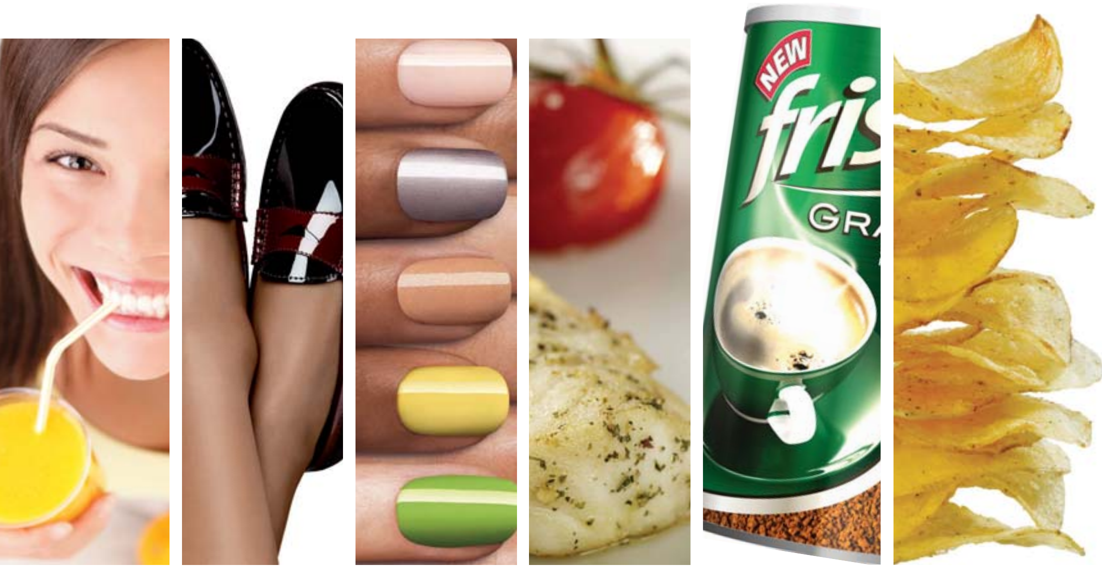


SENS DOCUMENT

Interim Results

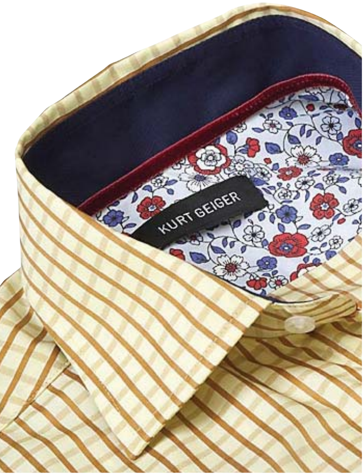
for the six months ended 31 December 2011

