

# AVI

AVI Limited presentation to shareholders & analysts  
for the six months ended 31 December 2015



# AGENDA

- Key features and results history
- Group financial results
- Performance and prospects
- Questions and answers



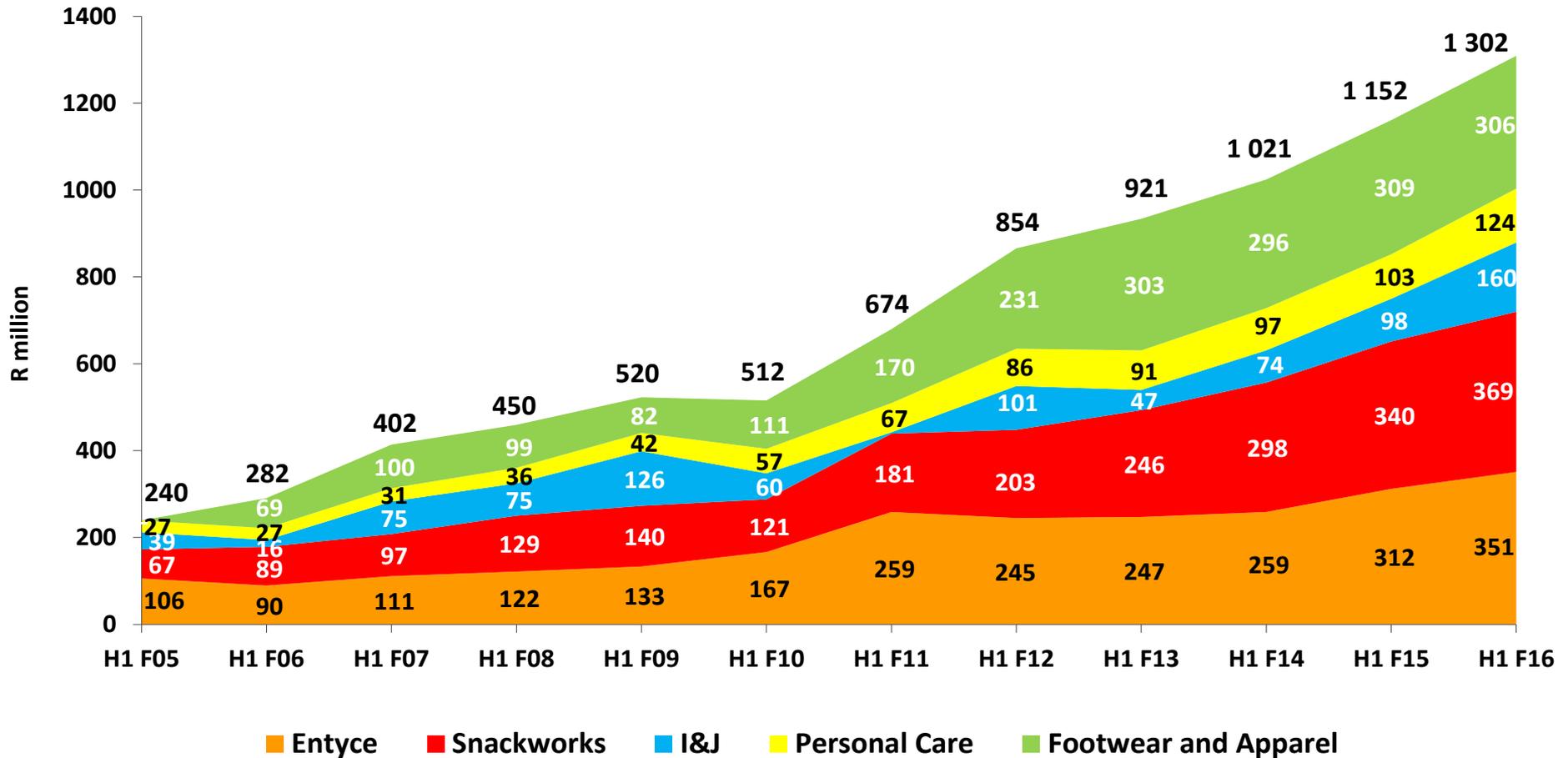
# KEY FEATURES

- 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



# RESULTS HISTORY

## Operating profit history

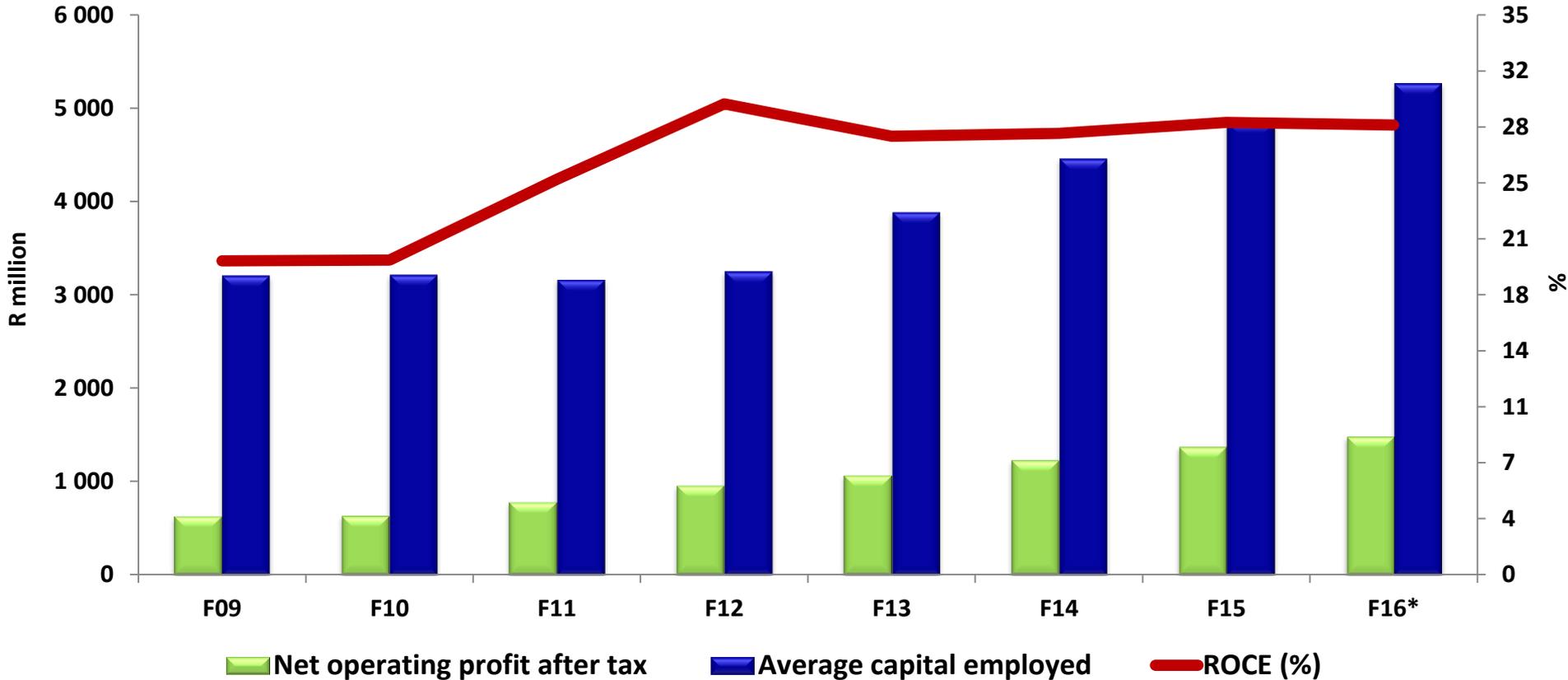


■ Compound annual growth rate from H1 F05 to H1 F16 of 16,6%

■ Operating profit margin increased from 10,0% in H1 F05 to 20,4% in H1 F16

# RESULTS HISTORY

## Return on capital employed

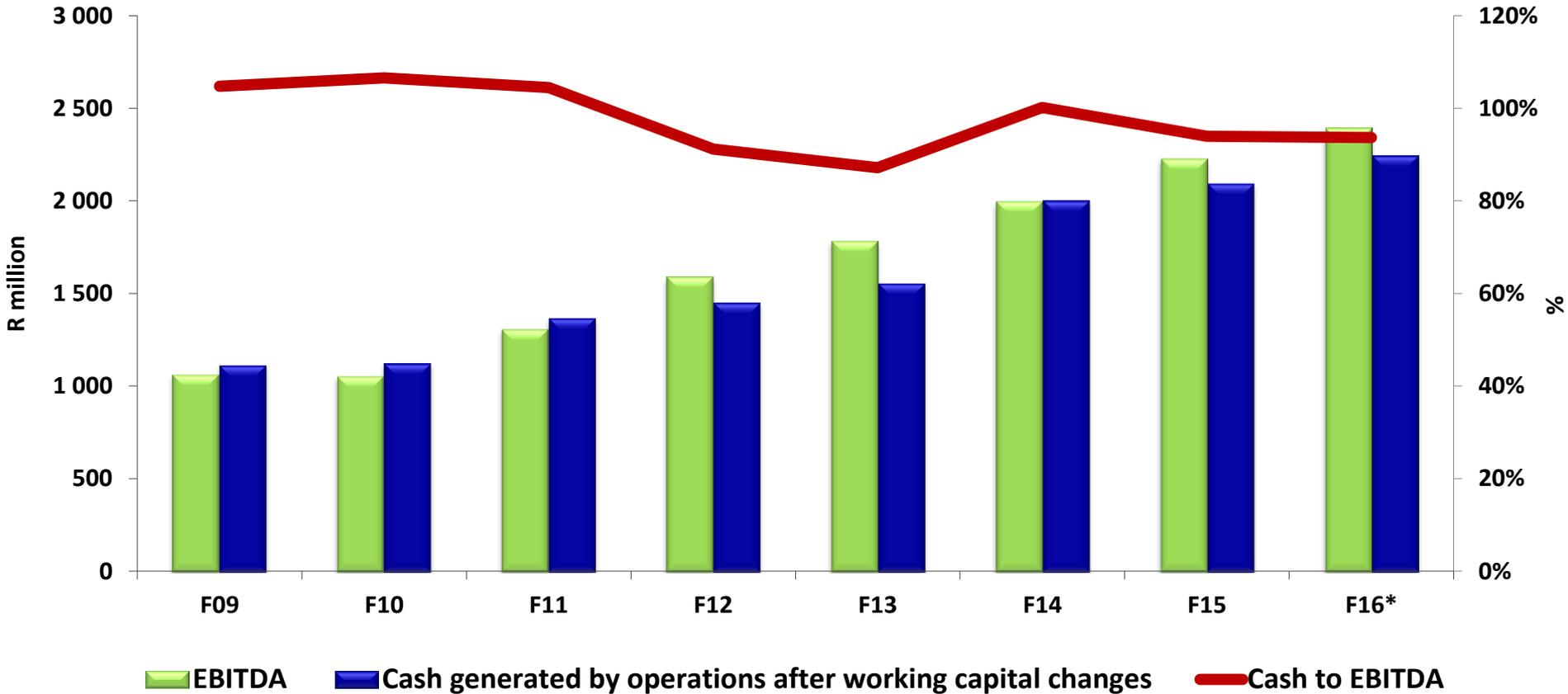


\* F16 represents 12 months to 31 December 2015

■ Sustained returns including increasing capital expenditure to support growth and efficiency

