



## Interim financial results

Six months ended December 31 2010

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Group result  
Brian Joffe – Group CE

- Business cycle upturn is weak relative to past cycles and the H1 results reflect soft but gradually improving markets
- Bidvest people are fighting hard for every cent earned
- Excellent expense control
- Stronger rand negatively effects profits on translation
- Constant currency trading profit up 10%, expenses up 5%, pre tax profit up 19% and headline earnings up 14%
- Group financial position remained strong, providing significant capacity for continued growth

### Key numbers:

Revenue	+4% to R58.5bn
Trading Profit	+8% to R2.82bn
Pre tax profit	+17% to R2.57bn
Headline Earnings	+ 11% to R1.72bn
HEPS	+ 9% to 539.8 cents
DPS	+ 9% to 225.0 cents
Net debt/capital employed	20% vs. 26%
EBITDA	+5% to R3.74bn
EBITDA net interest cover	12x vs. 9x



Strategy  
Brian Joffe – Group CE

- Bidvest believes it has an effective formula for developing people and performing well
- In the past decade we have achieved the following
  - Doubled the staff complement to 110 000 people
  - Quadrupled annual employee remuneration to R13 billion
  - Quadrupled annual revenue to R110 billion
  - Quintupled annual trading profits to almost R6 billion
  - Quintupled value added from our trading operations to R22 billion per annum
  - Increased the share of non-South African earnings to 40% of the group total
- Innovation, dynamism and competitiveness drive our growth and prosperity
- Our formula works so we don't need to fix it but we do refresh it from time to time
- Bidvest is a big group made up of numerous small to medium sized companies
- We intend to retain the benefits of scale whilst re-tuning the engine that creates the wealth

- Refreshed operating structure effective immediately:
  - Bidvest Foodservice headed by Bernard Berson
  - Bidvest South Africa (excluding foodservice) headed by Lindsay Ralphs
  - Strategic investments, associates, and separately listed Namibian business headed by Myron Berzack
  - Owned property assets headed by Isaac Menashe
- Realignment into smaller divisional structures each with autonomous management
- More headroom for leadership and personal career growth throughout Bidvest
- Scaled down divisions make smaller deals proportionately significant
- In keeping with Bidvest philosophy of devolved responsibility and entrepreneurship
- Fewer direct reports to Bidvest Group CE freeing up Brian Joffe to give more effective hands on support to the team and pursue new growth avenues for the group



Financial analysis  
David Cleasby – Group FD

# The H1 F2011 numbers in a nutshell

Revenue	↑ 4.2%	to	R58.5bn
Trading profit	↑ 8.0%	to	R2.8bn
Headline earnings	↑ 11.3%	to	R1.7bn
HEPS	↑ 9.1%	to	R539.8cps
Adjusted HEPS*	↑ 13.4%	to	R560.8cps
DPS	↑ 8.7%	to	225.0cps
Cash generated from operations (before WC)	↑ 4.6%	to	R3.6bn
Net debt			R4.6bn & 20% gearing

\* Excluding R67,0m in Secondary Tax Charges on final 2010 dividend

- Revenue up 4,2% (on constant currency up 8,6%) – benefits of increase in Safcor Panalpina & automotive retailing offset currency impact
- Tight control of expenses (actual 1,3% increase – constant currency 4.6% increase) assists trading margin, at 4,8% (2009: 4,7%)
- Deflation, particularly in food products, negatively impacted foodservice trading margins
- Offshore operations 39,4% of trading profit
- Headline earnings up 11,3% to R1,7bn, assisted by a 20% decline in net finance costs
- Tax rate 29,6% (sustainable clean rate  $\pm$  27% exc STC)
- HEPS up 9,1% to 539,8 cps, weighted shares in issue 2,3% higher at 319,3m
- Interim dividend of 225,0 cents (up 8,7%)
- Cash generated (before working capital) up 4,6% to R3,6bn
- R1,0bn in cash absorbed in seasonal working capital

# Notable influences on the trading period

## Rand strength

- Exchange rate continued to strengthen during H1, 2,3% negative translation impact on HEPS
- ZAR on average up 11% vs. GBP, 15% vs. EUR, flatish vs. AUD

## Working capital increase

- A function of a reduced base vs. 2008/9 and focus on asset management but some absorption has taken place as growth returns

## Net debt

- Net debt at R4,6bn (H1 2009: R5,9bn)
- Debt to capital employed down to 20% from 26%
- Net finance costs down 20,0% at R308,5 m
- Continued to invest for growth and sustainability – capex R1,5bn vs. R1,7bn
- Investment in business has not been scaled back over the recession as opportunities present themselves

