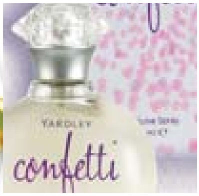
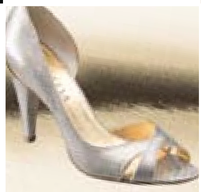
SENS document

Interim results for the six months ended
31 December 2008

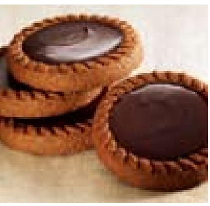


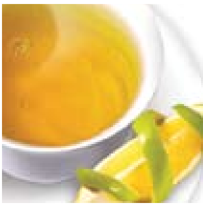


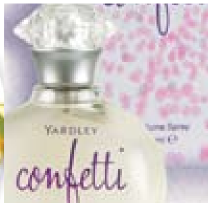
AVI

AVI Limited: ISIN: ZAE000049433 Share code: AVI
Registration number: 1944/017201/06
("AVI" or "the Group" or "the Company")

For more information, please visit our website:
www.avi.co.za



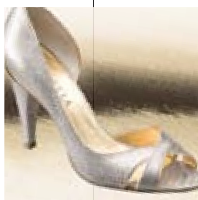




HIGHLIGHTS

REVENUE
from continuing operations
up 18% to **R4,0 billion**

GROSS MARGIN
down from 42,5% to 40,3%
due to input cost pressures



OPERATING PROFIT
from continuing operations
up 16% to **R535 million**

HEADLINE EARNINGS
per share from continuing operations
up 12% to **103 cents***

CASH
from operations up
17% to **R650 million**

INTERIM DIVIDEND
up 9% to **36 cents per share**

* *prior year headline earnings per share = 92 cents after restatement to exclude Alpesca now disclosed as a discontinued operation.*

Group overview

Demand for AVI's brands has remained strong in the six months to December 2008, with sales volumes maintained or increased in most categories. This is particularly pleasing given the increased pressure on consumers from high interest rates, reduced access to credit and higher selling prices. Selling price increases in our businesses were largely driven by higher commodity input costs and a weaker Rand, and in most categories were insufficient to fully recover the higher costs. Consequently, gross operating margins were generally lower than in the same period in 2007. Selling and administration costs were well controlled and increased by less than the inflation rate, offsetting some of the impact of lower gross margins.

The Board remains committed to disinvesting from the Argentinean hake and shrimp operations conducted by Alpesca s.a. ("Alpesca"), a wholly owned subsidiary of Irvin and Johnson Holding Company (Proprietary) Limited ("I&J"), and efforts in this regard are continuing. Alpesca is classified as a discontinued operation and presented accordingly in these results.

CONTINUING OPERATIONS

Financial performance from our continuing operations was robust. Revenue rose by 18,0% from R3,4 billion to R4,0 billion. The consolidated gross profit margin declined from 42,5% of revenue to 40,3% as a result of cost pressures which were only partially offset by selling price increases. Selling and administration costs were well contained and some volume leverage was achieved in categories with higher growth. Operating profit rose by 15,8%, from R461,5 million to R534,6 million and the operating profit margin decreased only slightly from 13,6% to 13,4%.

The Group's planned increase in gearing, combined with higher interest rates, has resulted in a material increase in net finance charges from R21,1 million to R69,3 million.

The effective tax rate of 31,6% is lower than in the first half of the prior year as a result of higher capital profits which are taxed at lower rates.

Headline earnings increased by 8,4% from R285,6 million to R309,6 million. Headline earnings per share increased by 11,8% to 103,2 cents per share as the weighted average number of shares in issue decreased by 4,2% following the share buy-back which commenced after the annual general meeting in October 2007. No shares were repurchased during the six months to December 2008.

The capital items of R54,1 million before tax largely comprise a R26,4 million profit on the sale of an I&J property and a R23,6 million profit on the disposal of a non-core subsidiary that packed private label teas and coffees.