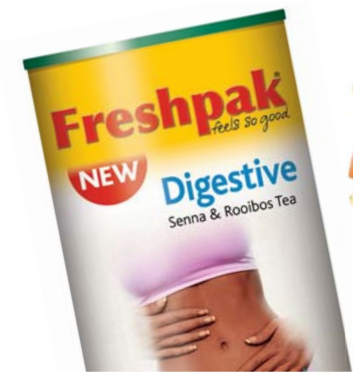
AVI

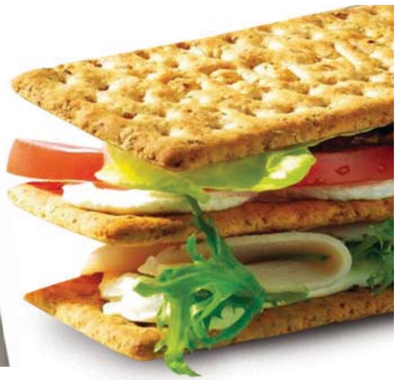
GROWING GREAT BRANDS

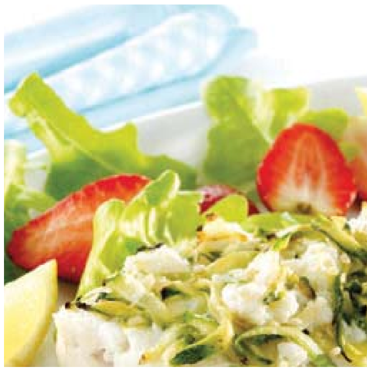
AVI

GROWING GREAT BRANDS





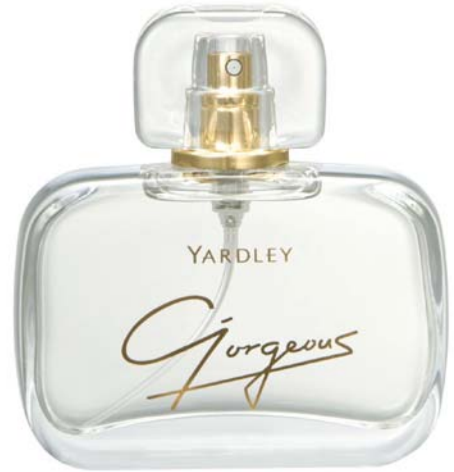


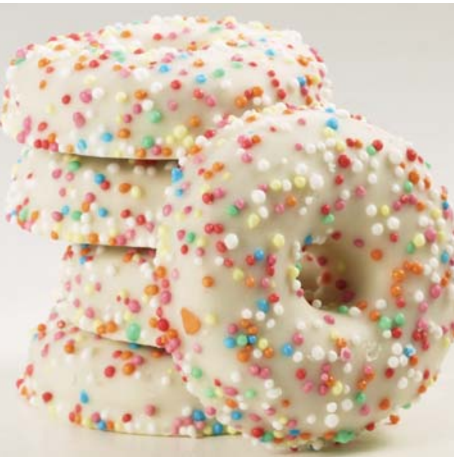


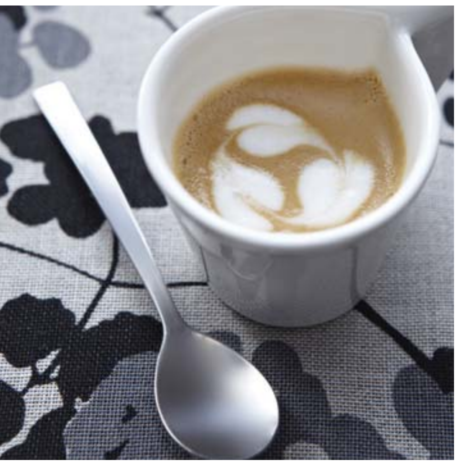
AVI LIMITED

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







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 OVERVIEW

AVI has delivered strong results for a semester characterised by constrained consumer demand, strong competition and high capital project activity within the group.

I&J benefited materially from the weaker rand during the half, supported by good performance from its catching and processing operations. The Fashion Brands businesses, Spitz and Indigo, achieved solid volume growth and also realised strong gross profit margins supported by favourable mix changes and import exchange rates that were secured before the rand weakened during the semester. Snackworks achieved a satisfactory improvement in results underpinned by stable and improving manufacturing performance and regained volume momentum in the biscuits category by re-aligning price points with consumer expectations. Entyce had a difficult semester with high raw material prices leading to margin pressure in coffee, creamer and rooibos tea which was exacerbated by poor creamer service levels in the second quarter. Coffee and Creamer revenue was slightly below last year, despite higher prices, due to lower sales volumes in the absence of the competitor supply problems that occurred in the first half of last year.

Revenue from continuing operations rose by 8,6%, from R4,14 billion to R4,49 billion due to selling price increases in most categories, stronger export revenue in I&J due to the weaker rand and volume growth in Spitz, Indigo and Tea. Gross profit rose by 10,7% to R2,08 billion with the consolidated gross profit margin increasing from 45,4% to 46,3% due to strong improvements at I&J, Spitz and Indigo. Entyce and Snackworks experienced some gross margin pressure in the semester resulting from increases in raw and wrapping material costs that were not fully recovered by price increases given the constrained consumer environment and competitive pressures. Operating profit increased by 26,8%, from R674,2 million to R855,0 million due to the higher gross profit margins and a constrained increase in selling and administration costs, which rose by 1,7% compared to the first half of last year due mainly to I&J recording material foreign exchange gains compared to losses in the first half of last year.

Headline earnings rose by 29,1%, from R446,5 million to R576,3 million due to the higher operating profit, lower net finance costs and higher earnings from I&J's joint venture with Simplot in Australia, which benefited from the strong Australian currency. Headline earnings per share from continuing operations increased 31,5% from 147,8 cents to 194,4 cents with less shares in issue following the re-purchase of 9,0 million shares in June 2011.

Cash generated by operations remained strong, increasing by 1,7% to R765,7 million after working capital changes. Working capital increased by R152,7 million compared to R22,3 million in the first half of last year reflecting relative timing differences on purchases and creditor payments close to the end of the period as well as higher stock levels in parts of the group. Capital expenditure increased to R290,9 million with material expenditure on major projects to improve capacity, technology and efficiency. Other material cash out-flows during the period were dividends of R221,5 million and taxation of R205,8 million. Net cash at the end of December 2011 was R50,6 million compared to net debt of R246,2 million at the end of June 2011.

On the project front, Indigo's new aerosol plant, the packaging automation at Isando biscuits and Entyce's new creamer tower and coffee granulation plant were all successfully commissioned during the semester with benefits expected to accrue more materially during the second half of the financial year as performance is optimised at normal production levels. In addition the expansion of the Isando distribution centre was successfully completed and the SAP implementation at Entyce and Snackworks has progressed well with minimal disruption to sales volumes.

