AVI

GROWING GREAT BRANDS

SENS DOCUMENT UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

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

AVI

KEY FEATURES

Sound performance in a challenging environment

Revenue up 11,6% to R7,13 billion

Operating profit up 8,1% to R1,41 billion

Gross margin pressure from weaker Rand and rising raw material prices

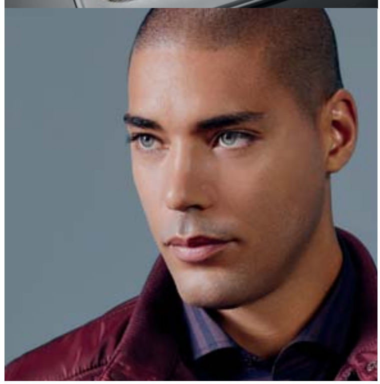
Cash from operations up 11,5% to R1,67 billion

Capital expenditure of R284,0 million on efficiency, capacity and retail stores

Return on capital employed of 27,0% for 12 months to December

Headline earnings per share up 7,6% to 302,9 cents

Interim dividend up 8,0% to 162 cents per share



GROUP OVERVIEW

Group revenue for the first semester of the financial year increased by 11,6%, from R6,39 billion to R7,13 billion. This growth reflects a combination of price increases in response to a weaker Rand exchange rate and higher raw material costs, and volume growth in most of our grocery categories. Gross profit rose by 8,0% to R3,12 billion with the consolidated gross profit margin dropping from 45,3% to 43,8% as some categories have yet to fully recover the input cost pressures resulting from the weaker Rand exchange rate. Operating profit increased by 8,1%, from R1,30 billion to R1,41 billion underpinned by the improvement in gross profit and the containment of selling and administrative expenses. The operating profit margin decreased from 20,4% to 19,7% in line with the pressure on gross profit margins in some categories.

Entyce and Snackworks both performed soundly with good growth in operating profit for the semester notwithstanding that selling prices have yet to fully recover rising input costs. The overall performance by AVI's Fashion Brands was satisfactory in the context of the difficult consumer environment. Demand during December for our core brands was strong, with Spitz in particular achieving solid revenue growth compared to December last year. Both Spitz and Green Cross grew operating profit for the semester despite pressure on footwear sales volumes at the materially higher price points necessary to protect gross profit margin. Indigo Brands delivered a pleasing result for the semester with gains in market shares in key categories.

I&J achieved profit growth for the semester from favourable exchange rates and improved fishing in the second quarter, although the result was tempered by an operating profit shortfall of approximately R25 million due to a three week illegal strike at the trawling operations in August. The shortfall impacted negatively on the Group's trading result for the first half.

Headline earnings rose 8,5%, from R903,4 million to R979,8 million with the growth in operating profit and an improved result from I&J's Australian joint venture partially offset by higher finance costs in line with higher interest rates. Headline earnings per share increased 7,6% from 281,6 cents to 302,9 cents with a 0,8% increase in the weighted average number of shares in issue due to the vesting of employee share options, including the AVI Black Staff Empowerment Scheme.

Cash generated by operations, before working capital changes, increased 11,5% to R1,67 billion. Working capital rose R433,4 million, reflecting good trading in December and higher stock values from rising input costs. Capital expenditure of R284,0 million, which included capacity and efficiency projects in the manufacturing operations as well as new and refurbished stores in the retail businesses, was materially lower than the first semester last year, which included R257,5 million for I&J's new vessels. Other material cash outflows during the period were dividends of R716,0 million and taxation of R289,2 million. Net debt at the end of December 2016 was R1,49 billion compared to R1,55 billion at the end of December 2015.

DIVIDEND

An interim dividend of 162 cents per share has been declared, an increase of 8,0% on last year's interim dividend.

SEGMENTAL REVIEW

Six months ended 31 December

	Segmental revenue			Segmental operating profit		
	2016 Rm	2015 Rm	% change	**2016 Rm**	2015 Rm	% change
Food & Beverage brands	**5 326,2**	4 683,1	13,7	**968,8**	879,4	10,2
Entyce Beverages	**1 987,8**	1 728,1	15,0	**389,0**	351,0	10,8
Snackworks	**2 195,1**	1 954,2	12,3	**412,4**	368,7	11,9
I&J	**1 143,3**	1 000,8	14,2	**167,4**	159,7	4,8
Fashion brands	**1 808,4**	1 707,2	5,9	**449,7**	429,6	4,7
Personal Care	**620,9**	569,1	9,1	**140,1**	124,0	13,0
Footwear & Apparel	**1 187,5**	1 138,1	4,3	**309,6**	305,6	1,3
Corporate	**–**	2,7		**(10,8)**	(6,9)	
Group	**7 134,6**	6 393,0	11,6	**1 407,7**	1 302,1	8,1

Entyce Beverages

Revenue increased 15,0% to R1,99 billion while operating profit increased 10,8% to R389,0 million with the operating profit margin at 19,6% compared to 20,3% in the prior year.

