

**AUDITED RESULTS  
FOR THE  
YEAR ENDED  
JUNE 30 2003**

The *BID*Vest Group Limited

## Financial Highlights

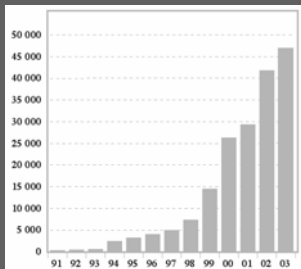
- Revenue **↑ 12,2% to R47,1bn**
- Operating income **↑ 11,5% to R2,24 bn**
- Operating income pre translation gains **↑ 18,3% to R2,26 bn**
- Headline earnings **↑ 13,1% to R1,48 bn**
- Headline earnings per share **↑ 9,81% to 479,0 c**
- Total distribution per share **↑ 15,8% to 220,0 c**

## Financial Highlights

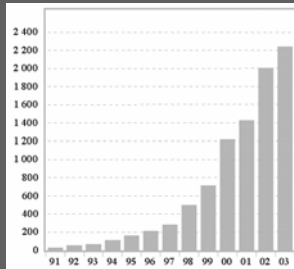
- **Operating margin pre translation gains**    **↑ From 4,6% to 4,8%**
- **Headline earnings per share pre translation gains**    **↑ 20,4%**
- **SA organic growth of approximately 16% in operating income**
- **Compound growth rate in HEPS of 27,7% pa over 12 years**
- **Share buyback**
- **Fitch rating reaffirmed AA- (zaf)**

## The 14<sup>th</sup> year of uninterrupted growth continues...

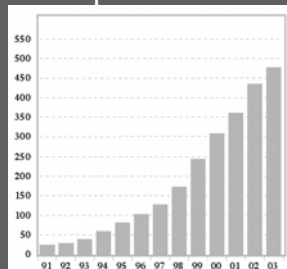
### Revenue



### Operating Income



### Headline earnings per share



...however, this year's results may be below expectation

## Operating results were negatively impacted by:

	2003	2002
	Rm	Rm
• Foreign cash resources currency movements	(15,1)	102,6
• Investment in fishing operations	31,5	104,5
• Non-recurring loss from discontinued operation to date of closure	(8,9)	0,1
• Bidcorp plc	(0,8)	14,0
<b>TOTAL</b>	<b>8,3</b>	<b>221,2</b>

## Financial Review – Analysis of Capital Items (net of tax and minority interests)

	2003	2002
	Rm	Rm
• Net loss and disposal of discontinued businesses	11,6	3,9
• Net loss on disposal of assets	19,2	0,1
<b>TOTAL</b>	<b>30,8</b>	<b>4,0</b>

## **Operational Highlights**

- **BEE transaction**
  - **On track for implementation by November 2003**
- **Operational margin growth with appreciating currency**
- **Lithotech France, acquired out of receivership, made profit**
- **Growth in current period largely organic**
- **Second half growth slower than first half**
- **Corporate governance**

# Segmental Analysis of Operating Income

## The Services Division

	2003 R'000	2002 R'000	Percentage change
The Services Division	750 502	718 570	4,4
Bidfreight	395 400	355 971	11,1
Bidcorp plc	834	14 034	(94,1)
Namsov Fishing	31 497	104 509	(69,9)
Bidserv	166 713	134 317	24,1
Renfin	156 058	109 739	42,2

## **The Services Division**

### **Bidfreight**

- **Rand / dollar impacts**
  - **Only modest increase in imports / exports becoming less competitive**
- **Working with Spornet to solve capacity constraints**
- **Separation of NPA will benefit terminals**
- **Safcor Panalpina benefited from incorporation of Renfreight**
- **Closure of Safcon / focus on Technology / FedEx**
- **Integrated service offering – Marine / Terminals**
- **Bidfreight to participate in concessioning**
- **Opportunities with Bidcorp plc**

## **The Services Division**

### **Bidcorp plc**

- **Some businesses discontinued**
- **Some continuing operations restructured – significant costs**
- **Slow economic growth and Iraqi war delayed recoveries**
- **Ongoing focus on cost reductions and operational efficiencies**
- **Business well positioned to benefit from improved markets**
- **Will pursue opportunities to ensure Bidcorp's involvement in trade between South Africa, the United Kingdom and continental Europe**

## **The Services Division**

### **Bidserv**

- **General move to formal tender processes**
- **Increased market share and margins**
- **Prestige, Provicom Electronics, Commercial Sundries, and the Laundry division did particularly well**
- **Magnum Shield's lower than expected performance in line with industry downturn**
- **Effects of HIV / AIDS**
- **Trend to outsourcing still strong**
- **Bidserv ISS well received – a strategic focal point and real growth anticipated**

