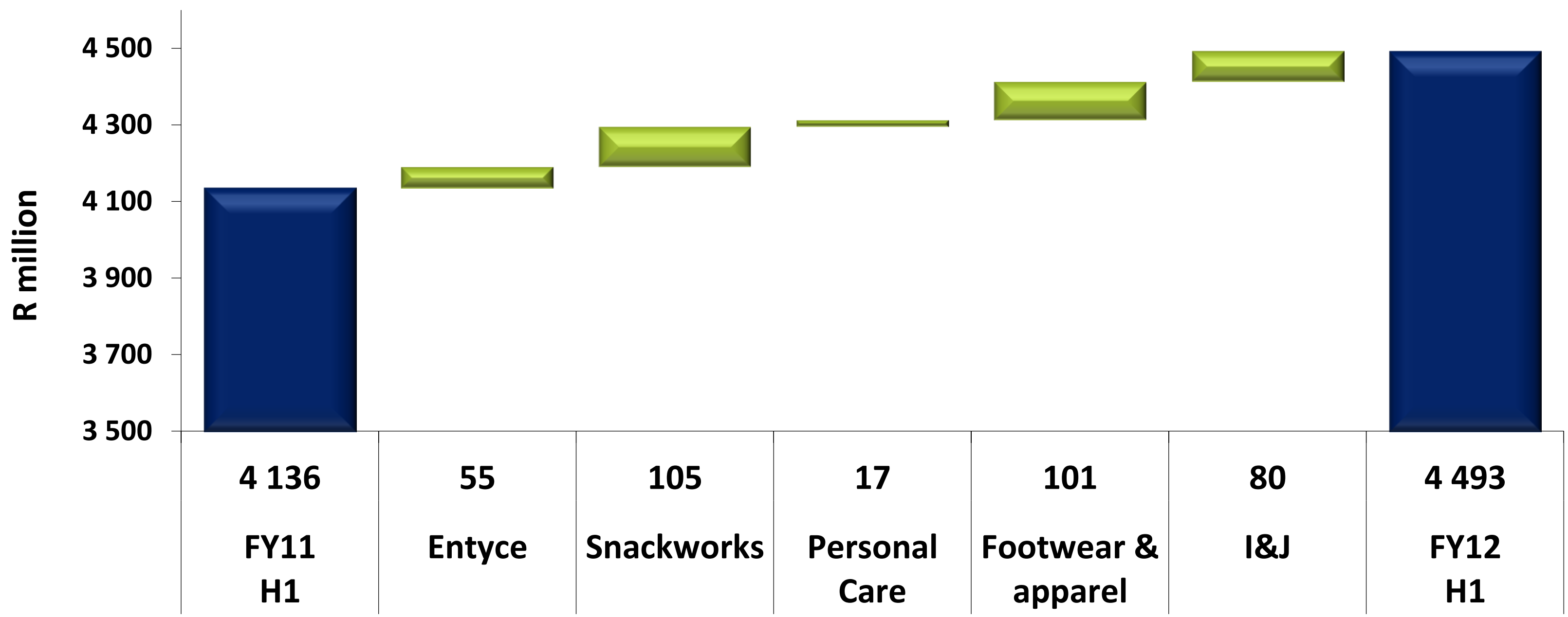


- Improved result from I&J
- Volume growth and increased margin in fashion brands portfolio

GROUP FINANCIAL RESULTS

Continuing operations – revenue 8,6% up

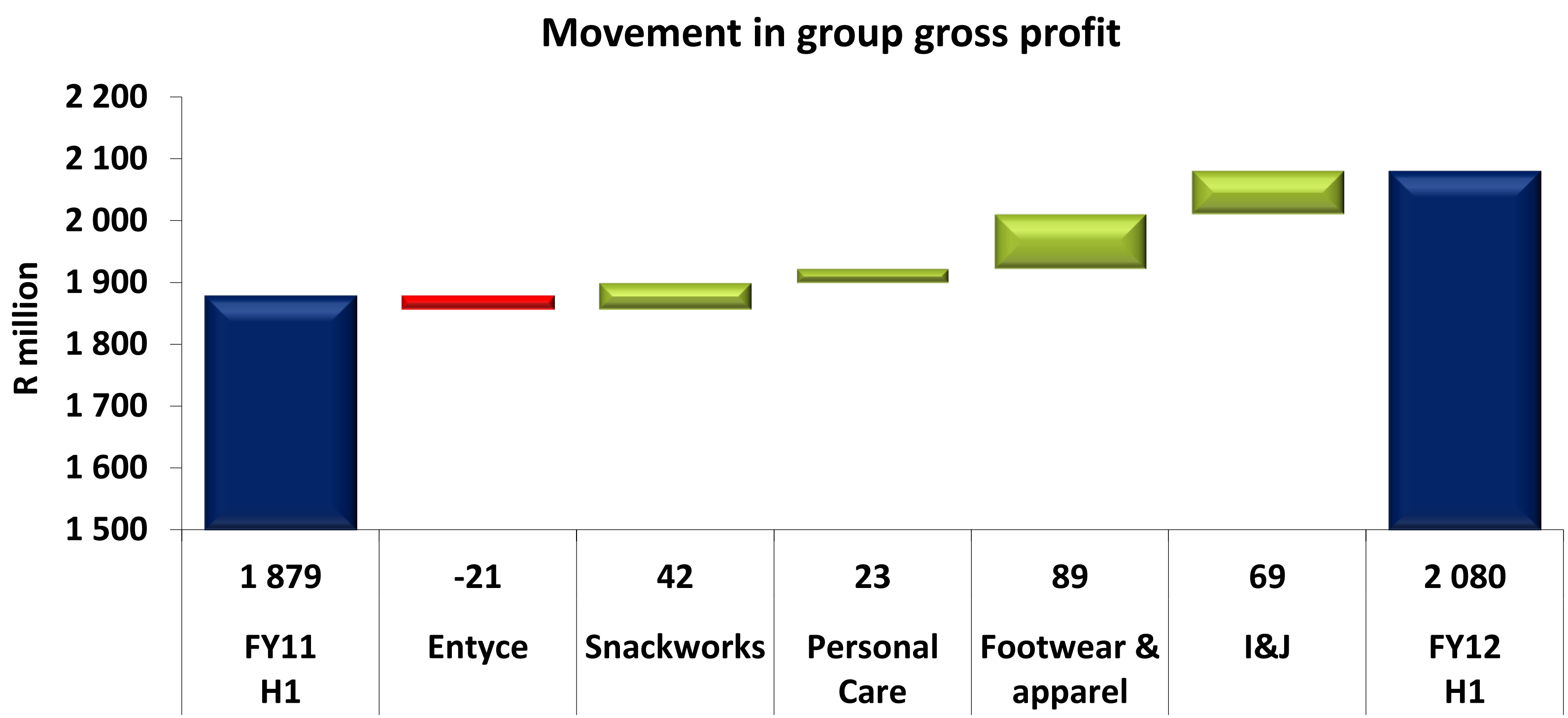
Movement in group revenue



- Entyce: price increases and tea growth offset by lower coffee and creamer volumes;
- Snackworks: higher selling prices and biscuit sales volumes;
- Indigo: sales volumes;
- Spitz: volume growth in footwear and clothing as well as price increase in H2 FY11;
- I&J: exchange gains and higher export sales volumes.