Tea revenue increased 19,9% due to price increases necessary to offset significantly higher rooibos tea input costs and the impact of the weaker Rand on other raw material costs. Coffee revenue was up 19,3% with price increases to ameliorate the impact of the weaker Rand on raw coffee bean prices and an 8,3% increase in sales volumes. Following a strong performance and significant market share growth in the last financial year, Creamer revenue growth was restricted to 4,0% by aggressive competitor activity that limited selling price increases and sales volumes.

The gross profit margin declined in line with the competitive constraints on selling prices and Entyce did not adequately recover the significant increase in raw material costs, which include the impact of the weaker Rand on dollar denominated raw materials. However the growth in gross profit, supported by well controlled selling and administrative costs, was sufficient to yield a 10,8% growth in operating profit.

Snackworks

Revenue of R2,19 billion was 12,3% higher than last year while operating profit rose 11,9%, from R368,7 million to R412,4 million. The operating profit margin decreased marginally from 18,9% to 18,8%.

Biscuits revenue grew 12,6% with higher selling prices and an increase of 1,8% in sales volumes. Snacks revenue increased 11,3% with higher selling prices supported by a 3,7% increase in sales volumes.

Gross profit margin decreased, largely due to higher raw material costs not fully recovered in the biscuit category. The Snacks category made good progress on the corn portfolio, gaining volumes profitably, although this was partially offset by a shortage of potatoes that restricted the potato chip performance. Selling and administrative cost increases were well contained, contributing to the overall growth in operating profit.

I&J

Revenue increased by 14,2% from R1,00 billion to R1,14 billion while operating profit increased from R159,7 million to R167,4 million. The operating profit margin decreased from 16,0% to 14,6%.

Revenue growth largely reflects the benefit of the weaker Rand on export sales, and selling price increases in both the domestic and export markets. Sales volumes were 5,7% lower than last year, impacted by the illegal strike in August 2016 and lower catch rates.

Lower fuel costs and a sound processing performance added to the benefit of the weaker Rand, resulting in an increase in operating profit, notwithstanding the illegal strike which reduced operating profit by approximately R25 million.

Fishing catch rates for the semester were on average slightly lower than last year, although showing some improvement in the second quarter. The proportion of small fish remained high, impacting processing yields.

Personal Care

Indigo's revenue from owned brands grew by 10,2% with price increases and volume growth, although total revenue growth was limited to 9,1% due to lower volumes of product manufactured for Coty. Export profits grew strongly supported by successful product launches in several key markets. The gross profit margin decreased due to cost pressure stemming from the weaker Rand, lower commissions from Coty and sales mix changes. Selling and administrative expenses were well controlled and operating profit grew 13,0% from R124,0 million to R140,1 million. The operating profit margin increased from 21,8% to 22,6%.

Footwear and Apparel

The Footwear and Apparel category increased revenue by 4,3% to R1,19 billion while operating profit increased by 1,3% from R305,6 million to R309,6 million. The operating profit margin decreased from 26,9% to 26,1%.

The Spitz and Kurt Geiger brands grew revenue by 2,8% as a result of higher selling prices offset by lower footwear volumes. Core footwear brands performed well considering the constrained consumer environment, although some consumers found it difficult to absorb the higher prices necessary to address rising, Rand driven, input costs. The gross profit margin was in line with last year underwritten by prudent control of selling and administrative costs. Spitz recorded its best monthly sales in December supporting a reasonable semester in a tough environment. Operating profit increased from R288,6 million to R290,4 million while the operating profit margin for the semester declined from 30,6% to 29,9%

Green Cross revenue grew 11,1% to R193,8 million. Retail revenue increased by 17,3% due to price increases in response to the weaker Rand and increased trading space, with one new store opened in addition to the eight new stores opened in the 2016 financial year. Improved assortment and stock replenishment resulted in encouraging retail sales growth notwithstanding the constrained environment. Wholesale revenue declined by 1,9%, reflecting continued volume pressure on this channel as consumers increasingly display a preference to buy higher priced footwear in branded stores. Gross profit margin was maintained despite the weaker Rand, while selling and administrative costs increased in line with the increased number of stores. Operating profit increased from R17,8 million to R18,7 million with encouraging overall progress in the last three months of the semester.

