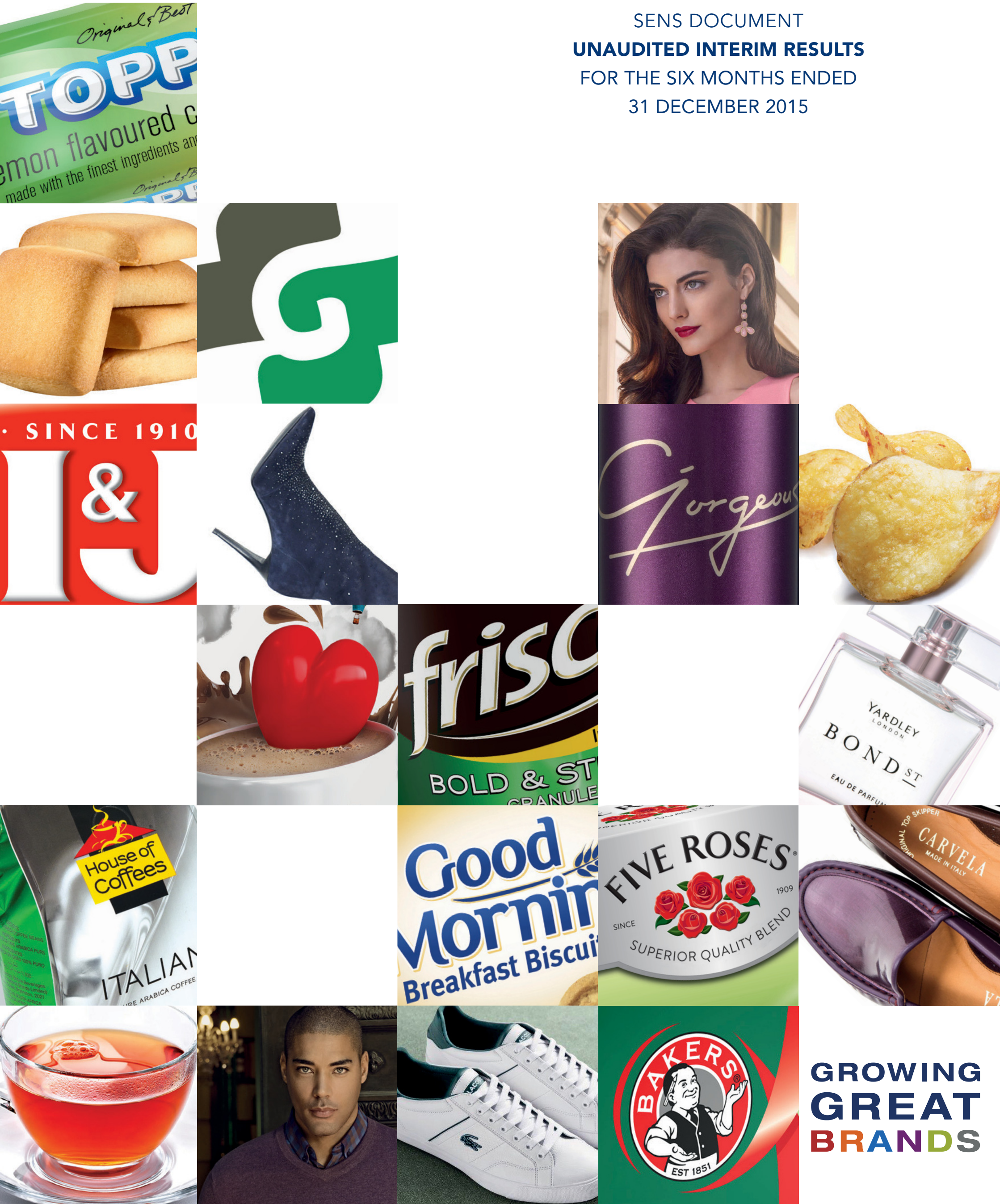
AVI

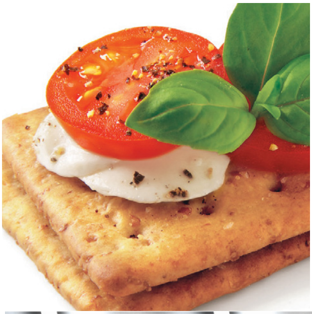
SENS DOCUMENT

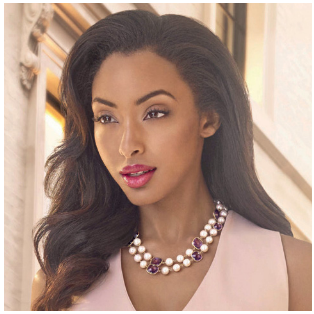
UNAUDITED INTERIM RESULTS

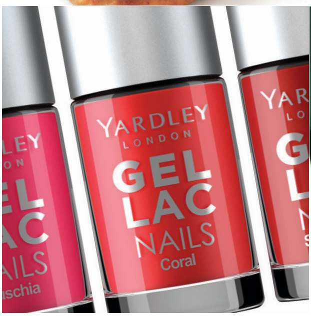
FOR THE SIX MONTHS ENDED

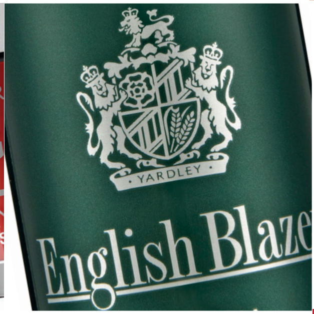
31 DECEMBER 2015

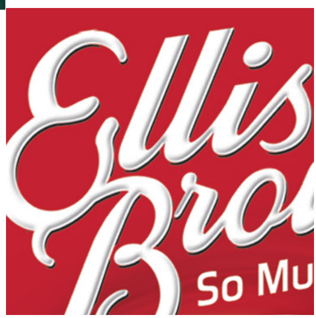












AVI LIMITED

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

Brand portfolio underpinned a sound performance in a challenging environment;

I&J improvement largely from the weaker Rand and lower fuel costs;

Sound sales momentum of key grocery brands in regional markets;

Revenue up 6,5% to R6,39 billion;

Operating profit up 13,0% to R1,30 billion;

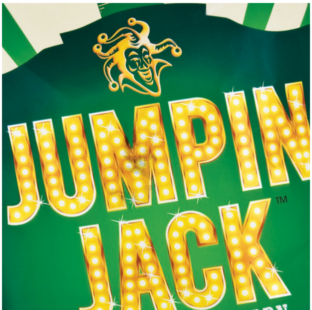
Cash from operations up 14,3% to R1,50 billion;

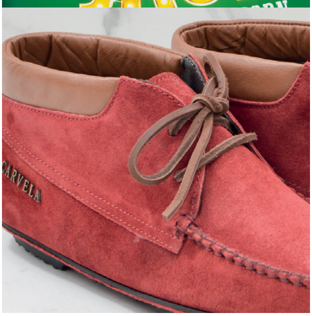
Capital expenditure of R559,8 million on efficiency, capacity and retail stores;

Return on capital employed of 28,1% for 12 months to December;

Headline earnings per share up 11,3% to 281,6 cents;

Interim dividend up 13,6% to 150 cents per share.





GROWING
GREAT
BRANDS

GROUP OVERVIEW

AVI's results for the six months ended 31 December 2015 reflect the quality of our brands, with generally sound demand in a period of increasing pressure on consumer spending and rising input costs, stemming largely from the weaker Rand. Our consistent hedging policy deferred much of the impact of the weaker Rand into the second half of the financial year, allowing selling prices to be managed pro-actively and profit margins to be maintained.

Revenue increased 6,5%, from R6,00 billion to R6,39 billion, with the Group realising higher selling prices in all categories, which offset cost pressure from the weakening of the Rand, and wage equalisation costs of R24,0 million, in line with the new legislation effective from April 2015. Volume growth was achieved in many of our categories, notably Creamer, Body Sprays, Biscuits and Spitz footwear. Gross profit rose by 8,3% to R2,89 billion with the consolidated gross profit margin improving from 44,5% to 45,3%. Operating profit increased by 13,0%, from R1,15 billion to R1,30 billion with the growth in gross profit supported by good containment of selling and administrative expenses across the Group. The operating profit margin increased from 19,2% to 20,4%.