GROUP FINANCIAL RESULTS

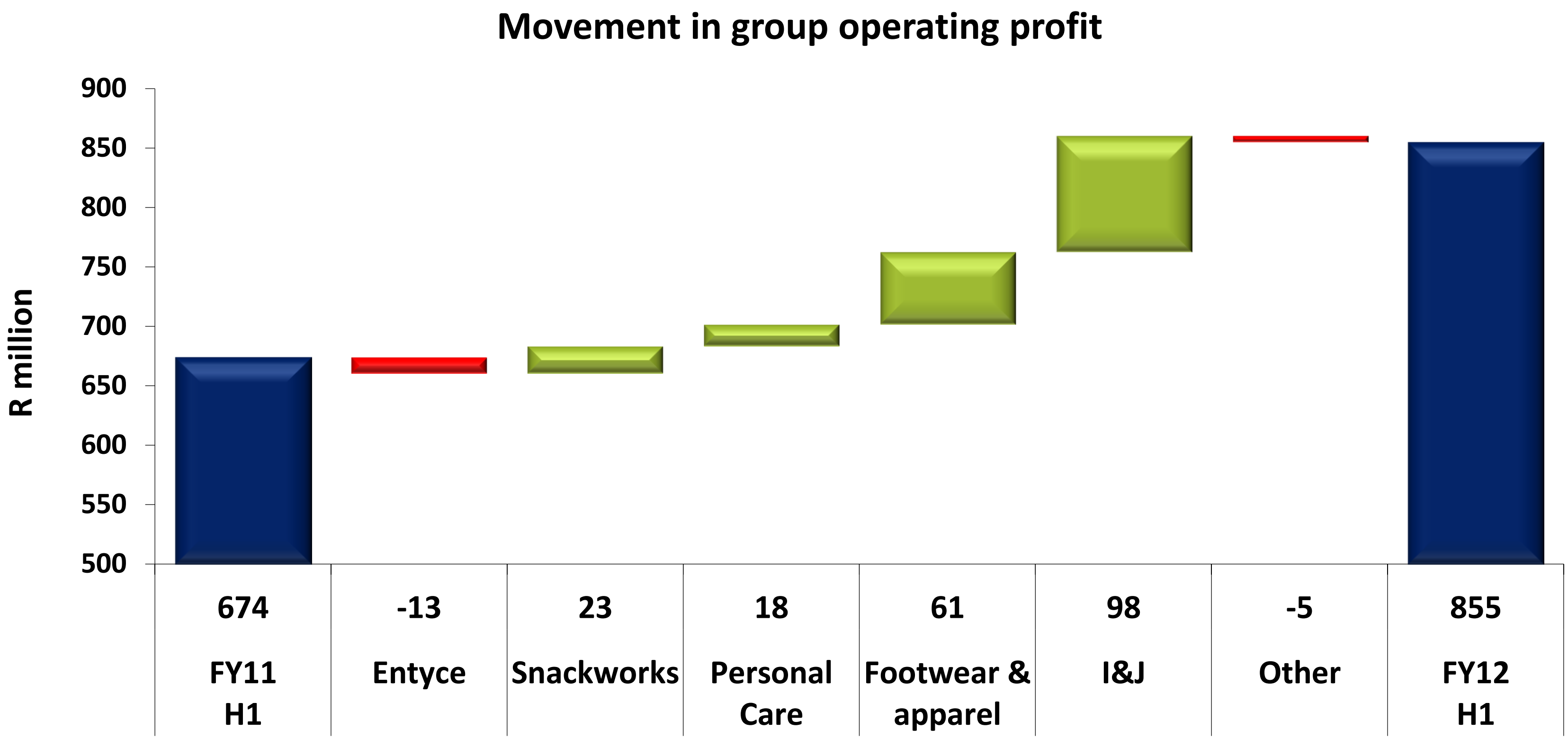
Continuing operations – gross profit 10,7% up



- Entyce: decrease in coffee and creamer from commodity costs not fully recovered in competitive environment, and lower sales volumes;
- Snackworks: improved biscuit factory performance offset higher commodity costs;
- Spitz and Indigo: leverage from volume growth and mix;
- I&J: primarily due to Rand weakening, supported by improving operational performance.

GROUP FINANCIAL RESULTS

Continuing operations – operating profit 26,8% up



- Generally good conversion of revenue growth to operating profit growth
- I&J foreign exchange gains of R23 million compared to losses of R24 million in H1 FY11
- Group selling and administrative costs well managed

GROUP FINANCIAL RESULTS

Continuing operations

	1H12 Rm	1H11* Rm	%Δ
Cash generated by operations	765,7	752,6	1,7
Working capital to revenue %	18,5	16,7	10,8
Capital expenditure	290,9	149,4	94,7
Depreciation and amortisation	106,8	96.5	10,7
Special payment to shareholders	-	226,6	-
Net (cash)/debt	(50,6)	187,7	(127,0)

* Restated to exclude Denny now shown as discontinued

- Annual dividend cover decreased from 2,0 to 1,5
- Special dividends and share buy-backs considered in conjunction with acquisitions

GROUP FINANCIAL RESULTS

Discontinued operations – Alpesca and Denny

	1H12	1H11		
	Denny	Denny	Alpesca	**Total**
Revenue	-	187,6	227,2	414,8
Operating profit	-	21,0	(9,5)	11,5
Headline earnings	**-**	**13,4**	**(8,5)**	**4,9**
Capital items	17,0	-	0,2	0,2
Attributable earnings	**17,0**	**13,4**	**(8,3)**	**5,1**

- Alpesca sale concluded in May 2011;
- Denny sold with effect from 1 July 2011;
  - Disclosed as discontinued operation – H1 FY11 income statement and cash flow statement restated
  - Consideration of R261,9 million - profit on disposal of R17,0 million after tax

Capital projects

CAPITAL PROJECTS

Entyce

	Rm	COMMENTS
New creamer tower	74	*Commissioned December 2011 and now in normal use; annual savings of R8m on outsourced manufacture from H2 FY12.*
Coffee granulation phase 1	12	*Commissioned October 2011; Phase 2 being evaluated in conjunction with volume growth from launch of Frisco Granules.*
Creamer packaging line	14	*Commissioning March 2012; increased capacity, efficiency and yield.*