OUTLOOK

The trading environment is likely to remain difficult in the second half, with increasing competition for consumers' discretionary income. We anticipate that the ongoing negative impact of inflation on the price of many goods and services and higher interest rates will continue to constrain household incomes. This and the absence of improving employment data means we are not expecting an improved demand environment for the balance of the calendar year. In this environment, we will continue to focus on reacting quickly to market changes as we pursue the most appropriate balance of price, sales volumes and profit margins for each of our brands.

Our brands remain healthy and appealing to consumers and we will continue to invest in capabilities that underpin our manufacturing capacity, product quality and service levels. Where appropriate organisational structures and fixed overhead costs have been reviewed to improve operational effectiveness and reduce our cost base. Entyce, Snackworks and Indigo have well established capabilities to defend market share and profit margins in tough times, and Spitz, Kurt Geiger and Green Cross retail stores should benefit from refurbishments and space growth to help offset the pressure on demand from recent selling price increases. AVI International, supported by our South African manufacturing capabilities, continues to build our brands' shares in export markets while sustaining strong profit margins.

I&J's prospects remain materially dependant on exchange rates and the fishing performance in the second semester. Taking account of currency hedges and assuming catch rates similar to the first semester, I&J should be able to achieve growth on last year's profit, notwithstanding the stronger Rand and impact of the illegal strike in the first half of the year.

The Board is confident that AVI remains well positioned to compete effectively; prudently manage fixed and variable costs; and, recognising the challenging environment, be alert for appropriate acquisition opportunities both domestically and regionally.

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

Gavin Tipper
Chairman

Simon Crutchley
CEO

6 March 2017

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited at 31 December		Audited at 30 June
	2016 Rm	2015 Rm	2016 Rm
Assets			
Non-current assets			
Property, plant and equipment	**3 433,8**	3 220,6	3 352,4
Intangible assets and goodwill	**1 143,5**	1 144,8	1 145,4
Investments	**394,4**	439,7	414,5
Deferred taxation	**16,8**	24,4	24,6
	4 988,5	4 829,5	4 936,9
Current assets			
Inventories and biological assets	**1 828,5**	1 611,9	1 889,6
Trade and other receivables including derivatives	**2 132,7**	2 014,1	1 895,5
Cash and cash equivalents	**412,8**	577,9	309,1
	4 374,0	4 203,9	4 094,2
Total assets	**9 362,5**	9 033,4	9 031,1
Equity and liabilities			
Capital and reserves			
Total equity	**4 785,8**	4 329,0	4 489,5
Non-current liabilities			
Operating lease straight-line liabilities	**15,0**	11,3	10,6
Employee benefits	**353,2**	395,8	342,9
Deferred taxation	**412,1**	338,5	354,9
	780,3	745,6	708,4
Current liabilities			
Current borrowings	**1 902,0**	2 127,4	1 737,7
Trade and other payables including derivatives	**1 829,1**	1 769,7	2 081,7
Current tax liabilities	**65,3**	61,7	13,8
	3 796,4	3 958,8	3 833,2
Total equity and liabilities	**9 362,5**	9 033,4	9 031,1