# RESULTS HISTORY

## Earnings to cash conversion

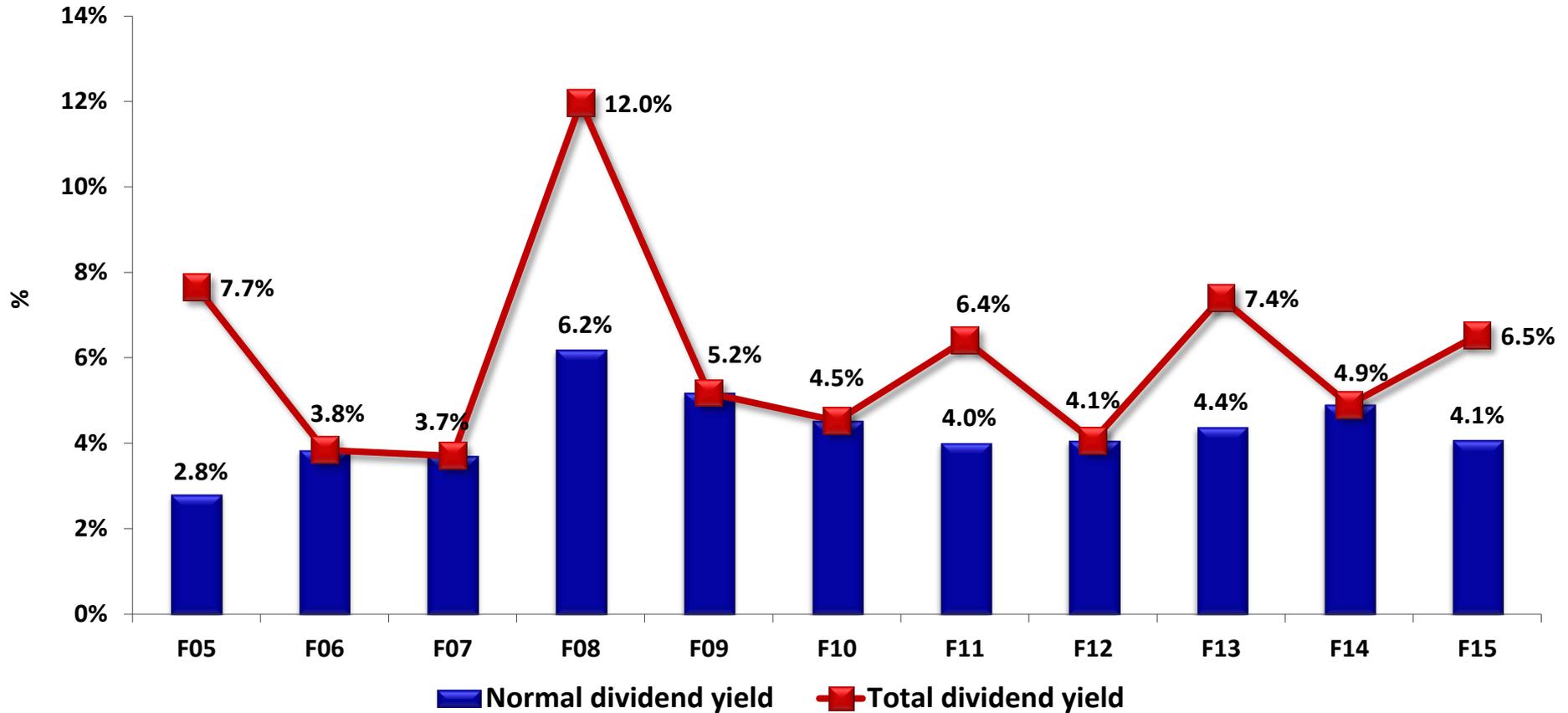


\* F16 represents 12 months to 31 December 2015

■ Consistently strong conversion of earnings into cash

# RESULTS HISTORY

Dividend yield (Year end)



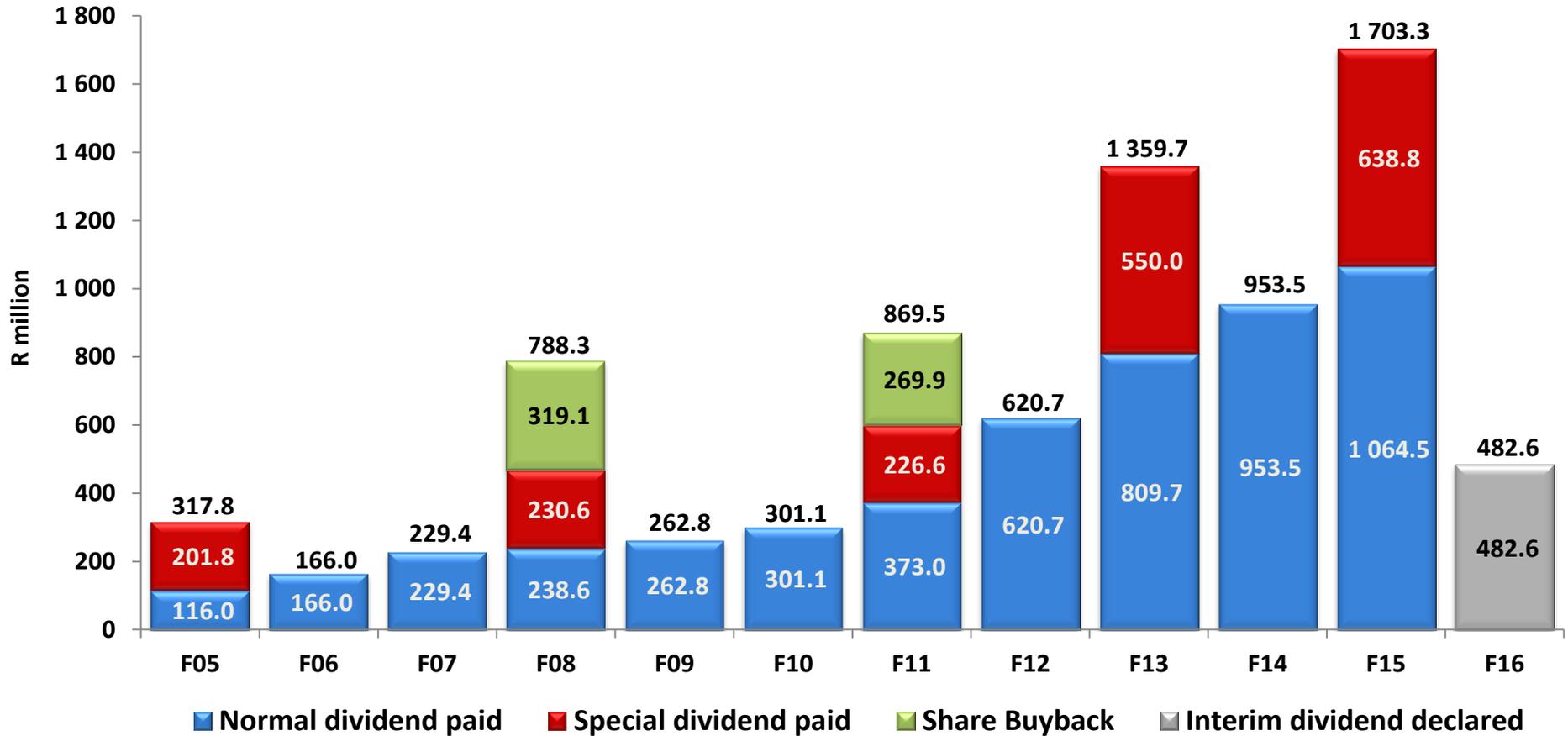
■ Based on share price at end of each year

■ Total dividend yield includes payments out of share premium and special dividends

■ Excludes share buy-backs

# RESULTS HISTORY

## Returns to shareholders



Effective payout ratio from F05 = 88% of headline earnings

# AVI

## Group Financial Results



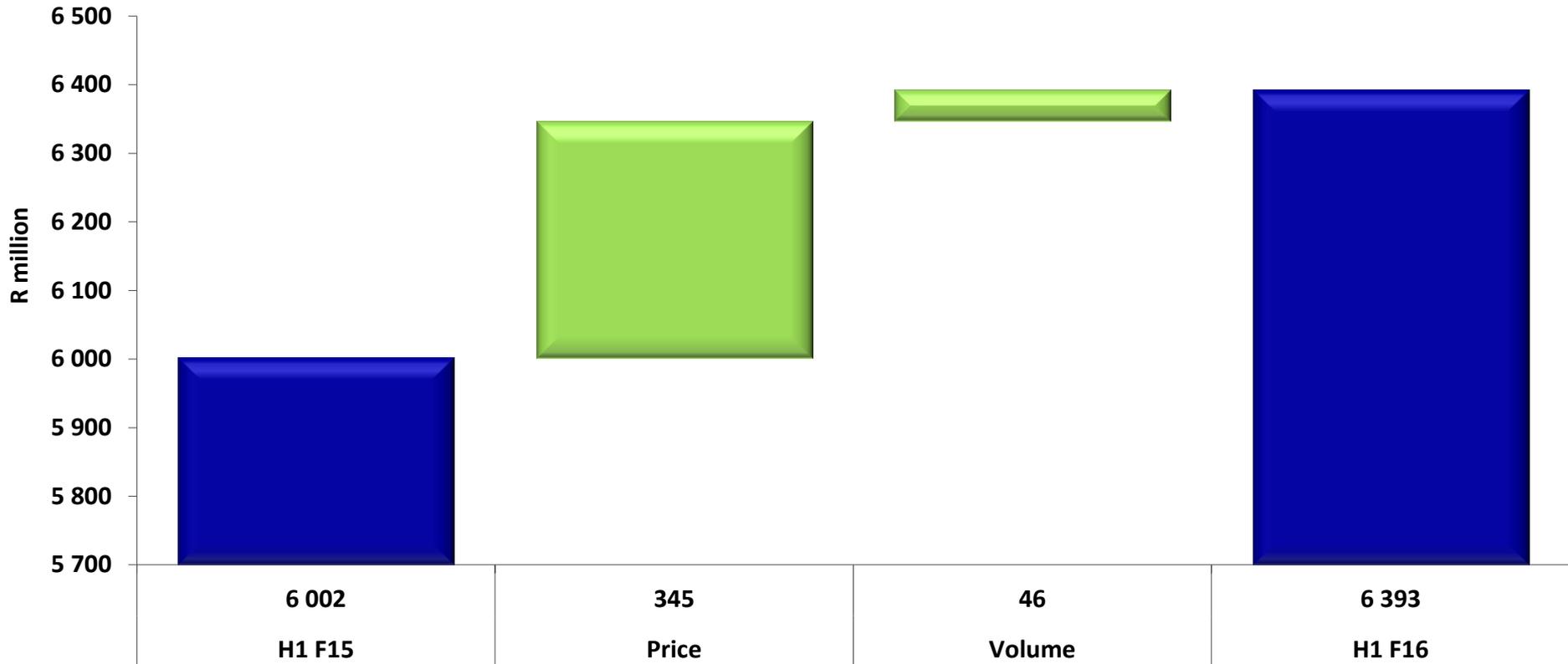
# GROUP FINANCIAL RESULTS

## Income statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	6 393,0	6 002,2	6,5
Gross profit	2 892,8	2 671,0	8,3
<i>Gross profit margin %</i>	45,3	44,5	1,8
Operating profit	1 302,1	1 152,3	13,0
<i>Operating profit margin %</i>	20,4	19,2	6,3
Net financing cost	(54,9)	(29,7)	84,8
Share of Joint Venture	16,1	5,8	177,6
Capital items	(7,4)	(1,9)	
<i>Effective tax rate %</i>	28,5	28,7	
Headline earnings	903,4	804,8	12,3
<i>HEPS (cps)</i>	281,6	252,9	11,3