CAPITAL PROJECTS

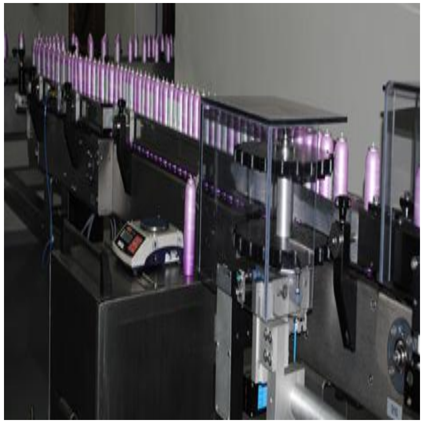
Snackworks

	Rm	COMMENTS
Pumpable shortening	28	*Isando and Westmead in normal production; annual procurement saving R11m and improved consistency.*
Isando finished goods handling	45	*Palletising station and one case packing line successfully commissioned; case packing installed on all major lines by August 2012.*
Westmead Topper line upgrade	35	*Commissioning planned for H2 FY13; increased capacity, labour efficiency and product yield.*
Westmead Red Label line upgrade	19	*Commissioning planned for H1 FY13; improved quality, increased capacity and product yield.*
Westmead D plant upgrade (Royal creams and Nuttikrust)	11	*Commissioning planned for H1 FY13; improved quality, increased capacity and product yield.*

CAPITAL PROJECTS

Fashion Brands

	Rm	COMMENTS
Indigo New aerosol line	41	*Line fully commissioned; case packing and palletisation in progress; annual efficiency savings of R5m from H2 FY12.*
Spitz Kurt Geiger clothing expansion	35	*Store rollout on track; 26 stores by end FY12; already contributing to Spitz results; further expansion in FY13.*



CAPITAL PROJECTS

Shared Services

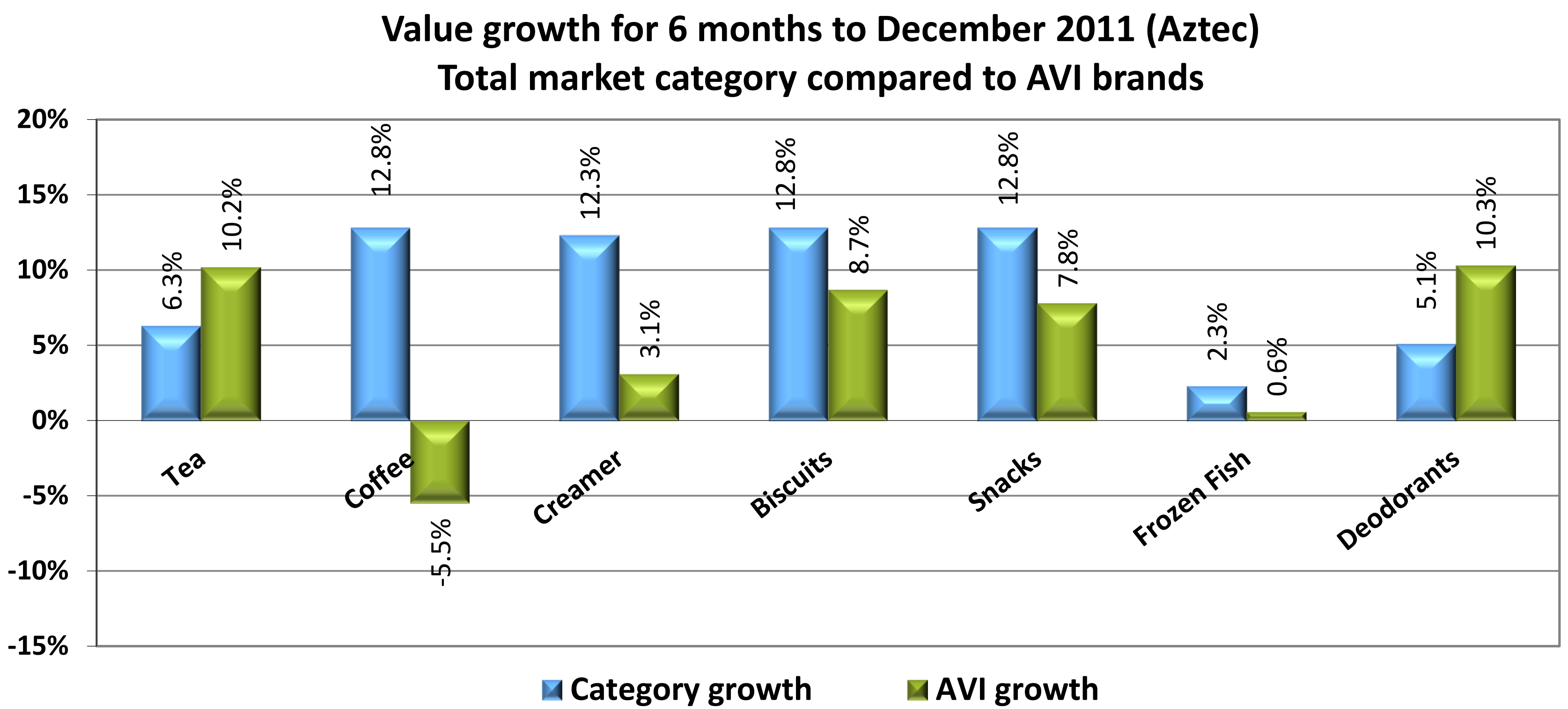
	Rm	COMMENTS
Isando DC expansion	92	*Completed October 2011; additional space for peak periods and business growth.*
Entyce and Snackworks SAP implementation	105	*All RSA sites now live on SAP; limited impact on service levels in October 2011 and February 2012.*

Operating environment

GROWING GREAT BRANDS

OPERATING ENVIRONMENT

Market context



- Price increases driven by input costs in food and beverage categories;
- Volume sensitivity to prices in constrained consumer environment;
- Creamer and biscuits impacted by low service levels in Qtr 2

OPERATING ENVIRONMENT

Consumer demand

- Tea: strong Freshpak and Five Roses performance - pricing and promotional activity
- Coffee: H1 FY11 boosted by competitor supply problems
- Creamer: H1 FY11 boosted by competitor supply problems; poor service levels from Nov - Dec
- Biscuits: KVI prices re-aligned; 2% volume lost to shortage of LPG at Westmead factory
- Snacks: aggressive competitor pricing for most of the semester
- I&J: growth in out-of-home volumes in local market; higher food service and fish meal volumes in export market
- Indigo: growth in body sprays and make-up
- Spitz: growth in Carvela, Kurt Geiger, Lacoste footwear; Kurt Geiger clothing

Sales volume growth	% Δ 1H12 vs 1H11
Tea	*8,4*
Coffee	*(11,5)*
Creamer	*(6,6)*
Biscuits	*1,4*
Snacks	*(1,5)*
I&J RSA Local	*1,1*
I&J RSA Export	*12,1*
Personal care	*7,3*
Spitz footwear	*10,3*

