BIDVEST HEADLINE EARNINGS PER SHARE DIP 12,9% FOR YEAR TO JUNE 2009

In extremely challenging economic conditions respectable trading results have been achieved. Bidvest's headline earnings per share decline by 12,9% for year to June 2009.

HIGHLIGHTS

- Basic earnings per share decline 13,4% to 929,6 cents per share
- Decisive action strengthens Group at a time of uncertainty
- Headline earnings affected by expensing of R118,3 million in closure and reorganisation costs
- Cash generation strong at R6,8 billion, up 10,9%
- Distribution per share falls 23,2% to 380,0 cents
- Revenue 1,8% higher at R112,4 billion
- Trading margin slightly down at 4,6%
- Net debt down to R4,1 billion from R5,6 billion
- Net debt to equity of 28,5% a significant improvement
- Resilient contributions from Bidfreight, Bidserv, Bidvest Asia Pacific and SA food businesses
- Exceptional performance by Bidvest Namibia

OVERVIEW

Today Bidvest CE Brian Joffe announced "respectable trading results in extremely tough economic conditions" for the year ended June 30 2009. Headline earnings per share fell 12,9% to 930,0 cents per share while basic earnings per share declined 13,4% to 929,6 cents a share. Joffe said headline earnings were affected by the expensing of R118,3 million in closure and reorganisation costs in some motor retail operations and the UK foodservice and Ontime Automotive businesses and higher first-half interest rates.

"Decisive action was taken to put the Group in a stronger position at a time of uncertainty and worldwide economic recession," said Joffe. "Difficult times provide opportunities and Bidvest is alert to the potential."

Despite a 3,7% dip in trading profits to R5,1 billion, cash generated by operations was robust at R6,8 billion, up 10,9%. Bidvest's balance sheet remained strong. Net debt declined to R4,1 billion (2008: R5,6 billion) on lower working capital demands and tighter asset management. Interest cover at 5 times reflects adequate borrowing capacity. Net debt to equity at 28,5% improved significantly on the prior year's 40,3%. Net finance charges rose 10,5% to R1 029,2 million, reflecting higher average rates. Net interest paid fell in the last quarter as Bidvest benefited from short-term funding exposure.

"Working capital management improved Group-wide and remains a critical focus area," added Joffe. Capital and operational expenditure was strictly controlled in all operations. Improved returns on funds employed remains management's priority.

Joffe noted resilient contributions from Bidfreight, Bidserv, Bidvest Asia Pacific and the South African food businesses. Bidvest Namibia performed exceptionally well. 3663 and Ontime Automotive in the UK, Bid Industrial and Commercial Products and Bid Auto underperformed.

3663's performance declined markedly in the severe UK recession, necessitating the closure and reorganisation of certain operations. The rand traded at an average of R14,47 (2008: R14,64) against sterling, marginally impacting foreign earnings.

Bid Industrial and Commercial Products was impacted by volatile metal prices, inventory impairments and weak consumer demand for furniture. Bid Auto was under pressure from high interest rates, sharp falls in consumer spending and vehicle finance constraints.

DISTRIBUTION

The distribution to shareholders declined by 23,2% to 380,0 cents. The lower distribution is as a result of lower earnings, increased distribution cover and cash requirements ahead of the pending Nowaco and Farutex acquisitions.

PROSPECTS

Joffe said challenging economic conditions in wake of the global financial crisis were abating, though "the speed of recovery remains uncertain". He added: "Our focus remains on delivering the basics that have built up the Group over many years. In the medium term, the goal is to increase incremental returns from recent investments."

Locally, the Confederations Cup had shown the potential South Africa might derive from the 2010 World Cup. Bidvest had already secured contracts to help unlock these opportunities. Improved returns were expected from the automotive sector.

The UK economy appears to have stabilised, though Benelux may slow. Improved results were expected following UK rationalisation while Joffe was confident the Australian and New Zealand businesses would grow further. Hong Kong and Singapore operations were platforms for regional growth.

Joffe added: "We remain committed to sustained value creation through superior trading performance and returns improvement, while maintaining a prudent capital structure with appropriate leverage."

Nowaco Group acquisition

On August 3 2009, Bidvest announced it had agreed to acquire Nowaco Group, subject to EU competition clearance. The Nowaco Group comprises Nowaco, focused on Czech Republic and Slovakia, and Farutex within the Polish market. The Nowaco Group is the top delivered wholesaler to the foodservice and independent retail markets in Central and Eastern Europe. The acquisition complements Bidvest's existing international foodservice business in the UK, Europe, Middle East, Australia, New Zealand and Asia. Central and Eastern Europe is a strategic market offering growth opportunities. Bidvest will buy Nowaco Group for an enterprise value consideration of €250,0 million, cash and debt free. The acquisition will be funded with an equal mix of debt and equity. To date, a significant portion of the equity has been raised by placing Bidvest shares in the market. Completion is expected early in October 2009.