The board has approved a change in AVI's annual dividend payout ratio from 2,0 to 1,5 times covered by diluted headline earnings from continuing operations. An interim dividend in line with this new policy will be considered by the board in April 2012 and will be subject to the new dividend withholding tax.

The AVI Black Staff Empowerment Share Scheme reached its first normal vesting date on 31 December 2011. AVI's strong share price performance since these shares were allocated in January 2007 has resulted in a total gain of R68 million accruing to 2 509 black employees at all levels across the group.

SEGMENTAL REVIEW – CONTINUING OPERATIONS

Six months ended 31 December

	Segmental revenue			Segmental operating profit		
		Restated*			Restated*	
	2011 Rm	2010 Rm	% change	**2011 Rm**	2010 Rm	% change
Food and beverage brands	**3 341,1**	3 101,5	7,7	**549,9**	442,3	24,3
Entyce	**1 301,7**	1 246,4	4,4	**245,9**	258,8	(5,0)
Snackworks	**1 290,3**	1 185,6	8,8	**203,2**	180,5	12,6
Chilled and frozen convenience brands	**749,1**	669,5	11,9	**100,8**	3,0	3 260,0
Fashion brands	**1 148,5**	1 030,7	11,4	**316,9**	237,4	33,5
Personal care	**487,5**	470,3	3,7	**85,9**	67,3	27,6
Footwear and apparel	**661,0**	560,4	18,0	**231,0**	170,1	35,8
Corporate	**3,2**	3,3		**(11,8)**	(5,5)	
Group	**4 492,8**	4 135,5	8,6	**855,0**	674,2	26,8

** = restated to exclude Denny Mushrooms now shown as a discontinued operation.*

Entyce

Revenue increased 4,4% to R1,30 billion while operating profit decreased by 5,0% from R258,8 million to R245,9 million with the operating profit margin at 18,9% compared to 20,8% in the prior period.

Growth in revenue came primarily from higher selling prices on tea, coffee and creamer in response to increased raw and wrapping material costs. Tea volumes were 8,4% higher than last year due to effective promotional activity and tactical pricing, however coffee and creamer sales volumes declined without the additional demand that arose from competitor supply problems in the first half of last year. Creamer volumes were also impacted by low service levels caused by production problems in the last few months of the period.

Gross profit margins decreased with higher raw and wrapping material costs not fully recovered given the constrained consumer environment and competitive pressures, and also due to the lower coffee and creamer sales volumes. However selling and administration costs were well controlled which ameliorated the decrease in operating profit. Profit margins in absolute terms remain at strong levels and Entyce is expecting to benefit from improved volumes in the second half of the year following the commissioning of the new creamer tower and coffee agglomeration plant in its Isando factory.

Snackworks

Revenue of R1,29 billion was 8,8% higher than last year while operating profit rose by 12,6%, from R180,5 million to R203,2 million. The operating profit margin increased from 15,2% to 15,7%.

The increase in revenue is largely attributable to higher selling prices, supported by a 1,4% growth in biscuits sales volumes. Biscuit selling prices were higher following the increases implemented in the previous financial year, despite the re-alignment of price points for key products with consumer expectations. Factory performance improved during the period with greater stability, better product yields and consistency and more effective management of labour costs all contributing to the overall Snackworks result. A shortage of liquid petroleum gas in October and November disrupted output from the Westmead factory, resulting in the loss of approximately 550 tons of production and R8 million of operating profit in the period.

The Snacks business benefited from better price points in the category as well as tight control of selling and administrative costs, resulting in a slight improvement in operating profit despite lower volumes attributable to temporary delistings during price negotiations with customers.

The packaging automation project at Isando biscuits was successfully commissioned and will now be extended to cover all major lines in the factory. New projects amounting to R65,1 million that will improve capacity, yields and efficiency in the Westmead factory were approved during the semester.

Chilled and Frozen Convenience Brands (I&J excluding Alpesca)

Revenue increased by 11,9% from R669,5 million to R749,1 million while operating profit rose from R3,0 million to R100,8 million. The operating profit margin increased from 0,5% to 13,5%.

The weaker rand caused a material increase in export revenue compared to the first half of last year. While export volumes increased with the benefit of increased quota, prices remained under pressure with reduced demand from customers and increased supply from other fish resources. Domestic market volumes were slightly higher than last year when I&J's centenary promotions drove retail volumes. While retail prices improved during the semester a higher proportion of out-of-home sales resulted in a lower average selling price.

Catch rates for the six months remained high which together with improved fishing and factory performance, tight cost control and the benefit of foreign exchange gains, compared to losses last year, yielded a material improvement in operating profit.

The hake Total Allowable Catch for the year ending 31 December 2012 was increased by 9,8%, with I&J's quota increasing proportionally.

