

Bidvest and Mvelaserve announce offer

The Bidvest Group Limited (Bidvest) and Mvelaserve Limited (Mvelaserve) have jointly announced that Bidvest will make an offer to Mvelaserve shareholders to acquire those shares Bidvest do not currently own.

Bidvest owns approximately 49.2 million Mvelaserve shares, which constitutes 34.75% of the company. Bidvest has also entered into an agreement with Mvelaphanda Holdings (Pty) Limited (Mvela Holdings) to acquire its 25 million shares, which amounts to a 17.7% stake in Mvelaserve, subject only to the approval from the competition authorities. On conclusion of the acquisition of the shares from Mvela Holdings, Bidvest will own approximately 52.4% of Mvelaserve.

The offer for the remainder of the Mvelaserve shares will be implemented by either a scheme of arrangement coupled with a substitute offer to the remaining shareholders in the event the requisite majority is not obtained for the schemes approval, (this mechanism will need to be proposed by the independent board), or a general offer being made directly to Mvelaserve shareholders in the event that the combined scheme and offer is not proposed by the independent board.

The scheme and subsequent offer price represent premiums of 11.8% and 4.5%, respectively, to the 30 day volume-weighted average price of R8.14, and premiums of 11.0% and 3.7%, respectively, based on the closing price on 7 May 2013 of R8.20.

Bidvest Chief Executive, Brian Joffe, commented, "We believe this offer is a good opportunity to create incremental value in a combined Bidvest and Mvelaserve business. Our initial assessment is that the management team and employees are a good cultural fit for Bidvest, and we look forward to combining their skills and expertise with those of the rest of our group".

Bidvest's current BEE position will ensure that the BEE credentials within Mvelaserve remain intact.

The offer is subject to the normal conditions precedent for a transaction of this nature.