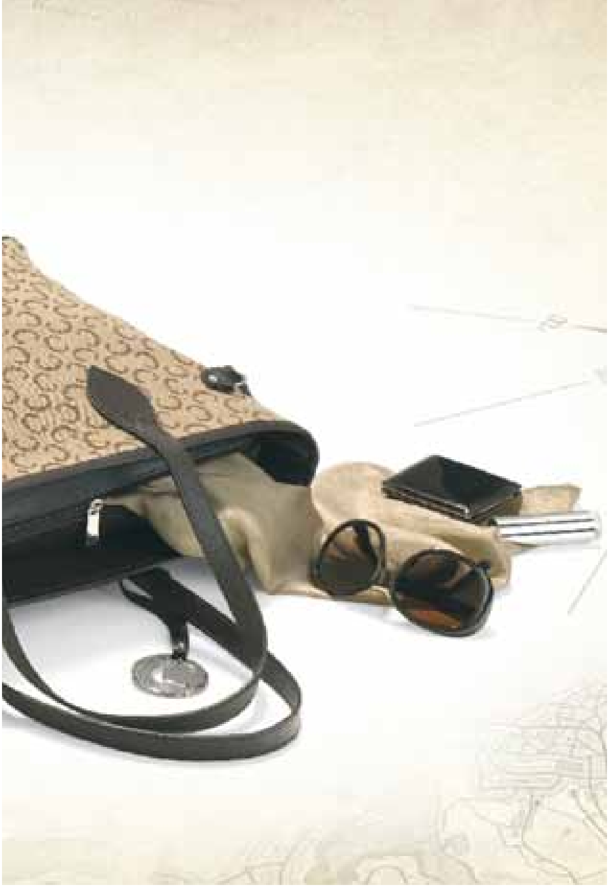
AVI

GROWING GREAT BRANDS

SENS DOCUMENT

Interim Results

for the six months ended 31 December 2010



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

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AVI

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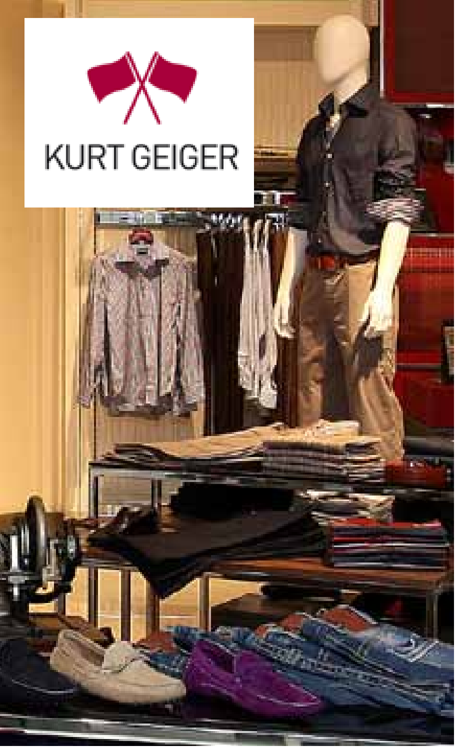


KEY FEATURES

Operating profit from continuing operations up by 30% to R695 million

Headline earnings per share from continuing operations up 36% to 152 cents

Sound brand performances across all categories

Operating profit leverage from lower commodity costs, higher volumes and operating efficiencies

I&J profit constrained by adverse exchange rate impact on export revenues

Cash generated from operations up 28% to R792 million

Special payment of R227 million made to shareholders in November 2010

Interim dividend up 28% to 50 cents per share

GROUP OVERVIEW

Consumer demand in the six months to December 2010 has been strong in our fashion brand businesses, and sound within the food and beverage categories. In the fashion brands portfolio, Spitz achieved strong volume growth while Indigo also achieved volume growth and strengthened its leading position in female body sprays. In the food and beverage portfolio the coffee and creamer categories achieved strong volume growth that was due, in part, to reduced supply by other manufacturers. In the tea and biscuits categories, we continue to carefully manage the balance between sales volume and profit margin. Tea volumes were slightly lower than last year due to aggressive competition, however this was offset by higher prices realised. Biscuit prices were increased in August which resulted in lower sales volumes in the first half. I&J's revenue was hit hard by the stronger rand, however volumes were in line with the first half of last year, with an improved sales mix and slightly better export prices in foreign currencies.