DIVISIONAL REVIEW

Bidfreight performed strongly with trading profit up 11,2% to R768,1 million (2008: R690,8 million). Revenue was R18,6 billion (2008: R22,0 billion). Cost-cutting and efforts to broaden the customer-base counteracted volume pressures. Lower containerised cargo volumes were offset by good commodity volumes. Work has begun on a R150,0 million container facility in Cape Town and a

R250,0 million expansion project for Island View Storage at Richards Bay.

Island View Storage performed extremely well as a result of increased capacity usage. Safcor Panalpina was impacted by lower import volumes, a stronger rand and lower interest rates.

Higher volumes boosted South African Bulk Terminals, though SACD was impacted by lower imports and exports. Marine had a good year. Bidfreight Port Operations showed resilience. Bulk Connections benefited from a good fourth quarter. However, Rennies Distribution Services had a difficult year. Manica did well.

Bidfreight expects bulk volumes to show some growth, though containerised cargo, airfreight and local distribution volumes will remain weak.

Bidserv did well in deteriorating conditions. Trading profit rose 11,4% to R933,9 million (2008: R838,7 million), with revenue up 13,1% to R7,3 billion. Businesses remained cash-generative following a major effort to improve efficiencies and optimise asset management.

Prestige put in an excellent performance. TMS Industrial Services launched operations in Saudi Arabia. Laundry Services achieved reasonable results despite loss of some institutional business, pressure on garment rental and low hotel occupancies. At Steiner nine divisional operations were consolidated into four. Industrial Products put in a good performance and Green Services achieved growth.

The full-year effect of the “super licence” award drove growth at Bidair. Bidrisk Solutions performed well and Magnum Security showed significant improvement.

Product innovation at Global Payment Technologies contributed to an exceptional year, but Office Automation faced sustained pressure. The fully automated Bidserv travel booking engine was rolled out by mymarket.com to strong take-up by Bidtravel’s corporate clients. Travel businesses were repositioned as travel management companies in a challenging year. Some retrenchments ensued. Banking Services excelled, driven by product innovation and branch network expansion.

Corrective action to rightsize certain businesses will benefit Bidserv in the year ahead. The anticipated increase in activity related to the 2010 World Cup will benefit the division.

Bidvest Europe’s trading profit fell 12,5% to R770,0 million (2008: R879,9 million) while revenue moved 9,8% higher to R37,0 billion (2008: R33,7 billion). Cash flows were maintained through stringent expense and working capital management and prompt action to rightsize businesses. The Netherlands, Belgium and UAE businesses produced good revenue and trading profit growth. 3663 in the UK recorded increased revenues, but trading profit was well down.

At 3663, six wholesale division depots were closed. Wholesale revenue was flat. Excellent cost control was achieved. Logistics was impacted by warehousing and distribution challenges, resulting in a trading loss. Projects to improve efficiencies were implemented.

At Deli XL Netherlands a strong first-half culminated in a record Christmas season, but results fell away as recession took hold. Targeted acquisitions continued. Deli XL Belgium put in a strong performance despite recession. Demand from core customers was beneficial.

Horeca Trade compensated for falling Dubai volumes with range extension. Gains were made in Abu Dhabi and the business expanded into Saudi Arabia.

Benelux businesses have been strengthened in anticipation of challenging conditions. UK sales and earnings growth is expected.

Bidvest Asia Pacific did well in challenging conditions. Revenue rose 18,0% to R17,1 billion (2008: R14,5 billion) with trading profit up 9,3% to R602,5 million (2008: R551,4 million). Cash flows remained robust, costs were well controlled and inventories well managed, though a major correction to commodity prices impacted Singapore's trading result.

Australia performed strongly, growing profitability 17,2% in local currency despite consumer down-trading. Cash flows benefited from tight working capital management. In New Zealand, rebranding as Bidvest proved highly successful. All New Zealand divisions performed well in continuing recession.

Angliss Hong Kong and China equalled last year's trading profits in adverse conditions. Angliss Singapore suffered a 90% decline in profitability after inventory write-downs arising out of weak frozen poultry prices, volatile exchange rates and a greenfields entry into Malaysia. Early action enabled sales volumes to be maintained. The business rebounded in the fourth quarter.

Operations in all geographies have been strengthened to ensure future growth.

At **Bidfood**, pleasing results were achieved by Caterplus and Speciality. Trading profit rose 8,3% to R232,2 million (2008: R214,3 million) with revenue 10,7% higher at R3,2 billion (2008: R2,9 billion).

Caterplus remained cash-generative through focus on working capital management and efficiency improvements. In the Eastern Cape, two operations were merged into one while in the Western Cape three units were merged into two. Volumes fell as the economy contracted. Caterplus widened the range of house brands and increased the average value per drop by growing the basket into each customer, building market share.

