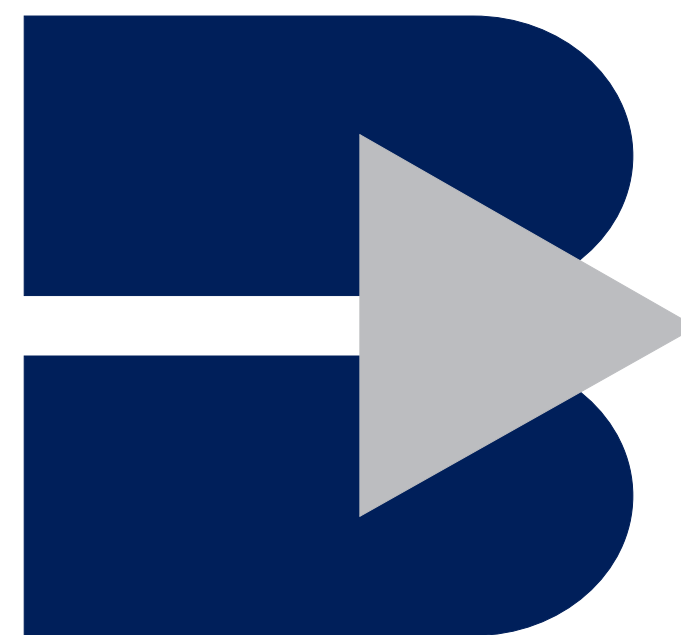


# Creating value and building strength from diversity



Results for the half year ended December 31 2004



## BIDVest

Revenue  
up 41,6% to  
**R31,5 bn**

Trading income  
up 30,9% to  
**R1,48 bn**

Headline earnings  
per share increased  
by 29,1% to  
**319,5c**

Distribution per share  
increased by 18,0% to  
**133,8c**

R000's	Half year ended December 31			Year ended June 30
	2004 Unaudited	2003 Restated Unaudited	Percentage change	2004 Audited
Revenue	31 447 147	22 211 643	41,6	51 262 212
Trading income	1 481 114	1 131 232	30,9	2 552 698
Trading income before translation gains (losses)	1 480 769	1 138 479	30,1	2 550 247
Translation gains (losses)	345	(7 247)		2 451
Income from associates	11 011	10 949		27 645
Share of retained earnings	6 573	9 308		24 691
Dividends received	4 438	1 641		2 954
Amortisation of goodwill	—	(35 532)		(77 622)
Net capital items	(1 205)	(13 924)		(40 157)
Net operating income	1 490 920	1 092 725	36,4	2 462 564
Net finance expense	(127 374)	(52 898)		(168 902)
Income before taxation	1 363 546	1 039 827	31,1	2 293 662
Taxation	(392 890)	(290 540)		(678 079)
Income after taxation	970 656	749 287	29,5	1 615 583
Outside shareholders' interest	(3 482)	(44 218)		(74 759)
Income attributable to shareholders	967 174	705 069	37,2	1 540 824
Number of shares in issue (weighted 000's)	302 991	302 085		300 643
Headline earnings per share (cents)	319,5	247,5	29,1	546,7
Earnings per share (cents)	319,2	233,4	36,8	512,5
Distribution per share (cents)*	133,8	113,4	18,0	250,2
<b>HEADLINE EARNINGS</b>				
The following adjustments to income attributable to shareholders were taken into account in the calculation of headline earnings:				
Income attributable to shareholders	967 174	705 069		1 540 824
Net amortisation of goodwill	—	33 928		75 009
Amortisation of goodwill	—	35 532		77 622
Outside shareholders' interest	—	(1 604)		(2 613)
Net loss on disposal and discontinuance of businesses	1 528	11 146		26 202
Loss on disposal and discontinuance of businesses	2 021	17 133		38 595
Taxation	(493)	(5 530)		(12 392)
Outside shareholders' interest	—	(457)		(1)
Net loss (surplus) on disposal of assets	(565)	(2 474)		1 090
Loss (surplus) on disposal of assets	(816)	(3 209)		1 562
Taxation	—	369		(472)
Outside shareholders' interest	251	366		—
Amortisation of goodwill in associates	—	132		401
Headline earnings	968 137	747 801	29,5	1 643 526
<b>Rand/Sterling exchange rates</b>				
Opening rate	11,285	12,457		12,457
Closing rate	10,870	11,826		11,285
Average rate	11,433	11,718		11,939
The Group has changed its accounting policies with regard to secondary tax on companies and business combinations in accordance with recently amended statements of Generally Accepted Accounting Practice. Secondary tax on companies is now treated as part of the tax charge in the income statement as opposed to an appropriation of equity. The Group no longer provides for amortisation of goodwill arising from business combinations.				
The change in accounting policies in respect of secondary tax on companies has resulted in an additional charge to income, net of outside shareholders' interest, of R8,7 million for the half year (2003: R1,3 million) and the results for the half year to December 31 2003 have been restated to reflect this change.				
Had this change not taken place, the headline earnings per share for the half year would have been 322,4 cents per share (2003: 243,0 cents per share), an increase of 30,0%, and earnings per share would have been 297,4 cents per share (2003: 233,8 cents per share) an increase of 27,3%.				
The adoption of the new practice with regard to business combinations has resulted in goodwill amortisation amounting to R73,0 million in the current year not being charged against income. There is no requirement to restate the comparative results.				
*Includes distribution from share premium.				