Entyce delivered a pleasing result for the semester, achieving strong volume growth in Creamer and realising sufficient price increases to maintain gross profit margin. Snackworks continued to perform well with the gross profit margin remaining constant and volume growth in Biscuits. I&J benefited materially from the weaker Rand and lower fuel costs, with improved catch rates compared to the second half of the previous financial year. At Indigo, owned brands performed well in a competitive environment resulting in good profit growth in the first half. In the footwear and apparel businesses gross profit margins were maintained at prior year levels and Spitz grew sales volumes, however significant refurbishment and new store activity, together with a disappointing Green Cross wholesale performance, resulted in a small decline in operating profit.

Headline earnings rose 12,2%, from R804,8 million to R903,4 million with the growth in operating profit tempered by higher finance costs in line with the targeted increase in gearing. Headline earnings per share increased 11,3% from 252,9 cents to 281,6 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 14,3% to R1,50 billion. Working capital rose R392,7 million, reflecting volume growth and higher stock values from rising input costs. Capital expenditure of R559,7 million included R257,5 million for I&J's new vessels, capacity and efficiency projects in the manufacturing operations, and new and refurbished stores in the retail businesses. Other material cash outflows during the period were dividends of R642,9 million and taxation of R252,1 million. Net debt at the end of December 2015 was R1,55 billion compared to R0,44 billion at the end of December 2014.

DIVIDEND

A normal interim dividend of 150 cents per share has been declared, an increase of 13,6% on last year's interim dividend.

SEGMENTAL REVIEW

Six months ended 31 December

	Segmental revenue			Segmental operating profit		
	2015 Rm	2014 Rm	% change	**2015 Rm**	2014 Rm	% change
Food & Beverage brands	**4 683,1**	4 376,1	7,0	**879,4**	749,7	17,3
Entyce Beverages	**1 728,1**	1 568,9	10,1	**351,0**	312,1	12,5
Snackworks	**1 954,2**	1 825,1	7,1	**368,7**	339,5	8,6
I&J	**1 000,8**	982,1	1,9	**159,7**	98,1	62,8
Fashion brands	**1 707,2**	1 622,1	5,2	**429,6**	411,3	4,4
Personal Care	**569,1**	541,4	5,1	**124,0**	102,6	20,9
Footwear & Apparel	**1 138,1**	1 080,7	5,3	**305,6**	308,7	(1,0)
Corporate	**2,7**	4,0		**(6,9)**	(8,7)	
Group	**6 393,0**	6 002,2	6,5	**1 302,1**	1 152,3	13,0

Entyce Beverages

Revenue increased 10,1% to R1,73 billion while operating profit increased 12,5% to R351,0 million with the operating profit margin at 20,3% compared to 19,9% in the prior year.

Tea revenue increased 10,9% 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. This resulted in some buying down from premium to affordable brands, and an overall reduction in sales volumes of 2,4% for the semester. Coffee revenue was 6,0% up with price increases to ameliorate the impact of the weaker Rand on raw coffee bean prices, offset by slightly lower sales volumes. Creamer revenue rose by 19,7%, benefiting from price increases, disciplined price management and a 10,4% growth in sales volumes facilitated by new capacity commissioned in September 2015.

The gross profit margin improved with higher selling prices and currency and commodity hedges offsetting most of the input cost pressure, and the Creamer category achieving good volume leverage. Selling and administrative cost increases were well contained, and Tea, Coffee and Creamer all maintained good operating profit margins for the semester.

Snackworks

Revenue of R1,95 billion was 7,1% higher than last year while operating profit rose 8,6%, from R339,5 million to R368,7 million. The operating profit margin increased from 18,6% to 18,9%.

Biscuits revenue grew 7,8% with higher selling prices and a 1,5% increase in sales volumes. Snacks revenue increased 4,6% with higher selling prices offset by a 1,1% decrease in sales volumes.

Gross profit margin was maintained, with higher selling prices recovering higher raw material costs. The adverse impact of the weaker Rand on imports was tempered by lower US Dollar prices of several key raw materials and labour equalisation costs of R17 million were ameliorated by procurement savings. Selling and administrative cost increases were well contained, contributing to the growth in operating profit.