Cash generated by operations before working capital changes increased by 17,2% to R649,5 million. Net working capital at the end of December decreased from 18,8% of sales in 2007 to 16,9% of sales. The increase in working capital from July to December 2008 was only R31,7 million with the normal seasonal increase ameliorated by high stock levels at the end of June 2008. Other material cash outflows during the period were dividends of R139,9 million, capital expenditure of

R165,7 million and taxation of R171,0 million. Net debt at the end of December 2008 was R568,3 million compared to R635,5 million at the end of December 2007.

Capital expenditure of R165,7 million included mainly replacement expenditure and R34,5 million for an additional vessel for I&J's wet fishing fleet.

SEGMENTAL REVIEW – CONTINUING OPERATIONS
Six months ended 31 December

	Segmental revenue			Segmental operating profit		
	2008 Rm	2007 Rm	Change %	**2008 Rm**	2007 Rm	Change %
Food and beverage brands	**3 219,5**	2 688,9	19,7	**413,7**	336,4	23,0
Entyce	**887,4**	762,9	16,3	**103,9**	94,8	9,6
Snackworks	**1 127,9**	883,7	27,6	**139,7**	128,6	8,6
Chilled and frozen convenience brands	**969,6**	840,7	15,3	**140,5**	86,0	63,4
Out of home	**234,6**	201,6	16,4	**29,6**	27,0	9,6
Fashion brands	**777,9**	693,3	12,2	**124,1**	134,7	(7,9)
Personal care	**377,8**	325,3	16,1	**42,1**	35,8	17,6
Footwear and apparel	**400,1**	368,0	8,7	**82,0**	98,9	(17,1)
Corporate	**5,4**	10,7		**(3,2)**	(9,6)	
Group	**4 002,8**	3 392,9	18,0	**534,6**	461,5	15,8

Entyce

An increase in revenue of 16,3% was achieved from volume growth in affordable coffee and creamer supported by input cost driven price increases across all categories. Market shares were maintained or increased in all categories, despite strong competition.

Significantly higher black tea costs were not fully recovered by increased selling prices resulting in lower profit margins in the tea category. Coffee gained volume and market share with good performance from the key Frisco brand which resulted in improved margins despite much higher purchase costs for robusta coffee beans. Creamer has been promoted strongly to combat increased competition from cheaper formulations and this resulted in lower margins despite an increase in volumes. A decision has been taken to reconfigure the retail juice operations as a smaller regional business and once-off costs of R4,9 million relating to the closure of the Gauteng and KwaZulu-Natal operations were incurred.

Operating profit increased by 9,6% from R94,8 million to R103,9 million with the operating profit margin at 11,7% compared to 12,4% in the prior period.

Group overview continued

Snackworks

Revenue increased by 27,6% largely due to the accumulated impact of price increases taken over the last 18 months in response to the unprecedented rise in soft commodity prices and a 10,9% increase in snack volumes due to strong promotional activity. Biscuit volumes were maintained at the same level as in the prior period.

Notwithstanding these increased selling prices, the higher input costs were not fully recovered resulting in lower profit margins. Consumers have also migrated to more affordable products within our brand portfolio putting further pressure on margins.

Operating profit consequently increased by only 8,6% from R128,6 million to R139,7 million with operating profit margin of 12,4% compared to 14,6% in the first half of the previous financial year.

Chilled and Frozen Convenience Brands (I & J* and Denny)

** Excluding Alpesca.*

The combined revenue for this category increased by 15,3% and operating profit increased by 63,4% from R86,0 million to R140,5 million with the operating margin improving from 10,2% to 14,5%.

The main contributor was I&J's South African operations which realised higher export prices as well as increases in local prices for seafood products. These factors, together with improved catch rates and good processing efficiencies impacted very positively on its operating performance. However, hake volumes were lower because of the reduced quota allocations and export prices came under pressure towards the end of the period due to lower consumer demand in Europe.

Denny achieved slightly higher sales volumes and also increased prices in response to the rising cost of imported raw materials with the weakening of the Rand. Operating profit increased from R10,5 million to R14,0 million with the improvement largely reflecting the impact of strikes in the prior period which resulted in significant additional labour costs.