## **The Services Division**

### **Rennies Financial Services**

- **Strong inbound tourism, weak outbound tourism**
- **Travel**
  - **Excellent performance in mixed year**
  - **Successful rationalisation of low performing units**
  - **Driving fee income and technology solutions**
  - **Prospects moderately favourable barring global upsets**
- **Rennies Bank**
  - **Excellent growth**
  - **Short-term A2 rating reconfirmed, long-term BBB rating given**

## Segmental Analysis of Operating Income

### The Foodservice Products Division

	2003 R'000	2002 R'000	Percentage change
The Foodservice Products Division	843 449	672 927	25,3
Bidvest plc	569 434	460 875	23,6
Caterplus	179 817	132 493	35,7
Combined Foods	94 198	79 559	18,4

# The Foodservice Products Division

## Bidvest plc

- **3663 First for Foodservice (United Kingdom)**
  - All business recorded growth in subdued market
  - Acquisition of Swithenbank, a fresh and chilled product distributor
  - MoD awarded National Business Award for Supply Chain Strategy
  - Ongoing depot modernisation programme
- **Bidvest First for Foodservice (Australia)**
  - Exited A\$40 million of unprofitable business
  - Small, but strategic acquisitions to enhance national coverage / product offering
  - Disposal of retail focused Darwin business
- **Crean First for Foodservice (New Zealand)**
  - Extended national coverage / product offering
  - Continued investment in depot upgrading

## **The Foodservice Products Division**

### **Caterplus**

- **All divisions performed well**
- **Significant food price inflation and increased tourism in first half - reversed in second half**
- **National customers consolidating procurement – lower margins to these customers**
- **Bigger ‘basket’, new products**
- **Vulcan-CAARS produced exceptional results**
- **IT upgrade planned**
- **Increasing tourism bodes well for division**

# **The Foodservice Products Division**

## **Combined Foods**

- **NCP Yeast**
  - Restructure of baking industry - favourable
  - Results significantly improved
- **Chipkins Bakery Supplies**
  - Aggressive trading by competitors
  - Major restructuring and cost savings at Johannesburg facility
- **Crown National**
  - Higher red meat prices and demand for value add and poultry products
  - New state-of-the-art factory
  - Innovative new products

## Segmental Analysis of Operating Income

### The Commercial Products Division

	<b>2003 R'000</b>	2002 R'000	Percentage change
The Commercial Products Division	<b>613 342</b>	487 675	25,8
Bidoffice	<b>393 845</b>	313 715	25,5
Bidpac	<b>103 069</b>	84 142	22,5
Voltex	<b>116 428</b>	89 818	29,6

# The Commercial Products Division

## Bidoffice

- **Stationery**
  - Waltons' asset management and operating income above budget
  - Acceptable results from Kolok
- **Printing and Related**
  - Lithotech achieved commendable results through increased margins, asset management and cost savings
  - Paragon successfully integrated
  - Lithotech France already producing profits
- **Office Automation**
  - Acquisition of Océ Printing Systems
- **Office Furniture**
  - Contribution doubled from prior period
  - Division rationalised where necessary
  - Exceptional performances from Cecil Nurse and Dauphin

## **Segmental Analysis**

### **The Commercial Products Division**

#### **Bidpac**

- **Improved profitability and asset management**
- **Volatile trading conditions**
- **Strong manufacturing growth and selling price inflation in first half**
- **Distinct slow down, de-stocking, more competition in second half**
- **Import replacement programme affected**
- **Capital equipment sales growth**
- **Productivity and efficiency initiatives**
- **Continue to develop new products and markets**

## **Segmental Analysis**

### **The Commercial Products Division**

#### **Voltex**

- **Solid performances by all businesses except Cabstrut and Eastman Staples in the United Kingdom**
- **Government's commitment to housing projects gained momentum**
- **Strengthened rand put pressure on margins**
- **Strategic, but subtle change in direction in industrial market pursued vigorously**
- **Small post-balance sheet acquisition**
- **Inroads with blue chip manufacturers**

# Segmental Analysis of Operating Income

## Corporate Services

	2003 R'000	2002 R'000	Percentage change
Corporate Services	36 828	133 439	(72,4)
I-Fusion	(5 042)	(9 096)	44,6
mymarket.com	(7 242)	(2 172)	(233,4)
Investment and other income	8 317	108 904	(92,4)
Group properties	40 795	35 803	13,9