The net result of these price and volume movements was a 6,8% growth in revenue from continuing operations, from R4,05 billion to R4,32 billion. Commodity prices, including the benefit of the stronger rand, were generally lower than the first half of last year. Together with the growth in revenue and improving factory efficiencies, this resulted in a material improvement in the consolidated gross profit margin. Operating profit increased by 30,0%, from R534,7 million to R695,2 million due to the higher gross profit margins and volume leverage. Headline earnings rose by 37,1%, from R335,4 million to R459,9 million due to the higher operating profit and lower net finance costs. Headline earnings per share from continuing operations increased 35,6% to 152,3 cents.

Cash generated from operations remained strong, increasing to R792,0 million which is 27,6% higher than the same period last year. The special payment of 75 cents per share approved by shareholders in October 2010 was paid in November 2010, amounting to R226,6 million. Including this payment, net debt reduced from R479,5 million at the end of December 2009 to R187,7 million at the end of December 2010. The Board has approved an interim dividend of 50 cents per share.

FINANCIAL REVIEW – CONTINUING OPERATIONS

Revenue from continuing operations rose by 6,8% from R4,05 billion to R4,32 billion for the six months. This increase is largely attributable to higher sales volumes, particularly in the creamer, coffee, personal care and footwear categories, as well as higher selling prices in the biscuit category. The consolidated gross profit margin improved from 40,6% to 44,8% with improvement at all business units except I&J which was adversely impacted by the strong rand. This improvement reflects lower raw material costs, lower import exchange rates, higher realised selling prices and improved manufacturing performance. Operating profit improved by 30,0%, from R534,7 million to R695,2 million, despite a decrease of R56,7 million at I&J, due to the material leverage in the rest of the group from higher sales volumes and improved gross profit margins. The consolidated operating profit margin increased from 13,2% to 16,1%.

Lower interest rates and lower debt levels resulted in a decrease in net finance charges from R52,4 million to R28,2 million.

AVI's share of earnings from joint ventures decreased from R21,0 million to R14,6 million largely due to lower operating profit from I&J's Australian joint venture with Simplot. The joint venture's operating performance was sound but less favourable exchange rates on imported raw material resulted in lower profit for the period.

Headline earnings increased by 37,1% from R335,4 million to R459,9 million and headline earnings per share increased by 35,6% to 152,3 cents per share.

The capital loss of R17,2 million includes a R12,4 million loss on the disposal of Sir Juice (Pty) Limited with effect from November 2010, of which R2,9 million is attributable to minorities. Other net capital losses of R4,8 million arise from impairments and disposals of assets in the normal course of business.

Cash generated by operating activities increased 27,6% to R792,0 million. Working capital was well controlled in general and also benefited from strong December sales in Spitz and Indigo which reduced inventory levels at the end of the period. Capital expenditure of R152,6 million was lower than the prior period which included R88,5 million to acquire a property adjacent to Indigo Cosmetics' site in Cape Town. Other material cash out-flows during the period were dividends of R184,1 million, the capital repayment of R226,6 million and taxation of R115,1 million. Net debt at the end of December 2010 was R187,7 million compared to R479,5 million at the end of December 2009.

SEGMENTAL REVIEW – CONTINUING OPERATIONS

Six months ended 31 December

	Segmental revenue			Segmental operating profit		
	2010 Rm	2009 Rm	% change	**2010 Rm**	2009 Rm	% change
Food and beverage brands	**3 289,1**	3 161,5	4,0	**463,3**	370,7	25,0
Entyce	**1 246,4**	1 179,5	5,7	**258,8**	166,7	55,2
Snackworks	**1 185,6**	1 135,2	4,4	**180,5**	121,3	48,8
Chilled and frozen convenience brands	**857,1**	846,8	1,2	**24,0**	82,7	(71,0)
Fashion brands	**1 030,7**	882,9	16,7	**237,4**	167,8	41,5
Personal care	**470,3**	418,9	12,3	**67,3**	56,6	18,9
Footwear and apparel	**560,4**	464,0	20,8	**170,1**	111,2	53,0
Corporate	**3,3**	3,6		**(5,5)**	(3,8)	
Group	**4 323,1**	4 048,0	6,8	**695,2**	534,7	30,0

Entyce

Revenue increased 5,7% to R1,25 billion and operating profit increased by 55,2% from R166,7 million to R258,8 million with the operating profit margin at 20,8% compared to 14,1% in the prior period.