## Financing funding mix, pricing, maturities

Net working capital 15 days - bad debt risk still high but exposure well in hand

- Cash absorption in working capital is highly likely again as growth resumes, but H2 should follow seasonal trends
- Cash generation anticipated to be positive, gearing should reduce further unless there is corporate activity
- Financial position (balance sheet) strong and good funding lines - ample scope to invest when necessary
- Credit markets still favourably disposed to good corporate credit; Group credit rating has positive outlook
- Deflation in many regions likely to be replaced by inflation, particularly in the food chain
- Ongoing cost pressures in South Africa such as wages, electricity, fuel and toll fees
- Currency fluctuations a more important variable – recent weakening will assist translation
- Further impact of STC on the tax rate due to dividends



Operating review and conclusion  
Brian Joffe – Group CE

## Macro economic

- South Africa – steady but patchy recovery from recession, strong recovery in exports
- Western Europe – fiscal constraints dominate, modest resumption of growth, incomes squeezed
- Central Europe – growth assisted by recovery in neighbouring Germany
- Asia Pacific – stability in the more developed territories, optimism and rapid socio-economic development elsewhere

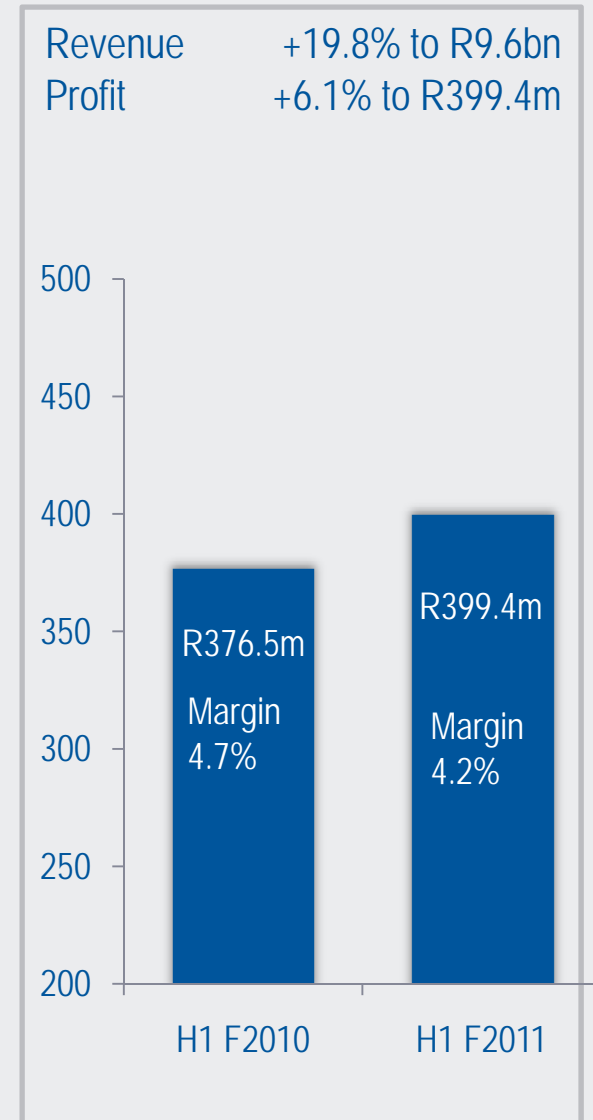
## Bidvest approach

- South Africa – reinforcing competitive position, eyeing new openings for the group
- Western Europe – 3663 has substantially raised its game, Deli XL is competing aggressively
- Central Europe – a new market for Bidvest with many opportunities to exploit
- Asia Pacific - continued focus on profitable market share and investment in capacity in the region, good traction being gained in Greater China

- Higher re-negotiated port authority lease charges + effect of IAS 17 straight lining of leases (R13m swing)
- Improving South African trade volumes, particularly exports
- Excellent Bulk Terminals result
- Good recovery in billings at Safcor Panalpina
- Improved cooperation with Transnet but rail inefficiencies persist