R000's	Half year ended December 31			Year ended June 30
	2004 Unaudited	2003 Unaudited	Percentage change	2004 Audited
<b>REVENUE</b>				
The Services Division	8 959 691	8 159 742	9,8	16 392 541
Bidfreight	7 229 849	6 910 562	4,6	13 568 808
Bidfreight southern Africa	6 582 951	6 155 817	6,9	12 105 642
Bidcorp	646 898	754 745	(14,3)	1 463 166
Bidserv	1 392 075	932 810	49,2	2 165 517
Renfin	337 767	316 370	6,8	658 216
The Foodservice Products Division	11 933 279	10 699 263	11,5	22 266 741
Bidvest United Kingdom	7 921 313	7 342 981	7,9	14 161 750
Bidvest Australasia	2 351 502	1 865 104	26,1	5 176 737
Caterplus	1 104 060	994 489	11,0	1 967 570
Combined Foods	556 404	496 689	12,0	960 684
The Commercial Products Division	4 128 467	3 884 095	6,3	7 777 656
Bidoffice	2 639 127	2 556 102	3,2	5 140 677
Office Products	1 671 117	1 558 331	7,2	3 210 918
Printing and Paper Conversion	968 010	997 771	(3,0)	1 929 759
Bid Industrial Products	1 489 340	1 327 993	12,1	2 636 979
The Automotive Products Division	6 933 450	—	—	5 904 843
McCarthy	6 933 450	—	—	5 904 843
Corporate Services	135 024	140 572	(3,9)	341 033
Bidvest Network Solutions	27 112	25 547	6,1	50 298
mymarket.com	4 650	3 883	19,8	7 908
Namsov	103 262	111 142	(7,1)	282 827
Inter-group eliminations	(642 764)	(672 029)	—	(1 420 602)
	31 447 147	22 211 643	41,6	51 262 212
<b>TRADING INCOME</b>				
The Services Division	425 974	350 862	21,4	728 484
Bidfreight	228 240	189 789	20,3	395 440
Bidfreight southern Africa	222 801	209 040	6,6	417 273
Bidcorp	5 439	(19 251)	—	(21 833)
Bidserv	131 685	88 526	48,8	205 600
Renfin	66 049	72 547	(9,0)	127 444
The Foodservice Products Division	495 899	438 121	13,2	889 581
Bidvest United Kingdom	256 092	227 520	12,6	459 948
Bidvest Australasia	68 257	61 348	11,3	137 954
Caterplus	101 330	91 195	11,1	170 343
Combined Foods	70 220	58 058	20,9	121 336
The Commercial Products Division	293 884	296 503	(0,9)	636 944
Bidoffice	196 303	218 443	(10,1)	433 206
Office Products	116 426	119 738	(2,8)	257 065
Printing and Paper Conversion	79 877	98 705	(19,1)	176 141
Bid Industrial Products	97 581	78 060	25,0	203 738
The Automotive Products Division	238 367	—	—	217 606
McCarthy	238 367	—	—	217 606
Corporate Services	26 990	45 746	(41,0)	80 083
Bidvest Network Solutions	(3 772)	(2 890)	—	578
mymarket.com	(4 821)	(2 907)	—	(7 709)
Namsov	(4 160)	1 505	—	35 201
Investment and other income	15 994	28 996	(44,8)	7 392
Bidprop	23 749	20 842	13,9	44 621
	1 481 114	1 131 232	30,9	2 552 698