Growth in revenue came primarily from higher coffee and creamer sales volumes that resulted from strong demand for Frisco and Ellis Brown due partly to competitor supply problems. Coffee volumes were 14,3% higher than the prior period while creamer volumes were up by 22,9%. Tea revenue was in line with last year with aggressive price competition resulting in a small decrease in volumes that was offset by the annualising impact of price increases taken in March 2010. Gross profit margins benefited from lower input costs of key commodities as well as the stronger rand. Selling and administration costs were well controlled and consequently the majority of the impact of lower input costs and operating leverage from higher volumes flowed through to operating profit.

The retail juice business performed well in its second year after being restructured, recording an operating profit of R4,0 million compared a loss of R2,5 million in the prior period.

The out-of-home operations, made up of Ciro and Sir Juice, are included in the Entyce numbers reflected above. The out-of-home trading environment was constrained by lower demand, with Ciro's operating profit declining from R9,3 million to R6,8 million. Sir Juice was disposed of to the minority shareholders with effect from November 2010. The operating profit for the four months to October 2010 was R2,1 million compared to R3,6 million in the six months to December 2009.

Snackworks

Revenue of R1,19 billion was 4,4% higher than last year while operating profit rose by 48,8%, from R121,3 million to R180,5 million. The operating profit margin for the six months increased from 10,7% to 15,2%.

The increase in revenue is largely attributable to higher snack sales volumes and higher biscuit selling prices. Snack volumes have benefited from strong growth in our range of corn products assisted by effective field marketing leading to improved shelf presence. Biscuit prices were increased in August 2010 after a prolonged period of price deflation, to recognise escalating fixed costs and an upward trend in commodity prices. This has had a short-term negative impact on volumes. The improvement in operating profit is largely due to a materially higher gross profit margin resulting from lower commodity costs, higher biscuit selling prices and improved factory performance. Marketing costs were lower in the first half with most of the current year's spend planned for the second half of the year.

Chilled and frozen convenience brands (I&J* and Denny)

**excluding Alpesca*

Revenue increased by 1,2% to R857,1 million and operating profit decreased by R58,7 million to R24,0 million. Operating profit margin decreased from 9,8% to 2,8%. The reduction in profit is largely attributable to a weaker result from I&J, with Denny Mushrooms ("Denny") continuing to perform well.

I&J continues to perform well operationally and catch rates have improved further, however the stronger rand caused a material decline in export revenue which was offset to a limited extent by an improved sales mix and slightly higher prices in export markets. Export markets remain under pressure with reduced demand from customers and increased supply from other fish resources. The first half was also materially impacted by unrealised foreign exchange losses of R17 million resulting from very low closing exchange rates at 31 December 2010, much of which has already reversed with exchange rate movements since then. Operating profit declined from R59,8 million in the first half of last year to R3,1 million. The hake quota for the 2011 calendar year has increased by 10% which will give I&J extra volume opportunity in the second half of the financial year.

Denny has performed well in the fresh mushroom category despite increased supply from other growers and has increased sales volumes and operating profit. However the value-add business, comprising soups, sauces and canned mushrooms, has been impacted by the sustained supply of cheap canned mushroom imports resulting in a decline in operating profit for the period and consequently Denny's overall operating profit for the six months decreased from R22,9 million to R20,9 million.

Fashion brands (personal care, footwear and apparel)

Revenue rose by 16,7% to R1,03 billion and operating profit increased by 41,5%, from R167,8 million to R237,4 million with the operating profit margin increasing from 19,0% to 23,0%.

In the personal care category, Indigo's revenue grew by 12,3% to R470,3 million while operating profit increased 18,9% to R67,3 million. The operating profit margin for the period improved from 13,5% to 14,3%. Revenue growth was largely attributable to higher sales volumes with further growth in body spray market shares complemented by good performance in fragrances and colour cosmetics. The core Yardley, Lentheric and Coty brands all performed well. Profit margin benefited from lower input costs due to the stronger rand as well as higher volumes.