Out of Home (Ciro Beverage Solutions and Sir Juice)

Revenue increased by 16,4% due to an increase in juice volumes and selling price increases in response to higher raw material costs. Core coffee volumes were maintained with new corporate customers offsetting pressure on the restaurant and coffee shop channel. Operating profit increased by only 9,6% from R27,0 million to R29,6 million as the higher proportion of relatively lower margin juice combined with input cost pressures resulted in a decrease in operating margin from 13,4% to 12,6%.

Fashion Brands (personal care, footwear and apparel)

Revenue rose by 12,2% with strong volume growth in personal care supported by price increases – principally in the footwear and apparel business to partially offset the impact of the weaker Rand. Operating profit decreased from R134,7 million to R124,1 million and operating margin decreased from 19,4% to 16,0%, reflecting the decrease in profitability in the footwear and apparel business.

In the personal care category, Indigo Cosmetic's revenue increased by 16,1%. Deodorant spray volumes again grew materially and were well supported by good performances in the fragrance and make-up product categories. Selling price increases were below inflation which has helped volume growth but, together with the impact of the weaker Rand on imported materials, has put pressure on gross margins. Volume leverage offset the impact of the lower gross margin and the operating profit margin improved slightly from 11,0% to 11,1%. Operating profit increased 17,6% from R35,8 million to R42,1 million.

Revenue in the footwear and apparel category increased by 8,7%, largely due to increased selling prices in Spitz following the substantial weakening of the Rand over the prior period. Demand for core brands and product lines remained sound, however trading densities were impacted by reduced consumer spending and temporary supply chain delays arising from both delayed stock shipments and the implementation of SAP during the period. Store openings over the last 18 months resulted in average trading space increasing by 20% but trading density declined by 12%. Six new stores were opened in the current period and one store was closed. Over the last two years Spitz has invested in new and refurbished stores as well as people and systems to underpin the long-term sustainability of the expanded business. This has resulted in a higher fixed cost base which contributed to a decrease in operating profit margin from 26,9% to 20,5% in the current period. Operating profit declined from R98,9 million to R82,0 million.

DISCONTINUED OPERATION

Despite a lower hake quota, Alpesca showed an improvement in operating profit in the current period, from an operating loss of R2,7 million to a profit of R20,8 million, as a result of improved shrimp prices and better Euro/US Dollar exchange rates. Profit after tax of R2,5 million was R3,7 million higher than in the prior period, with the improved operating profit largely offset by a higher taxation charge arising from the devaluation of tax assets in line with the weakening of the Argentinean Peso.

DIVIDENDS

An interim dividend of 36 cents per share has been declared in line with AVI's interim dividend policy of a three times cover on diluted headline earnings per share from continuing operations.

Group overview continued

OUTLOOK

Household disposable income is likely to remain constrained by relatively high interest rates and reduced access to credit. This coupled with general consumer uncertainty as a result of the current global economic crises is likely to dampen demand in the second half. Our ongoing commitment to ensure, through a number of market initiatives, that our brands provide a sustained value proposition to consumers should position us well to respond to this environment. In addition, there is ongoing focus on improving overall cost efficiency through cost savings and better yields which should increase our flexibility to respond to consumer needs.

AVI is fortunate to have a portfolio of market-leading brands that has demonstrated defensive attributes over many decades which, together with planned efficiency and product initiatives, will allow us to effectively compete for market share and sustain growth in these leaner times.

UNSOLICITED APPROACH FROM TIGER BRANDS LIMITED

During the period Tiger Brands Limited (Tiger) made an unsolicited approach to acquire the entire issued share capital of AVI, the terms of which were published by Tiger in an announcement on SENS on 17 November 2008. This expression of interest was not converted into a formal offer but a revised proposal was tabled to AVI's Board on 22 January 2009 following which the AVI board placed the Company under cautionary on 26 January 2009. After a process of engagement, Tiger unilaterally withdrew its expression of interest on 4 March 2009 following which AVI also withdrew its cautionary announcement.