# Segmental Analysis

## Corporate Services

### IT Services

- **mymarket.com**
  - e-marketplace industry consolidation
  - Building reputation as market leader
  - Wide range of customised solutions developed
  - Focus on completion of early adopted client programmes
  - 32 buying organisations, 660 suppliers and 5637 users
  - Plans aggressive, highly focused client acquisition
- **I-Fusion**
  - Restructured into one networks-centric business unit
  - Cost savings of R10 million per annum
  - Results show considerable improvement

## **Strategic Objectives on Target**

- **BEE initiative to create opportunities**
- **Offshore platform in place to internationalise businesses**
- **Integrated product and service solutions – opportunities for cross-selling to extend reach into each customer**
- **Well positioned for growth – organic and acquisitive**
- **Willing to increase gearing to 40% for appropriate opportunities**
- **Underperforming businesses will create growth headroom**
- **Investigating opportunities between Bidfreight and Bidcorp**
- **mymarket.com and I-Fusion in position to further e-procurement and service offerings**



**“TO BE  
OR NOT TO BE...**

**THAT IS OUR  
QUESTION”**

# Appendices

# Consolidated Group Income Statement

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30

	2003 R'000	2002 R'000	Percentage change
Revenue	47 073 375	41 950 388	12,2
Operating income	2 244 121	2 012 611	11,5
Operating income before translation gains	2 259 197	1 909 966	18,3
Translation gains (losses)	(15 076)	102 645	
Amortisation of goodwill	(64 887)	(52 646)	
Disposal and discontinued businesses	(36 130)	(11 797)	
Disposal of fixed assets	(25 418)	330	
Net finance expense	(110 982)	(80 163)	
Income before taxation	2 006 704	1 868 335	7,4
Taxation	(557 148)	(515 264)	
Income after taxation	1 449 556	1 353 071	7,1
Income from associates	30 328	17 735	
Trading profits	31 568	27 788	
Impairment of and goodwill in associates	(1 240)	(10 053)	
Outside shareholders' interest	(97 576)	(129 557)	
Income attributable to shareholders	1 382 308	1 241 249	11,4
Number of shares in issue (weighted 000)	308 116	299 089	
Headline earnings per share (cents)	479,0	436,2	9,8
Earnings per share (cents)	448,6	415,0	8,1
Distribution per share (cents)*	220,0	190,0	15,8
– interim	108,0	90,0	
– final	112,0	100,0	

## Segmental Analysis Revenue

	2003 R'000	2002 R'000	Percentage change
<b>REVENUE</b>			
The Services Division	18 292 281	16 424 403	11,4
Bidfreight	13 676 421	12 984 127	5,3
Bidcorp plc	1 956 688	1 078 403	81,4
Namsov Fishing	282 107	320 993	(12,1)
Bidserv	1 735 005	1 505 982	15,2
Renfin	642 060	534 898	20,0
The Foodservice Products Division	22 557 416	21 121 321	6,8
Bidvest plc	19 733 754	18 741 489	5,3
Caterplus	1 970 925	1 653 732	19,2
Combined Foods	852 737	726 100	17,4
The Commercial Products Division	7 584 909	5 500 712	37,9
Bidoffice	4 743 195	3 512 837	35,0
Bidpac	730 579	625 537	16,8
Voltex	2 111 135	1 362 338	55,0
Corporate Services	93 920	159 387	(41,1)
I-Fusion	90 665	159 225	(43,1)
mymarket.com	3 255	162	1 909,3
Intergroup eliminations	(1 455 151)	(1 255 435)	-
	<b>47 073 375</b>	<b>41 950 388</b>	<b>12,2</b>

## Segmental Analysis Operating Income

	2003 R'000	2002 R'000	Percentage change
<b>OPERATING INCOME</b>			
The Services Division	750 502	718 570	4,4
Bidfreight	395 400	355 971	11,1
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Group properties	40 795	35 803	13,9
	<b>2 244 121</b>	<b>2 012 611</b>	<b>11,5</b>