I&J

Revenue increased by 1,9% from R0,98 billion to R1,00 billion while operating profit increased from R98,1 million to R159,7 million. The operating profit margin increased from 10,0% to 16,0%.

Revenue growth largely reflects the benefit of the weaker Rand on export sales and increases in selling prices, offset by a change in sales mix.

Fishing catch rates improved after a period of inconsistent fishing in the second half of the last financial year, particularly on the freezer vessels, but were on average lower than the first half of last year. The two new vessels were commissioned during the semester, adding capacity to offset the pressure from lower catch rates. Lower fuel costs, a sound processing performance and lower unrealised losses on fuel hedges than at the end of December 2014, added to the benefit of the weaker Rand, resulting in a material increase in operating profit.

Fashion brands (Personal Care, Footwear and Apparel)

Revenue rose 5,2% to R1,71 billion while operating profit increased 4,4% to R429,6 million. The operating profit margin decreased slightly from 25,4% to 25,2%.

In the Personal Care category, Indigo's revenue from owned brands grew by 13,2% with price increases and volume growth, although total revenue growth was limited to 5,1% due to lower volumes of product manufactured for Coty. The gross profit margin was protected by selling price increases and currency hedges, and also benefited from the lower volume of product manufactured for Coty, which achieves a relatively low margin. Selling and administrative expenses were well controlled and operating profit grew 20,9% from R102,6 million to R124,0 million. The operating profit margin increased from 19,0% to 21,8%.

The Footwear and Apparel category increased revenue by 5,3% to R1,14 billion while operating profit decreased by 1,0% from R308,7 million to R305,6 million, due to a poor performance in the Green Cross wholesale business. The operating profit margin decreased from 28,6% to 26,9%.

In the Spitz business revenue grew 6,5% as a result of higher selling prices as well as increased footwear and clothing sales volumes. Core brands performed strongly notwithstanding the constrained consumer environment, while price increases and currency hedges resulted in gross profit margins in line with the first half of last year. Selling and administrative costs increased ahead of inflation due mainly to higher store operating costs with four stores opened over the twelve months to December 2015. Operating profit increased from R282,7 million to R288,6 million and the operating profit margin declined from 31,9% to 30,6%.

In Green Cross revenue growth was inhibited by poor wholesale demand, growing just 1,7% to R174,3 million. Like for like retail performance was sound, however overall retail performance was disrupted by the opening of four new stores and refurbishment of three stores in the semester. Gross profit margin was maintained in line with the first half of last year due to selling price increases and the protection of currency hedges. The combination of lower sales volumes and continued investment in the long-term capability of the business resulted in a decrease in operating profit from R23,6 million to R17,8 million.

OUTLOOK

The consumer demand environment has become increasingly constrained and the full impact of the weaker Rand on prices is yet to be felt. Rising staple food prices and higher interest rates will reduce disposable incomes during the second semester of the financial year. Most category growth rates have slowed and in some cases volumes are declining. We expect this environment to persist into the next financial year.

The first semester's results enjoyed significant protection from rising spot prices for key commodities and Rand weakness because of the hedge positions maintained in terms of our hedging policy. Further cost pressure will be felt in the second half, and it is imperative that we continue to manage selling prices thoughtfully to protect profit margins as far as possible, and to ensure that we move into the 2017 financial year well prepared to deal with the full impact of current exchange rates and commodity prices.

Anticipating consumer demand is more difficult than usual in this environment, and it is likely that in the second half some of our categories will experience further volume and margin pressure as we pursue the most appropriate balance of price, sales volumes and profit margins for each of our brands. Entyce, Snackworks and Indigo have well established capabilities to defend market share and profit margins in tough times, and will grow market share where there is opportunity. Spitz, Kurt Geiger and Green Cross retail stores will benefit from refurbishments and measured space growth. Our international business is maintaining volumes and profitability in core geographies while continuing to build new profitable, branded market positions, supported by our South African manufacturing capability.

I&J will benefit from the impact of the weaker Rand on export revenues, and should be able to catch more hake with its new vessels available for the whole of the second half. As always, catch rates have a material impact on volumes and efficiency, and need to remain at acceptable levels for I&J to repeat its first half growth in operating profit.