OPERATING ENVIRONMENT

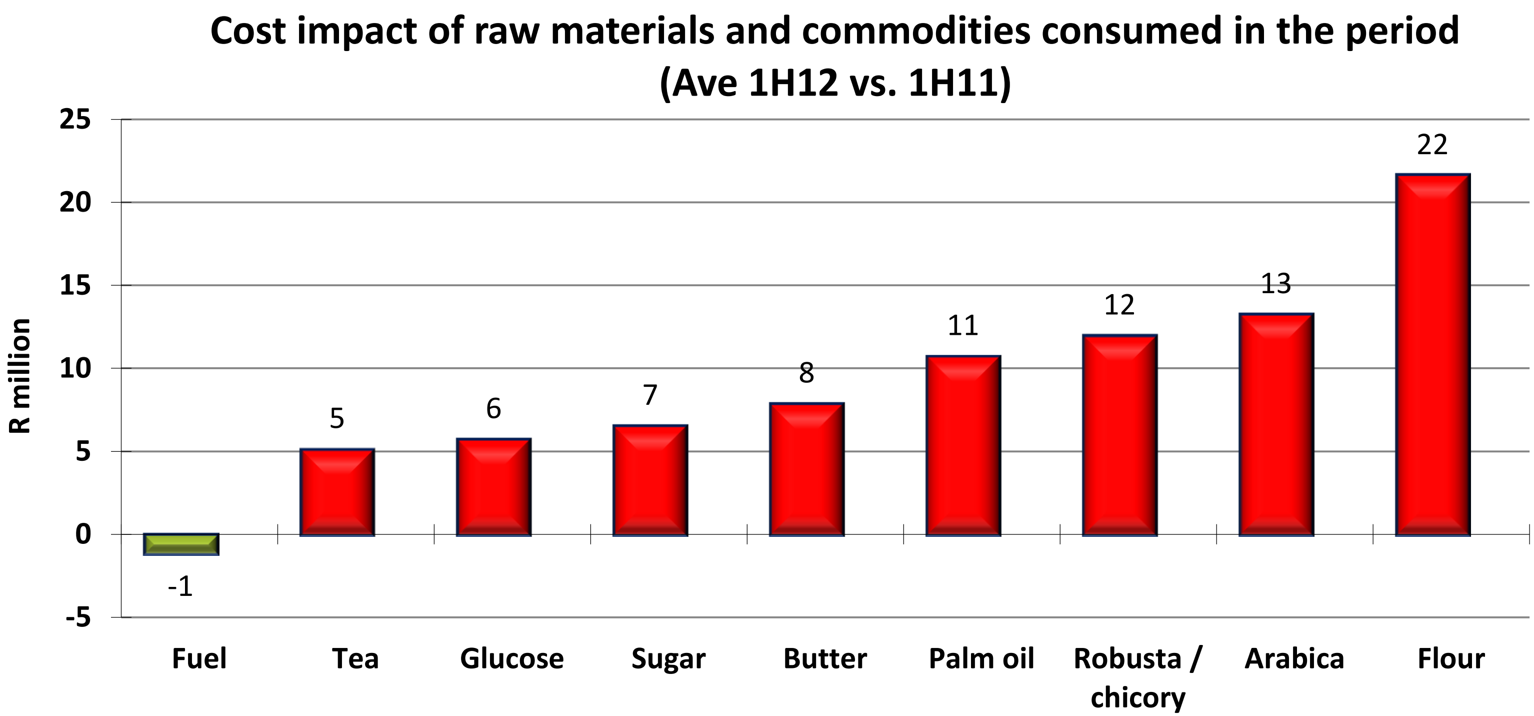
Selling prices

- Tea: limited price increases in competitive environment, supported by stable black tea cost and strong rand
- Coffee: price increases in response to increases in coffee bean, glucose and wrapping material prices
- Creamer: lower tactical discounts
- Biscuits: KVI prices re-aligned with consumer expectations during the semester; overall price increases maintained in response to higher commodity and wrapping material prices
- Snacks: increases to offset raw and wrapping material cost increases
- I&J local: decrease due to mix change, offset by higher retail prices
- I&J export: improved exchange rate; slightly better pricing in some markets offset by mix change
- Indigo: mix change offset by small increases H2 FY11
- Spitz: price increases H2 FY11 and mix change

Average realised selling prices by category	% Δ 1H12 vs 1H11
Tea	*1,4*
Coffee	*12,8*
Creamer	*6,0*
Biscuits	*8,4*
Snacks	*7,2*
I&J RSA Local	*(2,7)*
I&J RSA Export	*11,9*
Personal care	*(3,4)*
Spitz footwear	*7,8*

OPERATING ENVIRONMENT

Raw material / commodity costs

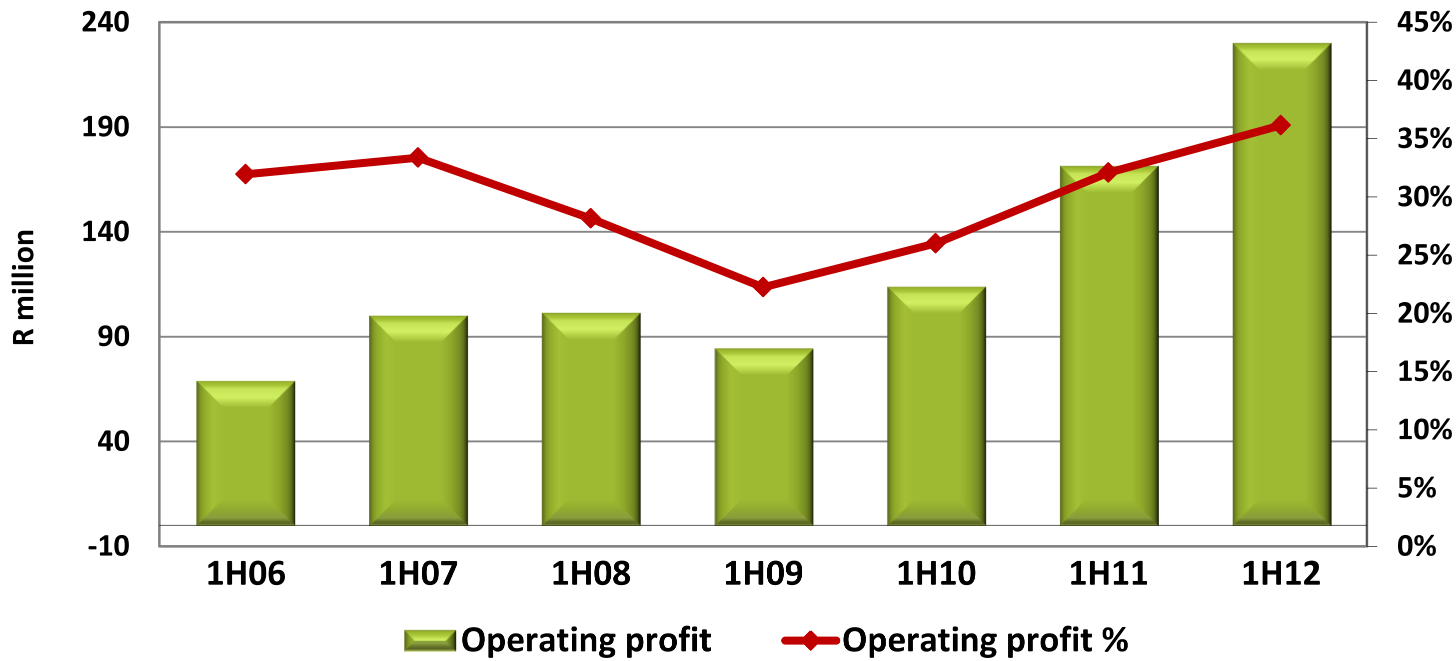


- Total increase of R85m for commodities shown
- Includes impact of exchange rate
- Fuel impact shown net of hedging – profit in FY12 vs loss in FY11

