

## Results for the half year ended December 31 2010

**R58,5 billion**

Revenue  
+4,2%

**R2,8 billion**

Trading profit  
+8,0%

**R1,7 billion**

Headline earnings  
+11,3%

**539,8 cents**

Headline earnings per share  
+9,1%

**R3,6 billion**

Cash generated by operations  
+4,8%

**225,0 cents**

Dividend per share  
+8,7%

### Consolidated income statement

for the	Half year ended December 31			Year ended June 30
R'000	2010	2009	%	2010
	Unaudited	Unaudited	change	Audited
<b>Revenue</b>	<b>58 492 467</b>	<b>56 113 097</b>	<b>4,2</b>	<b>109 789 207</b>
Cost of revenue	(46 774 301)	(44 610 298)		(86 778 366)
Gross income	11 718 166	11 502 799		23 010 841
Other income	286 460	180 418		424 725
Operating expenses	(9 179 991)	(9 066 804)		(17 880 870)
Sales and distribution costs	(5 990 427)	(6 182 358)		(12 115 597)
Administration expenses	(2 129 438)	(2 043 773)		(4 069 739)
Other costs	(1 060 126)	(840 673)		(1 695 534)
<b>Trading profit</b>	<b>2 824 635</b>	<b>2 616 413</b>	<b>8,0</b>	<b>5 554 696</b>
Acquisition costs	—	(53 416)		(61 202)
Net capital items	11 053	(10 450)		(30 151)
<b>Operating profit</b>	<b>2 835 688</b>	<b>2 552 547</b>	<b>11,1</b>	<b>5 463 343</b>
Net finance charges	(308 475)	(385 599)		(758 479)
Finance income	26 195	36 323		64 408
Finance charges	(334 670)	(421 922)		(822 887)
Share of profit of associates	45 661	26 383		40 983
Dividends received	19 811	16 697		30 785
Share of current year earnings	25 850	9 686		10 198
Profit before taxation	2 572 874	2 193 331	17,3	4 745 847
Taxation	(741 726)	(597 135)		(1 301 059)
Normal	(672 376)	(596 119)		(1 298 744)
Secondary tax on companies	(69 350)	(1 016)		(2 315)
<b>Profit for the period</b>	<b>1 831 148</b>	<b>1 596 196</b>	<b>14,7</b>	<b>3 444 788</b>
Attributable to:				
Shareholders of the Company	1 729 630	1 543 407	11,8	3 345 175
Minority shareholders	101 518	52 789		99 613
	1 831 148	1 596 196	14,7	3 444 788
Shares in issue				
Total	320 306	317 196		319 006
Weighted ('000)	319 279	312 213		314 510
Diluted weighted ('000)	320 419	314 675		316 439
Basic earnings per share (cents)	541,7	494,3	9,6	1 063,6
Diluted earnings per share (cents)	539,8	490,5	10,1	1 057,1
Headline earnings per share (cents)	539,8	495,0	9,1	1 070,0
Diluted headline earnings per share (cents)	537,9	491,1	9,5	1 063,4
Dividend per share (cents)	225,0	207,0*	8,7	432,0*

\* Includes distribution from share premium and capitalisation issue

### Consolidated statement of other comprehensive income

for the	Half year ended December 31			Year ended June 30
R'000	2010	2009	%	2010
	Unaudited	Unaudited	change	Audited
<b>Profit for the period</b>	<b>1 831 148</b>	<b>1 596 196</b>		<b>3 444 788</b>
<b>Other comprehensive income (expense)</b>				
Decrease in foreign currency translation reserve	(401 221)	(371 375)		(675 601)
Increase (decrease) in fair value of available-for-sale financial assets	(795)	2 119		(12 831)
Increase (decrease) in fair value of available-for-sale financial assets before tax	(1 104)	2 943		(17 877)
Taxation	309	(824)		5 046
<b>Total comprehensive income for the period</b>	<b>1 429 132</b>	<b>1 226 940</b>		<b>2 756 356</b>
Attributable to				
Shareholders of the Company	1 332 766	1 180 394		2 661 125
Minority shareholders	96 366	46 546		95 231
	1 429 132	1 226 940		2 756 356

