Management update on general trading conditions in the foodservice operations only

Shareholders are advised that the executive management of the Foodservice group on May 4 2016 met with members of the financial community, including shareholders and financial analysts, for an update on current market conditions and the trading environment across the foodservice operations.

Management commented as follows:

1. **Foodservice Group current market conditions and trading**
   - The pleasing performance of the foodservice businesses has been achieved against a backdrop of zero food inflation, in relatively negative circumstances globally.
   - Management remains focused on executing on the strategic plan to balance their customer portfolios and on adding value to their customer offering through innovation and service delivery.
   - Trading remains positive, activity levels across all markets are buoyant and management are expecting good results for the year ending June 2016.

United Kingdom (“UK”)
   - The businesses continue to grow relatively well in both foodservice and fresh offerings. The foodservice market is a highly fragmented industry which presenting lots of opportunity.
   - Logistics remains a tough business driven by a few large customers and tight margins.
   - Some uncertainty exists around Brexit which is dampening consumer confidence however our operations remain agile and opportunistic enough to adapt to the changing conditions.

Europe
   - Western European growth remains sluggish however Eastern Europe is experiencing stronger growth conditions.
   - Our Foodservice operations in this region are realizing the benefits of timely restructuring and infrastructural investment.
   - DAC Italy has settled in well post acquisition and is exploring expansion opportunities. Global procurement benefits in Italian product are being realized across the group.
Czech (Nowaco) has benefitted from excellent ice cream sales; but we continue to focus on growth of core wholesale business in Czech, Slovakia and Poland.

The Belgium business is experiencing a tough trading environment. The Netherlands business is delivering positive growth as management focus on moving away from the previous institutionally focused customer model.

Spain is a good market where we remain committed to accessing the right opportunity.

Further expansion into the region will be considered as we are not represented or underrepresented in many countries.

Asia

China presents a huge growth opportunity with a growing middle class population and increasing demand for Western styled food products. Organic expansion over the past 8 years of operating in China has seen expansion into 12 cities – creating a geographic reach and operational platform that bodes well for future growth.

Hong Kong has experienced tough trading off lower tourism activity.

Singapore is well positioned having fully transitioned to a foodservice model, benefitting from no longer being commodity traders.

Further expansion into this region is being explored, using Singapore as a base for countries such as Malaysia and Vietnam. Indonesia is also being considered.

Australasia

The tourism boom has facilitated good growth in Australasia. Both Australia and New Zealand continue to produce solid results.

Exponential growth is not anticipated in this region without some diversification of the current business model. This is being considered where expanding into allied non-food products distribution model might be an opportunity.

Emerging markets

South Africa continues to produce good results in spite of the tough operating conditions. Strong management, rebalancing the portfolio and moving towards a wider customer base has all contributed to the improved result. Expansion into Africa is being pursued via new agency relationships or business expansion.

South America faces tough political and economic conditions however management remain bullish that significant opportunities exist in the region to consolidate markets to build a strong growth platform over time.

Middle East has produced good results in spite of the geopolitical challenges in the region; indicative of the fact that opportunities exist in spite of consequent macro-economic conditions.
2. General

- Management is highly motivated by challenge and the opportunity presented by the unbundling from Bidvest and are excited about continuing to grow off the current solid platform. The decentralization philosophy which breeds accountability and responsibly will remain the cornerstone of the foodservice group.
- Operating across 35 countries, the foodservice group is made up of committed and passionate people that are best of breed and have the authority and autonomy to run their business.
- The unbundling presents an opportunity for the foodservice group to deliver superior growth and shareholder value over time.
- Management remain alert to acquisition opportunities that present themselves both in current markets and in new territories.

The full presentation was recorded and a playback recording 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
May 5 2016

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