Revenue in the footwear and apparel category increased by 20,8%, and operating profit increased by 53,0% from R111,2 million to R170,1 million. In Spitz, revenue increased by 21,9% to R535,1 million while operating profit increased 50,4% to R171,7 million. The operating profit margin for the first half increased from 26,0% to 32,1%. The improvement is attributable to strong sales volume growth and improved gross profit margins resulting from the stronger rand and an improved sales mix. Footwear sales volumes increased by 24,6% with the core Carvela, Lacoste, Kurt Geiger and Tosoni brands all performing well. Four new mono-branded Kurt Geiger clothing stores were opened in the first half as part of the fashion brands' expansion plan.

DISCONTINUED OPERATION

Our efforts to dispose of the Argentinian hake and shrimp business conducted by Alpesca are continuing. Alpesca's operating results for the six months to December were compromised by poor hake results resulting from unfavourable exchange rates and a decline in fishing performance. However, shrimp fishing improved and the operating loss of R9,5 million was similar to the loss of R8,9 million for the same period last year.

DIVIDENDS

An interim dividend of 50 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.

A special payment out of share premium of 75 cents per share, amounting to R226,6 million, was approved by shareholders at the annual general meeting in October 2010 and paid in November 2010.

OUTLOOK

It is still unclear whether South Africa's economy is set to meaningfully recover in the second half of the financial year and our expectations for increasing consumer expenditure, despite lower interest rates, are moderate. Nonetheless demand for our brands is improving and we remain confident that we can compete effectively while continuing to seek the optimal balance between volumes and profit margins. However, if current commodity price levels are sustained, the second half is unlikely to benefit as materially from lower input costs as the first half. While I&J's results in the second half should benefit from the increase in hake quota, they will remain depressed should weak prices for seafood products and the strong rand continue to prevail. Taking all of these factors into account, it is unlikely that the rate of year-on-year growth achieved in the six months to December will be repeated in the second half of this financial year.

We continue to focus on maximising the medium-term profit growth opportunities within our brand portfolios and several major projects that improve efficiency and capacity will be commissioned in the second half of this year.

The Board is confident that AVI will continue to deliver profit growth from the current brand portfolio while remaining vigilant for brand acquisition opportunities both regionally and domestically.

The above outlook statements have not been reviewed or reported on by AVI's auditors.

Angus Band
Chairman

Simon Crutchley
CEO

7 March 2011

CONDENSED GROUP BALANCE SHEETS

	Unaudited at 31 December 2010 Rm	Unaudited at 31 December 2009 Rm	Audited at 30 June 2010 Rm
Assets			
Non-current assets			
Property, plant and equipment	**1 375,6**	1 307,9	1 340,4
Intangible assets and goodwill	**903,3**	923,4	923,4
Investments	**326,5**	302,2	304,1
Deferred taxation	**54,9**	49,6	60,0
	2 660,3	2 583,1	2 627,9
Current assets			
Inventories and biological assets	**865,9**	927,4	918,4
Trade and other receivables including derivatives	**1 261,4**	1 211,6	1 189,5
Cash and cash equivalents	**479,3**	686,8	589,3
Assets of discontinued operations classified as held-for-sale*	**227,5**	367,6	288,8
Other assets classified as held-for-sale**	**3,7**	4,0	4,4
	2 837,8	3 197,4	2 990,4
Total assets	**5 498,1**	5 780,5	5 618,3
Equity and liabilities			
Capital and reserves			
Attributable to equity holders of AVI	**2 980,6**	2 922,9	2 954,1
Non-controlling interests	**(21,8)**	(23,4)	(19,8)
Total equity	**2 958,8**	2 899,5	2 934,3
Non-current liabilities			
Financial liabilities, borrowings and operating lease straight-line liabilities	**61,1**	541,9	65,1
Employee benefits	**313,1**	327,1	292,8
Deferred taxation	**108,5**	115,4	113,6
	482,7	984,4	471,5
Current liabilities			
Current borrowings	**619,5**	636,6	848,1
Trade and other payables including derivatives	**1 239,9**	1 097,0	1 183,4
Corporate taxation	**76,8**	24,8	17,3
Liabilities of discontinued operations classified as held-for-sale*	**120,4**	138,2	163,7
	2 056,6	1 896,6	2 212,5
Total equity and liabilities	**5 498,1**	5 780,5	5 618,3