### Segmental analysis

for the	Half year ended December 31			Year ended June 30
R'000	2010	2009	%	2010
	Unaudited	Unaudited	change	Audited
<b>REVENUE</b>				
Bidvest Automotive	9 568 034	8 130 100	17,7	16 688 407
Bidvest Foodservice	29 210 444	30 361 970	(3,8)	58 389 859
Europe	17 030 599	18 860 467	(9,7)	35 460 797
Asia Pacific	9 563 932	8 912 682	7,3	17 547 642
Southern Africa	2 615 913	2 588 821	1,0	5 381 420
Bidvest Freight	9 591 776	8 005 679	19,8	15 941 865
Bidvest Industrial and Commercial	4 367 565	4 334 998	0,8	8 643 601
Bidvest Namibia	923 017	949 384	(2,8)	1 949 205
Bidvest Paperplus	1 255 797	1 131 108	11,0	2 091 926
Bidvest Services	4 504 477	4 098 706	9,9	8 536 853
Bidvest Corporate	216 242	223 268	(3,1)	444 034
	59 637 352	57 235 213	4,2	112 685 750
Inter Group eliminations	(1 144 885)	(1 122 116)		(2 896 543)
	58 492 467	56 113 097	4,2	109 789 207
<b>TRADING PROFIT</b>				
Bidvest Automotive	243 655	152 635	59,6	359 532
Bidvest Foodservice	956 244	1 032 377	(7,4)	2 046 017
Europe	370 440	447 320	(17,2)	897 771
Asia Pacific	400 361	370 915	7,9	729 375
Southern Africa	185 443	214 142	(13,4)	418 871
Bidvest Freight	399 360	376 519	6,1	794 284
Bidvest Industrial and Commercial	151 024	171 414	(11,9)	421 286
Bidvest Namibia	220 603	150 022	47,0	367 891
Bidvest Paperplus	154 236	136 583	12,9	248 311
Bidvest Services	648 271	515 686	25,7	1 190 578
Bidvest Corporate	67 996	90 153	(24,6)	205 851
	2 841 389	2 625 389	8,2	5 633 750
Share-based payment expense	(16 754)	(8 976)		(79 054)
	2 824 635	2 616 413	8,0	5 554 696

### Consolidated condensed statement of cash flows

for the	Half year ended December 31			Year ended June 30
R'000	2010	2009	%	2010
	Unaudited	Unaudited	change	Audited
<b>Cash flows from operating activities</b>	<b>774 839</b>	<b>1 627 867</b>		<b>4 856 127</b>
Operating profit (including dividends from associates)	2 855 499	2 569 244		5 532 999
Depreciation and amortisation	916 173	941 028		1 870 465
Other non-cash items	(150 456)	(54 998)		(104 214)
Cash generated by operations before changes in working capital	3 621 216	3 455 274		7 299 250
Changes in working capital	(1 006 005)	(431 553)		684 970
Cash generated by operations	2 615 211	3 023 721		7 984 220
Net finance charges paid	(306 532)	(379 615)		(659 634)
Taxation paid	(751 060)	(405 681)		(1 166 914)
Distributions by – Company	(725 113)	(598 337)		(1 267 899)
– subsidiaries	(57 667)	(12 221)		(33 646)
Cash effects of investment activities	(1 660 868)	(3 344 728)		(4 846 526)
Net additions to vehicle rental fleet	(33 142)	(250 982)		(382 822)
Net additions to property, plant and equipment	(1 312 553)	(1 378 628)		(2 332 242)
Net additions to intangible assets	(122 014)	(49 764)		(140 118)
Net acquisition of subsidiaries, businesses, associates and investments	(193 159)	(1 665 354)		(1 991 344)
Cash effects of financing activities	412 066	2 134 237		993 372
Proceeds from shares issued – Company	—	1 084 013		1 233 119
– subsidiaries	—	305 480		300 772
Net issue (purchase) of treasury shares	87 544	(6 173)		23 714
Net borrowings raised	213 370	951 998		175 385
Net increase (decrease) in bank overdrafts	(111 152)	(201 081)		(1 002 973)
Net increase (decrease) in cash and cash equivalents	(473 963)	417 376		1 029 973
Net cash and cash equivalents at beginning of the period	4 138 722	3 212 425		3 212 425
Exchange rate adjustment	(112 953)	(165 026)		(76 676)
Net cash and cash equivalents at end of the period	3 551 806	3 464 775		4 138 722