## Outlook

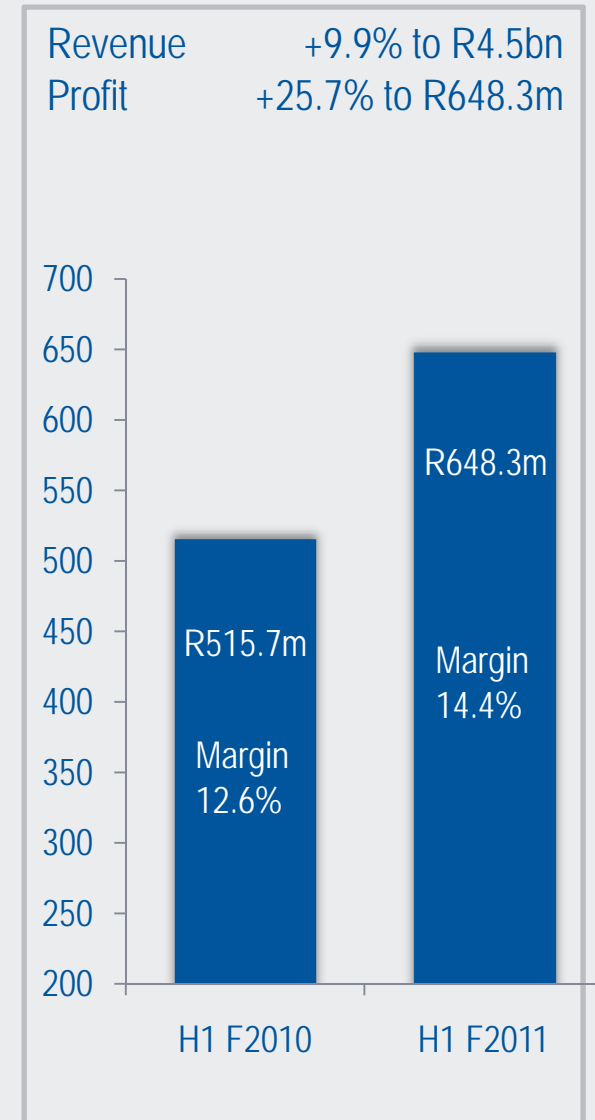
- Certainty on leases at key facilities positive for planning
- Continuing investment in facilities and equipment
- Positive momentum expected to be maintained for the full year



- Pleasing results across the businesses assisted by an improving economy and strong competitive position
- Expenses growth very well controlled
- Traditional cleaning businesses performed particularly well
- Right-sizing initiatives and innovation yield benefits for Bidtravel
- Banking profits up despite the strong rand and low interest rates
- Budget Car and Van Rental incorporated
- Rolling out of joint Bidvest and operational branding

## Outlook

- Hospitality and contracting sectors likely to remain weak
- Competition for business is fierce
- Group procurement benefits being identified
- Result for the full year expected to exceed prior year



# Bidvest Foodservice

\* Refer appendix for further detail

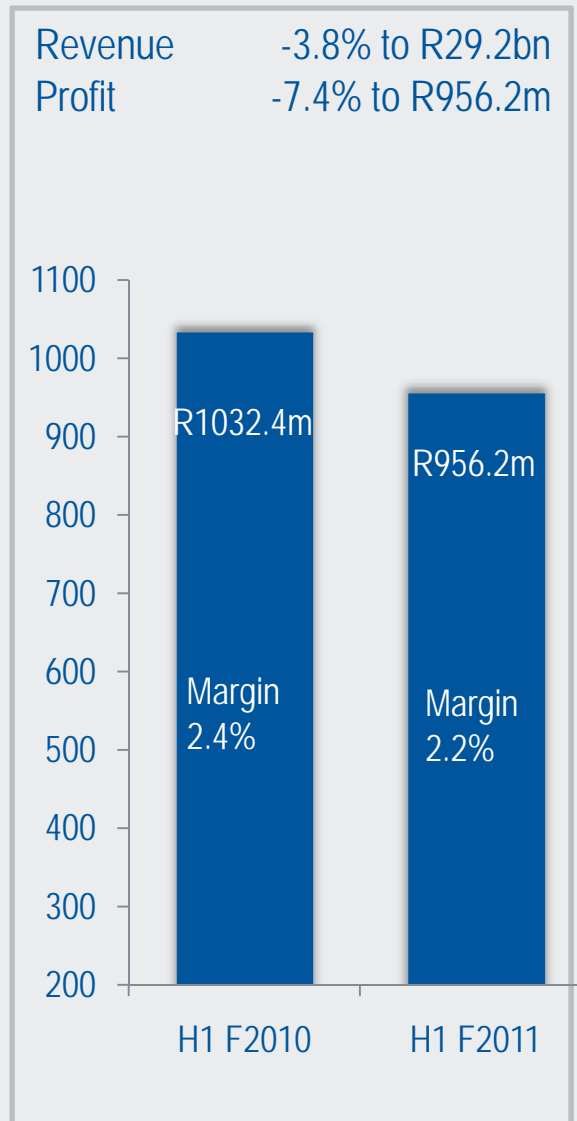


Foodservice businesses in Southern Africa, Europe, Asia Pacific  
Approximately \$8.5bn and \$400m in annual revenue and EBITDA  
Multiple currencies, jurisdictions, cultures and tastes