OPERATING ENVIRONMENT

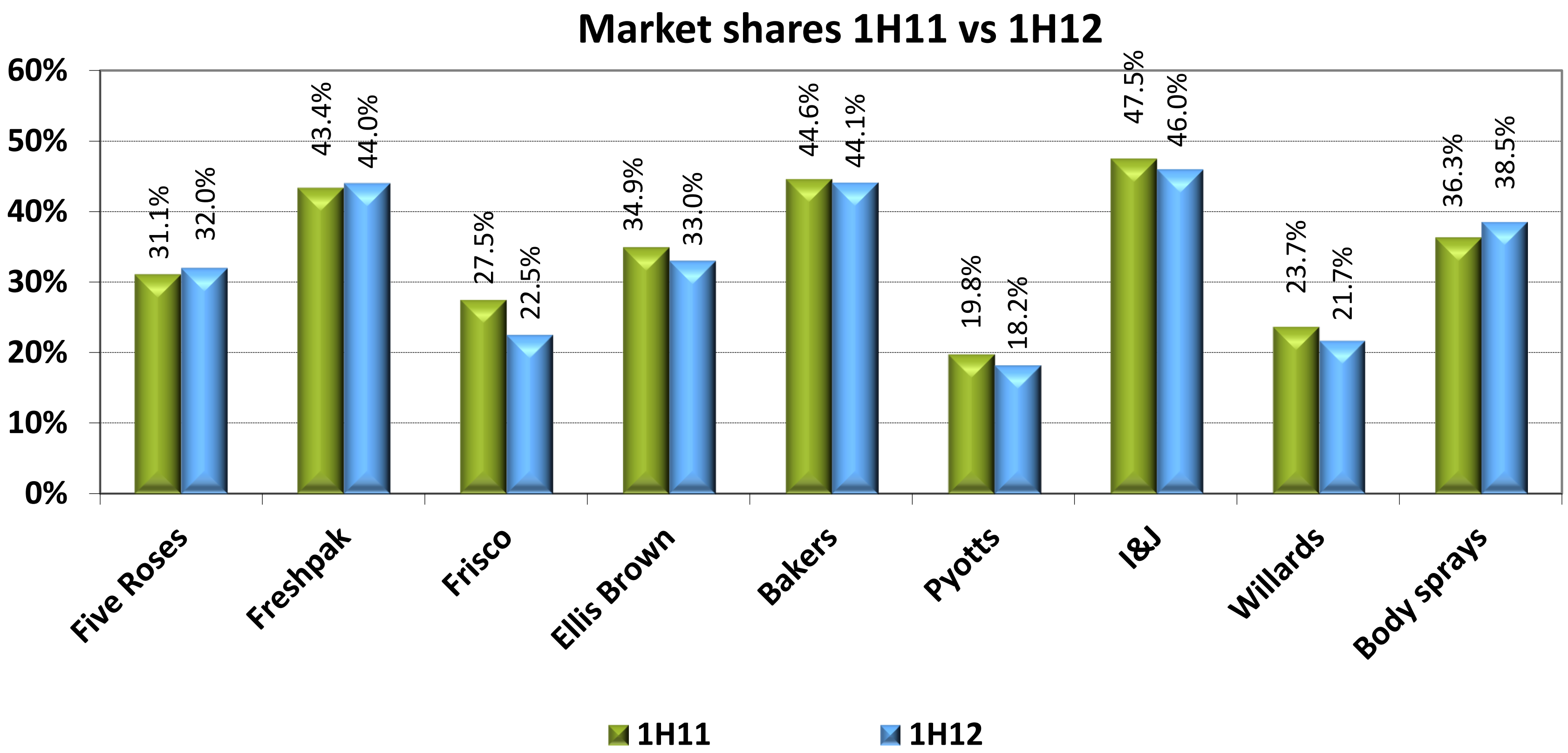
Spitz & Kurt Geiger

- Footwear volume growth of 10,3%
- Gross profit margin up from 61,9% to 66,3% - sales price / mix and exchange rate
- Operating profit up from R171,7 million to R230,1 million
- Operating profit margin up from 32,1% to 36,2%
- Kurt Geiger store roll-out on track – 22 stores at 31 December 2011; positive contribution to results in the semester