### Consolidated statement of financial position

as at	December 31			June 30
R'000	2010	2009	%	2010
	Unaudited	Unaudited	change	Audited
<b>ASSETS</b>	<b>19 735 948</b>	<b>19 367 912</b>		<b>19 371 091</b>
<b>Non-current assets</b>				
Property, plant and equipment	10 770 264	10 465 714		10 367 571
Intangible assets	659 488	656 493		651 094
Goodwill	5 524 899	5 673 794		5 709 169
Deferred tax asset	447 918	309 094		426 822
Defined benefit pension surplus	129 850	115 392		129 850
Interest in associates	652 530	579 242		656 865
Investments	1 408 885	1 069 888		1 157 190
Banking and other advances	142 114	498 295		272 530
<b>Current assets</b>	<b>23 812 631</b>	<b>23 044 858</b>		<b>23 973 829</b>
Vehicle rental fleet	876 186	858 987		915 042
Inventories	8 446 739	7 860 914		8 030 752
Short-term portion of banking and other advances	202 310	227 384		350 086
Trade and other receivables	10 735 590	10 632 798		10 539 227
Cash and cash equivalents	3 551 806	3 464 775		4 138 722
<b>Total assets</b>	<b>43 548 579</b>	<b>42 412 770</b>		<b>43 344 920</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>	<b>18 150 811</b>	<b>16 356 030</b>		<b>17 392 937</b>
Attributable to shareholders of the Company	17 447 298	15 733 685		16 736 503
Minority shareholders	703 513	622 345		656 434
<b>Non-current liabilities</b>	<b>4 604 980</b>	<b>5 712 260</b>		<b>4 669 207</b>
Deferred tax liability	411 324	220 665		378 992
Life assurance fund	40 469	16 916		13 734
Long-term portion of borrowings	3 357 587	4 609 758		3 448 501
Post-retirement obligations	367 324	439 581		394 527
Long-term portion of provisions	216 685	211 145		235 253
Long-term portion of operating lease liabilities	211 591	214 195		198 200
<b>Current liabilities</b>	<b>20 792 788</b>	<b>20 344 480</b>		<b>21 282 776</b>
Trade and other payables	14 219 051	14 049 947		15 032 357
Short-term portion of provisions	298 193	286 461		251 635
Vendors for acquisition	539	—		539
Taxation	334 351	449 310		364 558
Short-term portion of banking liabilities	1 122 957	848 548		1 080 366
Short-term portion of borrowings	4 817 697	4 710 214		4 553 321
<b>Total equity and liabilities</b>	<b>43 548 579</b>	<b>42 412 770</b>		<b>43 344 920</b>
Number of shares in issue	320 306	317 196		319 006
Net tangible asset value per share (cents)	3 516	2 965		3 253
Net asset value per share (cents)	5 447	4 960		5 246