R000's	December 31		
	2004 Unaudited	2003 Unaudited	2004 Audited
<b>ASSETS</b>			
Non-current assets	7 057 707	4 946 247	6 406 635
Fixed assets	3 880 924	3 594 415	3 663 846
Intangible assets	2 082 386	697 524	1 959 223
Deferred tax	237 664	238 429	262 727
Investments and advances	828 661	376 826	498 853
Banking and other advances	28 672	39 053	21 986
Current assets	11 588 987	9 808 515	11 542 389
Other current assets	10 230 368	7 613 120	9 237 228
Liquid funds	1 358 619	2 195 395	2 305 161
Total assets	18 646 694	14 754 762	17 949 024
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves	6 820 990	6 247 422	6 426 618
Shareholders' interest	6 655 620	5 564 689	6 056 612
Outside shareholders' interest	165 370	682 733	370 006
Non-current liabilities	1 785 083	976 764	1 242 783
Deferred taxation	69 466	111 853	89 554
Post-retirement obligations	219 363	182 075	225 040
Life assurance fund	8 890	—	5 106
Long-term portion of interest bearing borrowings	1 487 364	682 836	923 083
Current liabilities	10 040 621	7 530 576	10 279 623
Other current liabilities	7 736 960	6 179 311	8 166 917
Current portion of interest bearing borrowings	2 303 661	1 351 265	2 112 706
Total equity and liabilities	18 646 694	14 754 762	17 949 024
Number of shares in issue	304 729	299 632	302 156
Net tangible asset value per share (cents)	1 501	1 624	1 356

R000's	Half year ended December 31			Year ended June 30
	2004 Unaudited	2003 Restated Unaudited	2004 Audited	2004 Audited
Shareholders' interest at the beginning of the year	6 056 612	5 412 659	5 412 659	5 412 659
Share capital issued	129	(153)	(26)	(26)
— in terms of the share incentive scheme	129	—	127	127
— repurchase of shares by subsidiary	—	(153)	(153)	(153)
Share premium arising on shares issued	(109 962)	(467 419)	(559 852)	(559 852)
— in terms of the share incentive scheme	95 262	112	83 617	83 617
— refund of share premium to shareholders	(205 142)	(350 643)	(528 163)	(528 163)
— repurchase of shares by subsidiary	—	(116 888)	(115 264)	(115 264)
— share issue costs	(82)	—	(42)	(42)
Movement in non-distributable reserves	(53 192)	(85 467)	(172 579)	(172 579)
— foreign currency translation reserve	(53 192)	(85 467)	(169 698)	(169 698)
— on acquisition of business	—	—	1 313	1 313
— transferred to distributable reserves	—	—	(4 194)	(4 194)
Movement in retained income	762 033	705 069	1 376 410	1 376 410
— income attributable to shareholders	967 174	705 069	1 540 824	1 540 824
— dividends	(205 141)	—	(168 608)	(168 608)
— transfer from non-distributable reserves	—	—	4 194	4 194
Shareholders' interest at the end of the period	6 655 620	5 564 689	6 056 612	6 056 612

R000's	Half year ended December 31			Year ended June 30
	2004 Unaudited	2003 Restated Unaudited	2004 Audited	2004 Audited
Cash flow from operating activities	(198 177)	320 500	2 798 728	2 798 728
Net operating income	1 490 920	1 092 725	2 462 564	2 462 564
Depreciation and other non-cash items	300 023	386 732	795 780	795 780
Changes in working capital	(1 208 216)	(815 593)	502 505	502 505
Cash generated by operations	582 727	663 864	3 760 849	3 760 849
Net finance expense	(91 563)	(20 761)	(102 907)	(102 907)
Taxation paid	(473 664)	(306 452)	(645 451)	(645 451)
Dividends paid – Company	(205 141)	—	(168 608)	(168 608)
— subsidiaries	(10 536)	(16 151)	(45 155)	(45 155)
Cash effects of investment activities	(1 375 626)	(625 031)	(3 136 445)	(3 136 445)
Net additions to fixed assets	(590 576)	(495 846)	(909 602)	(909 602)
Net disposals (additions) to intangible assets	5 026	(6 230)	(14 817)	(14 817)
Net acquisition of subsidiaries, businesses, associates and investments	(790 076)	(122 955)	(2 212 026)	(2 212 026)
Cash effects of financing activities	(220 558)	(444 010)	314 018	314 018
Proceeds from shares issued – Company	95 309	112	83 702	83 702
— subsidiaries	—	765	1 009	1 009
Purchase of treasury shares	—	(117 041)	(115 417)	(115 417)
Distribution of share premium	(205 142)	(350 643)	(528 163)	(528 163)
Net borrowings raised (repaid)	(110 725)	22 797	872 887	872 887
Net decrease in cash and cash equivalents	(1 794 361)	(748 541)	(23 699)	(23 699)
Net cash and cash equivalents at the beginning of the year	2 100 982	2 220 344	2 220 344	2 220 344
Currency adjustments	(10 927)	(46 206)	(95 663)	(95 663)
Net cash and cash equivalents at the end of the period	295 694	1 425 597	2 100 982	2 100 982
Net cash equivalents are made up as follows:				
Cash on hand and in the bank	1 358 619	2 195 395	2 305 161	2 305 161
Bank overdrafts shown as current portion of interest bearing debt	(1 062 925)	(769 798)	(204 179)	(204 179)
	295 694	1 425 597	2 100 982	2 100 982