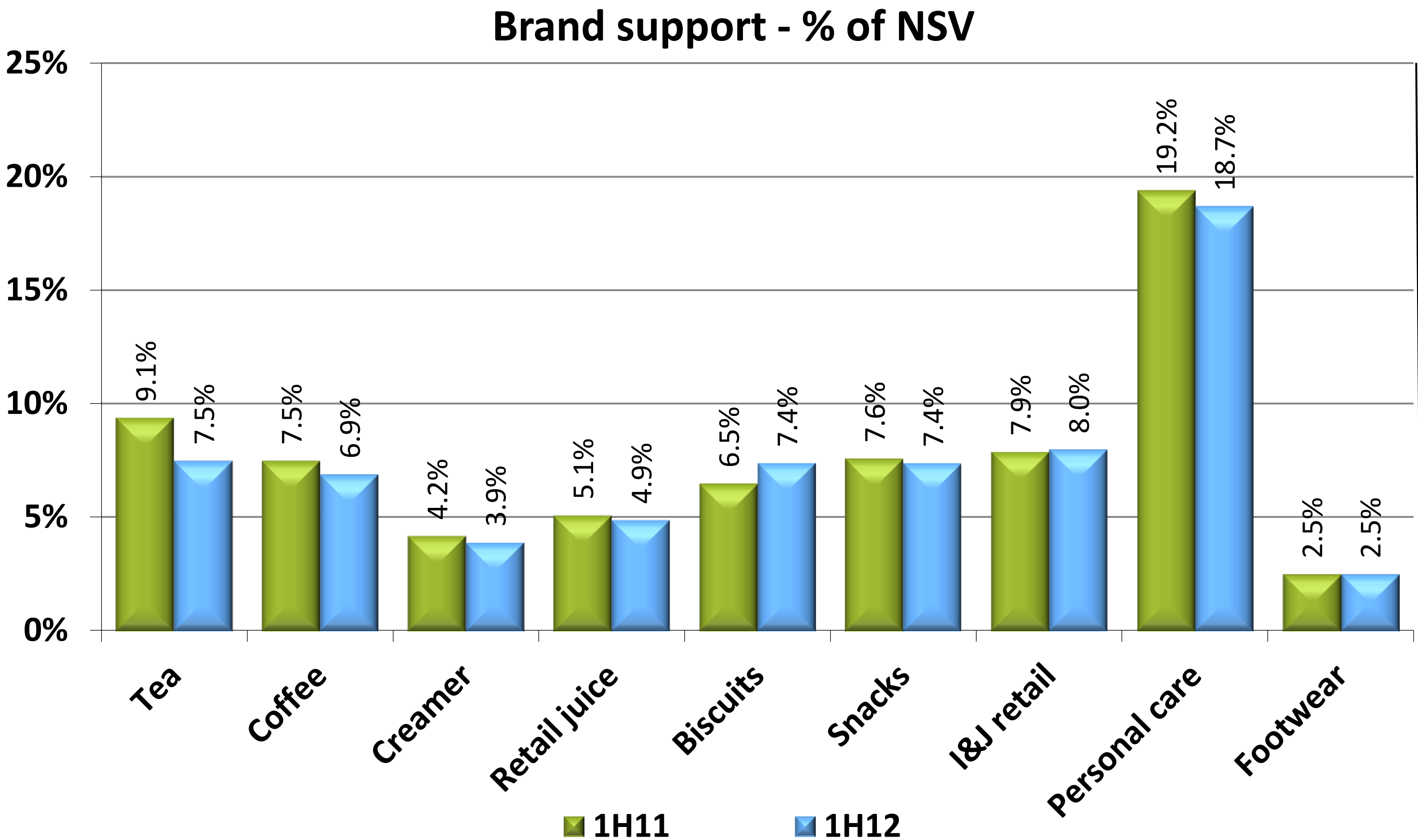
OPERATING ENVIRONMENT

Key market shares



OPERATING ENVIRONMENT

Marketing expenditure



- Includes advertising and promotions, co-operative expenditure with customers and marketing department costs
- Total expenditure for H1 FY12 was R303m compared to R294m in H1 FY11
- Tea and coffee spend biased towards H2 FY12

Business unit performance and prospects

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ENTYCE
BEVERAGES

Performance and prospects

Five Roses Freshpak frisco house of coffees Ellis Brown Creamer

Quali ciro TRINCO Koffiehuis

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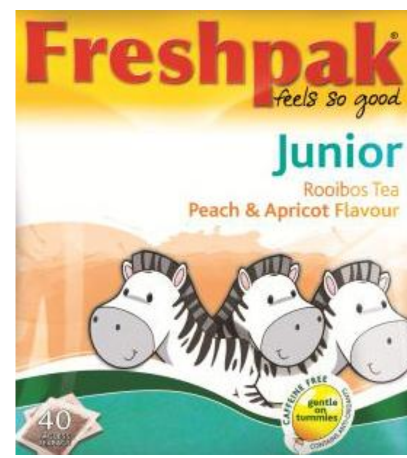
GROWING GREAT BRANDS

ENTYCE BEVERAGES

Performance and prospects

- Performance in H1
  - Strong Freshpak growth, supported by competitive pricing
  - Five Roses maintained market leadership
  - Frisco volume decline due to better competitor supply and keen pricing
  - Ellis Brown creamer volume decline due to better competitor supply and poor service levels Oct - Dec
  - Gross margin decrease due to:
    - lower Coffee and Creamer volumes;
    - Raw material cost increases not fully recovered in competitive environment.
  - New creamer tower commissioned in December
  - New coffee granulation plant commissioned in October
  - Frisco Granules launched end of semester 1



ENTYCE BEVERAGES

Performance and prospects

- Prospects for H2
  - Competitive environment and constrained consumer demand
  - Improved year-on-year volume performance from Coffee and Creamer
    - No once-off demand from competitor problems in H2 FY11
    - Creamer capacity and service levels improved
    - Coffee granules promotion
  - Maintain strong Tea position – Five Roses and Freshpak
  - Rooibos raw material price increases may impact category demand
  - Commodity and forex positions secured for most of H2
  - Pressure on coffee margin due to high raw material cost
  - Lower costs of creamer production using new tower instead of contract production
  - New Creamer and Tea packaging lines
  - Ongoing focus on factory performance

Snackworks

Performance and prospects

Snackworks

Performance and prospects

- Performance in H1
  - Volume momentum recovered
    - Improving yields and more consistent quality
    - Key lines performed well
      - Selling prices reviewed and re-aligned with elasticity model
      - Effective in-store activity by AVI Field Marketing to combat competition
  - Liquid petroleum gas shortage resulted in 550 tons lost production, equivalent to R8m contribution
  - Higher raw and wrap costs offset by annualising price increases and procurement saving on pumpable shortening
  - Improved labour management at Westmead
  - Marketing impact

Snackworks

Performance and prospects

- Prospects for H2
  - Sustain volume momentum
    - New management team in place
    - Manage volume / price elasticity
    - Master brand support
  - Ongoing focus on manufacturing yields / efficiency
  - Commodity and forex positions secured for most of H2
  - Improved Snacks price points and margin
  - Complete finished goods handling project at Isando – case packing on all major lines
  - Westmead capex projects

CHILLED AND FROZEN CONVENIENCE BRANDS

Performance and prospects

CHILLED AND FROZEN CONVENIENCE BRANDS

Performance and prospects

- Performance in H1
  - Improved export exchange rates generated R42m
  - Forex gains of R23m in S & A costs compared to losses of R24m in prior year
  - Continued good performance of hake resource
  - Higher sales volumes from TAC increase of 9,8%
  - Improved operational performance and cost management
  - Improvement in domestic retail and some export prices
  - Mix change - less retail, more food service and whole fish
  - Higher profit from Simplot JV in Australia driven by exchange rate movements

CHILLED AND FROZEN CONVENIENCE BRANDS

Performance and prospects

- Prospects in H2
  - Current exchange rates similar to H2 FY11
  - Higher hake volumes from quota increase
  - Export prices constrained
  - Domestic retail prices improving
  - Incremental development of export market opportunities
  - Strengthen local market position
    - Trade marketing;
    - Product differentiation;
    - New product development.
  - Ongoing cost saving initiatives – fixed and variable
  - Reduce non-core activities
  - Evaluation of major factory improvement projects with 3 year payback opportunity

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

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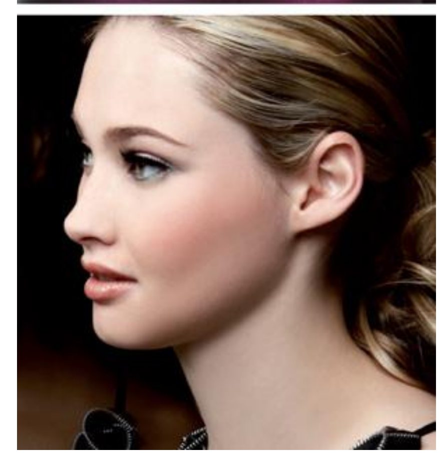
GROWING GREAT BRANDS

FASHION BRANDS – PERSONAL CARE

Performance and prospects

- Performance in H1
  - Good volume growth – body sprays and cosmetics
  - Strong brand performance from Yardley
  - Gross margin improved due to stronger Rand and sales mix
  - Selling and administrative costs well controlled
  - New aerosol line fully commissioned
  - Technical capabilities enhanced
- Prospects in H2
  - Structure aligned with personal care focus
  - Price increases to protect margin in weaker Rand environment
  - Savings from new aerosol line
  - Forex positions secured for most of H2
  - Evaluate projects to improve fragrance, roll-on and lotion capacity and capabilities