Angus Band
Chairman

Simon Crutchley
CEO

9 March 2009

Condensed Group balance sheets

	Unaudited as at 31 December 2008 Rm	Unaudited as at 31 December 2007 Rm	Audited at 30 June 2008 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	**1 224,6**	1 263,8	1 164,8
Intangible assets and goodwill	**982,9**	1 080,6	986,2
Joint ventures and other investments	**283,9**	255,6	312,8
Deferred tax asset	**72,2**	106,4	89,1
	2 563,6	2 706,4	2 552,9
Current assets			
Inventories and biological assets	**994,0**	763,7	873,0
Trade and other receivables including derivatives	**1 244,0**	1 194,1	1 178,7
Cash and cash equivalents	**496,5**	428,2	174,9
Assets classified as held for sale*	**507,3**	3,9	493,0
	3 241,8	2 389,9	2 719,6
Total assets	**5 805,4**	5 096,3	5 272,5
EQUITY AND LIABILITIES			
Capital and reserves			
Attributable to equity holders of AVI	**2 796,8**	2 421,5	2 518,8
Minority interests	**(23,3)**	(17,9)	(17,5)
Total equity	**2 773,5**	2 403,6	2 501,3
Non-current liabilities			
Financial liabilities, borrowings and operating lease straight-line liabilities	**604,9**	175,5	409,7
Employee benefits	**301,9**	312,8	293,5
Deferred taxation	**179,2**	160,5	154,0
	1 086,0	648,8	857,2
Current liabilities			
Current borrowings including derivatives	**484,8**	915,5	536,3
Trade and other payables	**1 167,5**	1 062,5	1 048,1
Corporate taxation	**35,5**	65,9	73,4
Liabilities classified as held for sale*	**258,1**	–	256,2
	1 945,9	2 043,9	1 914,0
Total equity and liabilities	**5 805,4**	5 096,3	5 272,5

**Assets & liabilities held-for-sale comprise the Argentinean hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, and properties held for sale. (December 2007: remaining assets of ancillary offshore subsidiaries of I&J; June 2008 : Argentinean hake and shrimp operations conducted by Alpesca and properties held for sale).*

Condensed Group income statements

	Unaudited Six months ended 31 December **2008** **Rm**	2007 Rm	Change %	Audited Year ended 30 June 2008 Rm
CONTINUING OPERATIONS				
Revenue	**4 002,8**	3 392,8	18	6 660,6
Cost of sales	**2 391,3**	1 949,3	23	3 912,3
Gross profit	**1 611,5**	1 443,6	12	2 748,3
Selling and administrative expenses	**1 076,9**	982,1	10	1 949,6
Operating profit before capital items	**534,6**	461,5	16	798,7
Income from investments	**11,8**	8,6	37	22,5
Finance costs	**(81,1)**	(29,7)	173	(86,5)
Share of equity accounted earnings of joint ventures	**7,5**	5,5	36	17,2
Capital items	**54,1**	21,6		13,7
Profit before taxation	**526,9**	467,5	13	765,6
Taxation	**166,7**	162,1	3	265,8
Profit from continuing operations	**360,2**	305,4	18	499,8
DISCONTINUED OPERATIONS*				
Revenue	**275,7**	219,7	25	445,5
Cost of sales	**235,4**	173,5	36	351,9
Gross profit	**40,3**	46,2	(13)	93,6
Selling and administrative expenses	**19,5**	48,9	(60)	103,8
Operating (loss)/profit before capital items	**20,8**	(2,7)	870	(10,2)
Finance costs	**(3,8)**	(4,6)	(17)	(10,0)
Capital items	**–**	–		0,2
Profit/(loss) before taxation	**17,0**	(7,3)	333	(20,0)
Taxation	**14,5**	(6,1)	(338)	(9,9)
Profit/(Loss) from discontinued operations	**2,5**	(1,2)	308	(10,1)
Profit for the year	**362,7**	**304,2**	**19**	**489,7**
Attributable to:				
Equity holders of AVI	**361,9**	303,4	19	488,3
Minority interests	**0,8**	0,8	–	1,4
	362,7	304,2	19	489,7

**Discontinued operations comprise the Argentinean hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, In June 2008 the AVI Board resolved to disinvest from this operation.*

Basic earnings per share from continuing operations (cents)#	**120,8**	98,1	23	162,9
Diluted basic earnings per share from continuing operations (cents)##	**119,3**	97,2	23	161,4
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit				
Continuing operations	**87,0**	80,1	9	166,7
Discontinued operations	**12,2**	11,6	5	24,4