# message to shareholders

## Overview and financial summary

The Group has delivered satisfactory results with a 29,1% increase in headline earning per share. The continued strength of the rand and ongoing deflationary effects on prices of many products challenged management. The acquisitions of McCarthy Limited and the minority interests of Bidvest plc are included in the interim results for the first time.

Revenue for the six months ended December 31 2004 increased by 41,6% to R31,5 billion. For translation purposes, the rand appreciated by 2,4% against sterling to an average rate of R11,43. Trading income increased by 30,9% to R1,48 billion but margins dropped from 5,1% to 4,7% largely on account of the lower margin McCarthy Motor business.

Cash generation from the underlying businesses remains strong, but seasonal working capital requirements, increased capital expenditure and acquisitive activity resulted in a net utilisation of funds. The Group's net gearing increased to 35,7% but a marked improvement is expected in the second half of the year.

## DIVISIONAL REVIEW

### The Services Division

#### Bidfreight

Bidfreight southern Africa produced a steady performance considering ongoing rand strength which had a significant impact on export volumes. Trading income grew by 6,6% to R222,8 million on a 6,9% increase in revenue to R6,6 billion.

Terminals produced a good result in difficult trading conditions where export volumes of coal and steel shrunk offset to some extent by good imports of agricultural products and containerised cargoes. Safcor Panalpina delivered an improved result despite the ongoing appreciation of the rand against the dollar and lower interest rates, which affected disbursement fees. Marine improved its operational performance particularly in the liner business, notwithstanding rand strength. Manica continues to operate in volatile economic and political environments.

In the United Kingdom, Bidcorp's Shipping and Automotive businesses other than the Volume Transport business delivered improved results. The Volume Transport business continues to be impacted by tough trading conditions.

#### Bidserv

Bidserv delivered a good performance notwithstanding margin pressure in certain areas of the business. The results benefitted from the contribution from strategic acquisitions. Revenue grew 49,2% to R1,39 billion and trading income increased 48,8% to R131,7 million.

The Cleaning division continues to perform well with good sales growth prospects. Hygiene grew steadily and new cross border opportunities are being investigated. Laundries performed very well consolidating its leading position in the South African market. The newly constituted Security division is performing to expectations. The Greens division has performed well. The Aviation division was assisted by a superb performance from Express Air Services and Fedex continues to improve. New service offerings are being pursued to enhance the Aviation business. The Industrial and Janitorial division, including the acquisition of G. Fox, did particularly well.

#### Rennies Financial Services

Rennies' revenue was 6,8% higher at R337,8 million however trading income decreased by 9,0% to R66,0 million.

While the strong rand is discouraging tourist travel into South Africa, it has not had the expected effect of stimulating outbound corporate travel and the Group's travel operations saw a continuation of the flat trends noted in the prior year. Travel's trading revenue reflected an increase of 7,0% and, although expenses were well controlled, trading income fell by 25,0%. The introduction of zero commission from May 1 2005 is a very welcome development and one for which the division is well prepared. The conversion to a fee based remuneration model is progressing according to plan in all the travel companies.

Rennies Bank delivered an improved performance following the implementation of cost reduction initiatives and a pleasing growth in trading in the retail network. Dealing profits were impacted by the further appreciation of the rand across the main basket of trading currencies.

### The Foodservice Products Division

#### Bidvest United Kingdom (3663)

3663 increased trading income in sterling by 14,3%. Overall performance was affected by the poor summer weather and tighter trading conditions. All divisions improved both in terms of sales and trading income. Multi-temps' revenue growth offset higher costs of distribution and accommodation resulting from the depot refurbishment programme. Cost savings remain an area of focus for the Frozen division. Central Distribution improved its trading performance, achieving efficiency gains in distribution. The fresh/chilled product extensions through Swithenbank and Barton Meat continue to make progress. The overall margin increased despite the reduction in activity of the Ministry of Defence in Kuwait.