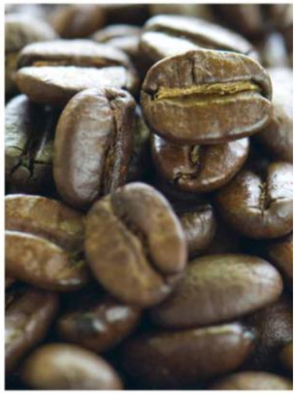


FASHION BRANDS – FOOTWEAR & APPAREL

Performance and prospects

- Performance in H1
  - Volume growth in core brands – Lacoste, Carvela, Kurt Geiger
  - Margin improvement from price / mix and better exchange rate
  - Kurt Geiger clothing expansion – from 15 to 22 stores
  - Investment in resources to support Kurt Geiger and other growth initiatives
  - Sandton - flagship store refurbishment
- Prospects in H2
  - Slower rate of volume growth
  - Incremental growth in Spitz doors – 1 to 2 new stores
  - Complete Phase 1 of Kurt Geiger clothing rollout – 26 stores by end of June
  - Forex positions secured for most of H2
  - Launch of new brand initiatives

AVI INTERNATIONAL



GROWING GREAT BRANDS

AVI INTERNATIONAL

Entyce, Snackworks and Personal care – exports into Africa

	1H12 Rm	1H11 Rm	% Δ	FY11
International Revenue	**290,5**	**268,9**	***8,0***	**497,8**
% of AVI Group	6,5	6,5	*(0,5)*	6,5
International Operating profit	**63,2**	**48,3**	***30,9***	**91,7**
% of AVI Group	7,4	7,2	*3,2*	8,2
International Operating margin	**21,8**	**18,0**	***21,2***	**18,4**
AVI Group Operating margin	19,0	16,3	*16,6*	14,6

- Dedicated management team and structure in place
- Focus on growth in existing and new markets
- Leverage RSA manufacturing base; acquisitions if appropriate

Group initiatives and prospects

AVI

GROWING GREAT BRANDS

AVI GROUP

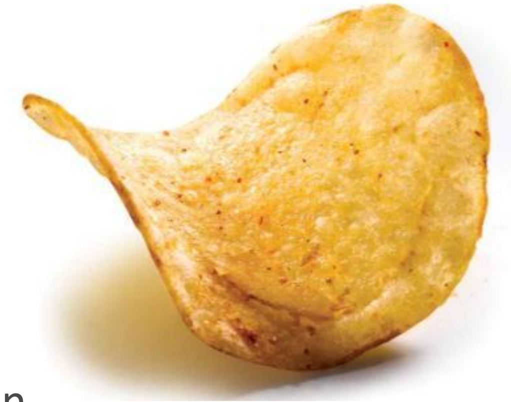
Prospects for H2

- Constrained consumer demand anticipated
- Competitive retail environment and cost of serving growing retail space
- Improved year-on-year Coffee and Creamer volume performance relative to H1
- Maintain Snackworks momentum – biscuit volumes and snacks prices
- Growth in export markets
- Commodity and foreign exchange secured for most of H2
- I&J result similar to H2 FY11 at current exchange rates
- Initiatives to sustain profit margins and compete effectively
- Continued project activity
    - Deliver benefits from completed projects
    - New projects approved / being evaluated

AVI GROUP

Focus areas

- Top line growth
  - Volumes / market share
  - Innovation - new formats and products
  - Field Marketing and distribution – service levels, presence on shelf, defend against new entrants
  - AVI International
- 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



Questions and answers

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Thank you

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GROWING GREAT BRANDS

Business unit information

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BUSINESS UNIT FINANCIAL RESULTS

Continuing operations (excluding Alpesca and Denny)

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	1H12 Rm	1H11* Rm	Δ %	1H12 Rm	1H11* Rm	Δ %	1H12 Rm	1H11* Rm
Food & Beverage Brands	**3 341,1**	**3 101,5**	***7,7***	**549,9**	**442,3**	***24,3***	**16,5**	**14,3**
Entyce	1 301,7	1 246,4	*4,4*	245,9	258,8	*(4,9)*	18,9	20,8
Snackworks	1 290,3	1 185,6	*8,8*	203,2	180,5	*12,6*	15,7	15,2
Chilled & Frozen Convenience Brands	749,1	669,5	*11,9*	100,8	3,0	3 260	13,4	0,5
Fashion Brands	**1 148,5**	**1 030,7**	***11,4***	**316,9**	**237,4**	***33,5***	**27,6**	**23,0**
Personal Care	487,5	470,3	*3,6*	85,9	67,3	*27,6*	17,6	14,3
Footwear & Apparel	661,0	560,4	*17,9*	231,0	170,1	*35,8*	34,9	30,3
Corporate	**3,2**	**3,3**		**(11,8)**	**(5,5)**			
Group	**4 492,8**	**4 135,5**	***8,6***	**855,0**	**674,2**	***26,8***	**19,0**	**16,3**