# GROUP FINANCIAL RESULTS

## Movement in group revenue

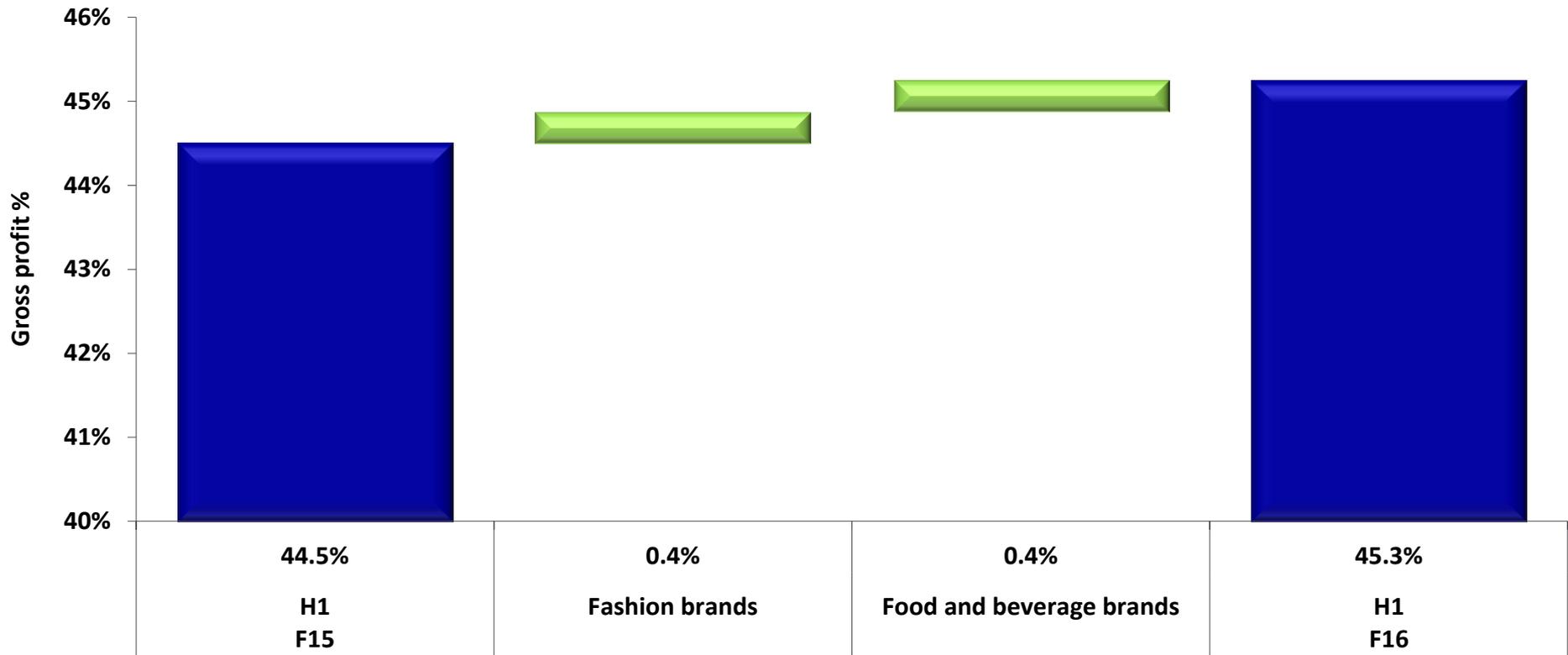


■ Price increases taken to protect gross profit margin

■ Volume pressure in constrained environment

# GROUP FINANCIAL RESULTS

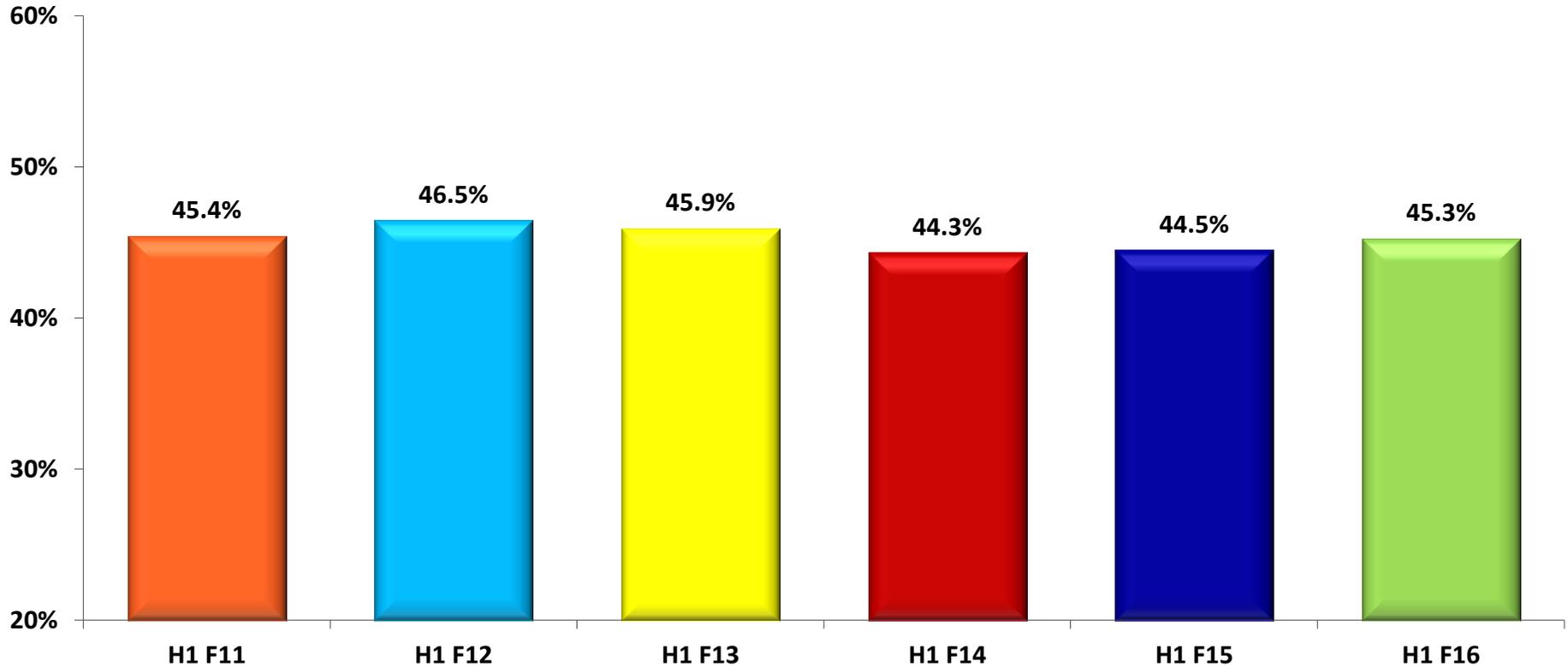
## Movement in gross profit margin



- Price increases taken to recover accumulated cost pressures
- Normal hedging activity provided shelter against Rand weakness and volatility
- Grocery business includes benefit of weaker Rand in I&J
- Procurement savings ameliorated impact of weaker Rand and labour equalisation costs

# GROUP FINANCIAL RESULTS

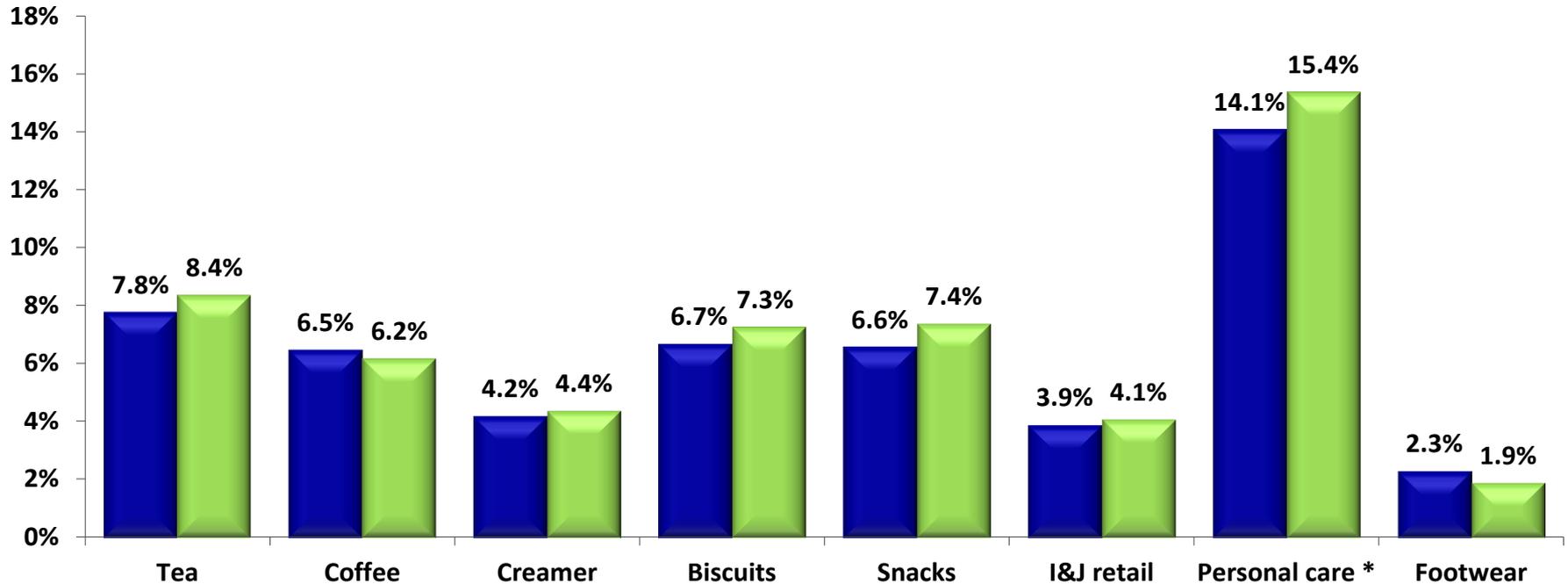
## Gross profit margin history



- Margin improvement from focus on selling prices to offset accumulated cost pressure
- Ongoing focus on costs and efficiencies to protect gross profit margin

# GROUP FINANCIAL RESULTS

## Marketing expenditure



\* Excludes Coty

■ H1 F15

■ H1 F16

■ Includes advertising and promotions, co-operative expenditure with customers and marketing department costs

■ Total expenditure for H1 F16 was R356,4 m compared to R312,1 m in H1 F15

# GROUP FINANCIAL RESULTS

Operating profit 13,0% up



- Entyce: Higher selling prices and creamer volume growth
- Snackworks: Higher selling prices and sweet biscuit volume growth
- I&J: Benefit of weaker Rand and lower fuel price
- Personal Care: Higher selling prices and strong owned brands performance
- Spitz: Higher selling prices and footwear volume growth offset by increased cost base
- Green Cross: Poor wholesale demand and higher fixed cost base to support long-term growth

# GROUP FINANCIAL RESULTS

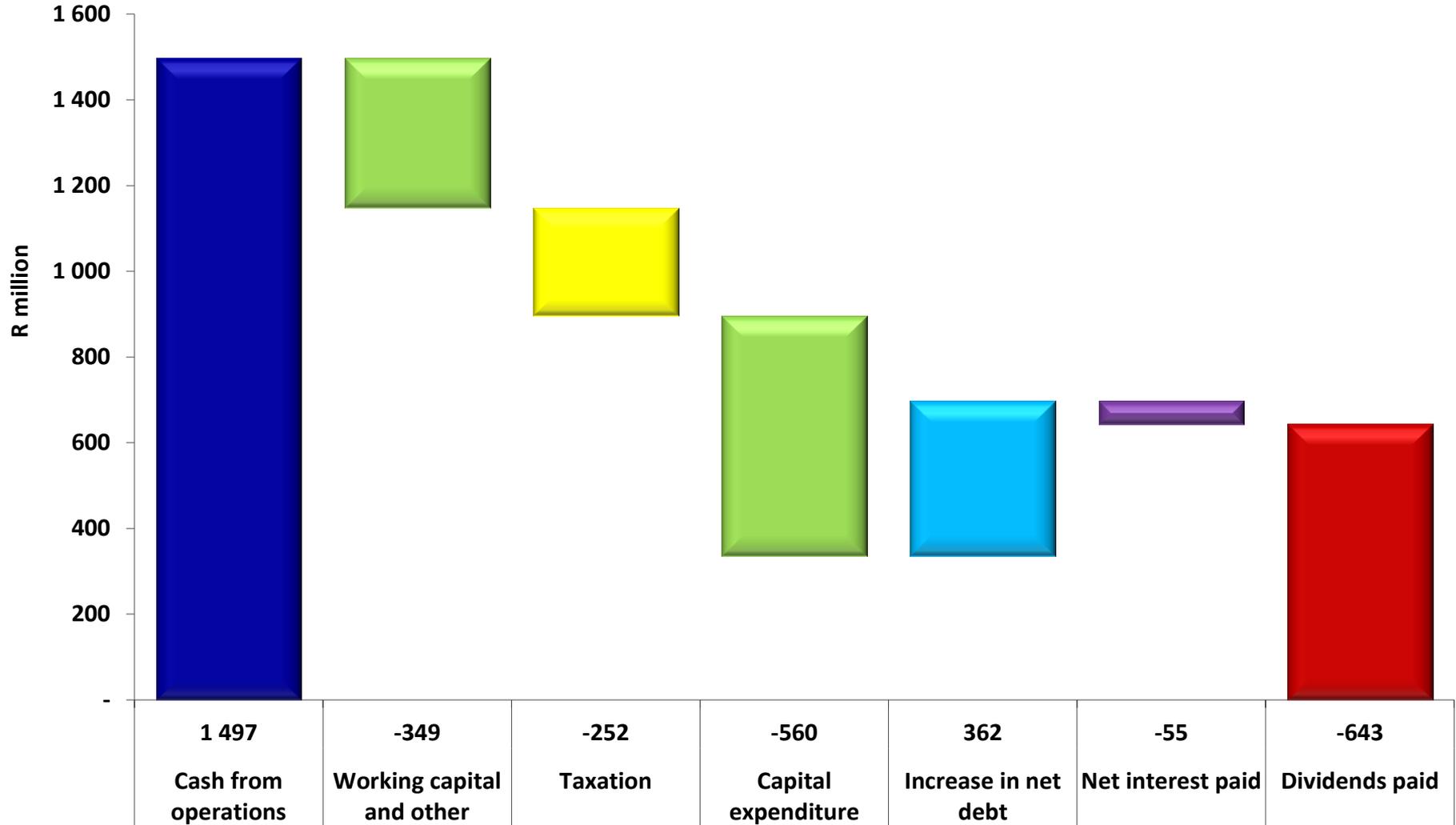
## Cash generation and utilisation

	H1 16 Rm	H1 15 Rm	%Δ
Cash generated by operations	1 497,2	1 309,6	14,3
<i>Working capital to revenue %</i>	21,8	20,8	4,8
Capital expenditure	559,8	225,8	147,9
Depreciation and amortisation	168,3	151,2	11,3
Net debt	1 549,5	441,2	
Net debt / capital employed %	26,4	9,0	
Interim dividend – cps	150	132	13,6
Special dividend – cps	–	200	

- Good conversion of earnings to cash
- Increased capital expenditure due to I&J vessel payments
- Gearing in targeted range