Capital projects have been reviewed in the context of the weaker Rand and potential impact of lower growth rates on capacity requirements. The majority of our plans remain in place, and capital expenditure is expected to remain at elevated levels for the next few years as we invest to support the long-term capacity and efficiency of our businesses. The Group procurement initiative is progressing well, with the savings achieved to date helping to sustain profit margins without unnecessary price increases.

The Board remains confident that AVI is well positioned to compete in this difficult trading environment. We will continue to pursue growth opportunities from the current brand portfolio, prudently manage fixed and variable costs and recognising the challenging environment, be alert for any 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

7 March 2016

CONDENSED GROUP BALANCE SHEET

	Unaudited at 31 December 2015 Rm	Unaudited at 31 December 2014 Rm	Audited at 30 June 2015 Rm
Assets			
Non-current assets			
Property, plant and equipment	**3 220,6**	2 386,0	2 839,0
Intangible assets and goodwill	**1 144,8**	1 144,9	1 146,6
Investments	**439,7**	385,9	357,4
Deferred taxation	**24,4**	24,3	30,8
	4 829,5	3 941,1	4 373,8
Current assets			
Inventories and biological assets	**1 611,9**	1 463,5	1 572,5
Trade and other receivables including derivatives	**2 014,1**	1 819,7	1 625,2
Cash and cash equivalents	**577,9**	323,7	462,5
	4 203,9	3 606,9	3 660,2
Total assets	**9 033,4**	7 548,0	8 034,0
Equity and liabilities			
Capital and reserves			
Total equity	**4 329,0**	4 474,7	3 940,5
Non-current liabilities			
Operating lease straight-line liabilities	**11,3**	15,2	12,0
Employee benefits	**395,8**	358,5	383,6
Deferred taxation	**338,5**	292,6	290,7
	745,6	666,3	686,3
Current liabilities			
Current borrowings	**2 127,4**	764,9	1 665,1
Trade and other payables including derivatives	**1 769,7**	1 580,3	1 731,3
Corporate taxation	**61,7**	61,8	10,8
	3 958,8	2 407,0	3 407,2
Total equity and liabilities	**9 033,4**	7 548,0	8 034,0
Net debt*	**1 549,5**	441,2	1 202,6

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

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December			Audited year ended 30 June
	2015 Rm	2014 Rm	% change	2015 Rm
Revenue	**6 393,0**	6 002,2	7	11 243,7
Cost of sales	**3 500,2**	3 331,2	5	6 320,3
Gross profit	**2 892,8**	2 671,0	8	4 923,4
Selling and administrative expenses	**1 590,7**	1 518,7	5	3 006,5
Operating profit before capital items	**1 302,1**	1 152,3	13	1 916,9
Interest received	**5,5**	2,9	90	7,1
Finance costs	**(60,4)**	(32,6)	85	(65,3)
Share of equity-accounted earnings of joint ventures	**16,1**	5,8	178	9,5
Capital items	**(7,4)**	(1,9)	289	(8,7)
Profit before taxation	**1 255,9**	1 126,5	11	1 859,5
Taxation	**357,8**	323,1	11	527,2
Profit for the period	**898,1**	803,4	12	1 332,3
Profit attributable to:				
Owners of AVI	**898,1**	803,4	12	1 332,3
Other comprehensive income, net of tax	**93,7**	(4,9)		(37,3)
Items that are or may be subsequently reclassified to profit or loss				
Foreign currency translation differences	**95,5**	(19,1)		(26,8)
Cash flow hedging reserve	**(2,5)**	20,6		(0,4)
Taxation on items that are or may be subsequently reclassified to profit or loss	**0,7**	(5,8)		0,1
Items that will never be reclassified to profit or loss				
Actuarial loss recognised	**–**	(0,8)		(14,2)
Taxation on items that will never be reclassified to profit or loss	**–**	0,2		4,0
Total comprehensive income for the period	**991,8**	798,5	24	1 295,0
Total comprehensive income attributable to:				
Owners of AVI	**991,8**	798,5	24	1 295,0
Depreciation and amortisation of property, plant and equipment, fishing rights and trademarks included in operating profit	**168,3**	151,2	11	311,0
Earnings per share				
Basic earnings per share (cents)#	**279,9**	252,5	11	417,7
Diluted basic earnings per share (cents)##	**276,0**	247,5	12	410,9
Headline earnings per share (cents)#	**281,6**	252,9	11	419,7
Diluted headline earnings per share (cents)##	**277,6**	247,9	12	412,9

Basic earnings and headline earnings per share are calculated on a weighted average of 320 821 709 (31 December 2014: 318 170 151 and 30 June 2015: 318 939 594) ordinary shares in issue.