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

** *Other assets classified as held-for-sale comprise equipment and properties held for disposal.*

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December 2010 Rm	2009 Rm	% change	Audited year ended 30 June 2010 Rm
Continuing operations				
Revenue	**4 323,1**	4 048,0	7	7 630,9
Cost of sales	**2 386,8**	2 402,6	(1)	4 473,5
Gross profit	**1 936,3**	1 645,4	18	3 157,4
Selling and administrative expenses	**1 241,1**	1 110,7	12	2 216,4
Operating profit before capital items	**695,2**	534,7	30	941,0
Income from investments	**8,4**	5,5	53	16,2
Finance costs	**(36,6)**	(57,9)	(37)	(109,3)
Share of equity accounted earnings of joint ventures	**14,6**	21,0	(30)	40,0
Capital items	**(17,2)**	(0,3)	5 633	(7,2)
Profit before taxation	**664,4**	503,0	32	880,7
Taxation	**219,2**	167,9	31	287,2
Profit from continuing operations	**445,2**	335,1	33	593,5
Discontinued operations*				
Revenue	**227,2**	191,8	18	329,4
Operating loss before capital items	**(9,5)**	(8,9)	(7)	(50,6)
Finance costs	**(2,4)**	(2,8)	(14)	(3,6)
Capital items	**0,3**	(1,1)	(127)	(77,6)
Loss before taxation	**(11,6)**	(12,8)	9	(131,8)
Taxation	**(3,3)**	(5,3)	(38)	(10,0)
Loss from discontinued operations	**(8,3)**	(7,5)	(11)	(121,8)
Total operations				
Profit for the period	**436,9**	327,6	33	471,7
Profit attributable to:				
Owners of AVI	**438,9**	327,7	34	468,2
Non-controlling interests	**(2,0)**	(0,1)	1 900	3,5
	436,9	327,6	33	471,7
Other comprehensive income, net of tax	**(37,3)**	46,1	(181)	8,4
Foreign currency translation differences	**(26,4)**	2,9	(1 010)	(31,0)
Cash flow hedging reserve	**(15,1)**	60,0	(125)	54,7
Income tax on other comprehensive income	**4,2**	(16,8)	(125)	(15,3)
Total comprehensive income for the period	**399,6**	373,7	7	480,1
Total comprehensive income attributable to:				
Owners of AVI	**401,6**	373,8	7	476,6
Non-controlling interests	**(2,0)**	(0,1)	1 900	3,5
	399,6	373,7	7	480,1
Basic earnings per share from continuing operations (cents)#	**148,0**	112,2	32	197,0
Diluted basic earnings per share from continuing operations (cents)##	**143,6**	108,9	32	190,0
Basic earnings per share (cents)#	**145,3**	109,7	32	156,3
Diluted basic earnings per share (cents)##	**140,9**	106,5	32	150,8
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit from continuing operations	**102,1**	93,5	9	190,7

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

	Unaudited six months ended 31 December 2010 Rm	2009 Rm	% change	Audited year ended 30 June 2010 Rm
Headline earnings per share from continuing operations (cents)#	**152,3**	112,3	36	198,7
Diluted headline earnings per share from continuing operations (cents)##	**147,6**	109,0	35	191,7

 # Basic earnings and headline earnings per share is calculated on a weighted average of 302 013 133 (2009 : 298 739 809 and 30 June 2010 : 299 493 387) ordinary shares in issue.

Diluted basic earnings and headline earnings per share is calculated on a weighted average of 311 572 063 (2009 : 307 588 251 and 30 June 2010 : 310 453 132) ordinary shares in issue.