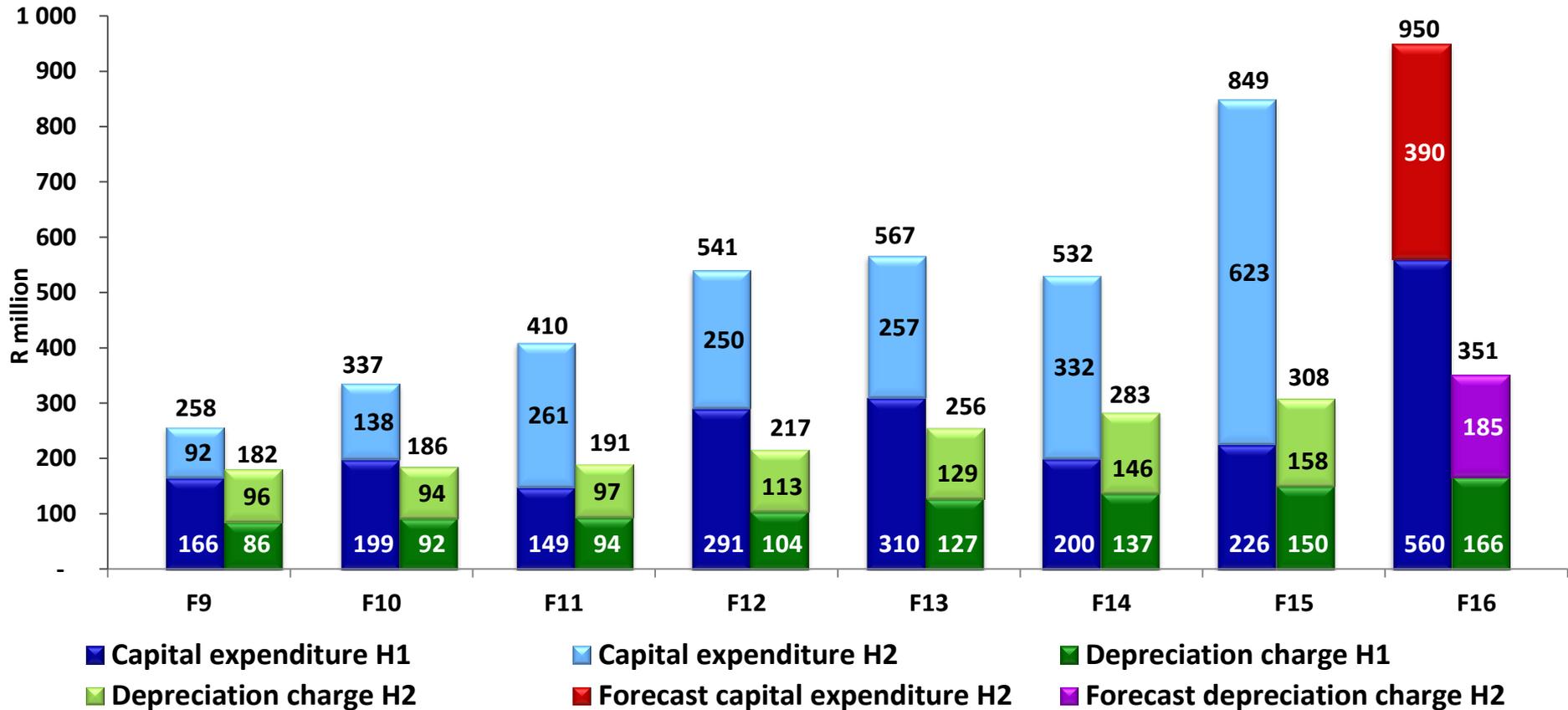
# GROUP FINANCIAL RESULTS

## Cash flows



# GROUP FINANCIAL RESULTS

## Capital expenditure and depreciation



■ Continued investment in manufacturing capacity, efficiency and retail stores

■ Expenditure in respect of new I&J vessels of R257,5 million in H1 F16

# GROUP FINANCIAL RESULTS

## Key capital projects spend summary

	H1 F16 Actual Rm	H2 F16 Planned Rm	F16 Total Planned Rm
Tea packaging line replacements and upgrades	15	20	35
Additional creamer capacity	12	–	12
Biscuit line capacity and process improvements	72	122	194
Rosslyn snacks factory upgrades	14	–	14
I&J vessel dry-docks and upgrades	1	14	15
I&J vessel replacement *	258	3	261
Danger Point abalone farm expansion	5	24	29
Indigo distribution centre upgrade	9	10	19
Bryanston campus extension	20	39	59
Back up power	10	35	45
Retail store additions and refurbishments	35	44	79
	<b>451</b>	<b>311</b>	<b>762</b>

\* Detail in information slides

# GROUP FINANCIAL RESULTS

## Foreign exchange hedges

	March 2016 to June 2016	July 2016 to December 2016	January 2017 to June 2017
	% Cover	% Cover	% Cover
USD imports	85%	46%	1%
EUR imports	84%	44%	2%
USD exports	81%	64%	12%
EUR exports	69%	64%	19%

- Consistent hedging philosophy provides stability to manage gross margins
- Increasing cost pressure on raw and wrapping materials as current import hedges are utilised
- Improvement in I&J export earnings as current export hedges are utilised



# GROUP FINANCIAL RESULTS

Procurement savings (Rm)

	Raw materials	Packaging	Other cost of sales	Total H1 F16
Entyce	1,2	6,4	2,7	10,3
Snackworks	13,9	9,7	3,5	27,1
I&J	1,8	0,9	0,7	3,4
Indigo	0,6	3,0	1,5	5,1
Spitz	-	-	1,6	1,6
	<b>17,5</b>	<b>20,0</b>	<b>10,0</b>	<b>47,5</b>

- Savings measured against prior year actual cost
- Savings partially offset by:
  - ❑ labour equalisation costs of R24 million in H1 (full year estimate R58 million)
  - ❑ margin pressure in constrained environment

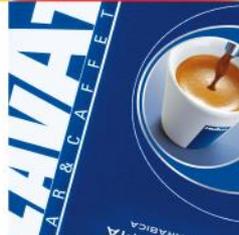
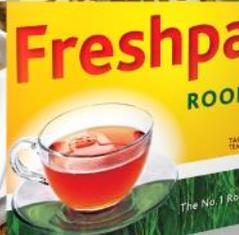


# ENTYCE

BEVERAGES



## Performance and prospects

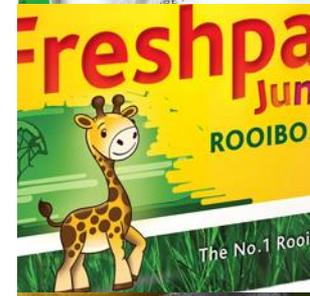
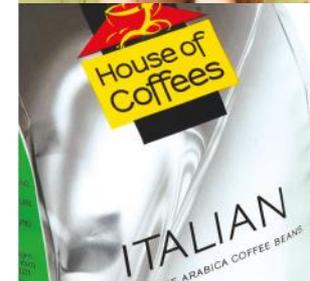


# Income statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	1 728,1	1 568,9	10,1
Operating profit	351,0	312,1	12,5
<i>Operating profit margin %</i>	<i>20,3</i>	<i>19,9</i>	<i>2,0</i>

■ Constrained performance from tea

- ❑ Category volumes under pressure at higher price points
- ❑ Significant input cost pressure from rooibos and weaker Rand
- ❑ Some consumers switching to value-for-money offerings
- ❑ Margins largely protected by selling price increases and currency / commodity hedges



## Income statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	1 728,1	1 568,9	10,1
Operating profit	351,0	312,1	12,5
<i>Operating profit margin %</i>	20,3	19,9	2,0

### ■ Resilient coffee performance in competitive category

- ❑ Selling price increases taken to protect margin
- ❑ Growth in premium coffee – Hug In A Mug speciality range
- ❑ Volume pressure in mixed instant coffee
- ❑ Margins largely protected by selling price increases and currency / commodity hedges

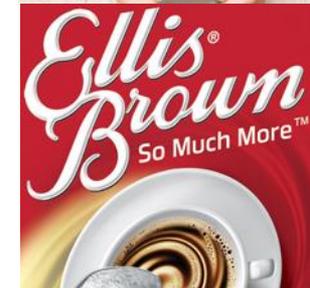


## Income statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	1 728,1	1 568,9	10,1
Operating profit	351,0	312,1	12,5
<i>Operating profit margin %</i>	20,3	19,9	2,0

### ■ Strong creamer result

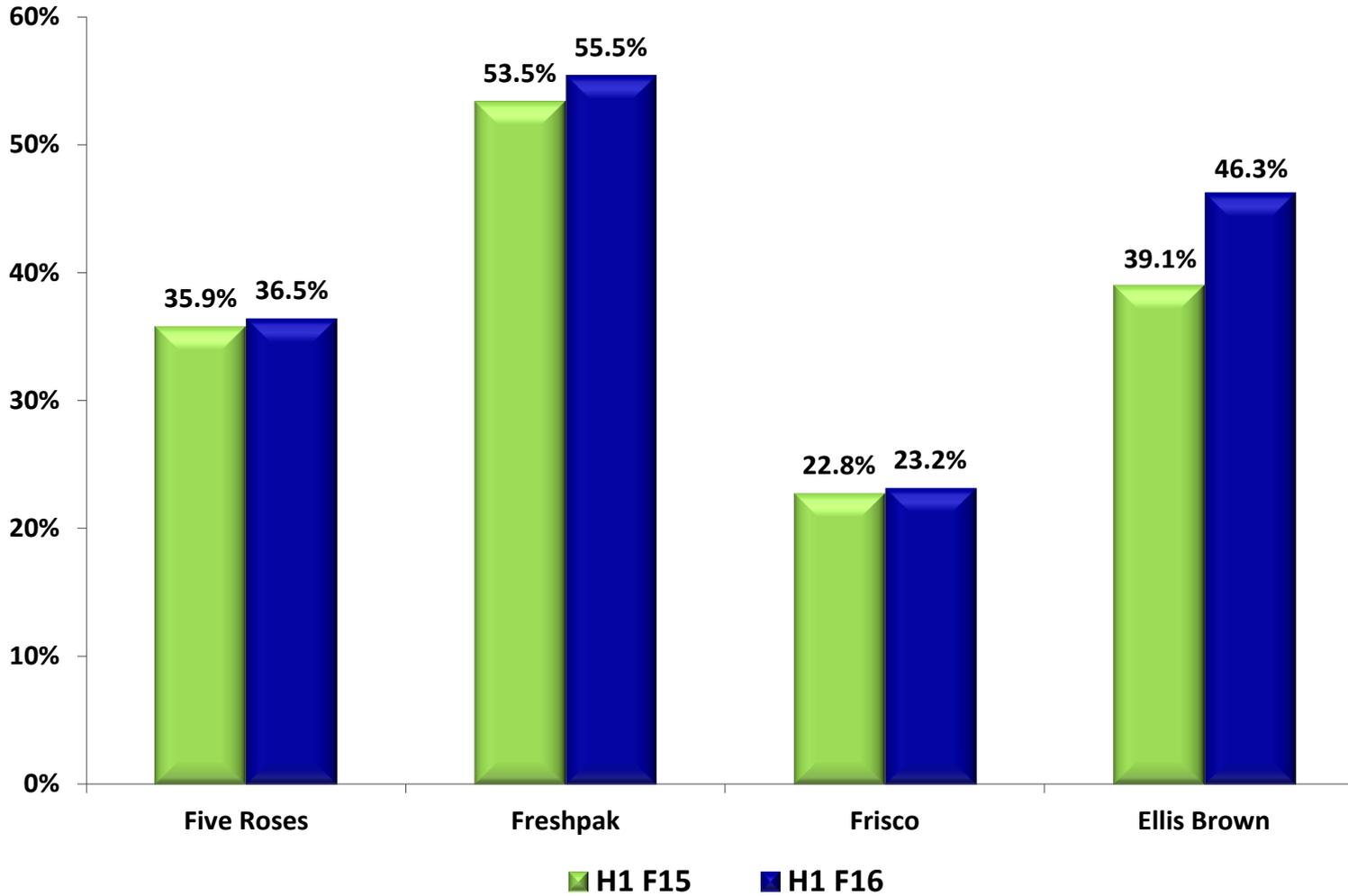
- ❑ Category and market share growth underpinned by capacity and good service levels
- ❑ Margin improvement with disciplined price management and volume leverage
- ❑ Lower commodity costs offset weaker Rand
- ❑ New capacity commissioned September 2015



