

## Bidvest to pursue foodservice growth rather than realise cash

Unsolicited proposals for the foodservice interests of the Bidvest Group, the internationally diversified trading and services business, have been turned down by the Bidvest board.

Bidvest has indicated its desire to build further value by pursuing organic growth and acquisition opportunities rather than realise significant cash, said Bidvest chief executive Brian Joffe today (Thursday, August 18).

Bidvest informed shareholders in July that it had received "unsolicited proposals relating to its foodservice business". A Board sub-committee was appointed to conduct a strategic review to see if any of the proposals would "optimise value for Bidvest shareholders".

In a JSE news announcement today, Bidvest alerted shareholders to the conclusion of the strategic review and the decision not to pursue any of the proposals.

The Board acknowledged that the unsolicited proposals would not have optimised value nor the strategic benefits that are likely to flow from the current Bidvest structure over the medium term. In assessing the proposals, the Bidvest business model was strongly endorsed.

Brian Joffe noted: "The unsolicited proposals highlight the appeal of our foodservice assets and underscore the intrinsic value we believe has always been there. The fact that the Foodservice assets have not been disposed of does not diminish their value."

Joffe reiterated Bidvest's previously stated position that a demerger of a significant part of Bidvest's assets should not take place at the expense of critical mass and financial strength.

"Notwithstanding current trading challenges, the potential for substantial growth in the value of these assets should not be under-estimated. We see considerable opportunity and are well placed to pursue it, notably in the new geographies covered by the signing of memorandums of understanding to buy foodservice businesses in Egypt, the Baltic States and Chile – the first time the Group has sought entry into the South American market."

Bernard Berson, chief executive of the Foodservice division noted: "Management are pleased with the conclusion reached by the Board. It shows confidence in the capability of our people to continue to deliver growth and build an even bigger business across new international markets. The way is now clear for the next stage of our growth strategy to roll out."

Joffe founded Bidvest 22 years ago by buying Chipkins, Bidvest's first South African foodservice company. Foodservice remains a core focus area for the diversified Group.

The Bidvest statement also informed shareholders they no longer need to exercise caution in their Bidvest share dealings, lifting the cautionary status that had applied since early July.

Bidvest is the largest foodservice operator outside the USA. The Group has foodservice interests in South Africa and Namibia, the UK, Western and Central Europe, the Middle East, Australia, New Zealand, Singapore, Hong Kong and greater China.