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December 2010 Rm	Unaudited six months ended 31 December 2009 Rm	% change	Audited year ended 30 June 2010 Rm
Continuing operations				
Operating activities				
Cash generated by operations before working capital changes	**803,9**	652,2	23	1 171,7
Increase in working capital	**(11,9)**	(31,7)	(62)	(5,8)
Cash generated by operations	**792,0**	620,5	28	1 165,9
Interest paid	**(35,7)**	(58,7)	(39)	(106,5)
Taxation paid	**(115,1)**	(123,7)	(7)	(260,7)
Net cash available from operating activities	**641,2**	438,1	46	798,7
Investing activities				
Cash flow from investments	**5,6**	6,0	(7)	16,0
Property, plant and equipment acquired	**(152,6)**	(199,1)	(23)	(337,3)
Proceeds from disposals of property, plant and equipment and businesses	**17,1**	8,0	114	11,5
Movement in joint ventures and other investments	**2,6**	4,4	(41)	18,8
Net cash used in investing activities	**(127,3)**	(180,7)	(30)	(291,0)
Financing activities				
Net increase in shareholder funding	**21,7**	15,3	42	47,0
Long-term borrowings – net repaid	**–**	(1,7)	100	(1,3)
Short-term funding (repaid)/raised	**(233,4)**	85,1	(374)	(169,2)
Capital repayment	**(226,6)**	–		–
Dividends paid	**(184,1)**	(155,4)	18	(272,4)
Net cash used in financing activities	**(622,4)**	(56,7)	998	(395,9)
Discontinued operations*				
Cash flows from operating activities	**13,4**	11,5	(17)	14,2
Cash flows from investing activities	**8,0**	(0,5)	(1 700)	5,7
Cash flows from financing activities	**(19,6)**	(32,6)	(40)	(38,1)
Cash flows from discontinued operations	**1,8**	(21,6)	(108)	(18,2)
Total operations				
(Decrease)/increase in cash and cash equivalents	**(106,7)**	179,1	(160)	93,6
Cash and cash equivalents at beginning of period	**598,0**	529,7	13	529,7
	491,3	708,8	(31)	623,3
Translation of cash equivalents of foreign subsidiaries at beginning of year	**(6,7)**	(3,8)	76	(25,3)
Cash and cash equivalents at end of period	**484,6**	705,0	(31)	598,0
Attributable to:				
Continuing operations**	**479,3**	686,8	(30)	589,3
Discontinued operations**	**5,3**	18,2	(71)	8,7

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

** *Cash flows between continuing and discontinued operations are eliminated on consolidation and therefore the movement on the closing cash balances does not reconcile to the individual cash flow movements reflected above.*

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital and premium Rm	Treasury shares Rm	Reserves Rm	Retained earnings Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Six months ended 31 December 2010							
Balance at 1 July 2010	183,9	(682,0)	70,5	3 381,7	**2 954,1**	(19,8)	**2 934,3**
Profit for the period				438,9	**438,9**	(2,0)	**436,9**
Other comprehensive income							
Foreign currency translation differences			(26,4)		**(26,4)**		**(26,4)**
Cash flow hedging reserve			(10,9)		**(10,9)**		**(10,9)**
Total other comprehensive income	–	–	(37,3)	–	**(37,3)**	–	**(37,3)**
Total comprehensive income for the period	–	–	(37,3)	438,9	**401,6**	(2,0)	**399,6**
Transactions with owners, recorded directly in equity							
Share-based payments			13,9		**13,9**		**13,9**
Dividends paid				(184,1)	**(184,1)**		**(184,1)**
Capital repayment	(261,8)	35,2			**(226,6)**		**(226,6)**
Issue of ordinary shares to AVI Share Trusts	107,8	(107,8)			**–**		**–**
Own ordinary shares sold by AVI Share Trusts (net)		32,0		(10,3)	**21,7**		**21,7**
Total transactions with owners	(154,0)	(40,6)	13,9	(194,4)	**(375,1)**	–	**(375,1)**
Balance at 31 December 2010	**29,9**	**(722,6)**	**47,1**	**3 626,2**	**2 980,6**	**(21,8)**	**2 958,8**
Six months ended 31 December 2009							
Balance at 1 July 2009	171,0	(710,5)	35,1	3 180,3	**2 675,9**	(23,3)	**2 652,6**
Profit for the period				327,7	**327,7**	(0,1)	**327,6**
Other comprehensive income							
Foreign currency translation differences			2,9		**2,9**		**2,9**
Cash flow hedging reserve			43,2		**43,2**		**43,2**
Total other comprehensive income	–	–	46,1	–	**46,1**	–	**46,1**
Total comprehensive income for the period	–	–	46,1	327,7	**373,8**	(0,1)	**373,7**
Transactions with owners, recorded directly in equity							
Share-based payments			13,3		**13,3**		**13,3**
Dividends paid				(155,4)	**(155,4)**		**(155,4)**
Own ordinary shares sold by AVI Share Trusts (net)		15,3			**15,3**		**15,3**
Total transactions with owners	–	15,3	13,3	(155,4)	**(126,8)**	–	**(126,8)**
Balance at 31 December 2009	**171,0**	**(695,2)**	**94,5**	**3 352,6**	**2 922,9**	**(23,4)**	**2 899,5**
Year ended 30 June 2010							
Balance at 1 July 2009	171,0	(710,5)	35,1	3 180,3	**2 675,9**	(23,3)	**2 652,6**
Profit for the year				468,2	**468,2**	3,5	**471,7**
Other comprehensive income							
Foreign currency translation differences			(31,0)		**(31,0)**		**(31,0)**
Cash flow hedging reserve			39,4		**39,4**		**39,4**
Total other comprehensive income	–	–	8,4	–	**8,4**	–	**8,4**
Total comprehensive income for the period	–	–	8,4	468,2	**476,6**	3,5	**480,1**
Transactions with owners, recorded directly in equity							
Share-based payments			27,0		**27,0**		**27,0**
Dividends paid				(272,4)	**(272,4)**		**(272,4)**
Issue of ordinary shares to AVI Share Trusts	12,9	(12,9)			**–**		**–**
Own ordinary shares sold by AVI Share Trusts (net)		41,4		5,6	**47,0**		**47,0**
Total transactions with owners	12,9	28,5	27,0	(266,8)	**(198,4)**	–	**(198,4)**
Balance at 30 June 2010	**183,9**	**(682,0)**	**70,5**	**3 381,7**	**2 954,1**	**(19,8)**	**2 934,3**