- UK: slightly improved result in a tough and price sensitive market
- Netherlands: market remained sluggish, margins eroding
- Belgium: stiff competition in institutional, growth in hospitality
- UAE/Saudi Arabia: a modest but profitable contributor
- Central Europe: market share gains, poor weather a negative
- Asia/Pacific: satisfactory performance in all jurisdictions
- Southern Africa: a reduced result as previously signalled

## Outlook

- Well placed in a mature but challenging Western Europe market
- £45m UK fresh fish foodservice acquisition effective January 2011
- Central Europe strategy on track
- Southern Africa improving strongly, food inflation returning
- Financial impact of natural disasters on Australia/NZ businesses minimal
- We believe our foodservice business has terrific prospects

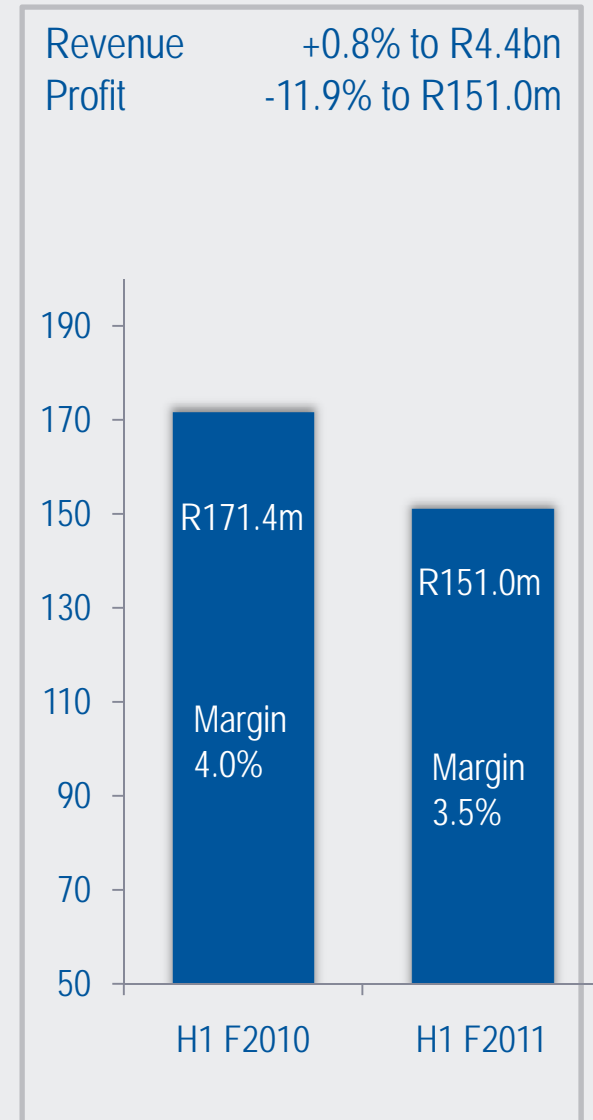


\* Refer appendix for further detail

- Trading conditions remained challenging
- Electrical and office furniture markets depressed
- A better result from stationery, mix continues to shift
- Poor Furniture result masks vigorous initiatives to restore growth
- Catering equipment negatively affected by decrease in demand following World Cup

## Outlook

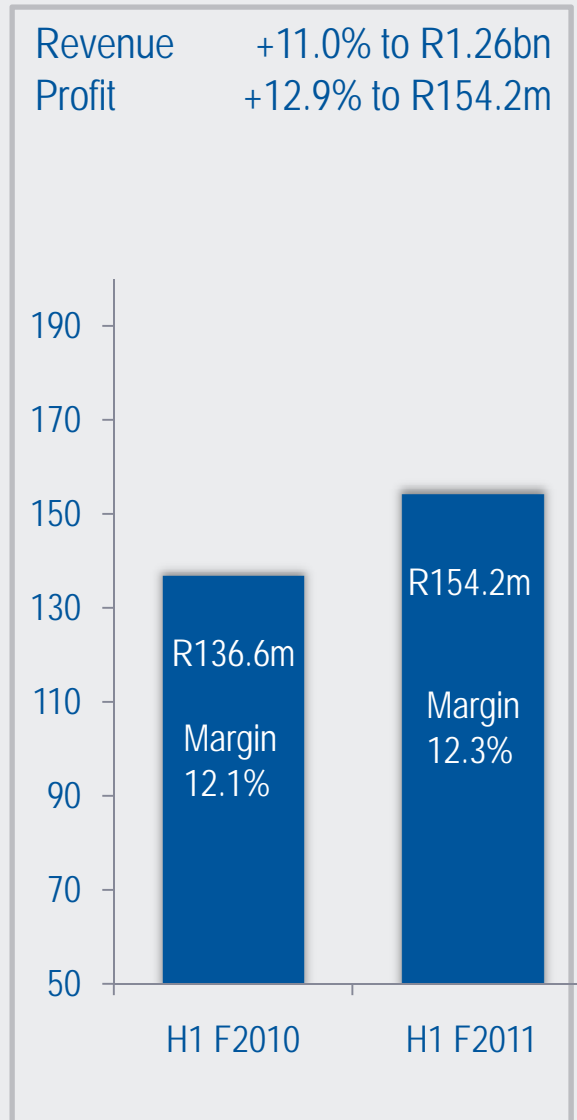
- Construction industry expected to remain depressed
- Rate of decline in the segment appears to have bottomed out
- Improved volumes will result in a significant operating turnaround