Speciality's revenue rose 8,9% to R547,8 million, but trading profit fell 13,2% to R30,0 million. Inventory control and margin management were complicated by price volatility arising from foreign exchange and commodity price movements. Speciality's core customers traded down in the credit crunch. Margin erosion was substantial. Efforts were stepped up to ensure high on-shelf visibility and optimum in-store space. Expansion via the convenience store market is being pursued.

Bidfood Ingredients was affected by higher debt provisions, but returned a satisfactory trading profit of R152,1 million (2008: R144,5 million), despite customer de-stocking. A strengthening rand and deflation in some lines were negative. Revenue was up 14,9% at R1,7 billion (2008: R1,5 billion). Cash flows remained strong.

A new division, Bidfood Solutions, will pursue opportunities in the general foods sector. NCP had to contend with abnormal price increases and margin pressure as a result of the molasses shortage. Momentum in the bakery ingredients business was maintained. Product innovation also supported growth by Chipkins' Bakery Supplies. Crown National strengthened its technical and innovations resource base. Growth prospects are encouraging.

Bid Industrial and Commercial Products had a difficult year. Revenue dipped 1,2% to R9,3 billion (2008: R9,4 billion). Trading profit fell 25,0% to R592,7 million (2008: R790,1 million). Businesses focused on working capital management, boosting cash-generation. Capital and operational expenditure was strictly controlled. Lower inflation and massive metals price deflation necessitated de-stocking.

Voltex was impacted by falling metal prices and fluctuating exchange rates. Write-downs on copper-related products ensued. Pressure on mining and construction was also negative.

Waltons delivered solid results. Kolok did well to maintain first-half momentum, growing significantly. CN Business Furniture was severely affected by falling demand and Dauphin was impacted by a sluggish project market. Seating implemented short-time working to match slower demand.

Afcom put in a satisfactory performance despite deflation, which impacted margins. A manufacturing sector in survival mode impacted Buffalo Executape. Production efficiencies bolstered performance at Vulcan Catering Supplies.

Optiplan, a specialist in paper-based information management systems, was acquired and will form the core of a new Waltons filing division. The remaining 24% stake in Versalec was purchased.

Gradual improvements in trading conditions are expected. A rising copper price may create opportunities.

Bidpaper Plus put in a creditable performance, with revenue flat at R1,9 billion (2008: R1,9 billion) and trading profit marginally higher at R222,8 million (2008: R220,2 million). Expenses were well managed and businesses remained strongly cash-generative. Customer de-stocking and rising input costs put pressure on margins. Export efforts were stepped up into Africa, but falling manufacturing output locally, reduced spending by retailers and shrinking marketing budgets impacted the division.

The 2010 World Cup effect will be positive. The division is well placed to optimise an upturn.

Bid Auto faced extremely tough trading conditions. Trading profit fell 32,3% to R502,9 million (2008: R743,0 million). Revenue declined from R18,5 billion to R16,5 billion. Positive cash flow was assured by rigorous working capital management and early action to reduce asset levels in line with lower sales. Returns were affected by restructure costs following the reduction in the number of motor retail outlets from 140 to 120. Inventory was cut by R400,0 million.

The new vehicle market faced growing pressure. A swing to used vehicles occurred and record sales were achieved. Service and parts business increased.

Successful integration of Viamax was confirmed as McCarthy Fleet Solutions emerged as the top profit-contributor. The McCarthy Insurance equity portfolio was impacted by JSE corrections. Lower vehicle sales and bad debts impacted McCarthy Finance.

A materials handling division was added to the heavy equipment business and a JV was formed with Imperial Group to handle import and distribution of Chery and Foton.

Bid Auto will be restructured into a more decentralised automotive business with its ancillary services, a leasing and financing arm and import and distribution segment. Acquisition opportunities will be aggressively pursued.

Bidvest Namibia put in a strong performance ahead of its planned listing, with revenue growth of 17,4% to R1,6 billion (2008: R1,4 billion). Trading profit rose to R294,3 million (2008: R164,0 million). Excellent horse mackerel catches helped trading profit to record levels at Namfish and the pilchard canning factory reopened. At Bidcom, some teams doubled trading profit. Positives included demand for freight and logistic solutions, growth in ship and rig repairs and mining industry demand.

Corporate explored sports opportunities. A contract with MATCH Hospitality and MATCH Services made Bidvest the preferred supplier to the biggest World Cup service provider. Challenging conditions confirmed the quality of Bidvest's property portfolio. A R100 million JV development was completed in Cape Town. At Ontime Automotive in the UK, the loss-making volume vehicle distribution business was closed, as was Technical Services. Specialist Transport Operations and Prestige Vehicle Distribution were consolidated while Ontime Rescue and Recovery and Ontime Parking Solutions merged.

Associate investments

The associate investment in Enviroserv Holdings Limited was sold, effective November 3 2008 for a pre-tax profit of R391,8 million. The value of the Group's listed equity accounted investments were impaired by a pre-tax adjustment of R200 million in terms of IFRS listed market value requirements.

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