### Consolidated statement of changes in equity

for the	Half year ended December 31			Year ended June 30
R'000	2010	2009	%	2010
	Unaudited	Unaudited	change	Audited
<b>Equity attributable to shareholders of the company</b>	<b>16 367</b>	<b>17 423</b>		<b>17 507</b>
Share capital	16 367	17 423		17 507
Balance at beginning of the period	17 507	16 814		16 814
Shares issued during the period	—	609		693
Cancellation of treasury shares	(1 140)	—		—
Share premium	81 258	703 546		81 258
Balance at beginning of the period	81 258	228 301		228 301
Shares issued during the period	—	1 137 071		1 236 462
Refund of share premium to shareholders	—	(657 884)		(1 379 469)
Share issue costs	—	(3 942)		(4 036)
Foreign currency translation reserve	(375 542)	326 614		20 527
Balance at beginning of the period	20 527	691 746		691 746
Total comprehensive income for the period	(396 069)	(365 132)		(671 219)
Statutory reserves	11 940	10 093		15 215
Balance at beginning of the period	15 215	13 033		13 033
Transfer from (to) retained earnings	(3 275)	(2 940)		

## Comment

Solid results were achieved for the half year ended December 31 in the face of a strong average South African exchange rate and weak economic activity in a number of geographic regions in which the Group operates. Headline earnings per share (HEPS) increased by 9,1% to 539,8 cents per share while basic earnings per share increased by 9,6% to 541,7 cents per share. The average rand exchange rate strengthened versus sterling and the euro with negative impact on the translation of the earnings of foreign operations equivalent to 2,3% of HEPS. Results were also impacted by a R67,0 million increase in the tax charge as a result of the Secondary Tax on Companies paid on the 2010 final dividend – a charge that had not been incurred in the comparative period. This negatively impacted HEPS by 4,4%.

Deflation on food products was evident in a number of regions, with impact on trading margins. Operations continued to make gains as they traded aggressively in competitive markets. Trading conditions in southern Africa have shown some encouraging signs, particularly in certain sectors of the corporate market. However, discretionary consumer spending hasn't fully recovered. Businesses exposed to South Africa's infrastructure and construction sectors witnessed continued decline in activity levels. Bidvest Asia Pacific continues to deliver strong results. Overall, Bidvest Europe was weaker as a result of the prevailing economic climate and poor weather conditions.

Operational management's back-to-basics approach on asset and cash flow management fostered inventory optimisation while minimising debtor delinquencies. Generating adequate returns on funds employed across all regions remains a core philosophy. Bidvest continued to invest in infrastructure to ensure medium-term growth and sustainability.

## Financial overview

Revenue grew 4,2% to R58,5 billion (2009: R56,1 billion). Operating expenses remained a key focus area and were well controlled across the Group increasing by 1,3%. Overall trading margin improved slightly to 4,8% (2009: 4,7%) despite a relative increase in the revenue mix of lower margin operations such as forwarding and clearing and automotive retailing.

Cash generated by operations before working capital changes improved 4,8% to R3,6 billion. Working capital absorption of R1,0 billion is a result of normal seasonal demands and increased requirements as the businesses return to growth.

Our balance sheet remains robust and appropriately capitalised. Net debt increased to R4,6 billion (June 2010: R3,7 billion), driven principally by the increase in working capital. Interest cover improved from 6,8 times in 2009 to 9,2 times, reflecting adequate borrowing capacity. Net finance charges declined 20,0% to R308,5 million. Adequate exposure to the short end of the funding market in South Africa's stable interest rate environment was also beneficial. Bidvest's attitude to gearing remains conservative and appropriate in the current climate. In December, Fitch Ratings affirmed the Group national rating at A+ with a positive outlook. Moody's continue to rate the Group at A1.za with a stable outlook.

### Black economic empowerment

Bidvest has been awarded Level 3 BBBEE status, reflecting the efforts of management and staff to achieve transformation objectives. The promotion of black executives to senior management positions remains the greatest challenge and a key priority. The Group is extremely proud of the value created for Dinatla, our broad-based BEE partner.

### Strategic realignment of executive management responsibilities

Bidvest faces a wide array of opportunities and challenges in its continuing pursuit of superior performance for all stakeholders.

To increase the focus of responsibilities and create capacity for expansion, the following actions have been taken. Bernard Berson was appointed managing director of Bidvest Foodservice in 2010. As a further step, Lindsay Ralphs will now assume the role of managing director for all the core South African operations, excluding food.