Headline earnings per share from continuing operations (cents)#	**103,2**	92,3	12	159,0
Diluted headline earnings per share from continuing operations (cents)##	**102,0**	91,5	11	157,6

#Basic earnings and headline earnings per share is calculated on a weighted average of 297 599 002 (2007: 310 513 219 and 30 June 2008: 306 081 992) ordinary shares in issue.
##Diluted basic earnings and headline earnings per share is calculated on a weighted average of 301 276 209 (2007: 313 206 531 and 30 June 2008: 308 840 457) ordinary shares in issue.

Condensed Group cash flow statements

	Unaudited Six months ended 31 December 2008 Rm	Unaudited Six months ended 31 December 2007 Rm	Change %	Audited Year ended 30 June 2008 Rm
CONTINUING OPERATIONS				
OPERATING ACTIVITIES				
Cash generated by operations before working capital changes	**649,5**	554,1	17	1,022,8
Increase in working capital	**(31,7)**	(194,4)	(84)	(354,7)
Cash generated by operations	**617,8**	359,7	72	668,1
Interest paid	**(79,9)**	(29,8)	168	(91,0)
Taxation paid	**(171,0)**	(106,0)	61	(247,4)
Net cash available from operating activities	**366,9**	223,9	64	329,7
INVESTING ACTIVITIES				
Investment income	**10,2**	8,5	20	29,6
Property, plant and equipment acquired	**(165,7)**	(115,8)	43	(271,6)
Proceeds from disposals of property, plant and equipment	**67,4**	30,5	121	32,3
Proceeds on disposal of businesses – Note 5	**35,2**	15,1	133	15,1
Acquisition of businesses	**–**	(35,7)		(35,9)
Movement in investments and joint ventures	**4,8**	(3,1)	255	(1,9)
Net cash used in investing activities	**(48,1)**	(100,6)	(52)	(232,4)
FINANCING ACTIVITIES				
Capital returned to shareholders	**–**	(435,1)		(549,7)
Net increase in shareholder funding	**4,3**	2,1	105	4,7
Long-term borrowings – net raised/(repaid)	**199,2**	(4,9)	4 165	308,8
(Decrease)/Increase in short-term funding	**(74,8)**	554,6	(113)	206,2
Dividends paid	**(139,9)**	(134,4)	4	(233,4)
	(11,2)	(17,7)	(37)	(263,4)
DISCONTINUED OPERATIONS*				
Cash flows from operating activities	**20,5**	(6,2)	431	31,7
Cash flows from investing activities	**(2,1)**	(2,9)	(28)	(11,0)
Cash flows from financing activities	**(22,2)**	10,0	(322)	2,1
Cash flows from discontinued operations	**(3,8)**	0,8	(575)	22,8
Increase/(decrease) in cash and cash equivalents	**303,8**	106,4	186	(143,3)
Cash and cash equivalents at beginning of period	**204,8**	317,1	(35)	317,1
	508,6	423,5		173,8
Translation of cash equivalents of foreign subsidiaries at beginning of year	**16,1**	4,7	243	31,0
Cash and cash equivalents at end of period	**524,7**	428,2		204,8
Attributable to				
Continuing operations	**496,5**	428,2	16	174,9
Discontinued operations	**28,2**	–		29,9