## Sales volume and selling prices

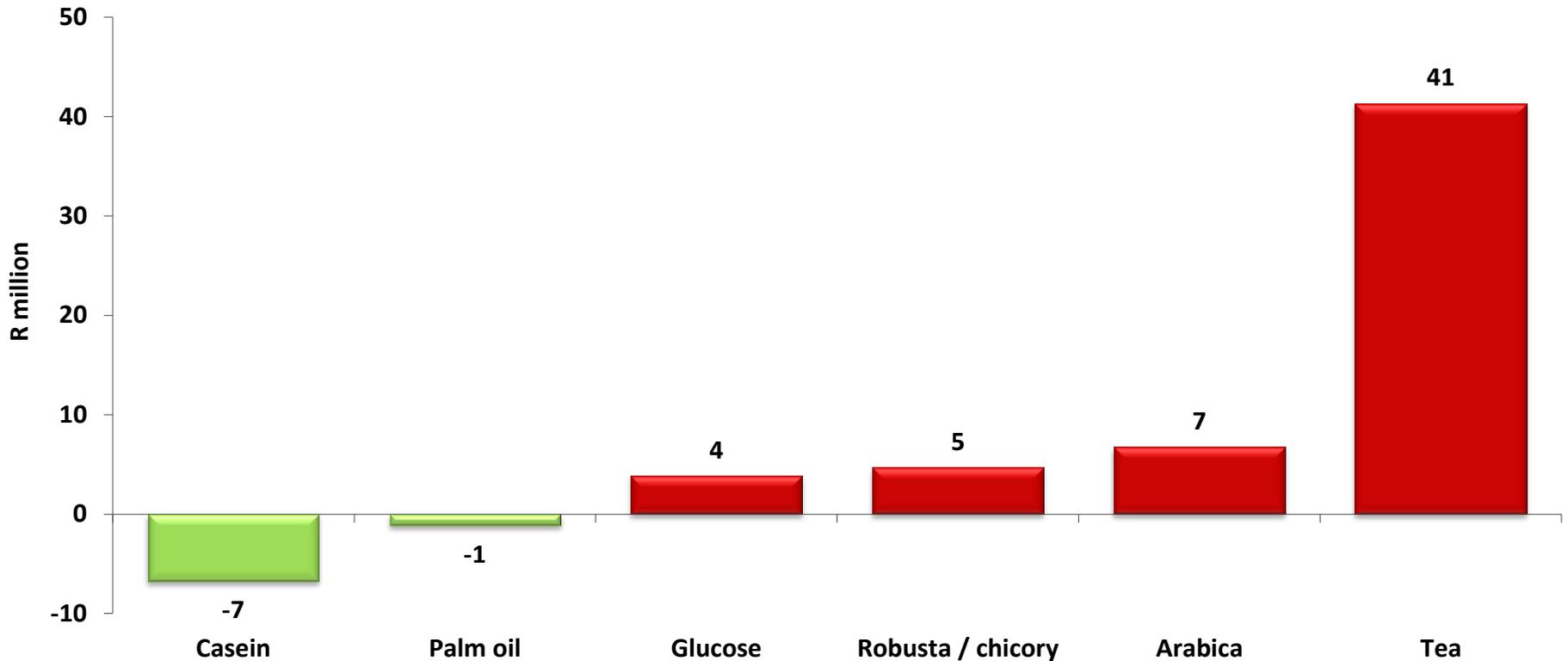
	<b>% Δ</b> <b>H1 F16 vs H1 F15</b>	<b>Comments</b>
<b>Tea revenue growth</b>	<b>10,9</b>	
Volume	(2,4)	<i>Increased market share; category decline; growth in value-for-money teas</i>
Ave. selling price	13,5	<i>Increases in response to cost pressures, mainly rooibos raw material and weaker Rand</i>
<b>Coffee revenue growth</b>	<b>6,0</b>	
Volume	(1,6)	<i>Pressure on affordable brands offset by growth in speciality coffee range (Hug In A Mug)</i>
Ave. selling price	7,7	<i>Price increases in response to cost pressure, mainly weaker Rand</i>
<b>Creamer revenue growth</b>	<b>19,7</b>	
Volume	10,4	<i>Category growth and increased market share supported by capacity and high service levels</i>
Ave. selling price	8,4	<i>Price increases in H2 F15</i>

Market shares – value



## Raw material costs

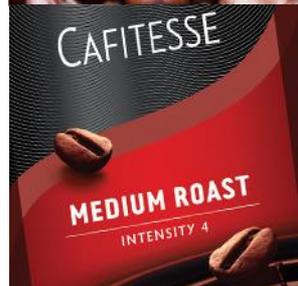
Cost impact of raw materials and commodities consumed in the period (H1 F16 vs H1 F15):



- Tea cost increase mainly from higher rooibos prices due to constrained supply and export pricing opportunity
- Currency hedges protected against Rand weakness and volatility

## Prospects for H2

- Tactile price / volume management in constrained and competitive market
- Further cost pressure from higher rooibos raw material and weaker Rand
- Incremental innovation
- Continued focus on export business
- Projects
  - Ongoing upgrade of tea packing lines – capacity and efficiency
  - Procurement initiatives



# Snackworks

That's Good Times!



Performance and prospects



GROWING GREAT BRANDS

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	1 954,2	1 825,1	7,1
Operating profit	368,7	339,5	8,6
<i>Operating profit margin %</i>	<i>18,9</i>	<i>18,6</i>	<i>1,6</i>

■ Good biscuit performance in constrained environment

- ❑ Volume restrained by higher price points
- ❑ Volume growth from sweet biscuit launches and line extensions
- ❑ Labour equalisation costs – R17 million
- ❑ Project activity impacted savoury biscuit service levels
- ❑ Good progress on capital projects – capacity, quality, efficiency



	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	1 954,2	1 825,1	7,1
Operating profit	368,7	339,5	8,6
<i>Operating profit margin %</i>	<i>18,9</i>	<i>18,6</i>	<i>1,6</i>

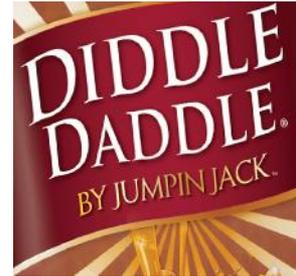
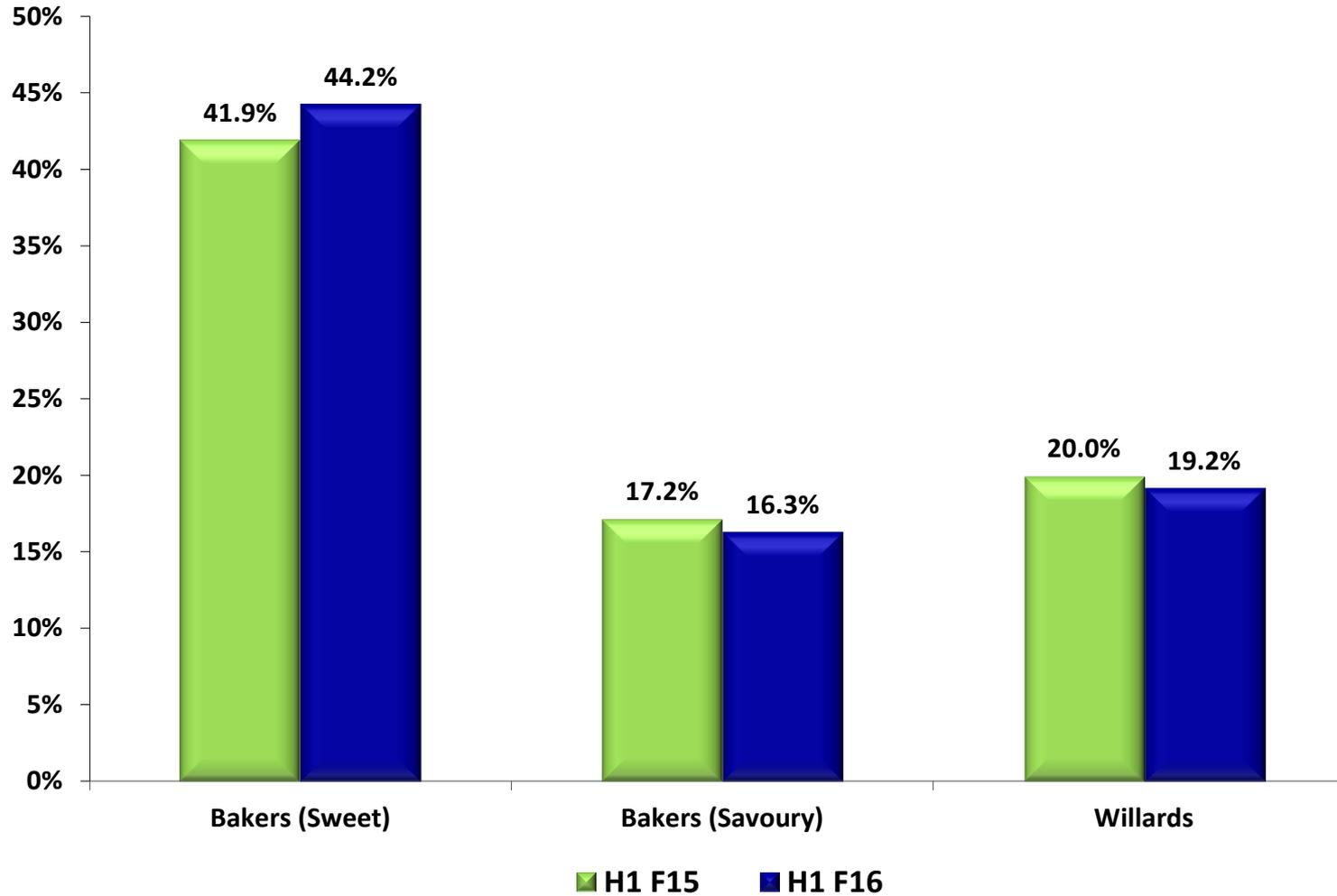
### ■ Improved snacks profit

- ❑ Selling prices and sales volumes suppressed by aggressive competitor activity, particularly on potato chips
- ❑ Benign commodity prices , currency hedges and procurement savings underpinned margin improvement
- ❑ Continued factory focus on upgrading potato and corn lines

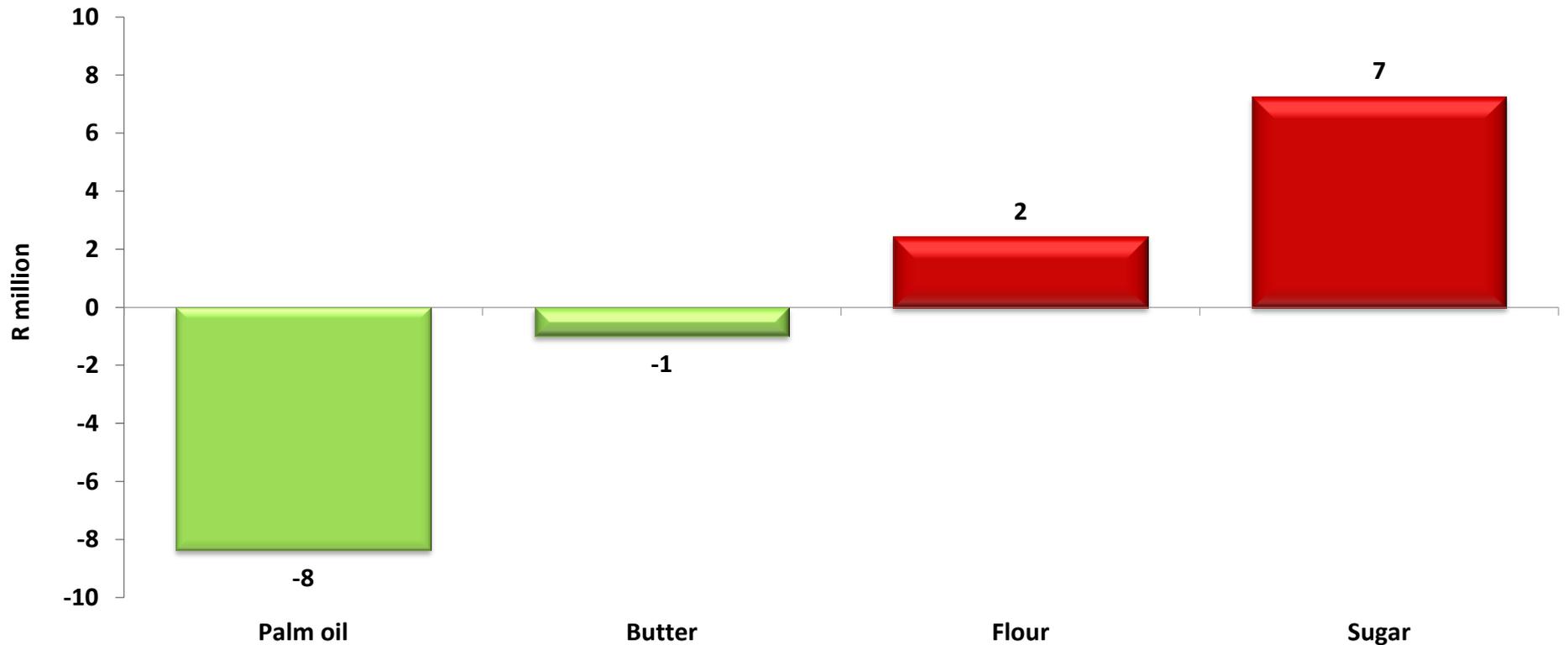


## Sales volume and selling prices

	% Δ H1 F16 vs H1 F15	Comments
<b>Biscuits revenue growth</b>	<b>7,8</b>	
Volume growth	1,5	<i>Product launches and line extensions</i>
Ave. selling prices	6,2	<i>Price increases to recover input cost pressure</i>
<b>Snacks revenue growth</b>	<b>4,6</b>	
Volume growth	(1,1)	<i>Aggressive competitor pricing, particularly on potato chips</i>
Ave. selling prices	5,8	<i>Price increases to recover input cost pressure</i>



Cost impact of raw materials and commodities consumed in the period (H1 16 vs H1 15):

