

Presentation to analysts
for the six months ended 31 December 2006



Agenda

- Key features
- Group financial results
- Operational performance
- Prospects



Key features – H1 07

- Revenue from continuing operations up 15% to R3,3bn
- Operating profit up 41% to R408m
- Recovery in I&J's financial performance and strong Fashion Brands performance
- Good overall results in Retail Beverage Brands, Retail Snacking Brands and Out of Home
- HEPS of 82,8c up 36,2% on prior year of 60,8c
- Interim dividend of 30c up from 20c in the prior year



Key features – H1 07

- BEE proposal approved by shareholders and positively received by employees; implementation to be completed in March 2007
- New management teams in place in line with new operating structure
- Shared and support services functions developing well with initial focus on efficacy
- Early buy-out of Spitz minorities concluded with final payment in July 2006





Group financial results



Group financial results

Continuing operations

Income statement	H1 07 Rm	H1 06 Rm	%Δ
Revenue	3 299,3	2 868,2	15,0
Operating profit	407,9	289,7	40,8
Operating margin %	12,4	10,1	22,8
Net financing cost	(19,4)	(15,3)	(26,8)
Share of JVs and associates	(10,8)	1,6	
Effective tax rate*	32,3	32,7	1,2
HEPS	82,8	60,8	36,2
Dividend (cents per share)	30,0	20,0	50,0

*excluding capital items



Group financial results

	H1 07 Rm	H1 06 Rm	%Δ
Cash generated by operations	557,5	371,2	50,2
Working capital to revenue %	18,4	18,4	-
Capital expenditure	143,6	97,4	47,4
Depreciation and amortisation	88,6	83,2	6,5
Net debt	328,1	430,3	23,8



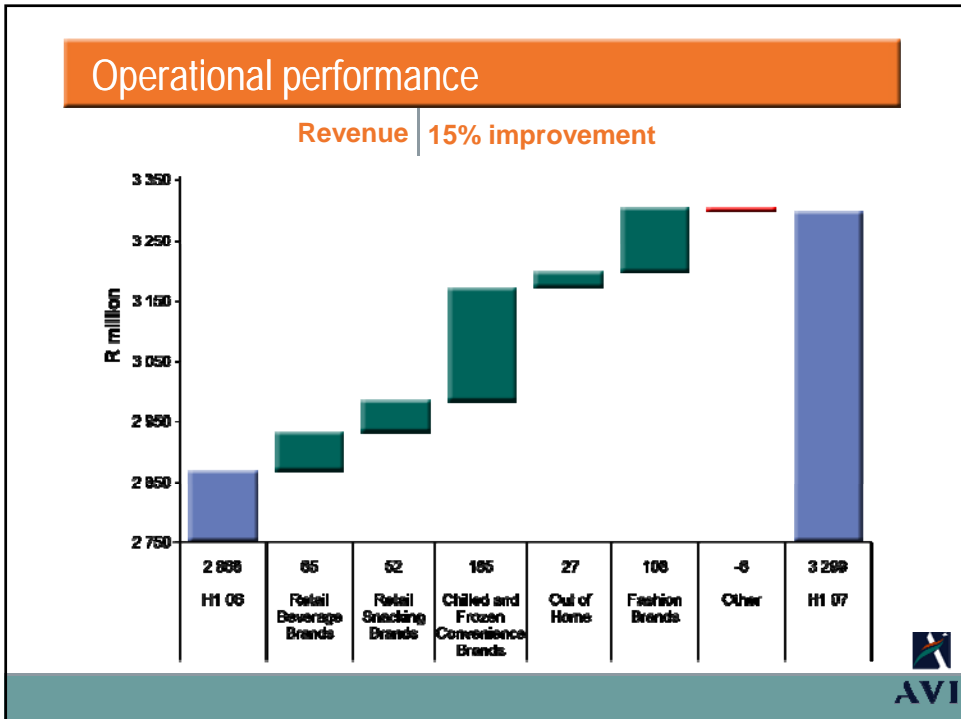
AVI

Group financial results

- Loss from JVs = share of Simplot loss arising from poor operating performance
- Balance sheet strength allows for acquisitions and scope to return capital to shareholders
- I&J contingent tax liability
 - Statement of Grounds of Appeal being finalised by AVI
 - Litigation expected over extended period