## Segmental Analysis Operating Margin

	2003 %	2002 %	Percentage change
<b>OPERATING MARGINS</b>			
The Services Division	<b>4,10</b>	4,38	(6,2)
Bidfreight	<b>2,89</b>	2,74	5,5
Bidcorp plc	<b>0,04</b>	1,30	(96,7)
Namsov Fishing	<b>11,16</b>	32,56	(65,7)
Bidserv	<b>9,61</b>	8,92	7,7
Renfin	<b>24,31</b>	20,52	18,5
The Foodservice Products Division	<b>3,74</b>	3,19	17,4
Bidvest plc	<b>2,89</b>	2,46	17,3
Caterplus	<b>9,12</b>	8,01	13,9
Combined Foods	<b>11,05</b>	10,96	0,8
The Commercial Products Division	<b>8,09</b>	8,87	(8,8)
Bidoffice	<b>8,30</b>	8,93	(7,0)
Bidpac	<b>14,11</b>	13,45	4,9
Voltex	<b>5,51</b>	6,59	(16,4)
	<b>4,77</b>	4,80	(0,6)

# Consolidated Balance Sheet

## CONSOLIDATED BALANCE SHEET

AT JUNE 30

	2003 R'000	2002 R'000
<b>ASSETS</b>		
Non-current assets	4 927 958	5 118 290
Fixed assets	3 493 246	3 602 498
Intangible assets	689 218	681 903
Deferred taxation	219 340	262 747
Investments and advances	384 072	378 997
Banking and other advances	142 082	192 145
Current assets	9 643 424	9 998 814
Other current assets	7 282 863	7 253 322
Liquid funds	2 360 561	2 745 492
<b>Total assets</b>	<b>14 571 382</b>	<b>15 117 104</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	6 103 451	6 370 033
Shareholders' interest	5 412 659	5 563 617
Outside shareholders' interest	690 792	806 416
Non-current liabilities	1 007 749	615 836
Deferred taxation	115 824	252 048
Post-retirement obligations	190 179	200 250
Long-term portion of interest-bearing borrowings	665 583	135 838
Banking liabilities	36 163	27 700
Current liabilities	7 460 182	8 131 235
Other current liabilities	6 794 077	6 887 622
Current portion of interest-bearing borrowings	666 105	1 243 613
<b>Total equity and liabilities</b>	<b>14 571 382</b>	<b>15 117 104</b>
Number of shares in issue (000)	302 679	311 217
Net tangible asset value per share (cents)	1 561	1 569

# Consolidated Cash Flow

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30

	2003 R'000	2002 R'000
<b>Cash flow from operating activities</b>	<b>1 506 715</b>	<b>1 967 371</b>
Operating income net of capital items	2 182 573	2 001 144
Depreciation and other non-cash items	746 026	543 348
Changes in working capital	(261 904)	207 183
Cash generated by operations	2 666 695	2 751 675
Net finance expense	(110 982)	(80 163)
Taxation paid	(521 492)	(395 737)
Distributions to shareholders		
– Company	(475 284)	(267 763)
– subsidiaries	(52 222)	(40 641)
<b>Cash effects of investment activities</b>	<b>(1 167 628)</b>	<b>(1 956 063)</b>
Net additions to fixed assets	(991 232)	(695 118)
Net additions to intangible assets	(8 442)	(18 759)
Net acquisition of subsidiaries, businesses, associates and investments	(167 954)	(882 186)
<b>Cash effects of financing activities</b>	<b>(70 234)</b>	<b>525 622</b>
Proceeds from shares issued		
– Company	31 710	596 462
– subsidiaries	7 670	506
Purchase of treasury shares	(401 333)	(26 756)
Distribution of share premium to shareholders	(168 797)	(159 743)
Net borrowings raised	460 516	115 153
Net increase in cash and cash equivalents	268 853	896 930
Net cash and cash equivalents at the beginning of the year	2 202 331	1 058 213
Currency adjustments	(250 840)	247 188
Net cash and cash equivalents at the end of the year	2 220 344	2 202 331
<b>Net cash equivalents are made up as follows</b>		
Cash on hand and in the bank	2 360 561	2 745 492
Bank overdrafts shown as current portion of interest-bearing debt	(140 217)	(543 161)
	2 220 344	2 202 331

## Analysis of Value

	Bidvest plc	
	Market	US / UK Peers
Bidvest market cap @ R46,50	R14,6bn	R14,6bn
Less value of Bidcorp / Lithotech France	R0,6bn	R0,6bn
Less value of Bidvest plc	R4,0bn	R5,3bn
Implied market value of SA business	R10,0bn	R8,7bn
Implied PE ratio of SA business	9,4X	7,6X

## Analysis of Group Services, Investments and Other Income

	2003	2002
	Rm	Rm
• Share dealing profits	51,8	45,2
• Dividends from associates	9,9	10,3
• Exchange losses/profits on cash	(15,1)	102,6
• Other costs	(38,3)	(49,2)

For information purposes