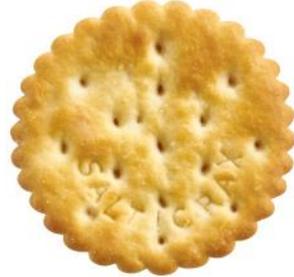


■ Currency hedges protected against Rand weakness and volatility

# Snackworks

## Prospects for H2

- Tactile price / volume management in constrained and competitive market
- Continuing program of product extensions should support volumes
- Ongoing cost pressure – weaker Rand, employment costs and drought conditions
- Continued focus on export business
- Projects
  - Capacity improvements on key lines – Isando and Westmead
  - Procurement initiatives





## Performance and prospects



**GROWING  
GREAT  
BRANDS**



## Income statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	1 000,8	982,1	1,9
Operating profit	159,7	98,1	62,8
<i>Operating profit margin %</i>	<i>16,0</i>	<i>10,0</i>	<i>60,0</i>

- Revenue growth reflects the benefit of the weaker Rand on export sales and selling price increases, offset by changes in sales mix
  - Portion of foreign exchange gains recorded in S&A costs
- Lower fuel prices
- Improved fishing recovery
  - Additional fishing days following commissioning of new vessels during H1
  - Offset by lower freezer vessel catch rates / day
- Good processing performance - yield lower because of smaller size mix
- Unrealised losses on fuel hedges R13,7 million lower than December 2014





## Revenue growth

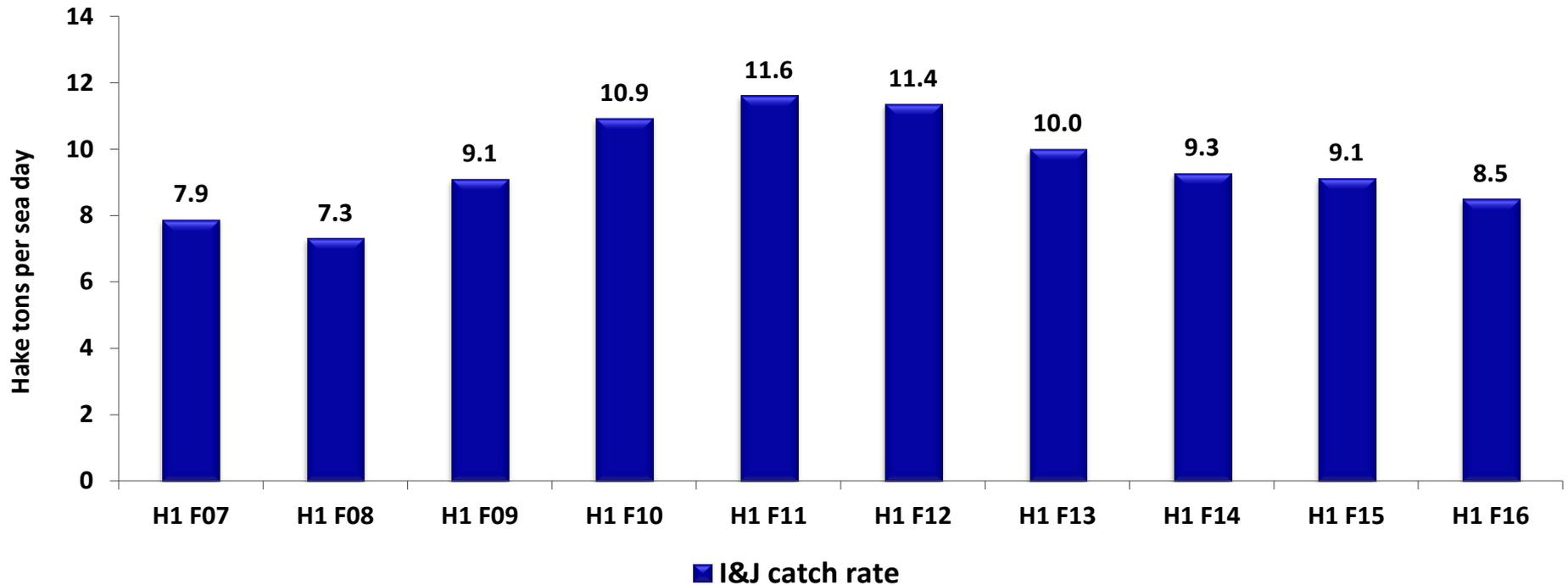
	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue as stated	1 000,8	982,1	1,9
Foreign exchange gains/(losses) recorded in S&A costs	32,8	(2,5)	
	1033,6	979,6	5,5

- Exports mostly in Euros where average exchange rate was 7% higher than H1 F15
- Expected increase in Frozen at Sea fillets not achieved because of lower freezer vessel catch rates
- Increase in local volumes because of smaller size mix





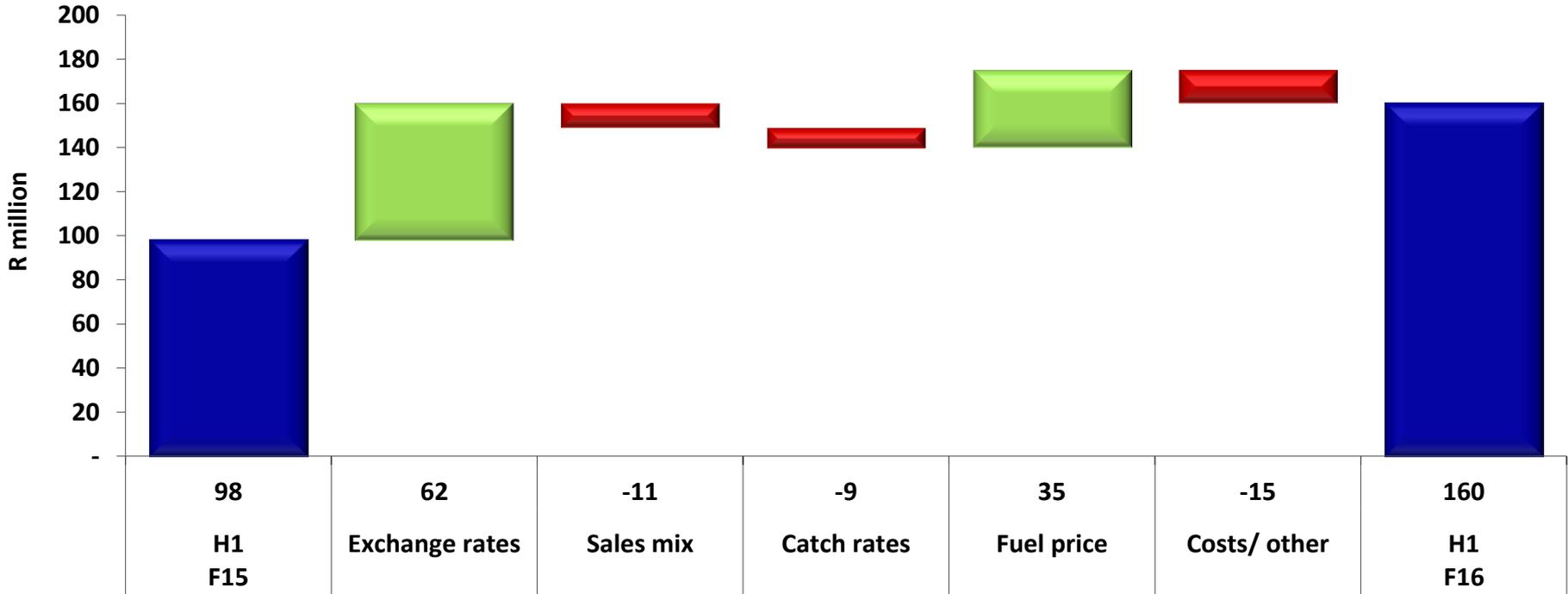
## Fishing performance



- Net decrease in catch rates – wet vessels increased; freezer vessels decreased
- More fishing days with new vessels fishing for part of the semester– freezer vessel commenced October 2016; wet vessel commenced November 2016
- Fish size mix trended to smaller sizes than in H1 F15



## Operating profit



- Significant benefit of weaker Rand
- Sales mix: higher local market volumes
- Catch rates: wet vessels improved; freezer vessels decreased
- Fuel: Lower US Dollar fuel price and smaller unrealised loss on fuel hedges



## Sales volume and selling prices – core hake volumes

	<b>% Δ H1 F16 vs H1 F15</b>	<b>Comments</b>
<b>I&amp;J Domestic revenue growth</b>	<b>11,5</b>	
Volume	5,0	<i>Higher wet vessel catches and smaller size mix favoured local market formats</i>
Ave. selling prices	6,2	<i>Price increases taken to mitigate cost pressure</i>
<b>I&amp;J Export revenue growth</b>	<b>(0,6)</b>	
Volume	(9,7)	<i>Timing of export sales – contract call-off biased to H2.</i>
Ave. selling prices	10,1	<i>Benefit of weaker Rand</i>

- Local market share increased to 46,1% from 44,2% in H1 F15



## Prospects for H2

- Expect continued benefit of weaker Rand on export revenue
- Lower fuel cost
- Extra fishing days from new vessels
- New freezer vessel will produce high value export format, offsetting lower catch rates
- As always, exposed to fishing catch rates and size mix
- Quota for 2016 calendar year unchanged
- Projects
  - Abalone aquaculture expansion to 500 tons proceeding well
  - Back-up power at multiple sites





# indigo brands

YARDLEY  
LONDON

LENTHERIC  
LONDON • PARIS

COTY  
PARIS • NEW YORK

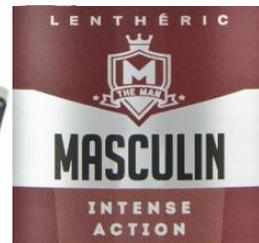
RIMMEL  
LONDON



nailene.

Sally Hansen  
#1 USA Nail Expert

## Performance and prospects



GROWING  
GREAT  
BRANDS



# Income Statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	569,1	541,4	5,1
Operating profit	124,0	102,6	20,9
<i>Operating profit margin %</i>	<i>21,8</i>	<i>19,0</i>	<i>14,7</i>

- Revenue from owned brands grew by 13,2%
- Improved gross margin
  - price increases to recover cost pressure
  - lower volume of product manufactured for Coty
- Strong performance from core ranges and innovation
- Ongoing gains in wholesale channels
- Export sales constrained by currency movements in some geographies





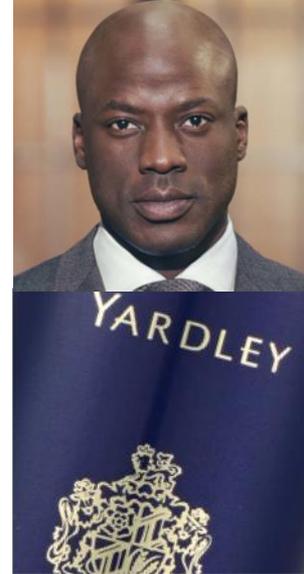
indigo brands

## Sales volume and selling prices

	% Δ H1 F16 vs H1 F15	Comments
<b>Personal Care revenue growth*</b>	<b>13,2</b>	
Volume growth	1,5	<i>Increase in domestic body sprays and colour cosmetics; export volumes lower where currency impacted prices</i>
Ave. selling price	11,6	<i>Price increases to recover input cost pressure; effective price tiering</i>

\* Excludes Coty

■ Body spray market share decreased slightly from 38,0% to 37,1%





indigo brands

## Prospects for H2

- Pressure on cost of sales from weaker Rand
- Stronger export demand as currency effect abates
- Product ranges positioned to benefit from constrained environment
- New product launches
  - Body sprays
  - Fragrances
- Lower commissions from Coty – R10 million
- Projects
  - Distribution centre upgrade
  - Back up power completed in April



*Giorgio*

*You're  
the  
Fire*



# SPITZ

SPITZ CARVELA KURT GEIGER LACOSTE GANT nina roche #TOSONI

## Performance and prospects



GROWING  
GREAT  
BRANDS

# SPITZ

## Income statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	942,8	885,7	6,5
Operating profit	288,6	282,7	2,1
<i>Operating profit margin %</i>	<i>30,6</i>	<i>31,9</i>	<i>(4,1)</i>

- Strong performance from core brands – Carvela, Lacoste, Kurt Geiger
  - Improved footwear and clothing volumes
  - Improved like-for-like trading densities
- Margins materially protected by price increases and currency hedges
- Extensive revision of supporting brands
- Trading space:
  - ❑ 2 new Spitz stores and 5 new Kurt Geiger stores
  - ❑ Closure of 1 Kurt Geiger store and 1 Carvela store in sub optimal locations
  - ❑ 4 Spitz stores refurbished