- Trading conditions mixed
- General print & packaging market highly competitive
- Balance of mature and newer technology offerings ongoing plus
- Vigorous focus on efficiencies and expense control
- Packaging acquisition

## Outlook

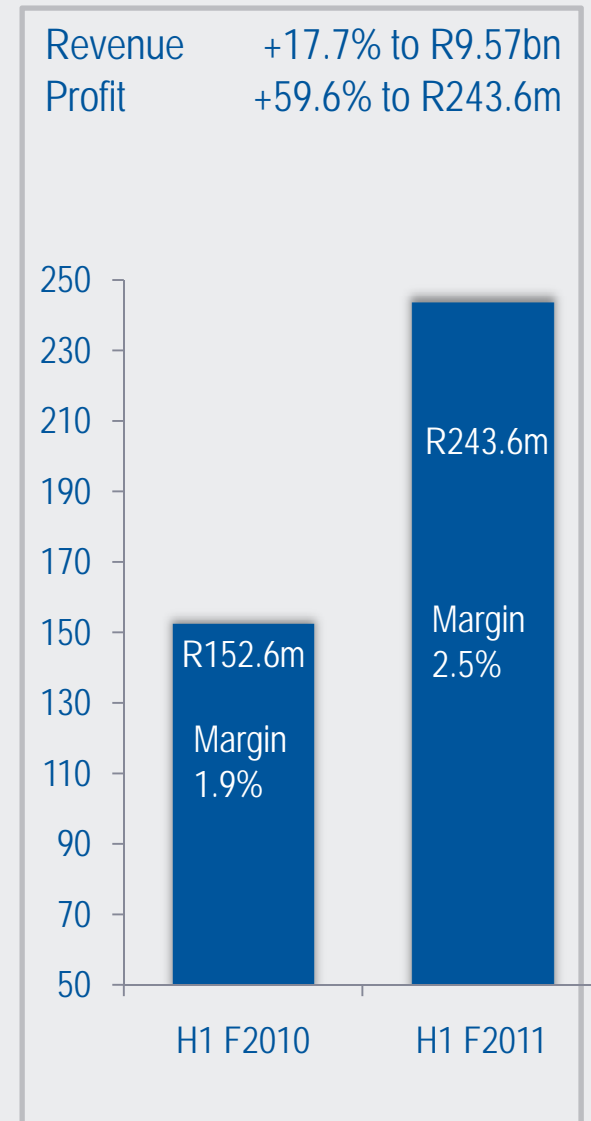
- Encouraging improvements in underlying demand evident in retail, particularly in mailings
- Food packaging prospects positive
- Innovative new products being introduced
- Digital colour printing gaining traction



- Improved profitability at most dealerships
- Substantially better new vehicle contribution
- Replacement demand and improved affordability of new cars
- Used, auction and parts & service contributions under pressure
- Strong financial services result
- Yamaha result mixed, discretionary leisure market subdued