Fashion Brands (personal care, footwear and apparel)

Revenue rose by 11,4% to R1,15 billion and operating profit increased by 33,5%, from R237,4 million to R316,9 million with the operating profit margin increasing from 23,0% to 27,6%.

In the personal care category, Indigo's revenue grew by 3,7% to R487,5 million while operating profit increased 27,6% to R85,9 million. The operating profit margin for the period improved from 14,3% to 17,6%. Revenue growth is largely attributable to higher sales volumes with Indigo maintaining its strong position in aerosols and achieving good growth in Yardley colour cosmetics. Profit margin benefited from lower input costs due to the stronger rand, higher volumes and tightly controlled selling and administrative costs.

In the footwear and apparel category, Spitz's revenue increased by 18,0%, and operating profit increased by 35,8% from R170,1 million to R231,0 million. The operating profit margin increased from 30,3% to 34,9%. The improvement is largely attributable to strong sales volume growth and higher gross profit margins in Spitz resulting from higher selling prices on core ranges, an improved sales mix and the stronger rand. Footwear sales volumes in Spitz increased by 10,3% with the core Carvela, Lacoste, and Kurt Geiger brands performing well. The expansion of the mono branded Kurt Geiger men's clothing stores has progressed well and these stores are already making a contribution to Spitz's overall result. 7 new stores were opened during the six months, bringing the total to 22 stores out of the total of 25 stores planned by the end of the 2012 financial year.

DISCONTINUED OPERATIONS (ALPESCA AND DENNY)

Six months ended 31 December

	Segmental revenue		Segmental operating profit		Capital items	
	2011 Rm	Restated* 2010 Rm	**2011 Rm**	Restated* 2010 Rm	**2011 Rm**	Restated* 2010 Rm
Alpesca	**–**	227,2	**–**	(9,5)	**–**	0,3
Denny	**–**	187,6	**–**	21,0	**27,3**	–
	–	414,8	**–**	11,5	**27,3**	0,3

** = restated to include Denny Mushrooms now shown as a discontinued operation.*

I&J concluded the sale of Alpesca in May 2011.

Denny was sold with effect from 1 July 2011 resulting in a capital profit of R27,3 million before capital gains taxation of R10,3 million. The comparative numbers for the six months ended 31 December 2010 have been restated to reflect Denny as a discontinued operation.

DIVIDENDS

The board has reviewed AVI's dividend policy given the group's strong cash generating capability which has been enhanced by the growth of the footwear business over the last few years. It has resolved to change the annual dividend pay-out ratio from 2,0 to 1,5 times covered by diluted headline earnings from continuing operations. After the increase in dividends the group will retain ample capacity to fund acquisitions that may arise. The board remains committed to returning excess cash generated to shareholders and AVI will continue with its practice of periodically paying additional dividends or buying back shares where appropriate.

An interim dividend in line with this new policy will be considered by the board in April 2012 and will be subject to the new dividend withholding tax. The change in dividend cover will also compensate shareholders for any dividend withholding tax that they may be liable for after 1 April 2012.

OUTLOOK

AVI believes that consumer demand will remain restrained in the second half of the financial year. However the group has good levels of forward exchange cover in place to limit the cost of imports and some commodity costs have started to soften, both of which will allow more leeway to manage the balance between price, volume and profitability with the flexibility that constrained trading environments require.

The projects commissioned in the last year have improved our ability to compete in terms of capacity, quality and cost efficiency and further projects are in progress. In addition we continue to work on various initiatives that should deliver organic growth over time. These include local and regional market opportunities, factory improvements and on-going development of shared and support services.

At current exchange rates, I&J's performance in the second half is likely to be reasonably in line with the second half of last year and consequently it is unlikely that the rate of earnings growth in the second half of the financial year will be as high as in the first half.

The board is confident that AVI is well positioned to continue pursuing growth from the current brand portfolio while remaining vigilant for brand acquisition opportunities both domestically and regionally.