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2010

AVI Limited ("AVI" or the "Company") is a South African registered company. The condensed consolidated interim 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 International Financial Reporting Standards ("IFRS"), the presentation as well as the disclosure requirements of IAS 34 – Interim Financial Reporting, the AC 500 Standards as issued by the Accounting Practices Board, the Listings Requirements of the JSE Limited (the "JSE") and the requirements of the South African Companies Act. These condensed interim financial statements have 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 measured at fair value.

The accounting policies are those presented in the annual financial statements for the year ended 30 June 2010 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 2010 Rm	2009 Rm	% change	Audited year ended 30 June 2010 Rm
Profit for the year attributable to equity holders of AVI	**438,9**	327,7	34	468,2
Total capital items included in earnings	**(12,5)**	(0,9)		(81,6)
Net surplus/(loss) on disposal of investments, properties, vessels and plant and equipment	**0,6**	(0,7)		(0,6)
Net surplus/(loss) on disposal of assets of disposal groups held-for-sale	**0,3**	–		(1,1)
Net loss on disposal of subsidiaries	**(12,4)**	–		–
Impairment of plant, equipment and vessels	**(2,6)**	(0,7)		(6,6)
Impairment of investments	**(2,8)**	–		–
Impairment of disposal groups held-for-sale	**–**	–		(76,5)
Capital items attributable to non-controlling interests	**2,9**	–		–
Taxation attributable to capital items	**1,5**	0,5		3,2
Headline earnings	**451,4**	328,6	37	549,8
Attributable to:				
Continuing operations	**459,9**	335,4	37	595,0
Discontinued operations	**(8,5)**	(6,8)		(45,2)
	451,4	328,6	37	549,8

3. Determination of headline earnings continued

	Unaudited six months ended 31 December 2010 Rm	2009 Rm	% change	Audited year ended 30 June 2010 Rm
Headline earnings per ordinary share (cents)	**149,5**	110,0	36	183,6
Continuing operations (cents)	**152,3**	112,3	36	198,7
Discontinued operations (cents)	**(2,8)**	(2,3)		(15,1)
Diluted headline earnings per ordinary share (cents)	**144,9**	106,8	36	177,1
Continuing operations (cents)	**147,6**	109,0	35	191,7
Discontinued operations (cents)	**(2,7)**	(2,2)		(14,6)