Brian Joffe continues in his role as Group chief executive along with David Cleasby as the Group finance director. Myron Berzack takes on the new position of Group strategic director.

Accordingly, certain divisional management reporting lines in South Africa will change, as and when appropriate.

### Acquisition

The Group acquired 100% of the share capital of Seafood Holdings Limited ("Seafood") for an enterprise value of GBP45,0 million, effective January 2011. Seafood affords a unique opportunity to acquire a market-leading fresh fish foodservice business in the United Kingdom with sufficient geographic reach to provide a solid platform for growth.

## Divisional review

### Bidvest Freight

Good trading levels lifted revenue to R9,6 billion (2009: R8,0 billion), though trading profit of R399,4 million (2009: R376,5 million) did not match revenue growth following an accounting charge required as a result of its lease extensions.

Performance was bolstered by a turnaround at Safcor Panalpina and another excellent performance by the bulk terminals businesses.

SABT had a good half-year, driven by volume gains, particularly maize exports. IVS did well though revenue was under pressure. Costs were well managed. BPO performed well on the back of a strong second quarter and volume improvements across the business, notably steel through the port of Durban. Continuing rail challenges leading to lower throughput and higher rentals negatively impacted Bulk Connections. SACD had an improved first half, with the new Cape Town facility showing higher utilisation. Safcor Panalpina increased revenue on the back of improved volumes and controlled expenses. Rennies Distribution Services performed much better as a result of higher volumes and expansion of the business. Naval benefited from an increase in sized coal handling. Manica disappointed, recording a small loss.

### Bidvest Services

Good trading was experienced, with revenue up 9,9% to R4,5 billion (2009: R4,1 billion) while trading profit rose 25,7% to R648,3 million (2009: R515,7 million). Asset management and expense control remained efficient, improving overall returns. Budget Car and Van Rental (ex-Bidvest Automotive) was transferred into Bidvest Services following a management realignment.

Volumes across Bidtravel improved and overall results were good, despite significant restructuring costs. Prestige again returned excellent results as 2010 FIFA World Cup™ benefits came through. TMS faced continuing challenges.

Steiner maintained its run of good results with returns at record levels. Cost control remains a priority. The business benefited from the strong rand. Laundry operations felt the impact of low hotel occupancies and rising utility costs. In spite of this, a satisfactory result was returned. Industrial Products performed strongly. Giant Clothing in Swaziland did well, driving up production volumes and quality standards.

Konica Minolta SA revenue showed a pleasing recovery, but a strong yen kept pressure on margins. Océ benefited from rand strength versus the euro and produced excellent results. Magnum returned strong results as guarding activities prospered. Magnum Technology (formerly Provicom) was restructured and fully integrated into Magnum. Global Payment Technologies was bolstered by good product sales. Service revenue was also up.

Bidair showed continued improvement as the ramp division drew benefit from its restructure. Express Air Services did especially well. Low volumes in the hotel, landscaping and sports sectors impacted Greens division, though Pureau and Execufloor performed strongly.

Bidvest Bank performed well in a difficult market. Significant growth in revenue was achieved through diversification of its asset base. Bidprocure made continued progress with the Buy Bidvest project. The Budget Car and Van Rental business model is under review to enable improved returns.

### Bidvest Foodservice

Revenues of R29,2 billion (2009: R30,4 billion) reflect continuing pressure on consumers in both the out-of-home eating and institutional sectors and the impact of the translation of the earnings of foreign businesses into rands. Margin squeeze and downtrading impacted trading profit, which eased lower to R956,2 million (2009: R1 032,4 million). Trading challenges were particularly acute in Europe. Pressure also mounted in southern Africa. Asia Pacific showed continuing resilience, with pleasing performance in the core Australian and New Zealand markets and further gains in Asia.