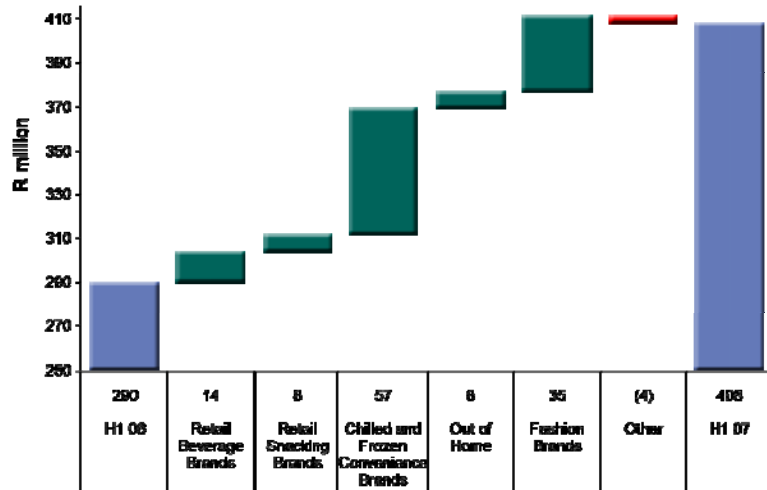


AVI



Operational performance

Operating profit | 41% improvement



AVI

RETAIL BEVERAGE BRANDS



Freshpak



Quali

Koffiehuis



AVI

RETAIL BEVERAGE BRANDS

Operational performance | Financial results

	H1 07 Rm	H1 06 Rm	%Δ
Revenue	687,4	622,4	10,4
Operating profit	80,7	66,5	21,3
Operating margin %	11,7	10,7	9,3



RETAIL BEVERAGE BRANDS

Operational performance | H1 07 Key features

- Volume growth in all categories
- Price increases: tea Nov 06; affordable coffee Apr 06; premium coffee Jul 06; juice Oct 06
- Costs
 - Higher black tea prices
 - Coffee price mitigated by hedge positions
 - Juice concentrates increased by 8%
 - Inefficient juice distribution and manufacturing costs
- Operating profit leverage driven by increased creamer volumes
- Brands healthy and market shares improved



RETAIL BEVERAGE BRANDS

Operational performance | H2 07 Focus areas – Tea

- Sustain Five Roses and Freshpak market leadership
- Exploit the growing health/well-being credentials of tea
- Extend brands into cold beverages
- Price increases to maintain margins



RETAIL BEVERAGE BRANDS

Operational performance | H2 07 Focus areas – Coffee and creamer

- Investment in technology
 - Improved product quality
 - Cost savings
 - Increased creamer capacity
- Brand review work
 - Sustain and grow market shares against multinationals
 - Position brands at relevant price points



RETAIL BEVERAGE BRANDS

Operational performance | H2 07 Focus areas
– Juice

- Improve gross margin
 - Reduce distribution and manufacturing costs
 - Further price increases
 - Product range/mix – innovation pipeline exciting
- Integration benefits – access to existing key skills



RETAIL SNACKING BRANDS



RETAIL SNACKING BRANDS

Operational performance | Financial results

	H1 07 Rm	H1 06 Rm	%Δ
Revenue	757,6	705,4	7,4
Operating profit	96,9	89,1	8,7
Operating margin %	12,8	12,6	1,6

- H1 06 includes the discontinued Stimorol Gum agency business – revenue R44m; EBIT R3m



Wittards

BAUMANN'S

CRICKET STREET

Pyott's



AVI

RETAIL SNACKING BRANDS

Operational performance | H1 07 Key features

- Volume growth in all categories
- Price increases: biscuits Aug 06
- Costs
 - Commodity prices stable due to long forward positions
 - Biscuit factory inefficiencies
- Operating profit leverage from higher volumes constrained by unexpected production costs
- Strong volume growth in potato crisps and maize extrudes
 - Selling prices remained constrained