#### Bidvest Australasia

The Australasian region has shown a pleasing performance growing trading income in Australian dollars by 21,6%. In particular, Crean (New Zealand) increased trading income by 67,8% in local currency. Australia continues to consolidate its position as the country's leading foodservice products distributor, offering an unparalleled distribution network and a broad service spectrum. The two largest markets namely Sydney and Melbourne, still continue to underperform even though there was a significant turnaround in Melbourne. Crean's national network is nearing completion and the focus for growth is on extracting organic opportunities. Business development opportunities, to further enhance the service offering into fresh/chilled and contract logistics, continue to be sought.

#### Caterplus

Revenue increased by 11,0% to R1,1 billion and trading income grew by 11,1% to R101,3 million.

Caterplus' dry groceries' results were marginally down on the prior period. Frozen competed aggressively for increased market share, particularly in the street trade and pursued strategic supplier alliances. Speciality delivered a good result notwithstanding volatile trading conditions. Vulcan benefited from its export momentum into Africa and grew trading income by 58,0%. A number of strategic acquisitions were made to enhance the product offering which contributed positively to the divisions' results.

#### Combined Foods

The momentum achieved by Crown National in the previous year continued with an excellent performance contributing to the division's revenue increase of 12,0% to R556,4 million and trading income increase of 20,9% to R70,2 million.

Crown National increased sales to major local customers. The demand for own manufactured ingredients increased substantially. Within Bidbake, Bakery Supplies achieved volume growth and market share gains notwithstanding aggressive competition and price deflation of up to 7,0% on certain product lines. Baking Products maintained volumes with increased sales to plant and independent bakeries at the expense of yeast sales to chain stores. Rationalisation of the distribution channels continues to deliver savings and efficiencies.

## The Commercial Products Division

The operations within The Commercial Products Division have been more effectively grouped to align management expertise and operational skills while ensuring a clearer customer focus as a first stage in the divisions' reorganisation. The new groupings are: Bidoffice-Office Products (Stationery, Furniture and Automation), Bidoffice-Printing and Paper Conversion (Lithotech, Statmark and Silveray) and Bid Industrial Products (Voltex and Afcom/Buffalo Executape). The segmental analysis has been amended to reflect these new groupings.

### Bidoffice

#### Office Products

Revenue increased by 7,2% to R1,7 billion and trading income was 2,8% lower at R116,4 million.

The overall trading environment was characterised by deflationary pressures resulting in static and declining gross margins, particularly in the stationery division. All players depressed prices to maintain market share. Waltons' trading income declined despite unit volume growth. Kolok produced acceptable results and the expansion of it's product range is expected to benefit the business.

Furniture delivered a strong performance with improved contributions from all businesses.

Automation benefited from favourable trading conditions with trading income increasing by 25,0%. A number of large contracts have been secured.

#### Printing and Paper Conversion

Revenue overall was 3,0% down at R0,97 billion with trading income down 19,1% to R79,9 million. Revenue was negatively impacted by price decreases but the businesses generated volume increases and market share growth.

Lithotech SA continues to focus on value-added products and services in response to the declining demand for its more mature products. Low paper prices impacted margins and the cost base was consciously increased by investment in new product lines.

Lithotech France delivered a poor result due to margin pressure from ongoing price reductions whilst suffering from capacity constraints in its long-run production lines. Further rationalisation will be implemented to improve the ongoing operational performance.

Silveray had a difficult period experiencing price deflation in the face of cheaper imports but increased volumes and market share.

### Bid Industrial Products

Revenue increased 12,1% to R1,49 billion while trading income increased 25,0% to R97,6 million.

Voltex's revenue grew by 13,1% to R1,28 billion and trading income increased by 35,8% to R60,9 million. The strategic initiatives to up-skill in order to broaden its market penetration continues to progress satisfactorily. Most businesses traded more profitably in a buoyant market, improving overall margins.

Afcom GE Hudson produced improved results in a competitive market driven by deflationary pressures and cheaper imports.

Continued rand strength will necessitate ongoing cost containment. Buffalo Executape produced a solid set of results. New DIY initiatives and further industry penetration will add further momentum to the business.