Diluted basic earnings and diluted headline earnings per share are calculated on a weighted average of 325 369 853 (31 December 2014: 324 580 376 and 30 June 2015: 324 200 493) ordinary shares in issue

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December			Audited year ended 30 June
	2015 Rm	2014 Rm	% change	2015 Rm
Operating activities				
Cash generated by operations before working capital changes	**1 497,2**	1 309,6	14	2 395,3
Increase in working capital	**(392,6)**	(355,3)	10	(301,7)
Cash generated by operations	**1 104,6**	954,3	16	2 093,6
Interest paid	**(60,4)**	(32,6)	85	(65,3)
Taxation paid	**(252,1)**	(253,0)	0	(487,5)
Net cash available from operating activities	**792,1**	668,7	18	1 540,8
Investing activities				
Interest received	**5,5**	2,9	90	7,1
Property, plant and equipment acquired	**(559,8)**	(225,8)	148	(848,9)
Additions to intangible assets	**–**	–		(3,3)
Proceeds from disposals of property, plant and equipment	**4,7**	5,8	(19)	10,3
Movement in joint ventures and other investments	**7,2**	1,6	350	28,2
Net cash used in investing activities	**(542,4)**	(215,5)	152	(806,6)
Financing activities				
Proceeds from shareholder funding	**31,5**	26,9	17	44,8
Short-term funding raised	**462,2**	117,4	294	1 017,7
Special dividend paid	**–**	–		(638,8)
Ordinary dividends paid	**(642,9)**	(574,3)	12	(995,9)
Net cash used in financing activities	**(149,2)**	(430,0)	(65)	(572,2)
Increase in cash and cash equivalents	**100,5**	23,2	333	162,0
Cash and cash equivalents at beginning of period	**462,5**	298,5	55	298,5
	563,0	321,7		460,5
Translation of cash equivalents of foreign subsidiaries	**14,9**	2,0	645	2,0
Cash and cash equivalents at end of period	**577,9**	323,7		462,5

CONDENSED GROUP 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 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**
Six months ended 31 December 2014					
Balance at 1 July 2014	29,5	(448,1)	347,5	4 287,3	**4 216,2**
Profit for the period				803,4	**803,4**
Other comprehensive income					
Foreign currency translation differences			(19,1)		**(19,1)**
Actuarial losses recognised, net of tax			(0,6)		**(0,6)**
Cash flow hedging reserve, net of tax			14,8		**14,8**
Total other comprehensive income	–	–	(4,9)	–	**(4,9)**
Total comprehensive income for the period	–	–	(4,9)	803,4	**798,5**
Transactions with owners, recorded directly in equity					
Share-based payments			6,2		**6,2**
Deferred taxation on Group share scheme recharge			2,9		**2,9**
Dividends paid				(574,3)	**(574,3)**
Issue of ordinary shares to AVI Share Trusts	10,5	(10,5)			**–**
Own ordinary shares sold by AVI Share Trusts		23,7		1,5	**25,2**
Total contributions by and distributions to owners	10,5	13,2	9,1	(572,8)	**(540,0)**
Balance at 31 December 2014	**40,0**	**(434,9)**	**351,7**	**4 517,9**	**4 474,7**
Year ended 30 June 2015					
Balance at 1 July 2014	29,5	(448,1)	347,5	4 287,3	**4 216,2**
Profit for the year				1 332,3	**1 332,3**
Other comprehensive income					
Foreign currency translation differences			(26,8)		**(26,8)**
Actuarial losses recognised, net of tax			(10,2)		**(10,2)**
Cash flow hedging reserve, net of tax			(0,3)		**(0,3)**
Total other comprehensive income	–	–	(37,3)	–	**(37,3)**
Total comprehensive income for the period	–	–	(37,3)	1 332,3	**1 295,0**
Transactions with owners, recorded directly in equity					
Share-based payments			12,3		**12,3**
Deferred taxation on Group share scheme recharge			8,0		**8,0**
Dividends paid				(1 634,7)	**(1 634,7)**
Issue of ordinary shares to AVI Share Trusts	49,7	(49,7)			**–**
Own ordinary shares sold by AVI Share Trusts		44,1		(0,4)	**43,7**
Total contributions by and distributions to owners	49,7	(5,6)	20,3	(1 635,1)	**(1 570,7)**
Balance at 30 June 2015	**79,2**	**(453,7)**	**330,5**	**3 984,5**	**3 940,5**