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

Angus Band
Chairman

Simon Crutchley
CEO

12 March 2012

CONDENSED GROUP BALANCE SHEETS

	Unaudited at 31 December 2011 Rm	Unaudited at 31 December 2010 Rm	Audited at 30 June 2011 Rm
Assets			
Non-current assets			
Property, plant and equipment	**1 640,8**	1 375,6	1 459,5
Intangible assets and goodwill	**757,3**	903,3	759,4
Investments	**325,2**	326,5	310,0
Deferred taxation	**44,7**	54,9	66,1
	2 768,0	2 660,3	2 595,0
Current assets			
Inventories and biological assets	**917,5**	865,9	943,1
Trade and other receivables including derivatives	**1 288,1**	1 261,4	1 116,9
Cash and cash equivalents	**293,5**	479,3	380,1
Assets of discontinued operations classified as held-for-sale*	**–**	227,5	344,3
Other assets classified as held-for-sale**	**3,2**	3,7	3,8
	2 502,3	2 837,8	2 788,2
Total assets	**5 270,3**	5 498,1	5 383,2
Equity and liabilities			
Capital and reserves			
Attributable to equity holders of AVI	**3 408,0**	2 980,6	2 918,9
Non-controlling interests	**(19,6)**	(21,8)	(19,8)
Total equity	**3 388,4**	2 958,8	2 899,1
Non-current liabilities			
Financial liabilities, borrowings and operating lease straight-line liabilities	**51,4**	61,1	55,8
Employee benefits	**297,3**	313,1	286,7
Deferred taxation	**102,2**	108,5	76,2
	450,9	482,7	418,7
Current liabilities			
Current borrowings	**203,7**	619,5	583,0
Trade and other payables including derivatives	**1 171,8**	1 239,9	1 279,1
Share buy-back liability	**–**	–	100,7
Corporate taxation	**55,5**	76,8	16,6
Liabilities of discontinued operations classified as held-for-sale*	**–**	120,4	86,0
	1 431,0	2 056,6	2 065,4
Total equity and liabilities	**5 270,3**	5 498,1	5 383,2

* *Discontinued operations at 31 December 2010 comprise the Argentinian hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, that was sold in May 2011. At 30 June 2011, discontinued operations comprise the fresh, canned and value-added mushroom business conducted by Denny, which was disposed of with effect from 1 July 2011.*

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

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December 2011 Rm	Restated 2010 Rm	% change	Audited year ended 30 June 2011 Rm
Continuing operations				
Revenue	**4 492,8**	4 135,5	9	7 686,3
Cost of sales	**2 412,6**	2 256,9	7	4 234,1
Gross profit	**2 080,2**	1 878,6	11	3 452,2
Selling and administrative expenses	**1 225,2**	1 204,4	2	2 329,3
Operating profit before capital items	**855,0**	674,2	27	1 122,9
Income from investments	**2,9**	6,2	(53)	12,9
Finance costs	**(16,5)**	(32,2)	(49)	(52,7)
Share of equity-accounted earnings of joint ventures	**25,3**	14,6	73	36,1
Capital items	**1,7**	(17,2)	(110)	(21,2)
Profit before taxation	**868,4**	645,6	35	1 098,0
Taxation	**290,0**	213,8	36	363,0
Profit from continuing operations	**578,4**	431,8	34	735,0
Discontinued operations*				
Revenue	**–**	414,8	(100)	683,6
Operating profit before capital items	**–**	11,5	(100)	12,5
Income from investments	**–**	2,2	(100)	4,3
Finance costs	**–**	(6,8)	(100)	(10,6)
Capital items	**27,3**	0,3	9 000	(54,0)
Profit/(loss) before taxation	**27,3**	7,2	(279)	(47,8)
Taxation	**10,3**	2,1	390	(10,6)
Profit/(loss) from discontinued operations	**17,0**	5,1	(233)	(37,2)
Total operations				
Profit for the period	**595,4**	436,9	36	697,8
Profit attributable to:				
Owners of AVI	**595,2**	438,9	36	697,8
Non-controlling interests	**0,2**	(2,0)	(110)	–
	595,4	436,9	36	697,8
Other comprehensive income, net of tax	**81,6**	(37,3)	(319)	25,1
Foreign currency translation differences	**54,0**	(26,4)	(305)	15,9
Cash flow hedging reserve	**38,3**	(15,1)	(354)	12,8
Income tax on other comprehensive income	**(10,7)**	4,2	(355)	(3,6)
Total comprehensive income for the period	**677,0**	399,6	69	722,9
Total comprehensive income attributable to:				
Owners of AVI	**676,8**	401,6	69	722,9
Non-controlling interests	**0,2**	(2,0)	(110)	–
	677,0	399,6	69	722,9
Basic earnings per share from continuing operations (cents)#	**195,1**	143,5	36	242,9
Diluted basic earnings per share from continuing operations (cents)##	**187,8**	139,3	35	234,8
Basic earnings per share (cents)#	**200,8**	145,3	38	230,6
Diluted basic earnings per share (cents)##	**193,2**	140,9	37	222,8
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit from continuing operations	**106,8**	96,5	11	195,6

** Discontinued operations comprise the Argentinian hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, that was sold in May 2011, as well as the fresh, canned and value-added mushroom business conducted by Denny, which was disposed of with effect from 1 July 2011.*

Headline earnings per share from continuing operations (cents)#	**194,4**	147,8	32	248,2
Diluted headline earnings per share from continuing operations (cents)##	**187,0**	143,3	30	239,7

 # Basic earnings and headline earnings per share is calculated on a weighted average of 296 405 261 (2010: 302 013 133 and 30 June 2011: 302 547 792) ordinary shares in issue

Diluted basic earnings and headline earnings per share is calculated on a weighted average of 308 126 447 (2010: 311 572 063 and 30 June 2011: 313 191 990) ordinary shares in issue.

