

AVI LIMITED

Registration number 1944/017201/06

Share Code: AVI

ISIN: ZAE000049433

("AVI" or "the Group")

CHAIRMAN'S COMMENT ON TRADING CONDITIONS

At the annual general meeting of AVI held this morning, Gavin Tipper provided an update on trading conditions.

"Group revenue for the first quarter ended September 2020 increased by 3,6% over the same period in the prior year. Growth in most of our food and beverage categories was partially offset by the continued impact of COVID-19 on sales volumes in the fashion businesses and the Ciro out-of-home coffee solutions business. Notwithstanding improvements over the quarter, revenue in the fashion businesses was 87% of that achieved in the first quarter of last year, and improved further in October. The consolidated gross profit margin decreased largely due to cost pressures from the weaker Rand but consequent selling price increases should contribute to an improvement over the remainder of the year. Selling and administrative costs were tightly managed, resulting in growth in operating profit for the quarter of 0,5%.

Results for the remainder of the 2021 financial year are materially dependent on sound consumer demand over the festive season, and through the second semester, for our food and beverage brands, and continued improvement in demand for our fashion brands."

The information above has not been reviewed and reported on by the Group's auditors.

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5 November 2020

Sponsor

The Standard Bank of South Africa Limited