* Restated to exclude Denny now shown as discontinued

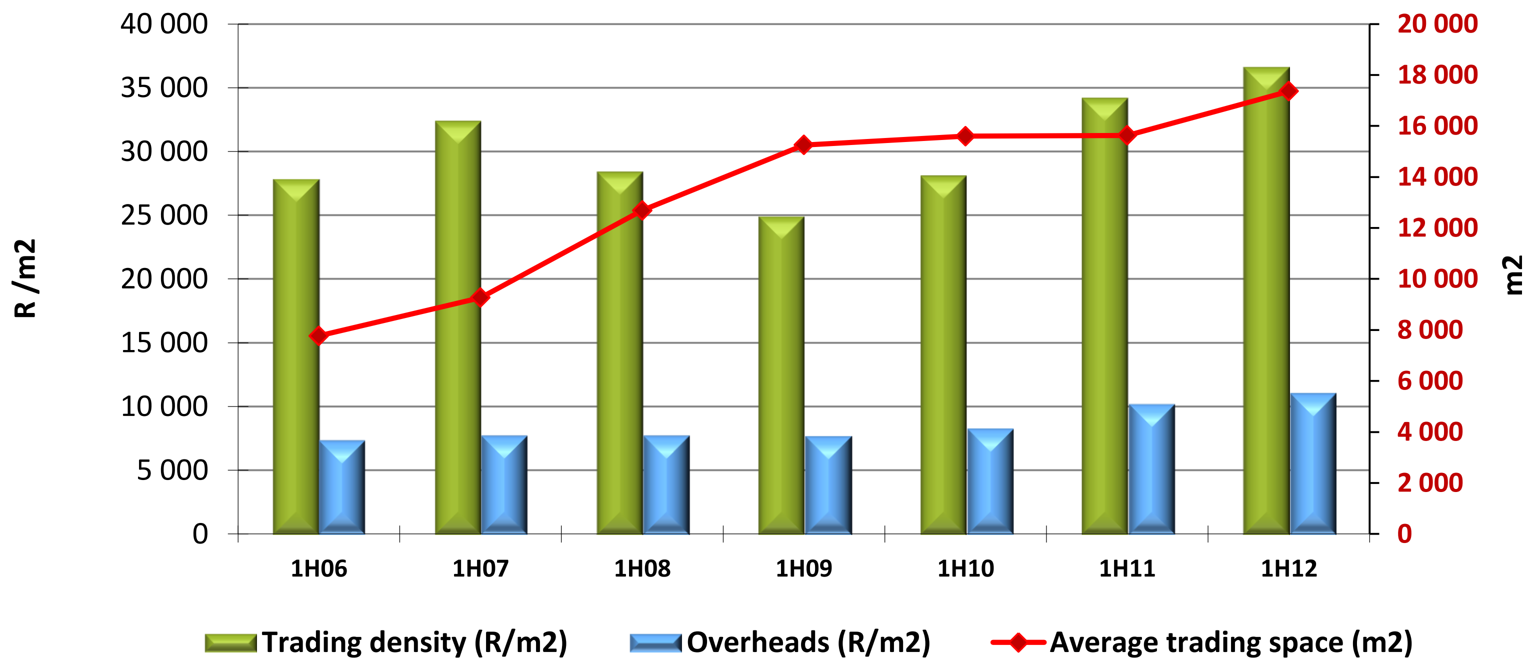
SPITZ

Trading space and trading density

	1H12	1H11
Spitz		
Number of Stores	59	57
Turnover (Rm)	593.1	525.5
Average m2	14 980	15 029
Trading Density (R/m2)	**39 596**	**34 969**
Closing m2	15 240	15 124

	1H12	1H11
Kurt Geiger		
Number of Stores	22	7
Turnover (Rm)	43.3	9.5
Average m2	2 382	600
Trading Density (R/m2)	**18 173**	**15 902**
Closing m2	2 922	1 047

Trading space and trading density



CHILLED & FROZEN CONVENIENCE BRANDS

Analysis of financial results

	Revenue		Operating Profit	
	1H12 Rm	**1H11 Rm**	**1H12 Rm**	**1H11 Rm**
I&J – continuing operations	**749,1**	**669,5**	**100,8**	**3,0**
Discontinued operations	**-**	**414,8**	**-**	**11,5**
Denny	-	187,6	-	21,0
Alpesca	-	227,2	-	(9,5)
Total	**749,1**	**1 084,3**	**100,8**	**14,5**

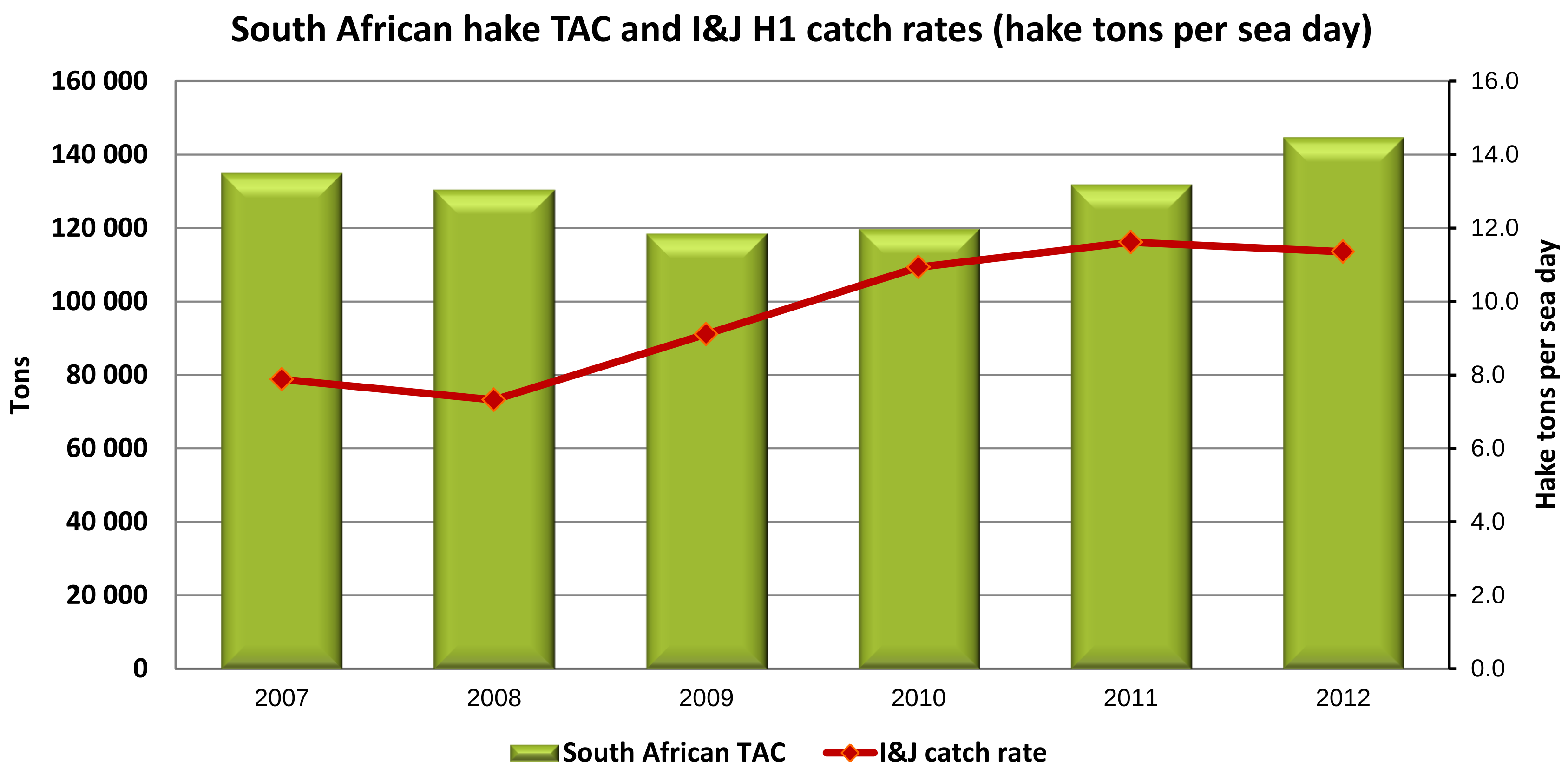
CHILLED & FROZEN CONVENIENCE BRANDS

Quota– seafood products

Hake Quota (tons)	**CY12**	**CY11**
South Africa Total Allowable Catch (TAC)	144 742	131 847
I&J	**40 515**	**36 906**
%	*28,0*	*28,0*

CHILLED & FROZEN CONVENIENCE BRANDS

I&J – Hake TAC and catch rates



DENNY

Historical information

	H1	H2	FY11	H1	H2	FY10
Revenue	187,6	197,6	**385,2**	177,2	182,7	**359,9**
Operating profit	21,0	29,0	**50,0**	22,9	23,0	**45,9**

- Sold with effect from 1 July 2011

SIR JUICE

Historical information

	July – Oct 2010 Rm
Revenue	**34,5**
Operating profit	**2,1**

- Sold with effect from November 2010