### The Automotive Products Division

#### McCarthy

McCarthy generated revenue of R6,9 billion and trading income of R238,4 million. New vehicle sales benefited from higher volumes with margins remaining under pressure. Used vehicle sales were below expectation but indications are that the market has bottomed out. A number of new and pre-owned dealerships were opened with further investments in the pipeline. McCarthy's financial services businesses continue to deliver excellent results. Budget Rent A Car recorded much improved results, with fleet utilisation running at record levels. Yamaha Distributors continues to benefit from the buoyant consumer market. International interest in South Africa as an automotive market have opened up some exciting opportunities for McCarthy.

### Corporate Services

Namsov, the effective 31,0% owned Namibian fishing business, had poor results impacted by catch sizes, fuel increases and the strength of the Namibian currency against the US dollar.

Bidvest Network Solutions resourced-up to position the business for the long term, which impacted the trading results. mymarket.com continues to grow its customer base with business transactions topping an annualised R1,2 billion. Additional investment is being made to systems to enhance it's strategic value to the Group as a whole.

### Acquisition of 17% of Tiger Wheels Limited

On January 21 2005 Bidvest announced that it had acquired approximately 17% of Tiger Wheels Limited, with an option for a further 3,0%.

### Prospects

Ongoing rand strength and deflation have driven management to increase market share and rationalise the cost base in the face of declining selling prices across many of the Group's businesses. Businesses not generating acceptable returns will be subject to intense focus, which may result in asset realisations. Asset management and cash flow across the Group is expected to improve in the months ahead. Management is confident of showing real growth in earnings in the second half of the financial year against the comparative period which included the acquisition of McCarthy Limited and the minority interests of Bidvest plc.

### Distribution out of share premium

Shareholders' attention is drawn to the further announcement by Bidvest regarding the distribution.

Notice is hereby given that an interim cash distribution out of share premium of 133,8 (2003: 113,4) cents per share, in lieu of a dividend, has been awarded to members recorded in the register of the Company at the close of business on Thursday, March 24 2005. Shareholders are advised that the last day to trade "CUM" the distribution will be Wednesday, March 16 2005. The shares will trade "EX" the distribution as from Thursday, March 17 2005 and the record date will be Thursday, March 24 2005. Share certificates may not be rematerialised or dematerialised during the period Thursday, March 17 2005 to Thursday, March 24 2005 both days inclusive. Payment will be made on Tuesday, March 29 2005.

In terms of the requirements of the Companies Act, the directors confirm that after the payment of the distribution, the Company will be able to pay its debts as they become due in the ordinary course of business and its consolidated assets, fairly valued, will exceed its consolidated liabilities.

For and on behalf of the Board

**M C Ramaphosa**

Chairman

**B Joffe**

Chief Executive

Johannesburg

February 25 2005

### The Bidvest Group Limited ("Bidvest" or "the Group" or "the Company")

**Directors** M C Ramaphosa (Chairman), B Joffe (Chief Executive), D D B Band, F J Barnes\*, B L Berson\*\*, M C Berzack, L G Boyle\*, N Cassim, L I Chimes, M Chipkin (alternate B P Connellan), A A da Costa, M B N Dube, R W Graham, A M Griffith, L J Jacobs (alternate L J Mkoena), C H Kretzmann, S Koseff, R M Kunene, D Masson, B E Moffat (alternate T Stabbert), P Nyman, J L Parnensky, S G Pretorius, L P Ralphs, T H Reitman\*, D K Rosevear, A C Salomon (alternate H L Greenstein), C E Singer, P C Steyn, P D Womersley \*British \*\*Australian

**Company Secretary** M A David

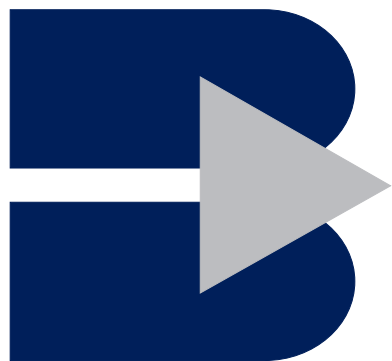
**Transfer Secretaries** Ultra Registrars (Pty) Limited, 11 Diagonal Street, Johannesburg, 2001 South Africa. PO Box 4844, Johannesburg, 2000 South Africa.

**Registered Office** Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg, 2196 South Africa. PO Box 87274, Houghton, Johannesburg, 2041 South Africa.

**Registration Number** 1946/021180/06

**ISIN** ZAE000050449 **Share Code** BVT **URL** www.bidvest.com

# PROUDLY



# BIDVest