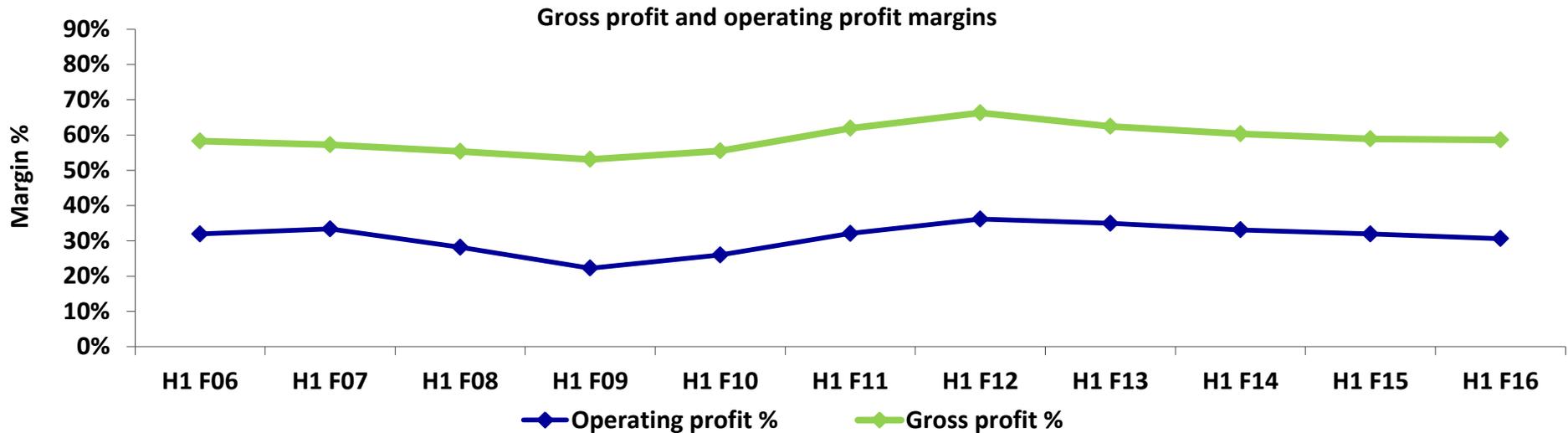
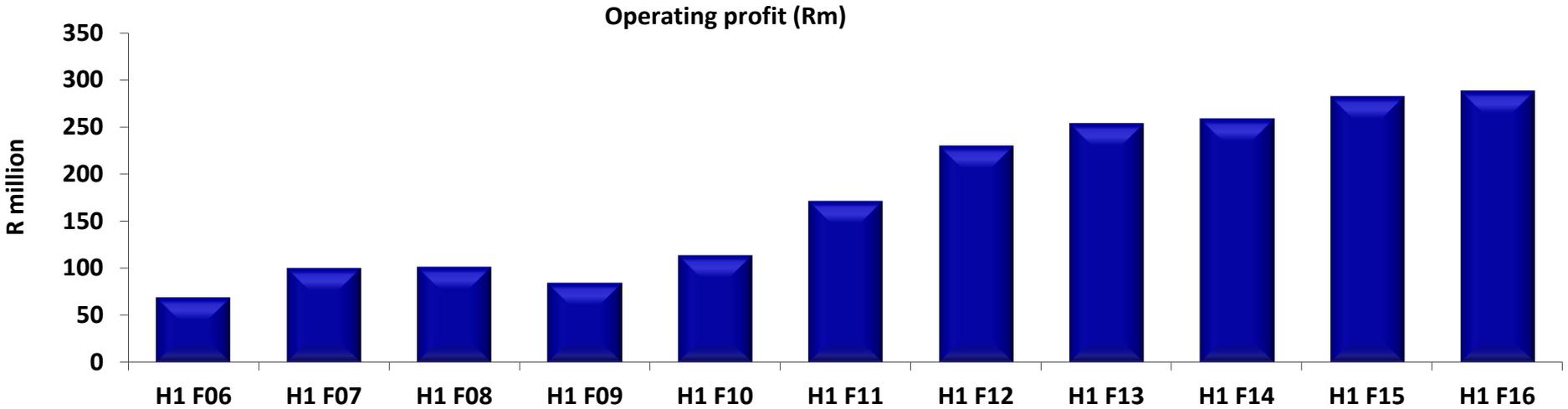
# SPITZ

## Sales volume and selling prices

	<b>% Δ H1 F16 vs H1 F15</b>	<b>Comments</b>
<b>Spitz &amp; KG Footwear revenue growth</b>	<b>7,0</b>	
Volume growth	1,7	<i>Volume growth on core brands notwithstanding constrained consumer environment and price increases</i>
Ave. selling price	5,2	<i>Price increases, offset by increased volumes of non-core product on Winter sale</i>
<b>KG Clothing revenue growth</b>	<b>5,7</b>	<i>New stores and improved trading density</i>

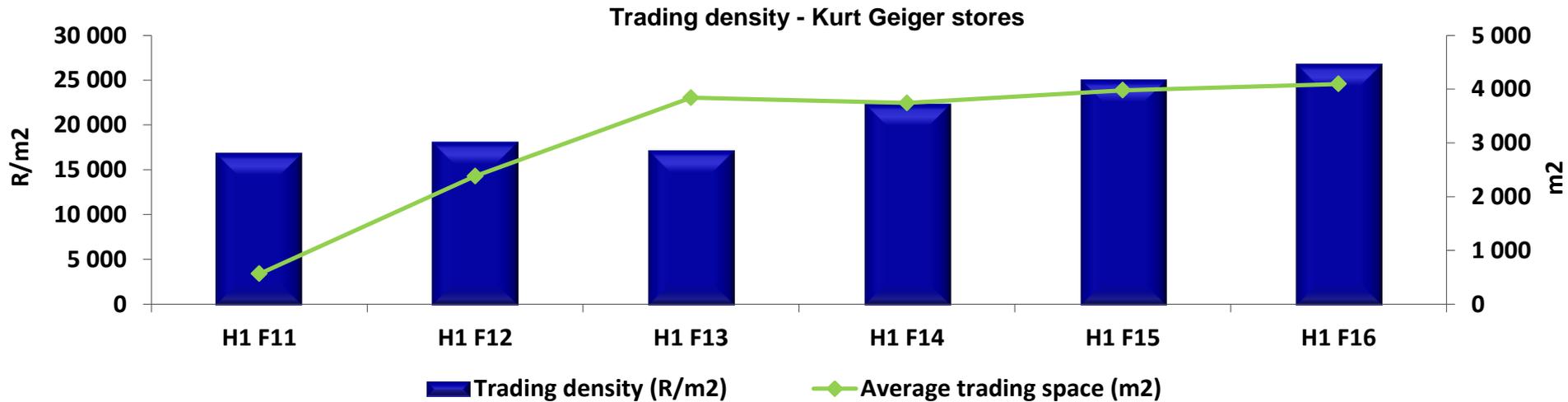
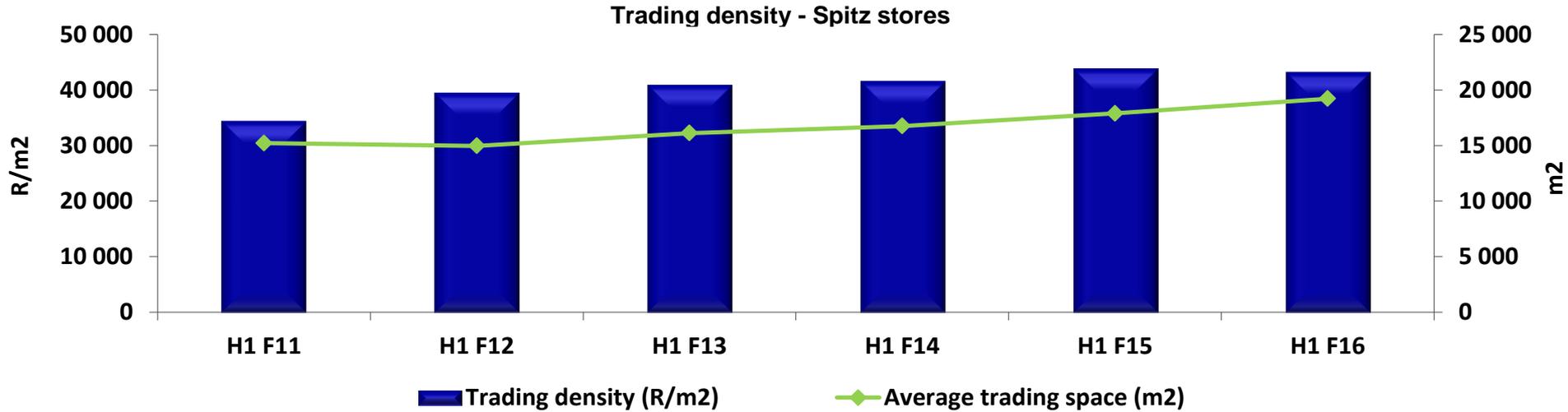
# SPITZ

Spitz and Kurt Geiger



# SPITZ

Spitz and Kurt Geiger



# SPITZ

## Prospects for H2

- Further price increases needed to offset cost pressure from weaker Rand
  - Careful management of price / volume / margin
  - Increased activity to stimulate sales
  - May need to absorb some margin pressure in the short term
- Constrained spending environment impacting demand
- Improved store tiering and product ranging
- Retail space
  - 4 new stores
  - 6 refurbishments
- Projects
  - Rollout of refreshed store designs
  - Italian office to strengthen design and quality



# GREEN CROSS

Performance and prospects



**GROWING  
GREAT  
BRANDS**

# GREEN CROSS

## Income Statement

	H1 F16 Rm	H1 F15 Rm	%Δ
Revenue	174,3	171,4	1,7
Operating profit	17,8	23,6	(24,6)
<i>Operating profit margin %</i>	<i>10,2</i>	<i>13,8</i>	<i>(26,1)</i>

- Retail sales disrupted by major mall renovations and store refurbishments
  - Positive consumer response and improved trading post refurbishments
- Cost pressure from weaker Rand
- Decrease in wholesale revenue
  - Weak demand
  - Slow progress with initiatives
- 4 new doors opened in H1 F16



# GREEN CROSS

## Prospects for H2

- Continue investing in retail stores
  - 3 new doors
  - 2 refurbishments
- Benefits from improved product ranges
- Leverage improved SA factory capability
- Constrained consumer spending
- Cost pressure from weaker Rand
- Continued focus on wholesale in difficult environment
- Projects
  - Centralisation of distribution at Epping factory
  - Increase local design / manufacture



# AVI

AVI INTERNATIONAL



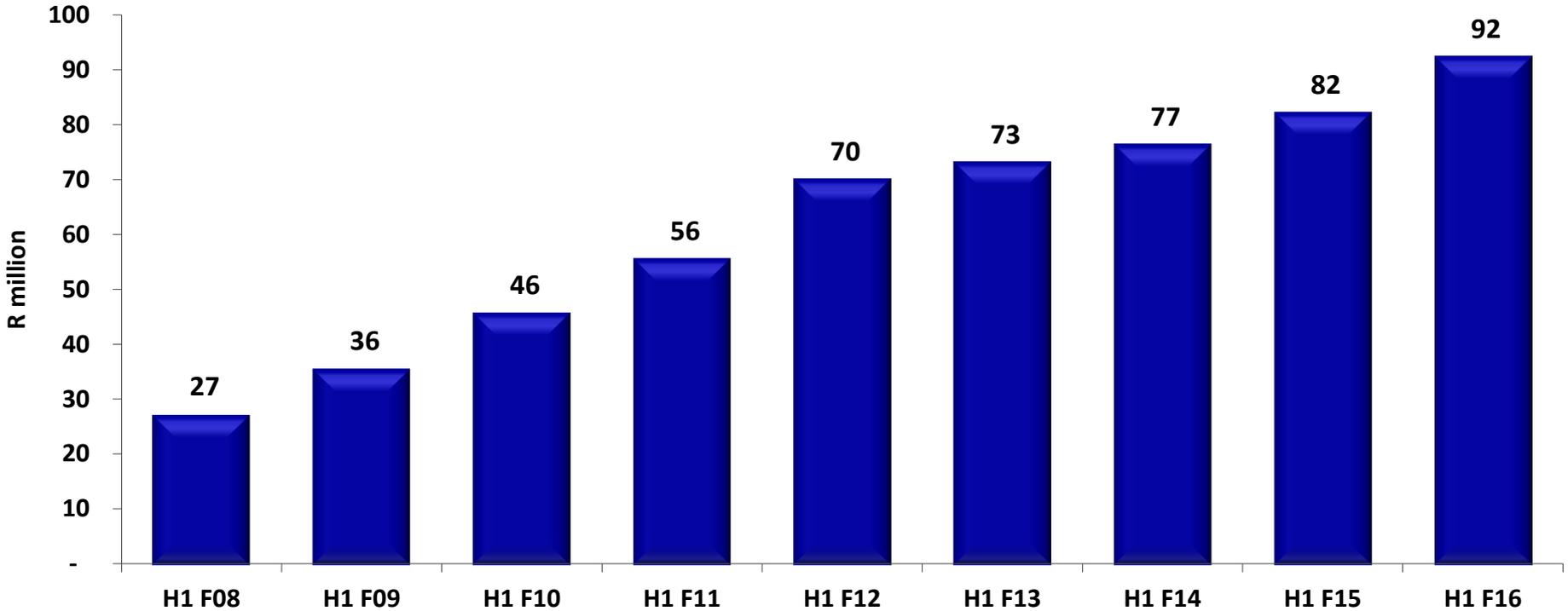
*Ellis Bros*  
So Much More



**GROWING GREAT BRANDS**

# AVI INTERNATIONAL

## Operating profit history



- Revenue growth in most markets, notably Botswana, Zimbabwe and Namibia
- Currency weakness in Zambia and Mozambique
- Strong tea and creamer performance
- Investing to build long-term brand positions