4. Segmental results

	Unaudited six months ended 31 December 2010 Rm	2009 Rm	% change	Audited year ended 30 June 2010 Rm
Continuing operations				
Segmental revenue				
Food and beverage brands	**3 289,1**	3 161,5	4	6 040,5
Entyce	**1 246,4**	1 179,5	6	2 217,9
Snackworks	**1 185,6**	1 135,2	4	2 080,9
Chilled and frozen convenience brands	**857,1**	846,8	1	1 741,7
Fashion brands	**1 030,7**	882,9	17	1 583,7
Personal care	**470,3**	418,9	12	802,8
Footwear and apparel	**560,4**	464,0	21	780,9
Corporate	**3,3**	3,6		6,7
Group	**4 323,1**	4 048,0	7	7 630,9
Segmental operating profit before capital items				
Food and beverage brands	**463,3**	370,7	25	695,4
Entyce	**258,8**	166,7	55	342,4
Snackworks	**180,5**	121,3	49	232,8
Chilled and frozen convenience brands	**24,0**	82,7	(71)	120,2
Fashion brands	**237,4**	167,8	41	255,4
Personal care	**67,3**	56,6	19	104,7
Footwear and apparel	**170,1**	111,2	53	150,7
Corporate	**(5,5)**	(3,8)		(9,8)
Group	**695,2**	534,7	30	941,0

5. Investment activity

Effective 10 November 2010 the Group and the management of Sir Juice entered into a sale of business agreement whereby the Group's entire interest in Sir Juice was disposed of for a consideration of R12,7 million. The value of the net assets disposed at the effective date amounted to R25,0 million and consequently a capital loss of R12,3 million was incurred, before attributing the non-controlling interests share of R2,9 million.

Other than the above transaction there were no significant changes to investments during the period.

6. Commitments

	Unaudited six months ended 31 December		Audited year ended 30 June
	2010 Rm	2009 Rm	2010 Rm
Capital expenditure commitments for property, plant and equipment	**271,5**	80,8	247,8
Contracted for	**168,8**	49,2	93,9
Authorised but not contracted for	**102,7**	31,6	153,9

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

7. Post-balance sheet events

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

8. Dividend declaration

Notice is hereby given that an interim ordinary dividend no 73 of 50 cents per share for the six months ended 31 December 2010 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, 25 March 2011
First trading day ex dividend on the JSE	Monday, 28 March 2011
Record date	Friday, 1 April 2011
Payment date	Monday, 4 April 2011

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Monday, 28 March 2011 and Friday, 1 April 2011, 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, 4 April 2011.

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

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 Ciro Beverage Solutions)

30 Sloane Street, Bryanston 2021

PO Box 5159, Rivonia 2128

Telefax: +27 (0)11 707 7799

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

Geoff Whyte (Snackworks)
Telephone: +27 (0)11 707 7200

Robert Katzen (Ciro Beverage Solutions)
Telephone: +27 (0)11 807 3915

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

2 Harries Road, Illovo 2196

PO Box 1897, Saxonwold 2132

Managing director
Donnee MacDougall
Telephone: +27 (0)11 707 7100
Telefax: +27 (0)11 707 7808

Chilled and frozen convenience brands

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

1 Davidson Street, Woodstock
Cape Town 8001

PO Box 1628, Cape Town 8000

Managing director
Ronald Fasol
Telephone: +27 (0)21 402 9200
Telefax: +27 (0)21 402 9282

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

29 Eaton Avenue, Bryanston 2021

PO Box 787166, Sandton City 2146

Managing director
Roger Coppin
Telephone: +27 (0)11 707 7500
Telefax: +27 (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, 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] *(resigned 3 December 2010)*

James Hersov

Kim Macilwaine[4]

Adriaan Nühn[3]

Gavin Tipper[1, 2]

Mike Bosman[1]

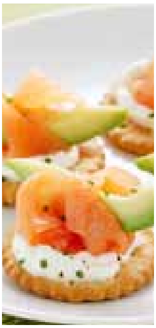
Andisiwe Kawa[2]

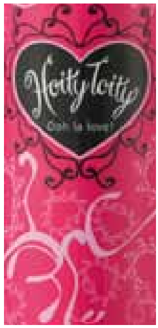
Abe Thebyane *(appointed 3 December 2010)*

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

BASTION GRAPHICS





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