Wittards

BAUMANN'S

CRICKET STREET

Pyott's



AVI

RETAIL SNACKING BRANDS

Operational performance | H2 07 Focus areas – Biscuits

- Protect margins
 - Product quality
 - Manufacturing efficiencies
 - Manage raw/wrap cost pressures
 - Price increases
- Expand capacity in response to brand and category growth
 - R34m investment at Isando factory
 - Product range review and rationalisation
- More effective product development and innovation



RETAIL SNACKING BRANDS

Operational performance | H2 07 Focus areas – Potato and maize snacks

- Maintain profit momentum from improved quality and increased volumes
- Integration benefits
- Pricing paradigm not expected to change
- Potato and maize pricing risks



CHILLED AND FROZEN CONVENIENCE BRANDS



DENNY



 **Alpesca s.a.**



CHILLED AND FROZEN CONVENIENCE BRANDS

Operational performance | Financial results

	H1 07 Rm	H1 06 Rm	%Δ
Revenue	1 085,4	900,0	20,6
Operating profit	81,2	23,7	242,6
Operating margin %	7,5	2,6	188,5

 **DENNY**  **Alpesca s.a.**



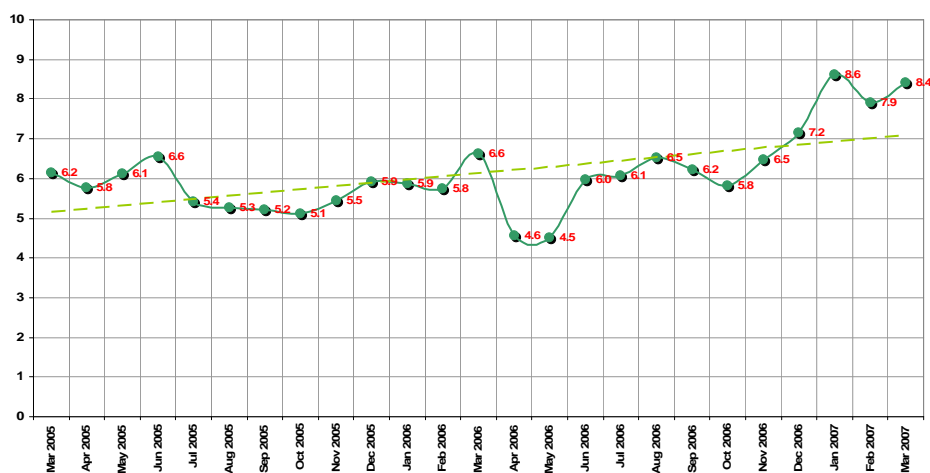
CHILLED AND FROZEN CONVENIENCE BRANDS

Operational performance | H1 07 Key features – Seafood products

- Seafood prices 21% higher on average (excluding shrimp)
 - Domestic price increases in H2 06
 - Optimised sales mix
 - Higher export prices and weaker Rand
- Shrimp volumes 1 150 tons at \$10 400/ton (H1 06 = nil)
- Higher fuel costs and increased SA repairs and maintenance offset by improved SA fishing practices and labour reduction in H2 06

CHILLED AND FROZEN CONVENIENCE BRANDS

Hake Tons Per Fishing Day - Wet Fleet



CHILLED AND FROZEN CONVENIENCE BRANDS

Operational performance | H1 07 Key features
– Seafood products

Fishing resource	Revenue			Operating profit		
	H1 07 Rm	H1 06 Rm	%Δ	H1 07 Rm	H1 06 Rm	%Δ
South Africa	638.4	545.1	17.1	33.0	10.4	217.3
Argentina	270.7	149.7	80.8	35.3	(0.2)	
Other	43.0	79.7	(46.0)	6.6	5.6	17.9
Total	952.1	774.5	22.9	74.9	15.8	374.1