# AVI INTERNATIONAL

Entyce, Snackworks and Indigo – Non RSA sales

	H1 F16	H1 F15	%Δ
	Rm	Rm	
<b>International Revenue</b>	473,7	447,9	5,8
<i>% of Grocery and Personal Care brands</i>	11,1	11,4	
<b>International Operating Profit</b>	92,5	82,4	12,3
<i>% of Grocery and Personal Care brands</i>	11,0	10,9	
<b>International Operating Margin</b>	19,5	18,4	6,0
<i>Grocery and Personal Care brands Operating Margin</i>	19,8	19,2	3,1

# AVI GROUP

## Prospects for H2

- I&J performance dependent on catch rates
  - ❑ Additional vessels available for whole of H2 - increased sea days
  - ❑ Potential upside if weak Rand and low fuel price persist
  - ❑ Ongoing focus on fishing and processing efficiency
  - ❑ Key export markets healthy
- Sustain Entyce, Snackworks and Indigo profit growth in volatile environment
  - ❑ Tactile price / volume management
  - ❑ Constrained consumer spending
  - ❑ Input cost pressure from weaker Rand
  - ❑ Innovation to gain share in low growth environment
  - ❑ Elevated project activity to improve efficiency and capacity



# AVI GROUP

## Prospects for H2 continued

### ■ Footwear and Apparel

#### □ Impeccable retail execution

- Green Cross new store design roll-out and improved range
- Spitz store refresh – store design, tiering and ranging
- Kurt Geiger brand evolution
- Appropriate promotional retailing support

#### □ Optimise price vs. volume in constrained environment

#### □ Net trading space growth

### ■ Group initiatives

- Procurement initiative – on track to achieve R120 million saving in F17
- Fixed cost review in response to lower growth environment
- Complete back-up power mitigation – R100 million total



# AVI GROUP

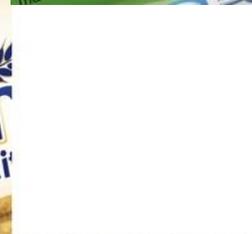
## Investor proposition

- Manage our unique brand portfolio to its long term potential
- Organic earnings growth; target >10% HEPS growth p.a.
- High dividend yield – maintain normal dividend payout ratio of 80%
- Sustain high return on capital employed
  - Effective capital projects
  - Return excess cash to shareholders efficiently
- Replicate our category market leadership in selected regional markets
- Acquisition of high quality brand opportunities if available



# AVI

## Questions



# AVI

## Information slides



# BUSINESS UNIT FINANCIAL RESULTS

## Income statement

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	H1 F16 Rm	H1 F15 Rm	Δ %	H1 F16 Rm	H1 F15 Rm	Δ %	H1 F16 Rm	H1 F15 Rm
<b>Food &amp; Beverage Brands</b>	<b>4 683,1</b>	<b>4 376,1</b>	<b>7,0</b>	<b>879,4</b>	<b>749,7</b>	<b>17,3</b>	<b>18,8</b>	<b>17,1</b>
Entyce	1 728,1	1 568,9	10,1	351,0	312,1	12,5	20,3	19,9
Snackworks	1 954,2	1 825,1	7,1	368,7	339,5	8,6	18,9	18,6
I&J	1 000,8	982,1	1,9	159,7	98,1	62,8	16,0	10,0
<b>Fashion Brands</b>	<b>1 707,2</b>	<b>1 622,1</b>	<b>5,2</b>	<b>429,6</b>	<b>411,3</b>	<b>4,4</b>	<b>25,2</b>	<b>25,4</b>
Personal Care	569,1	541,4	5,1	124,0	102,6	20,9	21,8	19,0
Footwear & Apparel	1 138,1	1 080,7	5,3	305,6	308,7	(1,0)	26,9	28,6
<b>Corporate</b>	<b>2,7</b>	<b>4,0</b>		<b>(6,9)</b>	<b>(8,7)</b>			
<b>Group</b>	<b>6 393,0</b>	<b>6 002,2</b>	<b>6,5</b>	<b>1 302,1</b>	<b>1 152,3</b>	<b>13,0</b>	<b>20,4</b>	<b>19,2</b>

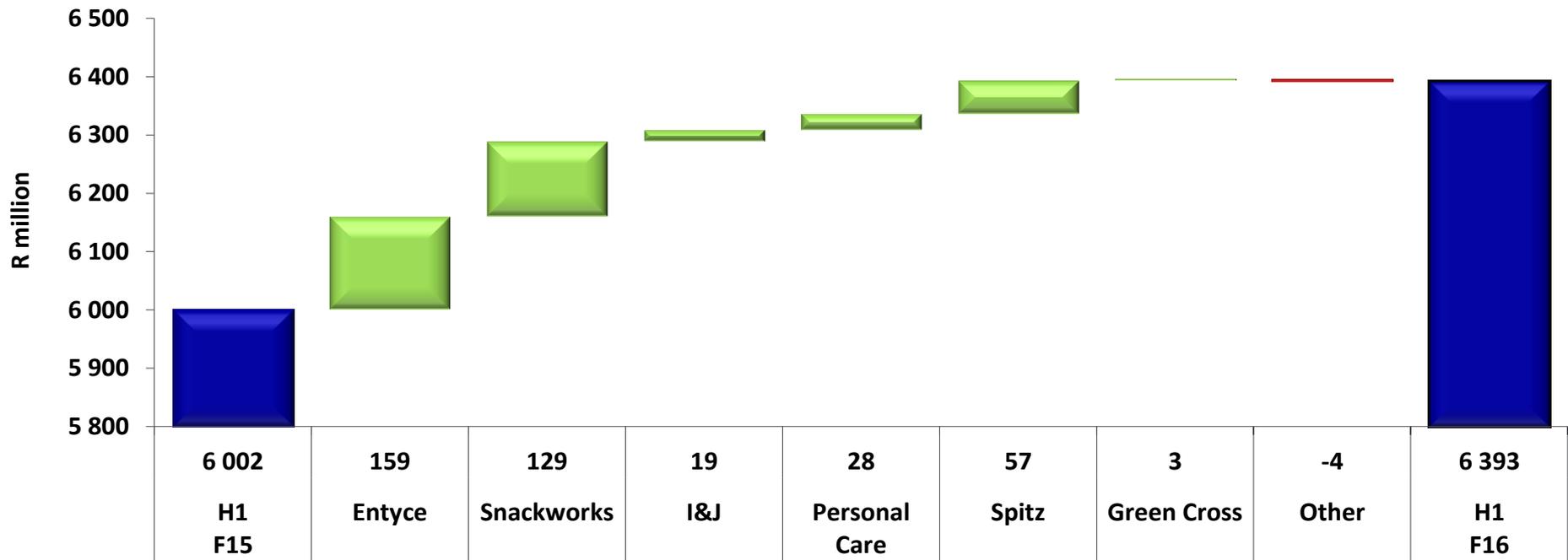
# FOOTWEAR & APPAREL FINANCIAL RESULTS

## Income statement

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	H1 F16 Rm	H1 F15 Rm	Δ %	H1 F16 Rm	H1 F15 Rm	Δ %	H1 F16 Rm	H1 F15 Rm
<b>Footwear &amp; Apparel</b>	<b>1 138,1</b>	<b>1080,7</b>	<b>5,3</b>	<b>305,6</b>	<b>308,7</b>	<b>(1,0)</b>	<b>26,9</b>	<b>28,6</b>
Spitz	942,8	885,7	6,5	288,6	282,7	2,1	30,6	31,9
Green Cross	174,3	171,4	1,7	17,8	23,6	(24,6)	10,2	13,8
Gant	21,0	23,6	(11,0)	(0,8)	2,4	(133,3)	(3,8)	10,2

# INFORMATION SLIDE

Revenue 6,5% up



- Entyce: Price increases in tea, coffee and creamer together with creamer volume growth
- Snackworks: Price increases and sweet biscuit volume growth
- I&J: Weaker Rand offset by change in sales mix
- Personal Care: Strong growth in owned brands offset by decline in Coty revenue
- Spitz: Higher selling prices; footwear volume growth
- Green Cross: Price increases offset by lower wholesale volumes

# INFORMATION SLIDE

Gross profit 8,3% up



- Entyce: Revenue growth offset by higher input costs, mostly weaker Rand
- Snackworks: Revenue growth offset by higher input costs, mostly weaker Rand
- I&J: Weaker Rand and lower fuel costs
- Personal Care: Revenue growth and decline in Coty product manufactured
- Spitz: Revenue growth offset by higher costs of imported goods due to weaker Rand
- Green Cross: Lower wholesale volumes and pressure from weaker Rand

# INFORMATION SLIDE

## Vessel replacement cash flow summary

	F14 Rm	F15 Rm	F16 Rm	Total Rm
New wet vessel	27	88	43	158
Freezer vessel	36	13	218	267
Purchased & sale back wet vessel	45	–	(33)	12
	108	101	228	437

■ Wet vessel commenced fishing in November 2015



■ Freezer vessel commenced fishing in October 2015



# INFORMATION SLIDE

## I&J fishing quota

Quota (tons)	CY10	CY11	CY12	CY13	CY14	CY15	CY16
South African Total Allowable Catch (TAC)	119 861	131 847	144 742	156 088	155 308	147 500	147 500
% change in TAC	1,1	10,0	9,8	7,8	(0,5)	(5,0)	-
I&J	33 550	36 906	40 515	43 689	43 471	41 223	41 245
%	28,0	28,0	28,0	28,0	28,0	27,9	28,0

# INFORMATION SLIDE

## Trading space and trading density

### Spitz

	H1 F16	H1 F15
Number of stores	75	72
Turnover (Rm)	833,0	786,0
Average m <sup>2</sup>	19 239	17 901
Trading Density (R /m <sup>2</sup> )	43 298	43 911
Closing m <sup>2</sup>	19 376	18 342

### Like-for-like metrics\*

	H1 F16	H1 F15
Number of stores	69	69
Turnover (Rm)	809,8	782,7
Average & closing m <sup>2</sup>	17 803	17 471
Trading Density (R/m <sup>2</sup> )	45 489	44 802

\* Excludes new stores

# INFORMATION SLIDE

## Trading space and trading density

### Kurt Geiger

	H1 F16	H1 F15
Number of stores	33	33
Turnover (Rm)	109,8	99,6
Average m <sup>2</sup>	4 095	3 978
Trading Density (R /m <sup>2</sup> )	26 816	25 050
Closing m <sup>2</sup>	4 156	3 978

### Like-for-like metrics\*

	H1 F16	H1 F15
Number of stores	28	28
Turnover (Rm)	99,9	89,6
Average & closing m <sup>2</sup>	3 542	3 368
Trading Density (R/m <sup>2</sup> )	28 212	26 611

\* Excludes new stores

# INFORMATION SLIDE

## Trading space and trading density

### Green Cross

	H1 F16	H1 F15
Number of stores	34	30
Turnover (Rm)	118,1	109,7
Average m <sup>2</sup>	3 941	3 423
Trading Density (R /m <sup>2</sup> )	29 973	32 034
Closing m <sup>2</sup>	4 097	3 423

### Like-for-like metrics\*

	H1 F16	H1 F15
Number of stores	30	30
Turnover (Rm)	112,1	109,7
Average & closing m <sup>2</sup>	3 576	3 423
Trading Density (R/m <sup>2</sup> )	31 349	32 034

\* Excludes new stores

# INFORMATION SLIDE

Closing number of stores and trading space at the end of each period

Period End	Spitz		Kurt Geiger		Green Cross	
	# of stores	Closing m <sup>2</sup>	# of stores	Closing m <sup>2</sup>	# of stores	Closing m <sup>2</sup>
December 2005	29	8,232	1	128		
June 2006	31	8,730	1	128		
December 2006	35	10,397	1	128		
June 2007	38	10,397	1	128		
December 2007	46	12,974	3	346		
June 2008	51	14,095	3	346		
December 2008	57	15,448	3	346		
June 2009	56	15,595	3	346		
December 2009	56	15,220	3	346		
June 2010	56	15,012	3	346		
December 2010	57	15,124	7	1,047		
June 2011	57	14,991	15	1,910		
December 2011	59	15,240	22	2,922	29	3,304
June 2012	61	15,662	26	3,507	30	3,382
December 2012	64	16,586	31	4,113	30	3,382
June 2013	64	16,586	30	3,751	30	3,382
December 2013	67	17,156	32	3,960	30	3,382
June 2014	70	17,813	32	3,880	31	3,517
December 2014	72	18,342	33	3,978	30	3,423
June 2015	74	19,144	29	3,677	30	3,529
December 2015	75	19,376	33	4,156	34	4,097