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December 2011 Rm	Restated 2010 Rm	% change	Audited year ended 30 June 2011 Rm
Continuing operations				
Operating activities				
Cash generated by operations before working capital changes	**918,4**	774,9	19	1 372,1
(Increase)/decrease in working capital	**(152,7)**	(22,3)	585	21,5
Cash generated by operations	**765,7**	752,6	2	1 393,6
Interest paid	**(15,7)**	(31,3)	(50)	(50,9)
Taxation paid	**(205,8)**	(113,8)	81	(330,1)
Net cash available from operating activities	**544,2**	607,5	(10)	1 012,6
Investing activities				
Cash flow from investments	**2,9**	4,6	(37)	15,0
Property, plant and equipment acquired	**(290,9)**	(149,4)	95	(412,7)
Proceeds from disposals of property, plant and equipment	**5,2**	17,1	(70)	19,3
Movement in joint ventures and other investments	**45,0**	2,6	1 631	53,8
Net cash used in investing activities	**(237,8)**	(125,1)	90	(324,6)
Financing activities				
Net increase in shareholder funding	**18,6**	21,7	(14)	38,4
Short-term funding repaid	**(384,1)**	(211,8)	81	(218,3)
Own ordinary shares purchased by Company	**(100,7)**	–		(169,2)
Capital repayment	**–**	(226,6)	(100)	(226,6)
Dividends paid	**(221,5)**	(184,1)	20	(335,6)
Net cash used in financing activities	**(687,7)**	(600,8)	14	(911,3)
Discontinued operations*				
Cash flows from operating activities	**–**	47,1	100	21,6
Cash flows from investing activities	**–**	5,8	100	8,7
Cash flows from financing activities	**–**	(41,2)	(100)	(73,8)
Proceeds on disposal of discontinued operation	**261,9**	–		69,6
Cash flows from discontinued operations	**261,9**	11,7	2 138	26,1
Total operations				
Decrease in cash and cash equivalents	**(119,4)**	(106,7)	12	(197,2)
Cash and cash equivalents at beginning of period	**404,1**	598,0	(32)	598,0
	284,7	491,3		400,8
Translation of cash equivalents of foreign subsidiaries at beginning of year	**8,8**	(6,7)	(231)	3,3
Cash and cash equivalents at end of period	**293,5**	484,6		404,1
Attributable to:				
Continuing operations**	**293,5**	479,3	(39)	380,1
Discontinued operations***	**–**	5,3	(100)	24,0

* *Discontinued operations comprise the Argentinian hake and shrimp operations conducted by Alpesca, a wholly owned subsidiary of I&J, that was sold in May 2011, as well as the fresh, canned and value-added mushroom business conducted by Denny, which was disposed of with effect from 1 July 2011.*

** *Cash and cash equivalents of R479,3 million at 31 December 2010 include R41,0 million in respect of Denny which has been reflected as part of the discontinued operation in the statements of comprehensive income and cash flows for the six months ended 31 December 2010.*

*** *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 2011							
Balance at 1 July 2011	29,5	(707,8)	131,2	3 466,0	**2 918,9**	(19,8)	**2 899,1**
Profit for the period				595,2	**595,2**	0,2	**595,4**
Other comprehensive income							
Foreign currency translation differences			54,0		**54,0**		**54,0**
Cash flow hedging reserve			27,6		**27,6**		**27,6**
Total other comprehensive income	–	–	81,6	–	**81,6**	–	**81,6**
Total comprehensive income for the period	–	–	81,6	595,2	**676,8**	0,2	**677,0**
Transactions with owners, recorded directly in equity							
Share-based payments			8,7		**8,7**		**8,7**
Deferred taxation on Group share scheme recharge			6,5		**6,5**		**6,5**
Dividends paid				(221,5)	**(221,5)**		**(221,5)**
Own ordinary shares sold by AVI Share Trusts (net)		16,7		1,9	**18,6**		**18,6**
Total transactions with owners	–	16,7	15,2	(219,6)	**(187,7)**	–	**(187,7)**
Balance at 31 December 2011	**29,5**	**(691,1)**	**228,0**	**3 841,6**	**3 408,0**	**(19,6)**	**3 388,4**
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**
Year ended 30 June 2011							
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 year				697,8	**697,8**	–	**697,8**
Other comprehensive income							
Foreign currency translation differences			15,9		**15,9**		**15,9**
Cash flow hedging reserve			9,2		**9,2**		**9,2**
Total other comprehensive income	–	–	25,1	–	**25,1**	–	**25,1**
Total comprehensive income for the period	–	–	25,1	697,8	**722,9**	–	**722,9**
Transactions with owners, recorded directly in equity							
Share-based payments			25,7		**25,7**		**25,7**
Deferred taxation on Group share scheme recharge			9,9		**9,9**		**9,9**
Dividends paid				(335,6)	**(335,6)**		**(335,6)**
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 purchased by Company	(0,4)			(269,5)	**(269,9)**		**(269,9)**
Own ordinary shares sold by AVI Share Trusts		46,8		(8,4)	**38,4**		**38,4**
Total transactions with owners	(154,4)	(25,8)	35,6	(613,5)	**(758,1)**	–	**(758,1)**
Balance at 30 June 2011	**29,5**	**(707,8)**	**131,2**	**3 466,0**	**2 918,9**	**(19,8)**	**2 899,1**