CHILLED AND FROZEN CONVENIENCE BRANDS

Quota | Seafood products

Hake quota (tons)	CY07	CY06
South Africa Total Allowable Catch (TAC)	135 000	150 000
I&J	37 758	41 950
%	28,0	28,0
Argentina TAC	340 000	380 000
Alpesca	25 923	27 847
%	7,6	7,3



CHILLED AND FROZEN CONVENIENCE BRANDS

Operational performance | H1 07 Key features – Denny

- Mushroom prices 17% higher on average due to short supply
- Sales volumes down 13% due to production problems
- Operating profit R6,2m vs H1 06 of R7,9m
- Imports of canned product constrained due to low Chinese output
- Management changes implemented to improve production performance
- New brown mushroom facility commissioned at Gauteng site

CHILLED AND FROZEN CONVENIENCE BRANDS

Operational performance | H2 07 Focus areas – Seafood products

- Alpesca business review
- Continued restructuring of South African fishing operations
- Maintain momentum of initiatives to improve South African fish resource management
- Ongoing optimisation of seafood products sales mix
- Address under-performance of fish processing JV with Simplot Australia

CHILLED AND FROZEN CONVENIENCE BRANDS

Operational performance | H2 07 Focus areas
– Denny

- Increase and stabilise mushroom production
- Continue brand and channel development
- Launch new Denny sauce products



OUT OF HOME



OUT OF HOME

Operational performance | Financial results

	H1 07 Rm	H1 06 Rm	%Δ
Revenue	174,2	147,6	18,0
Operating profit	30,5	23,0	32,6
Operating margin %	17,5	15,6	12,2



OUT OF HOME

Operational performance | H1 07 Key features

- Solid volume gains in coffee and juice
- Price increases: coffee Jul 06
- Operating profit leverage from increased volumes and improved management of dispensing equipment
- Established national juice category footprint – House of Orange
- Wimpy contract terminating H2 07 due to vertical integration strategy – limited impact in FY07



OUT OF HOME

Operational performance | H2 07 Focus areas

- Exploit growing OOH coffee and juice demand
- Promote combined coffee and juice offering to new customers
- Integration benefits – access to existing key skills
- Reduce juice distribution and manufacturing costs



FASHION BRANDS



indigo cosmetics



CARVELA

YARDLEY
LONDON

LENTHERIC
LONDON - PARIS

PRADA



COTY
PARIS - NEW YORK



FASHION BRANDS

Operational performance | Financial results

	H1 07 Rm	H1 06 Rm	%Δ
Revenue	584,8	477,0	22,6
Operating profit	131,0	96,4	35,9
Operating margin %	22,4	20,2	10,9



FASHION BRANDS

Operational performance | H1 07 Key features

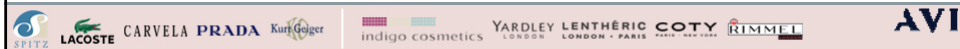
- Cosmetics revenue up 9% due to volume/mix
- Successful cosmetics product development and launches
- Spitz volume-driven revenue growth of 38% (same store growth 26%)
- 4 new Spitz stores – total of 36 stores
- Spitz trading density for rolling 12 month period R52k
- Operating profit leverage achieved off volume growth in Spitz and Indigo



FASHION BRANDS

Operational performance | H2 07 Focus areas – Footwear

- Spitz store refurbishment and improvement of service levels
- Continue Spitz geographical expansion – 2 more stores
- Ongoing development of Spitz structure and resources to sustain margins in 25% to 30% range
- Expand brand portfolio



FASHION BRANDS

Operational performance | H2 07 Focus areas – Cosmetics

- Maintain successful new product development and launch momentum
- Leverage export opportunities – Africa and Australasia
- Expand brand portfolio





Prospects for H2 07

- Volume performance across core categories was good for the first two months of H2
- Hake resource performance in RSA and Argentina continues to be stable
- Argentinean shrimp season has opened successfully, but early to call
- Wage negotiations in Argentina – expectations between 10 & 15%
- Raw and wrap cost pressures
- Expect to maintain gross margins through H2