Net debt*	**1 489,2**	1 549,5	1 428,6

** Comprises current borrowings less cash and cash equivalents.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December 2016 Rm	2015 Rm	% change	Audited year ended 30 June 2016 Rm
Revenue	**7 134,6**	6 393,0	12	12 188,9
Cost of sales	**(4 011,0)**	(3 500,2)	15	(6 842,3)
Gross profit	**3 123,6**	2 892,8	8	5 346,6
Selling and administrative expenses	**(1 715,9)**	(1 590,7)	8	(3 192,0)
Operating profit before capital items	**1 407,7**	1 302,1	8	2 154,6
Interest received	**2,1**	5,5	(62)	6,5
Finance costs	**(82,0)**	(60,4)	36	(135,9)
Share of equity-accounted earnings of joint ventures	**42,2**	16,1	162	58,1
Capital items	**11,9**	(7,4)	(261)	(14,3)
Profit before taxation	**1 381,9**	1 255,9	10	2 069,0
Taxation	**(393,9)**	(357,8)	10	(587,8)
Profit for the period	**988,0**	898,1	10	1 481,2
Profit attributable to:				
Owners of AVI	**988,0**	898,1	10	1 481,2
Other comprehensive income, net of tax	**(29,6)**	93,7		114,3
Items that are or may be subsequently reclassified to profit or loss				
Foreign currency translation differences	**(47,0)**	95,5		75,1
Cash flow hedging reserve	**24,2**	(2,5)		15,8
Taxation on items that are or may be subsequently reclassified to profit or loss	**(6,8)**	0,7		(4,4)
Items that will never be reclassified to profit or loss				
Actuarial loss recognised	**–**	–		38,6
Taxation on items that will never be reclassified to profit or loss	**–**	–		(10,8)
Total comprehensive income for the period	**958,4**	991,8	(3)	1 595,5
Total comprehensive income attributable to:				
Owners of AVI	**958,4**	991,8	(3)	1 595,5
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit	**195,7**	168,3	16	350,2
Earnings per share				
Basic earnings per share (cents)#	**305,4**	279,9	9	460,7
Diluted basic earnings per share (cents)##	**302,9**	276,0	10	455,4
Headline earnings per share (cents)#	**302,9**	281,6	8	464,1
Diluted headline earnings per share (cents)##	**300,4**	277,6	8	458,8

 # Basic earnings and headline earnings per share are calculated on a weighted average of 323 496 762 (31 December 2015: 320 821 709 and 30 June 2016: 321 536 201) ordinary shares in issue.

Diluted basic earnings and diluted headline earnings per share are calculated on a weighted average of 326 188 161 (31 December 2015: 325 369 853 and 30 June 2016: 325 220 785) ordinary shares in issue.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December 2016 Rm	2015 Rm	% change	Audited year ended 30 June 2016 Rm
Operating activities				
Cash generated by operations before working capital changes	**1 669,3**	1 497,2	11	2 761,8
Increase in working capital	**(433,4)**	(392,6)	10	(469,3)
Cash generated by operations	**1 235,9**	1 104,6	12	2 292,5
Interest paid	**(82,0)**	(60,4)	36	(135,9)
Taxation paid	**(289,2)**	(252,1)	15	(508,6)
Net cash available from operating activities	**864,7**	792,1	9	1 648,0
Investing activities				
Interest received	**2,0**	5,5	(64)	6,5
Property, plant and equipment acquired	**(284,0)**	(559,8)	(49)	(881,8)
Additions to intangible assets	**–**	–		(2,4)
Proceeds from disposals of property, plant and equipment	**4,9**	4,7	4	10,2
Movement in joint ventures and other investments	**36,8**	7,2	411	53,3
Net cash used in investing activities	**(240,3)**	(542,4)	(56)	(814,2)
Financing activities				
Proceeds from shareholder funding	**35,2**	31,5	12	56,3
Short-term funding raised	**164,3**	462,2	(64)	72,6
Dividends paid	**(716,0)**	(642,9)	11	(1 126,9)
Net cash used in financing activities	**(516,5)**	(149,2)	246	(998,0)
Increase/(decrease) in cash and cash equivalents	**107,9**	100,5	7	(164,2)
Cash and cash equivalents at beginning of period	**309,1**	462,5	(33)	462,5
	417,0	563,0		298,3
Translation of cash equivalents of foreign subsidiaries	**(4,2)**	14,9	(128)	10,8
Cash and cash equivalents at end of period	**412,8**	577,9		309,1