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2011

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 IAS34 – *Interim Financial Reporting*, the AC 500 Standards as issued by the Accounting Practices Board, the Listing Requirements of the JSE Limited (the "JSE") and the requirements of the Companies Act of South Africa, 2008 (as amended). 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 Rands ("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 2011 and have been applied consistently to the periods presented in these condensed consolidated interim financial statements by all Group entities. These condensed financial statements have been prepared under the supervision of Owen Cressey CA(SA) in his capacity as Chief financial officer.

3. Determination of headline earnings

	Unaudited six months ended 31 December			Audited year ended 30 June
	2011 Rm	Restated 2010 Rm	% change	2011 Rm
Profit for the year attributable to equity holders of AVI	**595,2**	438,9	36	697,8
Total capital items included in earnings	**18,9**	(12,5)		(56,8)
Net surplus/(loss) on disposal of investments, properties, vessels and plant and equipment	**0,5**	0,6		(1,0)
Net surplus/(loss) on disposal of assets of disposal groups held-for-sale	**–**	0,3		(0,2)
Net profit on disposal of Denny	**27,3**	–		–
Net loss on disposal of Sir Juice	**–**	(12,4)		(12,4)
Net loss on disposal of Alpesca	**–**	–		(53,9)
Impairment of vessels and plant and equipment, investments, intangible assets and assets classified as held-for-sale	**–**	(5,4)		(7,7)
Other	**1,2**	–		–
Capital items attributable to non-controlling interests	**–**	2,9		3,2
Taxation attributable to capital items	**(10,1)**	1,5		15,2
Headline earnings	**576,3**	451,4	28	754,6
Attributable to:				
Continuing operations	**576,3**	446,5	29	750,8
Discontinued operations	**–**	4,9		3,8
	576,3	451,4	28	754,6

3. Determination of headline earnings continued

	Unaudited six months ended 31 December 2011 Rm	Restated 2010 Rm	% change	Audited year ended 30 June 2011 Rm
Headline earnings per ordinary share (cents)	**194,4**	149,5	30	249,4
Continuing operations (cents)	**194,4**	147,8	32	248,2
Discontinued operations (cents)	**–**	1,7		1,2
Diluted headline earnings per ordinary share (cents)	**187,0**	144,9	29	240,9
Continuing operations (cents)	**187,0**	143,3	30	239,7
Discontinued operations (cents)	**–**	1,6		1,2

4. Segmental results

	Unaudited six months ended 31 December 2011 Rm	Restated 2010 Rm	% change	Audited year ended 30 June 2011 Rm
Continuing operations				
Segmental revenue				
Food and beverage brands	**3 341,1**	3 101,5	8	5 837,8
Entyce	**1 301,7**	1 246,4	4	2 308,8
Snackworks	**1 290,3**	1 185,6	9	2 159,7
Chilled and frozen convenience brands	**749,1**	669,5	12	1 369,3
Fashion brands	**1 148,5**	1 030,7	11	1 842,6
Personal care	**487,5**	470,3	4	890,3
Footwear and apparel	**661,0**	560,4	18	952,3
Corporate	**3,2**	3,3		5,9
Group	**4 492,8**	4 135,5	9	7 686,3
Segmental operating profit before capital items				
Food and beverage brands	**549,9**	442,3	24	763,3
Entyce	**245,9**	**258,8**	(5)	410,9
Snackworks	**203,2**	**180,5**	13	261,8
Chilled and frozen convenience brands	**100,8**	**3,0**	3 260	90,6
Fashion brands	**316,9**	237,4	33	368,8
Personal care	**85,9**	67,3	28	132,7
Footwear and apparel	**231,0**	170,1	36	236,1
Corporate	**(11,8)**	(5,5)		(9,2)
Group	**855,0**	674,2	27	1 122,9

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

4. Segmental results continued

	Unaudited six months ended 31 December			Audited year ended 30 June
	2011 Rm	Restated 2010 Rm	% change	2011 Rm
Alpesca	–	227,2	(100)	298,4
Denny	–	187,6	(100)	385,2
	–	414,8	(100)	683,6
Segmental operating profit before capital items				
Alpesca	–	(9,5)	(100)	(37,5)
Denny	–	21,0	(100)	50,0
	–	11,5	(100)	12,5

The fresh, canned and value-added mushroom business conducted by Denny was sold with effect from 1 July 2011. As a result, Denny was disclosed as a discontinued operation in AVI's results for the year ended 30 June 2011, and comparatives for the six months ended 31 December 2010 in the statements of comprehensive income and cash flows have been restated accordingly.