#### Asia Pacific

Asia Pacific returned generally pleasing results. The Australian business put in a good performance in the face of challenging conditions, most notably deflation in Australia. Bidvest Australia continues to gain market share and revenue benefited from both acquisitive and organic growth. The Logistics (QSR) team did particularly well. A Sydney facility was acquired for A\$10,0 million to house both Logistics and Foodservice. Continued growth of the Australian business is projected, though challenges continue. Bidvest New Zealand recorded satisfactory results, despite disappointing levels of consumer spending in December. Earthquakes in the South Island were another negative factor. Even so, forward momentum was maintained following gains of new National Account business and growth of the Prime Vendor customer-base. Foodservice showed continued improvement, Fresh saw good growth and Logistics did well.

Singapore registered growth on prior year, with a particularly pleasing contribution from Foodservice. Hotel sector opportunities were optimised. The export team also did well. Greater China's performance was buoyed by robust domestic demand and a strong performance by Hong Kong, which enjoyed a record second quarter. Good progress in mainland China prepares the way for extension of the base into provinces such as Xian, Cheungsa, Wuhan, Naming and Hainamdao.

#### Europe

Europe faced challenges in all national markets. Severe winter weather in December exacerbated trading difficulties. In the UK, a recovery at 3663 Wholesale stalled in December's ice and snow. Costs and credit extension were well controlled. ROFE showed pleasing improvement. Bidvest Logistics achieved some sales growth, but cost pressure severely impacted performance.

Deli XL Netherlands returned flat results as local consumption showed no sign of recovery. Margin pressure increased in the institutional and catering segments. Deli XL Belgium was also impacted by tough economic conditions, with more to come as the country braces itself for an austerity budget. Horeca Trade in the UAE achieved growth on the prior year while Al Diyafa, the start-up JV in Saudi Arabia, made a pleasing profit. Nowako in Czech Republic and Slovakia was impacted by pressure on sales and margins as unemployment rose and people's pay fell. Market-share gains in the hotel, restaurant and catering segment offset some of the effects of lower household spending in the retail sector. Overheads were well controlled. Farutex Poland returned pleasing results as sovereign financial reform has been delayed and the national economy continues to perform relatively well.

#### Southern Africa

Foodservice SA faced market contraction following the 2010 FIFA World Cup™. Trading challenges were compounded by deflation across several categories, down-trading, price resistance by indebted consumers and continuing pressure on hotels, restaurants and industrial caterers. Foodservice SA was impacted by these macro conditions and the loss of a major national logistics account in October 2010. Efforts to secure replacement volumes were bearing fruit by year-end. Volumes in the industrial catering channel faced particular pressure. The leisure segment made a festive season revival, but business failures are a continuing concern. Market-share gains were achieved with national accounts and expenses were well controlled.

Bidfood Ingredients achieved revenue growth in some areas of the business, but deflation across major product categories impacted overall trading results. Crown Foods and Chipkins Bakery Supplies managed a measure of growth and the Chipkins Bakery factory maintained its strong recovery. NCP performed below the comparative period due to higher input costs and competitive pricing pressure. Asset management was satisfactory and

strong cash generation was maintained. Speciality put in a good performance in tough trading conditions. Pleasing revenue growth was achieved despite the loss of certain agencies.

### Bidvest Industrial and Commercial

The business was impacted by a weak trading environment and the knock-on effects of a big decline in government tenders. Revenue of R4,4 billion (2009: R4,3 billion) was flat while trading profit fell 11,9% to R151,0 million (2009: R171,4 million).

Low levels of construction activity were negative for Electrical Wholesale. Expense control was rigorous in the face of rising transport and personnel costs and ERP implementation. The copper price has firmed and stock levels have moved higher. Energy-related project delays impacted Voltex Solutions.

Performance at Stationery and Furniture was disappointing though operating expenses were well managed. Cash flow improved. Revenue was flat at Waitons, but the brand enjoyed some success in protecting margins. Efforts to extract costs from certain regions have begun to bear fruit. Specialised Filing secured pleasing growth.