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and premium Rm	Treasury shares Rm	Reserves Rm	Retained earnings Rm	Total equity Rm
Six months ended 31 December 2016					
Balance at 1 July 2016	114,3	(435,9)	456,7	4 354,4	4 489,5
Profit for the period	–	–	–	988,0	988,0
Other comprehensive income					
Foreign currency translation differences	–	–	(47,0)	–	(47,0)
Cash flow hedging reserve, net of tax	–	–	17,4	–	17,4
Total other comprehensive income	–	–	(29,6)	–	(29,6)
Total comprehensive income for the period	–	–	(29,6)	988,0	958,4
Transactions with owners, recorded directly in equity					
Share-based payments	–	–	12,1	–	12,1
Deferred taxation on Group share scheme recharge	–	–	6,6	–	6,6
Dividends paid	–	–	–	(716,0)	(716,0)
Issue of ordinary shares to AVI Share Trusts	166,0	(166,0)	–	–	–
Own ordinary shares sold by AVI Share Trusts	–	35,7	–	(0,5)	35,2
Total contributions by and distributions to owners	166,0	(130,3)	18,7	(716,5)	(662,1)
Balance at 31 December 2016	**280,3**	**(566,2)**	**445,8**	**4 625,9**	**4 785,8**
Six months ended 31 December 2015					
Balance at 1 July 2015	79,2	(453,7)	330,5	3 984,5	3 940,5
Profit for the period	–	–	–	898,1	898,1
Other comprehensive income					
Foreign currency translation differences	–	–	95,5	–	95,5
Cash flow hedging reserve, net of tax	–	–	(1,8)	–	(1,8)
Total other comprehensive income	–	–	93,7	–	93,7
Total comprehensive income for the period	–	–	93,7	898,1	991,8
Transactions with owners, recorded directly in equity					
Share-based payments	–	–	7,3	–	7,3
Deferred taxation on Group share scheme recharge	–	–	0,9	–	0,9
Dividends paid	–	–	–	(642,9)	(642,9)
Issue of ordinary shares to AVI Share Trusts	7,9	(7,9)	–	–	–
Own ordinary shares sold by AVI Share Trusts	–	29,6	–	1,8	31,4
Total contributions by and distributions to owners	7,9	21,7	8,2	(641,1)	(603,3)
Balance at 31 December 2015	**87,1**	**(432,0)**	**432,4**	**4 241,5**	**4 329,0**
Year ended 30 June 2016					
Balance at 1 July 2015	79,2	(453,7)	330,5	3 984,5	3 940,5
Profit for the year	–	–	–	1 481,2	1 481,2
Other comprehensive income					
Foreign currency translation differences	–	–	75,1	–	75,1
Actuarial gain recognised, net of tax	–	–	27,8	–	27,8
Cash flow hedging reserve, net of tax	–	–	11,4	–	11,4
Total other comprehensive income	–	–	114,3	–	114,3
Total comprehensive income for the period	–	–	114,3	1 481,2	1 595,5
Transactions with owners, recorded directly in equity					
Share-based payments	–	–	15,0	–	15,0
Deferred taxation on Group share scheme recharge	–	–	9,1	–	9,1
Dividends paid	–	–	–	(1 126,9)	(1 126,9)
Issue of ordinary shares to AVI Share Trusts	35,1	(35,1)	–	–	–
Own ordinary shares sold by AVI Share Trusts	–	52,9	–	3,4	56,3
Transfer between reserves	–	–	(12,2)	12,2	–
Total contributions by and distributions to owners	35,1	17,8	11,9	(1 111,3)	(1 046,5)
Balance at 30 June 2016	**114,3**	**(435,9)**	**456,7**	**4 354,4**	**4 489,5**

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2016

AVI Limited ("AVI" or "the Company") is a South African registered company. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as "the consolidated") and the consolidated's interest in joint ventures.

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, the presentation and disclosure requirements of IAS 34 – *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited (the "JSE") and the Companies Act of South Africa. These condensed consolidated interim financial statements have not been reviewed or audited by the auditors.

2. Basis of preparation

The condensed consolidated interim financial statements are prepared in millions of South African Rands ("Rm") on the historical cost basis, except for derivative financial instruments, biological assets and liabilities for cash-settled share-based payment arrangements, which are measured at fair value.

The accounting policies used in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in preparing the interim financial statements for the six months ended 31 December 2015 and the annual financial statements for the year ended 30 June 2016.

The Group has adopted the following new accounting standards, including any consequential amendments to other standards, in the preparation of these interim results, all of which became effective to the Group from 1 July 2016:

– Amendments to IAS 1 (*Disclosure Initiative*)
– Annual improvements to IFRSs: 2012 – 2014 (various standards)

The new and revised standards described have been adopted in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* as well as the specific requirements of each individual standard.

Amendments to IAS 1 (*Disclosure Initiative*)

The amendments were published by the IASB to provide clarification to IAS 1 – *Presentation of Financial Statements*. These amendments aim to improve presentation and disclosures in financial reporting to address both the preparers as well as the users concerns.

The application of the guidance provided by the amendments to IAS 1 has not significantly changed the Group's approach regarding disclosure.