SUPPLEMENTARY NOTES TO THE CONDENSED GROUP INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2015

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

1. Statement of compliance

The condensed Group 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 Group interim financial statements have not been reviewed or audited by the Group's auditors.

2. Basis of preparation

The condensed Group 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 2014 and the annual financial statements for the year ended 30 June 2015.

There are no new, revised or amended accounting standards, effective from 1 July 2015, applicable to the Group.

3. Segmental results

	Unaudited six months ended 31 December 2015 Rm	2014 Rm	% change	Audited year ended 30 June 2014 Rm
Segmental revenue				
Food & Beverage brands	**4 683,1**	4 376,1	7	8 407,0
Entyce Beverages	**1 728,1**	1 568,9	10	3 041,2
Snackworks	**1 954,2**	1 825,1	7	3 405,3
I&J	**1 000,8**	982,1	2	1 960,5
Fashion brands	**1 707,2**	1 622,1	5	2 829,2
Personal Care	**569,1**	541,4	5	1 033,0
Footwear & Apparel	**1 138,1**	1 080,7	5	1 796,2
Corporate and consolidation	**2,7**	4,0		7,5
Group	**6 393,0**	6 002,2	7	11 243,7
Segmental operating profit before capital items				
Food & Beverage brands	**879,4**	749,7	17	1 327,0
Entyce Beverages	**351,0**	312,1	12	545,2
Snackworks	**368,7**	339,5	9	533,4
I&J	**159,7**	98,1	63	248,4
Fashion brands	**429,6**	411,3	4	602,2
Personal Care	**124,0**	102,6	21	198,0
Footwear & Apparel	**305,6**	308,7	(1)	404,2
Corporate and consolidation	**(6,9)**	(8,7)		(12,3)
Group	**1 302,1**	1 152,3	13	1 916,9

4. Determination of headline earnings

	Unaudited six months ended 31 December			Audited year ended 30 June
	2015 Rm	2014 Rm	% change	2015 Rm
Profit for the year attributable to owners of AVI	**898,1**	803,4	12	1 332,3
Total capital items after taxation	**(5,3)**	(1,4)		(6,4)
Net loss on disposal of property, plant and equipment	**(7,4)**	(1,9)		(8,5)
Impairment of assets	**–**	–		(0,2)
Taxation attributable to capital items	**2,1**	0,5		2,3
Headline earnings	**903,4**	804,8	12	1 338,7
Headline earnings per ordinary share (cents)	**281,6**	252,9	11	419,7
Diluted headline earnings per ordinary share (cents)	**277,6**	247,9	12	412,9

	Number of shares	Number of shares	% change	Number of shares
Weighted average number of ordinary shares	**320 821 709**	318 170 151	1	318 939 594
Weighted average diluted number of ordinary shares	**325 369 853**	324 580 376	0	324 200 493

5. Commitments

	Unaudited six months ended 31 December 2015 Rm	2014 Rm	Audited year ended 30 June 2015 Rm
Capital expenditure commitments for property, plant and equipment	**365,9**	598,4	640,0
Contracted for	**178,5**	485,8	377,6
Authorised but not contracted for	**187,4**	112,6	262,4

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

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 2015.