Rand strength and reduced product incentives impacted Kolok. CN Business Furniture recorded another trading loss despite aggressive restructuring and expense management. Further remedial action is under way under the new managing director. Seating has exited over-traded sectors of the market in an effort to restore profitability. Dauphin performed well, boosted by increased project work.

Volumes dipped at Afcom, but cash flow remained robust despite the effects of rand strength. Buffalo Executape did well, securing higher sales while increasing ROFE. Results at Vulcan Supplies were disappointing impacted by lower hospitality activity levels, the aftermath of the 2010 FIFA World Cup™. Materials Handling exceeded expectation.

### Bidvest Paperplus

Though operational results were mixed, overall performance was pleasing, revenue rising 11,0% to R1,3 billion (2009: R1,1 billion) while trading profit moved 12,9% higher to R154,2 million (2009: R136,6 million). Teams did well to optimise a sudden demand uptick late in the period. Acquisition of Sprint Packaging strengthened the labels and packaging business and proved results-enhancing. ROFE rose and cash generation improved. General print demand remained low. A strong rand helped contain input costs, but constrained export activities. Lithotech Labels and Rotolabel performed relatively well in tough trading conditions. Wholesale Stationery Distribution had a good back-to-school season. The PWS business was rationalised. Its Johannesburg and Durban warehouses were closed. Personalisation and Mail continued its good run while shifting to a full-colour offering. Contract retention is good and Lithotech Afric Mail again won the SARS tender. Print Sales and Distribution recovered in the second quarter following a disappointing start to the year. Electronic billing continues to grow and Alternative Products put in another good showing.

### Bidvest Automotive

Much improved trading conditions were experienced, with revenue up 17,7% to R9,6 billion (2009: R8,1 billion) while trading profit rose 59,6% to R243,7 million (2009: R152,6 million). Budget Car and Van Rental was transferred to Bidvest Services following a management realignment.

McCarthy Motor group maintained its robust recovery, deriving continued benefit from recent restructuring. Revenue was above expectation and trading profit showed strong growth. Performance was driven by a significant improvement in new vehicle sales. The new car market has rebounded strongly – showing 30% industry growth in 2010 – while finance approvals from the banks have continued their slow improvement. The trading environment remained extremely competitive, however.

Challenges relate to an increasingly sluggish used-vehicle market and a decline in after-sales volumes, a reflection of the shrinking vehicle population and on-going pressure on disposable income. The used-vehicle contribution was adversely affected by the bulk release of vehicles from Budget Car and Van Rental, following the 2010 FIFA World Cup™.

Most franchises recorded encouraging results. Previous loss-making operations, namely Peugeot/Citroen and Inyanga Motors were turned around. Pleasing contributions came from VW/Audi and Mercedes Benz. Burchmore's performance was disappointing, reflecting low levels of floor and auction activity. Bank repossessions were at an all-time low. Five under-performing Call-a-Car dealerships and one Value Centre dealership were closed.

Working capital management remains a priority. Inventory levels and debtor balances came down while ROFE improved. Management continues its focus on dealerships that under-perform.

Bidvest Financial Services performed well. Policy sales were robust and penetration levels high – the result of focused marketing. McCarthy Finance, our JV with Wesbank, saw a welcome return to profit. The development of new distribution channels in line with the revised business strategy is going well. Marketing on Google has begun. Investment income from the JSE exceeded expectations.

Yamaha Distributors continued to experience volume pressure as the higher degree of consumer confidence failed to translate into an improvement in the leisure market in the lead up to the calendar year end. Margins, however, showed some improvement and debtors remain well controlled. Stock levels reduced by R22 million during the six month period, and by R44,7 million year-on-year. In mid-December, occupation began of Gauteng's World of Yamaha facility.

### Bidvest Namibia

A pleasing performance was recorded with trading profit of R220,6 million (2009: R150,0 million) 47,0% higher. Results were underpinned by a strong BidFish performance. Strong demand for horse mackerel, high catch rates and the recovery of Namibian marine resources more than compensated for the effects of local currency strength, lower than expected canned pilchard sales and under-performance in Angola. Profit on the sale of MFV Mars further strengthened results. BidCom had a disappointing first half, impacted by lower activity levels in key sectors, an absence of oil rig repair work and contract losses.