**Discontinued operations comprise the Argentinean hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J.*

Condensed Group statements of changes in equity

	Share capital and premium Rm	Treasury shares Rm	Reserves Rm	Retained earnings Rm	**Total Rm**	Minority interests Rm	**Total equity Rm**
Six months ended 31 December 2008							
Balance at 1 July 2008	171,0	(719,8)	147,8	2 919,8	**2 518,8**	(17,5)	**2 501,3**
Recognised income and expense							
Profit for the period				361,9	**361,9**	0,8	**362,7**
Foreign currency translation differences			34,5		**34,5**		**34,5**
Cash flow hedging reserve			7,8		**7,8**		**7,8**
Transactions with shareholders							
Share based payments			9,4		**9,4**		**9,4**
Dividends paid				(139,9)	**(139,9)**		**(139,9)**
Disposal of a subsidiary					**–**	(6,6)	**(6,6)**
Own ordinary shares sold by AVI Share Trusts (net)		4,3			**4,3**		**4,3**
Balance at 31 December 2008	**171,0**	**(715,5)**	**199,5**	**3 141,8**	**2 796,8**	**(23,3)**	**2 773,5**
Six months ended 31 December 2007							
Balance at 1 July 2007	428,2	(435,7)	20,5	2 667,4	**2 680,4**	(18,4)	**2 662,0**
Recognised income and expense							
Profit for the period				303,4	**303,4**	0,8	**304,2**
Foreign currency translation differences			0,4		**0,4**		**0,4**
Cash flow hedging reserve			(4,5)		**(4,5)**		**(4,5)**
Transactions with shareholders							
Share based payments			7,7		**7,7**		**7,7**
Dividends paid				(134,1)	**(134,1)**	(0,3)	**(134,4)**
Payment out of share premium	(257,0)	26,4			**(230,6)**		**(230,6)**
Own ordinary shares sold/(purchased) by AVI Share Trusts and subsidiaries (net)		(201,4)		0,2	**(201,2)**		**(201,2)**
Balance at 31 December 2007	**171,2**	**(610,7)**	**24,1**	**2 836,9**	**2 421,5**	**(17,9)**	**2 403,6**
Year ended 30 June 2008							
Balance at 1 July 2007	428,2	(435,7)	20,5	2 667,4	**2 680,4**	(18,4)	**2 662,0**
Recognised income and expense							
Profit for the year				488,3	**488,3**	1,4	**489,7**
Foreign currency translation differences			111,5		**111,5**		**111,5**
Cash flow hedging reserve			(0,4)		**(0,4)**		**(0,4)**
Transactions with shareholders							
Share based payments			16,2		**16,2**		**16,2**
Dividends paid				(232,9)	**(232,9)**	(0,5)	**(233,4)**
Payment out of share premium	(257,0)	26,4			**(230,6)**		**(230,6)**
Own ordinary shares purchased by a subsidiary		(319,1)			**(319,1)**		**(319,1)**
Redemption of convertible redeemable preference shares	(0,2)				**(0,2)**		**(0,2)**
Own ordinary shares sold by AVI Share Trusts (net)		8,6		(3,0)	**5,6**		**5,6**
Balance at 30 June 2008	**171,0**	**(719,8)**	**147,8**	**2 919,8**	**2 518,8**	**(17,5)**	**2 501,3**

Supplementary notes to the condensed consolidated financial statements

For the six months ended 31 December 2008

AVI Limited (the "Company") is a South African registered company. The condensed consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in jointly controlled entities.

1. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement criteria of IFRS, the presentation as well as the disclosure requirements of IAS 34 - *Interim Financial Reporting* and the Listing Requirements of the JSE Limited (the "JSE"). These condensed interim financial statements has not been reviewed or audited by the Group's auditors.

2. Basis of preparation

The financial statements are prepared in millions of South African Rand ("Rm") on the historical cost basis, except for derivative financial instruments and biological assets which are recognised at fair value.

The accounting policies are those presented in the annual financial statements for the year ended 30 June 2008 and have been applied consistently to the periods presented in these condensed consolidated interim financial statements and by all Group entities.

3. Determination of headline earnings

	Unaudited Six months ended 31 December			Audited Year ended 30 June
	2008 Rm	2007 Rm	Change %	2008 Rm
Profit for the year attributable to equity holders of AVI	**361,9**	303,4	19	488,3
Total capital items included in earnings	**52,3**	17,8		12,0
Net surplus on disposal of businesses, properties, vessels and plant and equipment	**54,1**	22,1		19,0
Impairment of plant, equipment and vessels	**–**	(0,5)		(5,1)
Taxation attributable to capital items	**(1,8)**	(3,8)		(1,9)
Headline earnings	**309,6**	285,6	8	476,3
Attributable to:				
Continuing operations	**307,1**	286,7	7	486,7
Discontinued operations	**2,5**	(1,1)		(10,4)
	309,6	285,6	8	476,3
Headline earnings per ordinary share (cents)	**104,0**	92,0	13	155,6
Continuing operations (cents)	**103,2**	92,3	12	159,0
Discontinued operations (cents)	**0,8**	(0,3)		(3,4)
Diluted headline earnings per ordinary share (cents)	**102,8**	91,2	13	154,2
Continuing operations (cents)	**102,0**	91,5	11	157,6
Discontinued operations (cents)	**0,8**	(0,3)		(3,4)