## Outlook

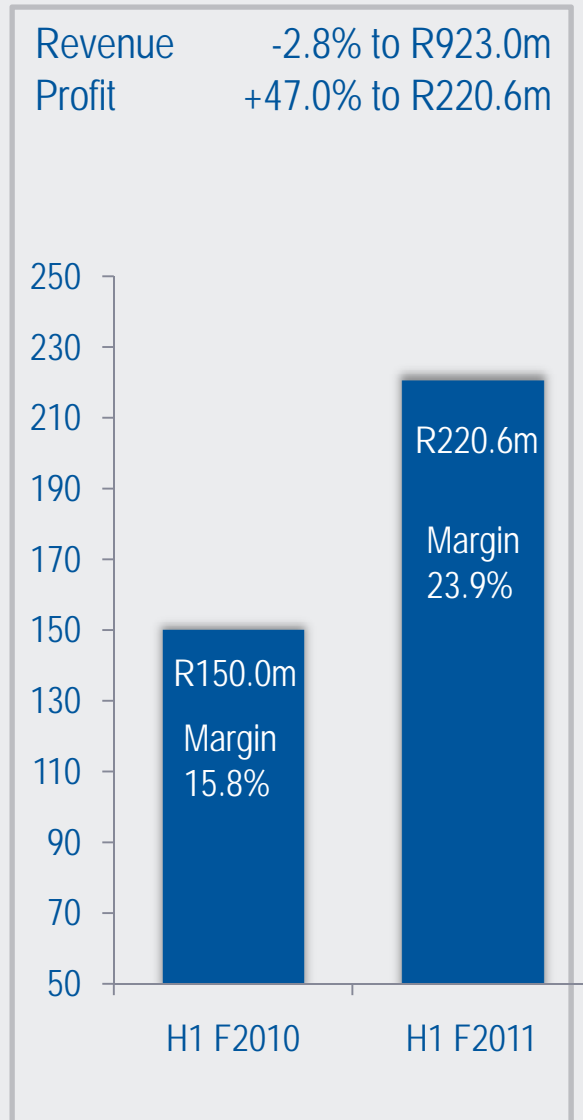
- Continued focus on rectifying underperforming dealerships
- JVs with Hollard and Wesbank both encouraging
- Financial services operates as a standalone and targets all potential customers as its market place not just McCarthy customers
- Launch of world class “World of Yamaha” in Johannesburg
- A materially improved result expected for the full year



- Strong result driven by fishing assets
- Continued favourable catch rates + pricing and mix
- Underperformance within BidCom being addressed

## Outlook

- Fishing likely to end the year on a strong note
- BidCom is a work in progress to realise potential



- Strategy remains intact and will continue to be refreshed as circumstances warrant
- Substantial balance sheet and capital raising capacity for growth
- Bidvest is a proven incubator for entrepreneurship and people development
- We are bolstering our capacity to step up exploitation of opportunities
- Non-food assets are a focal point for corporate activity, particularly in South Africa
- Demerger of assets will be considered but not at the expense of critical mass and financial strength
- We expect real growth in 2011

**The Bidvest team embraces the future with enthusiasm**



Thank you



## Appendix 1

Financials for the six months ended December 31 2010

## Financial

- A decentralised operating model that encourages entrepreneurship but with strict financial disciplines and controls

## Currency risk

- Our businesses are managed for local conditions and local currency
- Currency is but one variable among numerous external variables that we have to manage
- A non-negotiable policy of forward cover on trade transactions
- Group foreign assets are matched against foreign liabilities in local currency

## Interest and liquidity risk

- Interest cover is the primary yardstick of capacity and benchmark is 5x
- Borrowings are largely negotiated centrally and liquidity risk by country is managed locally
- Operations requests for facilities are considered on a case by case basis and on merit
- Funding lines are carefully termed, the ratio of long-term to short-term debt is approximately 50:50
- A judicious mix of funding permutations, including equity

## Credit risk

- The group debtors book is closely monitored by corporate office but being at the coal face each business is empowered to best judge the creditworthiness of customers. Prudence has stood the group in good stead and we would rather not have potential bad business than run the risk of default

# Consolidated Income Statement



Half year ended December 31 2010	Avg R/£11.18		Avg R/£12.57	H1 2011 in constant currency R/£ 12.57	
Revenue	58 492,5	+4.2%	56 113,1	60 959,0	+8.6%



- R2,5bn adverse exchange rate impact on revenue just in translation
- 49/51 split between Foreign and South African revenue
- Change in mix with big improvement in Safcor Panalpina (R1,5 bn) and McCarthy Motor group (R1,6 bn)

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Trading profit	2 824,6	+8.0%	2 616,4	2 875,2	+9.9%

Trading margins	H1 2011	H1 2010	Comment
Local	5.7%	6.0%	Increase in lower margin business of clearing and forwarding and automotive retailing
Foreign	3.9%	3.4%	Improvement at Bidvest Namibia
Group	4.8%	4.7%	

- Margin held up well despite impact of mix change
- Deflation in food products across many geographies negative i.e. Australia and South Africa
- Costs generally well managed

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Net finance expense	(308,5)	-20.0%	(385,6)	(311,3)	-19.3%	

- Benefit of exposure to the short end of the funding cycle in South Africa
- Competitive funding available internationally
- Good asset management and cash generation despite season working capital absorption

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Associate Income	45,7	+73.1%	26,4	45,8	+73.6%	