### Corporate

Bidvest Properties took advantage of market conditions to realise profits on the disposal of two buildings while purchasing land in Durban earmarked for Waitons. Ontime Automotive in the UK faced challenging conditions, though Prestige vehicle distribution put in a pleasing performance, winning contracts from McLaren and Lamborghini. Further investment was made into Mumbai International Airport Limited, which continues to benefit from growing passenger volumes.

## Directorate

Mr SG Pretorius will retire from the board with effect from March 1 2011. The board expresses its gratitude to Mr Pretorius for his contribution to the Group.

## Prospects

Economic conditions in most of the geographies in which Bidvest operates have improved, resulting in higher activity levels, however, the European landscape is likely to remain weak. The underlying threat of inflation and the potential for rising interest rates present both opportunity and risk for trading operations. Our businesses have adjusted to the new economic reality. Management is acutely aware that innovation and service hold the key to future success. Realignment of executive responsibilities caters for succession, renews enthusiasm and provides new opportunities for the Group to achieve the next quantum leap in growth. Bidvest remains committed to its entrepreneurial and decentralised business model as the platform for achieving sustained growth. Management are optimistic about future business opportunities, which should enable a step up in growth rates and higher returns.

Our balance sheet is well capitalised with ample capacity to fund expansion activities. We retain our appetite and desire for further strategic acquisition opportunities. Working capital management remains a focus area as a means to delivering acceptable returns from funds employed. Going forward, we remain confident of an improving trading environment.

For and on behalf of the board

**MC Ramaphosa**

*Chairman*

**B Joffe**

*Chief executive*

## Dividend

Notice is hereby given that an interim cash dividend of 225,0 (2009 a distribution out of share premium: 207,0) cents per share, has been awarded to members recorded in the register of the Company at the close of business on Friday, April 1 2011.

The salient dates applicable to the cash dividend are as follows:

Last day to trade cum dividend	Friday, March 25 2011
First day to trade ex dividend	Monday, March 28 2011
Record date	Friday, April 1 2011
Payment date	Monday, April 4 2011
Share certificates may not be rematerialised or dematerialised during the period	Monday, March 28 2011 to Friday, April 1 2011, both days inclusive.

Shareholders are advised the payment of the interim cash dividend will attract secondary tax on companies at a rate of 10%.

For and on behalf of the board

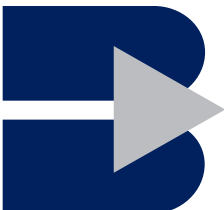
**CA Brighten**

*Company secretary*

Johannesburg

February 28 2011

<b>The Bidvest Group Limited</b>
Incorporated in the Republic of South Africa ("Bidvest" or "the Group" or "the Company")
<b>Directors</b>
<i>Chairman:</i> MC Ramaphosa
<i>Independent non-executive:</i> DDB Band, LG Boyle*, MBN Dube, S Koseff, NP Mageza, D Masson, JL Pamensky, NG Payne, Adv FDP Tlakula
<i>Non-executive:</i> FJ Barnes*, AA Da Costa (alternate LJ Mokoena), RM Kunene, T Slabbert
<i>Executive:</i> B Joffe (Chief executive), BL Berson**, MC Berzack, DE Cleasby, AW Dawe, LI Jacobs, P Nyman, SG Pretorius, LP Ralphs, AC Salomon (*British **Australian)
<b>Company secretary</b>
CA Brighten
<b>Transfer secretaries</b>
Link Market Services South Africa (Pty) Limited 11 Diagonal Street, Johannesburg 2001, South Africa
<b>Registered office</b>
Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose Johannesburg 2196, South Africa PO Box 87274, Houghton, Johannesburg 2041, South Africa
<b>Registration number 1946/021180/06</b>
Share code: BVT      ISIN: ZAE000117321



**Bidvest**