5. Investment activity

Effective 1 July 2011, the Group entered into an agreement in terms of which it sold 100% of the issued share capital of and AVI's shareholder claims against Denny to Blue Falcon 134 Trading (Pty) Limited ("Blue Falcon") for a consideration of R261,9 million (after adjustments and interest). Blue Falcon's shareholders include RMB Ventures Six (Pty) Limited, an indirect subsidiary of FirstRand Limited, which holds a 49,9% interest therein, and Denny's executive management team. The value of the net assets disposed at the effective date amounted to R234,6 million and consequently a capital profit of R27,3 million was earned, before attributing capital gains taxation of R10,3 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
	2011 Rm	Restated 2010 Rm	2011 Rm
Capital expenditure commitments for property, plant and equipment	**287,5**	270,6	372,8
Contracted for	**214,9**	168,4	182,6
Authorised but not contracted for	**72,6**	102,2	190,2

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.

ADMINISTRATION AND PRINCIPAL SUBSIDIARIES

Administration

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

Company secretary
Sureya Naidoo

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
The Standard Bank of South Africa Limited

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

Gaynor Poretti (Snackworks)
Telephone: +27 (0)11 707 7200

Paul Hanlon (Ciro Beverage Solutions)
Telephone: +27 (0)11 287 6700

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

Fashion brands

Indigo Brands (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)

Independent non-executive

Angus Band[2]
(Chairman)

James Hersov

Kim Macilwaine[5]

Adriaan Nühn[4]

Gavin Tipper[1, 2]

Mike Bosman[1]

Andisiwe Kawa[2]

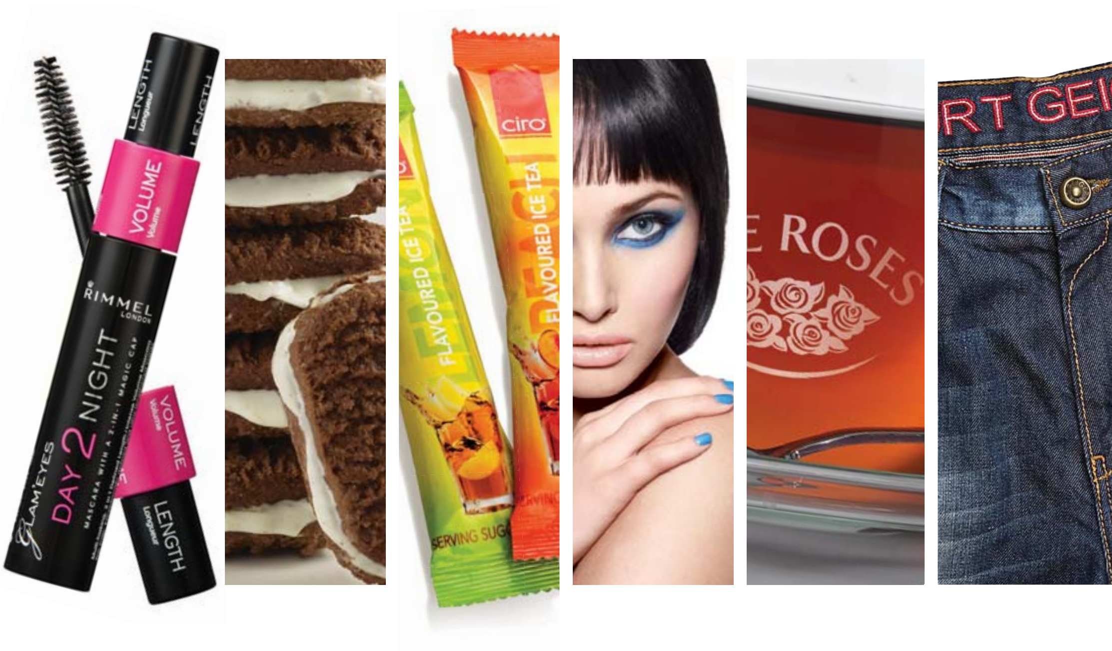
Abe Thebyane

Neo Dongwana[1,3]

Barry Smith[3]

[1] *Member of the Audit and Risk Committee*
[2] *Member of the Remuneration, Nomination and Appointments Committee*
[3] *Member of the Social and Ethics Committee*
[4] *Dutch*
[5] *British*

BASTION GRAPHICS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