Annual improvements to IFRSs: 2012 – 2014 (various standards)

The new cycles of improvements form part of the IASB's annual improvements process to make non-urgent but necessary amendments to IFRS. Amendments have been made to a total of four standards.

The implementation of the improvements has not had a significant impact on the Group's results.

The remaining standards, amendments and interpretations, which became effective in the interim period ended 31 December 2016 were assessed for applicability to the Group and management concluded that they were not applicable to the business of the Group and consequently will have no impact.

3. Segmental results

	Unaudited six months ended 31 December			Audited year ended 30 June
	2016 Rm	2015 Rm	% change	2016 Rm
Segmental revenue				
Food & Beverage brands	**5 326,2**	4 683,1	14	9 236,9
Entyce Beverages	**1 987,8**	1 728,1	15	3 421,9
Snackworks	**2 195,1**	1 954,2	12	3 643,2
I&J	**1 143,3**	1 000,8	14	2 171,8
Fashion brands	**1 808,4**	1 707,2	6	2 950,7
Personal Care	**620,9**	569,1	9	1 096,4
Footwear & Apparel	**1 187,5**	1 138,1	4	1 854,3
Corporate and consolidation	**–**	2,7	(100)	1,3
Group	**7 134,6**	6 393,0	12	12 188,9
Segmental operating profit before capital items				
Food & Beverage brands	**968,8**	879,4	10	1 601,8
Entyce Beverages	**389,0**	351,0	11	661,7
Snackworks	**412,4**	368,7	12	609,1
I&J	**167,4**	159,7	5	331,0
Fashion brands	**449,7**	429,6	5	563,0
Personal Care	**140,1**	124,0	13	218,0
Footwear & Apparel	**309,6**	305,6	1	345,0
Corporate and consolidation	**(10,8)**	(6,9)	(57)	(10,2)
Group	**1 407,7**	1 302,1	8	2 154,6

4. Determination of headline earnings

	Unaudited six months ended 31 December 2016 Rm	Unaudited six months ended 31 December 2015 Rm	% change	Audited year ended 30 June 2016 Rm
Profit for the year attributable to owners of AVI	**988,0**	898,1	10	1 481,2
Total capital items after taxation	**8,2**	(5,3)	(255)	(11,0)
Net loss on disposal of property, plant and equipment	**(3,2)**	(7,4)	(57)	(11,3)
Joint venture capital profit	**15,1**	–	100	–
Taxation attributable to capital items	**(3,7)**	2,1	(276)	3,3
Headline earnings	**979,8**	903,4	8	1 492,2
Headline earnings per ordinary share (cents)	**302,9**	281,6	8	464,1
Diluted headline earnings per ordinary share (cents)	**300,4**	277,6	8	458,8

	Number of shares	Number of shares	% change	Number of shares
Weighted average number of ordinary shares	**323 496 762**	320 821 709	1	321 536 201
Weighted average diluted number of ordinary shares	**326 188 161**	325 369 853	0	325 220 785

5. Commitments

	Unaudited six months ended 31 December 2016 Rm	2015 Rm	Audited year ended 30 June 2016 Rm
Capital expenditure commitments for property, plant and equipment	**250,9**	365,9	327.4
Contracted for	**169,1**	178,5	183.9
Authorised but not contracted for	**81,8**	187,4	143.5

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.

6. Fair value classification and measurement

The Group measures derivative foreign exchange contracts, fuel swaps and biological assets at fair value.

The fair value of foreign exchange contracts and fuel swaps is determined based on inputs as described in Level 2 of the fair value hierarchy being quotes from financial institutions. Similar contracts are traded in an active market and the quotes reflect the actual transactions on similar instruments. The carrying values of all other financial assets or liabilities approximate their fair values based on the nature or maturity period of the financial instrument.

Biological assets comprise abalone which is farmed by I&J. These assets are disclosed as Level 3 financial instruments with their fair value determined using a combination of the market comparison and cost technique as prescribed by IAS 41.

There were no transfers between Levels 1, 2 or 3 of the fair value hierarchy during the six months ended 31 December 2016.

7. Post-reporting date events

No significant events that meet the requirements of IAS 10 have occurred since the reporting date.