## Associates

Comair



Other



Good contributions from Bidvest Freight JV's

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Taxation	(741,7)	+24.2%	(597,1)	(752,9)	+26.1%	

Effective tax rates (ex non trading items)	H1 2011	H1 2010	Comment
Local	31.4%	26.8%	Incl. STC of R67,0 m
Offshore	26.6%	26.9%	No material change
Group	29.6%	26.9%	Sustainable rate (ex STC) of ± 27%

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Minority interests	(101,5)	+92.3%	(52,8)	(101,6)	+92.5%	

	H1 2011	H1 2010
Bidvest Namibia	86,5m	40,7m
Other	15,0m	12,1m

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No material capital items incurred

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HEPS (cps)	539,8	+9.1%	495,0	551,3	+11.4%	

- Headline earnings per share impacted by:
  - Impact of STC - 4,4%
  - Translation - 2,3%

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HEPS (cps)	539,8	+9.1%	495,0	551,3	+11.4%
Diluted HEPS (cps)	537,9	+9.5%	491,1	549,3	+11.9%

320,4m vs. 314,7m diluted weighted average shares  
 Total ordinary shares (net of treasury) 320,3m vs. 317,2m

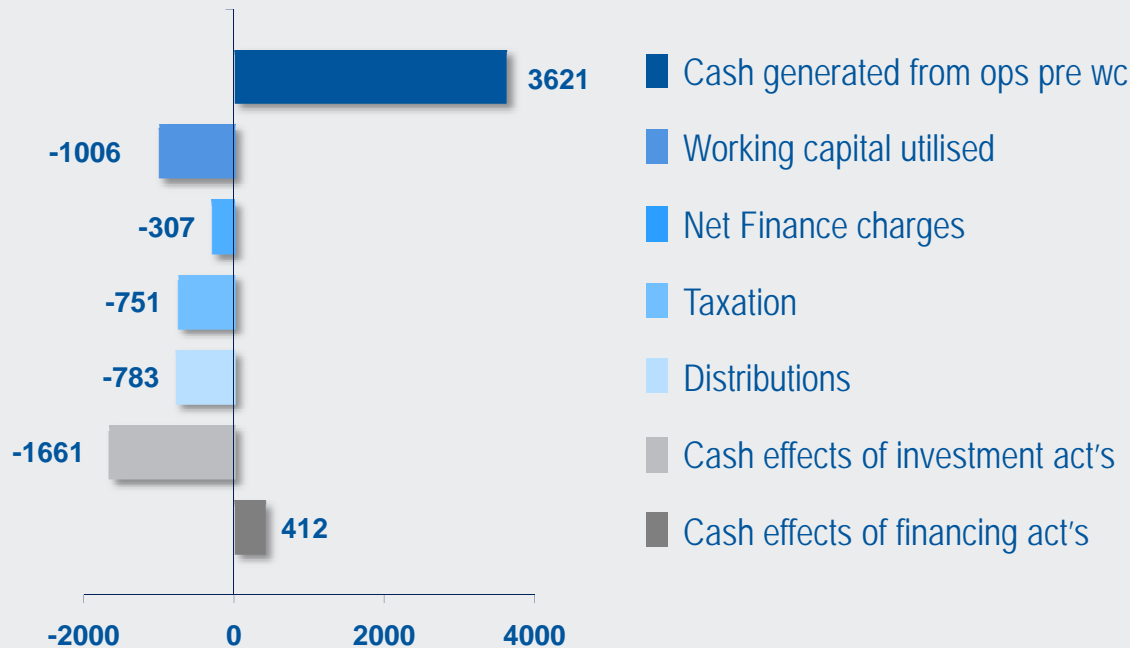
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Diluted HEPS (cps)	537,9	+9.5%	491,1	549,3	+11.9%
Distribution (cps)	→ 225,0	+8.7%	207,0		

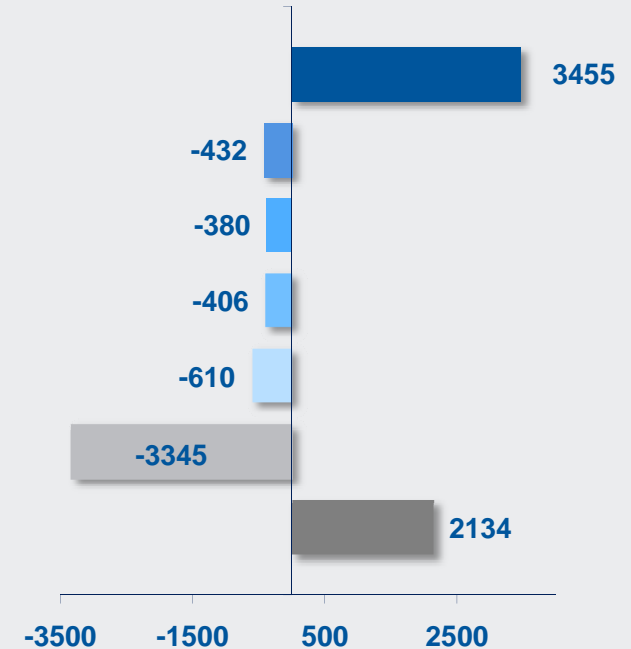
Dividend cover of approximately 2,5x maintained