Prospects

Distribution and Merchandising

- Compared to key competitors, the group's distribution and merchandising is fragmented
- Recruited David Hood (ex CEO of Vector Logistics) and two executives to develop these opportunities
- Confident of material cost-saving benefits and improved shelf presence



Prospects

- Restructure benefits
 - Energised, focused management teams
 - Direct accountability over the core manufacturing supply chain re-established in beverage and snacks business units
- Access and skills support for under-performing businesses and profit enhancement
- Maturing cost and efficacy benefits of shared and support services



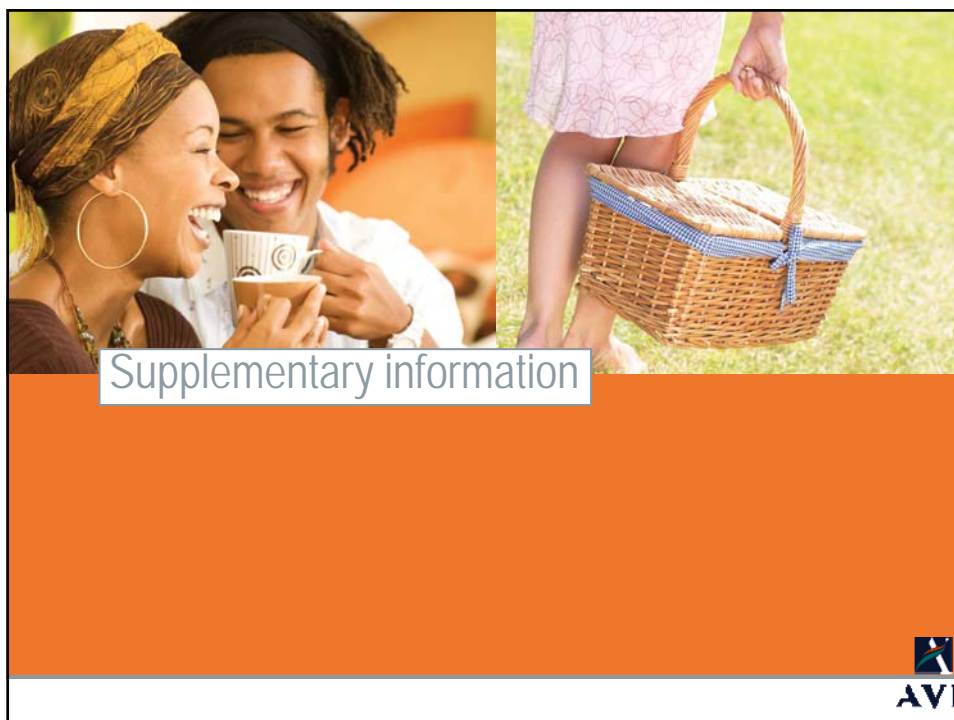
Prospects

- Acquisitive growth prospects
 - Interesting opportunities exist in target areas
 - Current value expectations constrain progress
- Macro trends
 - Convenience, children and fashion key trends in RSA
 - Adoption/growth of global brands
 - Our brand portfolio and reputation as brand managers position us to exploit this



Questions & Answers





Group financial results

Results viewed in accordance with the previously reported format

Legal Entity	Revenue		Operating Profit		Operating Margin	
	H1 07 Rm	H1 06 Rm	H1 07 Rm	H1 06 Rm	H1 07 %	H1 06 %
NBL	1 483,9	1 367,0	217,8	187,4	14,7	13,7
I&J	952,1	774,5	74,9	15,8	7,9	2,0
Denny	133,3	125,5	6,2	7,9	4,7	6,3
RBC	135,3	108,4	(9,7)	(8,8)	(7,2)	(8,1)
Indigo	284,2	260,0	30,7	27,1	10,8	10,4
Spitz	300,6	217,0	100,3	69,3	33,4	31,9
Other	9,9	15,8	(12,3)	(9,0)		
Group	3 299,3	2 868,2	407,9	289,7	12,4	10,1






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