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Apportionment of tax cost in respect of the unbundling

The Bidvest Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1946/021180/06)
Share code: BVT
ISIN: ZAE000117321
("Bidvest" or "the Company")

APPORTIONMENT OF TAX COST FOR SOUTH AFRICAN INCOME TAX PURPOSES IN
RESPECT OF THE UNBUNDLING OF THE FOOD SERVICE BUSINESS OF BIDVEST

1. Introduction

Shareholders of Bidvest ("Shareholders") are referred to the announcements released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on April 14 2016 and May 16 2016 regarding the proposed listing of the ordinary shares in Bid Corporation Limited ("BidCorp") on the JSE ("the Listing") and the unbundling of Bidvest's foodservices business ("the Unbundling").

Shareholders are hereby advised that the Unbundling was implemented in terms of section 46 of the Companies Act No 71 of 2008 and section 46 of the Income Tax Act No 58 of 1962 ("Income Tax Act").

The purpose of this announcement is to notify Shareholders of the apportionment ratio to be applied by Shareholders in determining the portion of their existing expenditure and/or market value (if relevant) to be allocated to the unbundled BidCorp ordinary shares whilst the balance of these costs will still be reflected in respect of the retained Bidvest ordinary shares.

2. Apportionment tax principles

Shareholders will have a combined expenditure in respect of the Bidvest ordinary shares and the BidCorp ordinary shares received pursuant to the Unbundling.

Bidvest ordinary shares held as trading stock: Any Bidvest Shareholder holding Bidvest shares as trading stock will be deemed to acquire the unbundled BidCorp ordinary shares as trading stock. The combined expenditure of such Bidvest and BidCorp ordinary shares will be the amount taken into account by the Shareholder in respect of those Bidvest ordinary shares, as contemplated in section 11(a), section 22(1), or section 22(2) of the Income Tax Act. The portion of the above combined expenditure to be allocated to the unbundled BidCorp ordinary shares will be determined by applying the ratio that the market value of the BidCorp ordinary shares bears to the sum of the market value of Bidvest and BidCorp ordinary shares at the end of the date of Unbundling, being May 30 2016. The expenditure so allocated to the unbundled BidCorp ordinary shares will reduce the expenditure relating to the Bidvest ordinary shares so retained.

Bidvest shares held as capital assets: Any Bidvest Shareholder holding Bidvest ordinary shares as capital assets will be deemed to acquire the unbundled BidCorp ordinary shares as capital assets. The combined expenditure of such Bidvest and BidCorp ordinary shares will be the original expenditure incurred in respect of the Bidvest ordinary shares, in terms of paragraph 20 of the Eighth Schedule to the Income Tax Act, and where the Bidvest ordinary shares were acquired before October 1 2001, the expenditure and/or market value, as the case may be, adopted or determined as contemplated in paragraph 29 of the Eighth Schedule to the Income Tax Act. The portion of the above combined expenditure to be allocated to the unbundled BidCorp ordinary shares will be determined by applying the ratio that the expenditure and/or market value, as the case may be of the BidCorp ordinary shares bears to the sum of the expenditure and/or market value, as the case may be, of Bidvest and BidCorp ordinary shares at the end of the date of Unbundling, being May 30 2016. The expenditure and market value, as the case may be, so allocated to the unbundled BidCorp ordinary shares will reduce the expenditure and market value of the Bidvest ordinary shares that are retained.

Shareholders are advised to consult their own professional tax advisors should they have any queries regarding the taxation consequences of the Unbundling and the calculation of their costs for taxation purposes.

3. Apportionment ratio

Pursuant to the Binding Class Ruling obtained, Shareholders are hereby advised that the expenditure and market value, as the case may be, of their Bidvest ordinary shares as referred to above must be apportioned in the ratio of 28.05585% to a Bidvest ordinary share held after the Unbundling and 71.94415% to an unbundled BidCorp ordinary share ("Apportionment Ratios").

The Apportionment Ratios are based on the closing price of R 118.55 per Bidvest share and R 304.00 per BidCorp share on May 30 2016 being the Unbundling date.

Melrose Arch
May 31 2016

Investment bank and transaction sponsor
The Standard Bank of South Africa Limited

Tax advisors
Cliffe Decker Hofmeyr Inc.

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