8. Dividend declaration

Notice is hereby given that a gross interim ordinary dividend No 87 of 162 cents per share for the six months ended 31 December 2016 has been declared payable to shareholders of ordinary shares. The dividend has been declared out of income reserves and will be subject to dividend withholding tax at a rate of 20%. Consequently a net interim dividend of 129,6 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Services by a nominee company, stockbroker or Central Securities Depository Participant ("CSDP") (collectively "regulated intermediary") on behalf of shareholders. However, all shareholders should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption. AVI's issued share capital at the declaration date is 350 488 163 ordinary shares. AVI's tax reference number is 9500/046/71/0. The salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Tuesday, 18 April 2017
First trading day ex dividend on the JSE	Wednesday, 19 April 2017
Record date	Friday, 21 April 2017
Payment date	Monday, 24 April 2017

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Wednesday, 19 April 2017 and Friday, 21 April 2017, 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 CSDP or broker credited on Monday, 24 April 2017.

9. Preparation of financial statements

These condensed consolidated interim financial statements have been prepared under the supervision of Owen Cressey CA(SA), the AVI Group Chief Financial Officer.

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 Proprietary Limited
Business address
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196

Postal address
PO Box 61051
Marshalltown 2107
South Africa
Telephone: +27 (0)11 370 5000
Telefax: +27 (0)11 370 5271

PRINCIPAL SUBSIDIARIES

Food & Beverage Brands
National Brands Limited
Reg no: 1948/029389/06
(incorporating Entyce Beverages and Snackworks)

30 Sloane Street
Bryanston 2021

PO Box 5159
Rivonia 2128

Managing director
Gaynor Poretti (Entyce Beverages and Snackworks)
Telephone: +27 (0)11 707 7200
Telefax: +27 (0)11 707 7799

I&J
Irvin & Johnson Holding Company Proprietary Limited
Reg no: 2004/013127/07

1 Davidson Street
Woodstock
Cape Town 7925

PO Box 1628
Cape Town 8000

Managing director
Jonty Jankovich
Telephone: +27 (0)21 440 7800
Telefax: +27 (0)21 440 7270

Fashion Brands
Personal Care
Indigo Brands Proprietary Limited
Reg no: 2003/009934/07

16 – 20 Evans Avenue
Epping 1 7460

PO Box 3460
Cape Town 8000

Managing director
Robert Lunt
Telephone: +27 (0)21 507 8500
Telefax: +27 (0)21 507 8501

Footwear & Apparel
A&D Spitz Proprietary Limited
Reg no: 1999/025520/07

29 Eaton Avenue
Bryanston 2021

PO Box 782916
Sandton 2145

Acting managing director
Simon Crutchley
Telephone: +27 (0)11 707 7300
Telefax: +27 (0)11 707 7763

Green Cross Manufacturers Proprietary Limited
Reg no: 1994/08549/07

26 – 30 Benbow Avenue
Epping Industria
7460

PO Box 396
Epping Industria 7475

Managing director
Tracey Chiappini-Young
Telephone: +27 (0)21 507 9700
Telefax: +27 (0)21 507 9707

DIRECTORS

Executive

Simon Crutchley
(Chief Executive Officer)

Owen Cressey
(Chief Financial Officer)

Michael Koursaris
(Business Development Director)

Independent non-executive

Gavin Tipper[1]
(Chairman)

James Hersov[2]

Adriaan Nühn[1, 4]

Mike Bosman[2]

Andisiwe Kawa[1]

Abe Thebyane[1]

Neo Dongwana[2, 3]

Richard Inskip[5]

[1] *Member of the Remuneration, Nomination and Appointments Committee*

[2] *Member of the Audit and Risk Committee*

[3] *Member of the Social and Ethics Committee*

[4] *Dutch*

[5] *Resigned 23 November 2016*

BASTION GRAPHICS


LACOS


Gorgeous
in gold
BB LIPCOLOU
YARDLEY
LONDON
BB LIP

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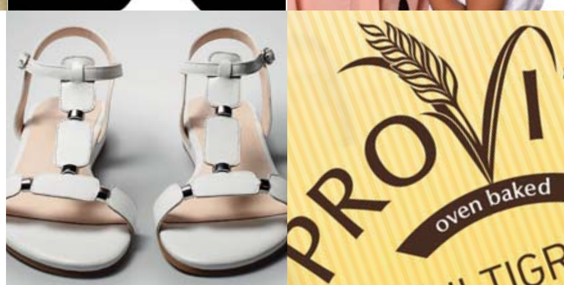
PRO
oven baked


MAIZE SNACK
ZRIJ
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