Shareholders are advised that the executive management of the group today met with members of the financial community, including shareholders and financial analysts, for an update on current market conditions and the Group’s trading environment.

Management commented as follows:

1. Current market conditions and trading

Bidvest Industrial Holdings (incorporating Bidvest South Africa and Bidvest Namibia)

- As noted in the 2015 financial results, trading conditions in South Africa have remained tough in the quarter ended September 30 2015, a continuation of the environment experienced in the latter part of the 2015 financial year. October trading picked up a little. During these tough times, management are aggressively managing the cost base and funds employed in the businesses.
- The acquisition of Plumblink, an industrial products supply business, was concluded with effect from July 2015. Early indications are that its performance is in line with management’s expectations.
- Weak consumer demand in the automotive market, the impact of the decline in demand for commodities and the decline in the agricultural products exports have adversely affected a number of divisions. On the positive side, new asset based leasing contracts in Financial Services, the growth in the Industrials division combined with the inclusion of Plumblink for the first time and solid performances in Consumer Products, Electrical, Office and Paperplus divisions are supporting growth.
- Business development activities into our broad customer base are yielding positive results, with a number of new contracts having been acquired. This has been facilitated by effective cross-divisional cooperation to win new business and gain market share.
- Macro factors such as low growth, the weak currency and latterly drought conditions in many parts of the country are undermining business confidence in the South African economy.
• The overall trading results for the South Africa operations to the end of October are slightly ahead of those for the comparative period.
• Management continues to pursue opportunities to expand the range of services and products offered and the geographic footprint of the businesses.
• As a management principle, Bidvest Industrial Holdings will not be captive to the macro situation it faces and so the businesses are trading aggressively to perform at the forefront of their respective markets. Bolt-on acquisitions are considered as they arise.
• Amended BBBEE codes have been implemented by government and all businesses are making excellent progress in adapting to the changes that are required in the BBBEE journey.
• Business activity into Africa continues through exports with a focus of expanding our agent and dealer representation.
• The trading results in Bidvest Namibia are disappointing. Fishing continues to be negatively affected by the direct horse mackerel quota reduction as well as the availability of bought-in quota. Management continues to engage with the authorities in this regard in the interests of securing industry sustainability and remedies. Most of the Commercial operations are operating well. Remedial action is being aggressively undertaken in Food and Distribution in order to restore growth. With effect from August 2015, Bidvest Namibia acquired the Novel Motor Company which will serve to broaden the business base. Initial indications are that performance is in line with budgeted expectations. Overall business improvement strategies continue to be pursued.

Food Group (including Food South Africa)
• The solid momentum achieved by the Food Group in the 2015 financial year continued into the 1st quarter of the 2016 financial year. Solid results are being achieved by most of the component parts of the division with particularly pleasing performances in Bidvest Foodservice UK, Bidvest Czech Republic and Slovakia, Angliss Greater China and the Australasian region.
• Trading results translated into South African Rand have been assisted by Rand weakness although the benefit is not material to the division.
• The pleasing performance of the foodservice businesses has been achieved against a backdrop of minimal or non-existent food inflation. Costs remain well controlled although wage costs are under pressure in certain more buoyant economies as unemployment declines and staff shortages become real.
• Management remains focused on executing on the strategic plan to balance their customer portfolios and to focus on adding value to our foodservice customer offering through innovation and service delivery.
• Trading through October remained positive and a good result is expected for the half year to December 2015.
Corporate

- Cumulative portfolio fair value and investment gains are higher than the comparative 1st quarter, but not significantly so.

2. General

- Acquisitions update:
  - Adcock Ingram:
    - Based on the recently announced restructure of the board and management, we expect this to position the company for the next expansionary phase of its development.
    - As announced, the underperforming investments, notably Africa and India, are being addressed.
  - The internal restructuring of the Group as announced on October 7 2015 is in progress.
  - Management remains motivated and is optimistic despite difficult trading environments, particularly in Southern Africa. Innovation is a key driver as a means of managing margins, costs and returns.
  - Management continues to seek out acquisition opportunities both locally and abroad.

A full recording of the presentation is available on the group’s website www.bidvest.co.za

This management update has not been reviewed or reported on by the Company’s independent auditors.

Johannesburg
November 24, 2015

Sponsor
Investec Bank Limited