Supplementary notes to the condensed consolidated financial statements continued

For the six months ended 31 December 2008

4. Segmental results

	Six months ended 31 December			Year ended 30 June
	2008 Rm	2007 Rm	% change	2008 Rm
CONTINUING OPERATIONS				
Segmental revenue				
Beverage brands – Entyce	**887,4**	762,9	16	1 547,5
Snacking brands – Snackworks	**1 127,9**	883,7	28	1 677,2
Chilled and frozen convenience brands	**969,6**	840,7	15	1 775,4
Out of home	**234,6**	201,6	16	392,7
Personal care	**377,8**	325,3	16	623,5
Footwear and apparel	**400,1**	368,0	9	629,8
Corporate	**5,4**	10,7		14,5
GROUP	**4 002,8**	3 392,9	18	6 660,6
Segmental operating profit before capital items				
Beverage brands – Entyce	**103,9**	94,8	10	189,1
Snacking brands – Snackworks	**139,7**	128,6	9	185,8
Chilled and frozen convenience brands	**140,5**	86,0	63	194,9
Out of home	**29,6**	27,0	10	42,7
Personal care	**42,1**	35,8	18	73,4
Footwear and apparel	**82,0**	98,9	(17)	132,9
Corporate	**(3,2)**	(9,6)		(20,1)
GROUP	**534,6**	461,5	16	798,7

5. Investment activity

There were no significant changes to investments in the year to date.

Effective 12 December 2008, National Brands Limited disposed of a non-core subsidiary that packed private label teas and coffees for R35,2 million (net of cash disposed of).

6. Commitments

	Six months ended 31 December		Year ended 30 June
	2008 Rm	2007 Rm	2008 Rm
Capital expenditure commitments for property, plant and equipment	**104,0**	101,7	127,7
Contracted for	**56,8**	75,0	79,3
Authorised but not contracted for	**47,2**	26,7	48,4

It is anticipated that this expenditure will be financed by cash resources, cash generated from activities and existing borrowing facilities. Other contractual commitments have been entered into in the normal course of business.

Supplementary notes to the condensed consolidated financial statements continued

For the six months ended 31 December 2008

7. Contingent liabilities

The South African Revenue Service ("SARS") has issued revised assessments on a foreign subsidiary for taxes plus penalties and interest in respect of the tax years previously assessed, 1998 through 2003. The additional taxes assessed by SARS amount to R49,4 million. The total amount in terms of the assessments, including penalties and interest up to June 2008, is R271,0 million.

Were assessments to be issued for the 2004 to 2008 tax years on the same basis applied in the assessments received, the total amount of additional tax payable in respect of these years would be R43,3 million, excluding penalties, with interest thereon estimated at R12,9 million.

The matter is expected to proceed to court in the next six months. However, the issues in dispute are of a complex nature and it is anticipated that the matter could remain unresolved for an extended period.

8. Directorate

Mrs NJM Canca resigned as a director of the company with effect from 19 November 2008.

9. Post-balance sheet events

No significant events outside the ordinary course of business have occurred since the balance sheet date.

10. Dividend declaration

Notice is hereby given that an interim ordinary dividend No 69 of 36 cents per share for the six months ended 31 December 2008 has been declared payable to shareholders of ordinary shares. The salient dates relating to the payment of the dividend are as follows :

Last day to trade cum dividend on the JSE	Friday, 27 March 2009
First trading day ex dividend on the JSE	Monday, 30 March 2009
Record date	Friday, 3 April 2009
Payment date	Monday, 6 April 2009

In accordance with the requirements of Strate, no share certificates may be dematerialised or rematerialised between Monday, 30 March 2009 and Friday, 3 April 2009, both days inclusive.

Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant ("CSDP") or broker credited on Monday, 6 April 2009.