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 85 of 150 cents per share for the six months ended 31 December 2015 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 15%. Consequently a net interim dividend of 127,5 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 347 069 413 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	Friday, 8 April 2016
First trading day ex dividend on the JSE	Monday, 11 April 2016
Record date	Friday, 15 April 2016
Payment date	Monday, 18 April 2016

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Monday, 11 April 2016 and Friday, 15 April 2016, 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, 18 April 2016.

9. Preparation of financial statements

These condensed Group 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
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 & 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 directors
Sarah-Anne Orphanides
(Entyce Beverages)
Telephone: +27 (0)11 707 7100
Telefax: +27 (0)11 707 7799

Gaynor Poretti (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
Greg Smith
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[3]

[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*

BASTION GRAPHICS

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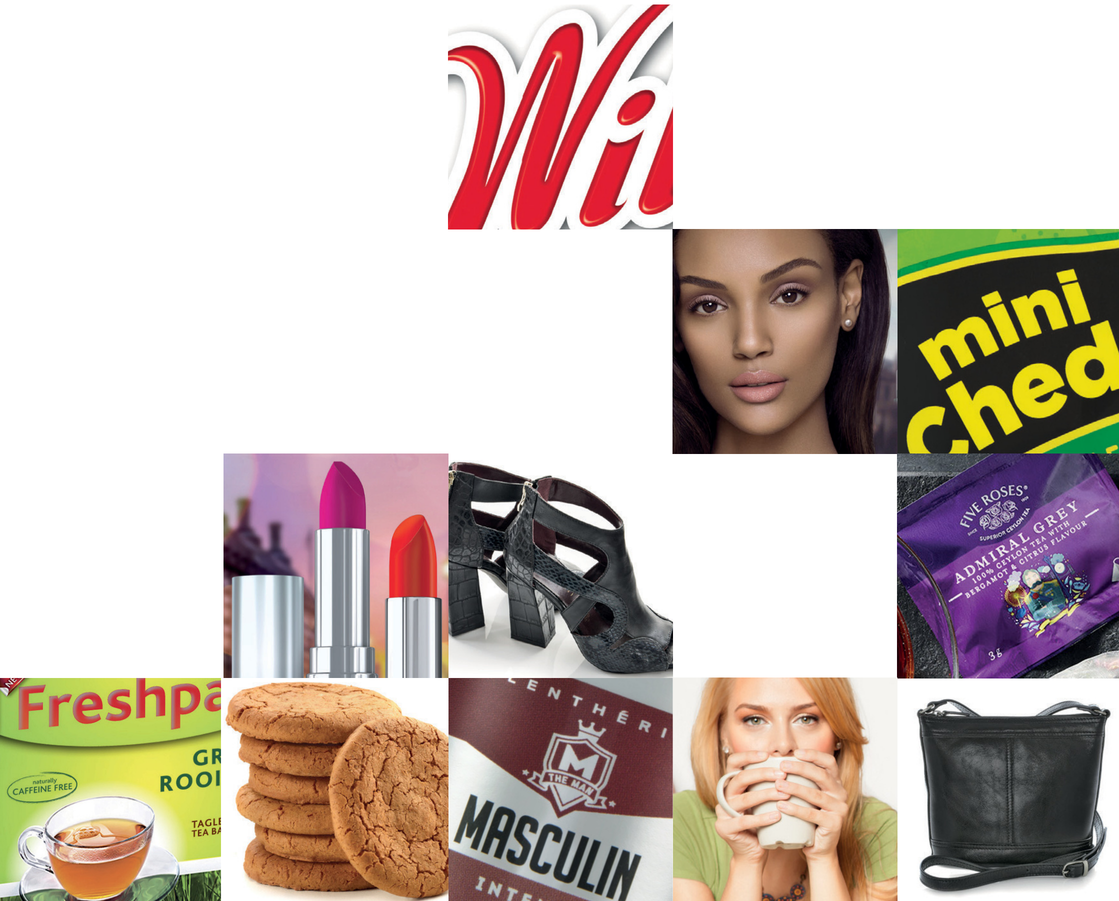
mini
FIVE ROSES
ADMIRAL GREY
100% CEYLON TEA WITH
BERGAMOT & CITRUS FLAVOUR
naturally
CAFFEINE FREE