Administration and principal subsidiaries

ADMINISTRATION

Company registration
AVI Limited ("AVI")
Reg no: 1944/017201/06
Share code: AVI
ISIN: ZAE000049433

Acting company secretary
Vivien Crystal

Group financial manager
John von Gottberg

Business address and registered office
2 Harries Road
Illovo
Johannesburg 2196
South Africa

Postal address
PO Box 1897
Saxonwold 2132
South Africa

Telephone: +27 (0)11 502 1300
Telefax: +27 (0)11 502 1301
e-mail: info@avi.co.za
Website: www.avi.co.za

Auditors
KPMG Inc.

Sponsor
Standard Bank

Commercial bankers
Standard Bank
FirstRand Bank

Transfer secretaries
Computershare Investor Services 2004 (Pty) Limited
Business address
70 Marshall Street
Marshalltown
Johannesburg 2001
South Africa
Postal address
PO Box 61051
Marshalltown 2107
South Africa
Telephone: +27 (0)11 370 5000
Telefax: +27 (0)11 370 5271

PRINCIPAL SUBSIDIARIES

Food and beverage brands

National Brands Limited
Reg no: 1948/029389/06
(incorporating Entyce Beverages, Snackworks and Out of home)

30 Sloane Street
Bryanston 2021

PO Box 5159
Rivonia 2128
Telefax: +27 (0)11 707 7799

Managing directors
Donnee MacDougall (Entyce)
Telephone: +27 (0)11 707 7100

David Hood (Snackworks)
Telephone: +27 (0)11 707 7200

Mark Blanckenberg
(Out of home)
Telephone: +27 (0)11 807 3915

The Real Juice Co Holdings (Pty) Limited
Reg no: 2001/001413/07

5 Industrial Road
Kya Sands 2163

PO Box 134
Kya Sands 2163

Managing director
Deepa Sita
Telephone: +27 (0)11 707 7100
Telefax: +27 (0)11 707 7808

Chilled and frozen convenience brands

Irvin & Johnsson Holding Company (Pty) Limited
Reg no: 2004/013127/07

1 Davidson Street
Woodstock
Cape Town 8001

PO Box 1628
Cape Town 8000

Managing director
Francois Kuttel
Telephone: +27 (0)21 402 9200
Telefax: +27 (0)21 402 9282

Denny Mushrooms (Pty) Limited
Reg no: 1998/003042/07

29 Eaton Avenue
(Corner Eaton Av & Sloane St)
Bryanston 2021

PO Box 787166
Sandton City 2146

Managing director
Roger Coppin
Telephone: +27 (0)11 707 7500
Telefax: +27 11 (0)11 707 7762

Fashion brands

Indigo Cosmetics (Pty) Limited
Reg no: 2003/009934/07

16-20 Evans Avenue
Epping 1 7460

PO Box 3460
Cape Town 8000

Managing director
Susan O'Keeffe
Telephone: +27 (0)21 507 8500
Telefax: +27 (0)21 507 8501

A&D Spitz (Pty) Limited
Reg no: 1999/025520/07

29 Eaton Avenue
(Corner Eaton Av & Sloane St)
Bryanston 2021

PO Box 782916
Sandton 2145

Managing director
Robert Lunt
Telephone: +27 (0)11 707 7300
Telefax: +27 (0)11 707 7763

Directors

Executive
Simon Crutchley
Chief executive officer

Owen Cressey
Chief financial officer

Robert Katzen
Business development director

Independent non-executive
Angus Band [2]
Chairman

Humphrey Buthelezi [1]

Patrick Goss [2]

James Hersov

Sean Jagoe [2]

Nombulelo Moholi

Adriaan Nühn [3]

Gavin Tipper [1]

[1] *Member of the Audit Committee*
[2] *Member of the Appointments and Remuneration Committee*
[3] *Dutch*

AVI

Street address: 2 Harries Road, Illovo, Johannesburg 2196, South Africa
Postal address: PO Box 1897, Saxonwold 2132, South Africa
Telephone: +27 11 502 1300
Telefax: +27 11 502 1301
e-mail: info@avi.co.za
Website: www.avi.co.za