# Consolidated cash flow statement – Rm's

Half year ended December 31 2010

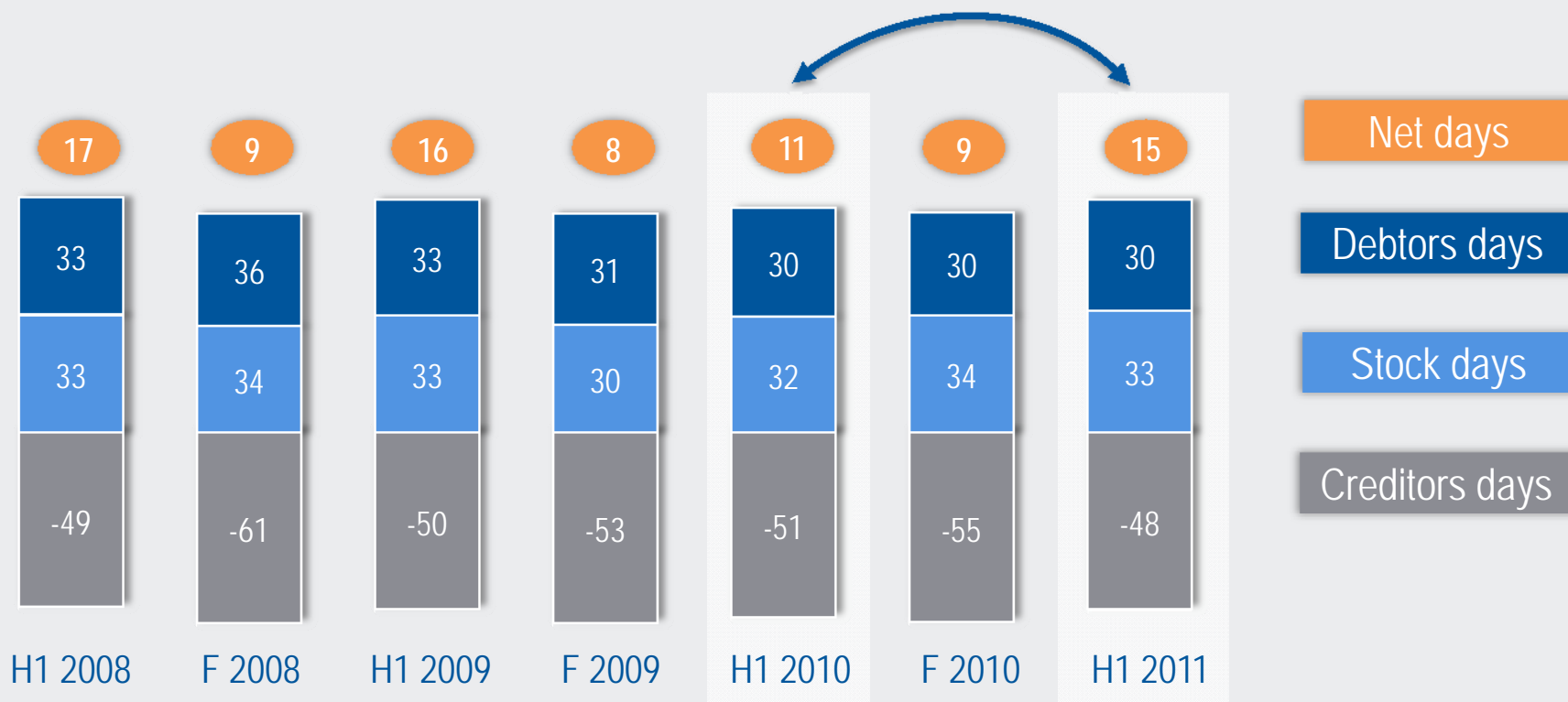


Half year ended December 31 2009



- Working capital absorption up by R574m vs. H1 F2010 as a result of a return to growth as anticipated
- Investment activities
  - Net capex of R1,5bn vs. R1,7bn
  - 2009 – acquisition of Nowaco
  - Debtors book well managed

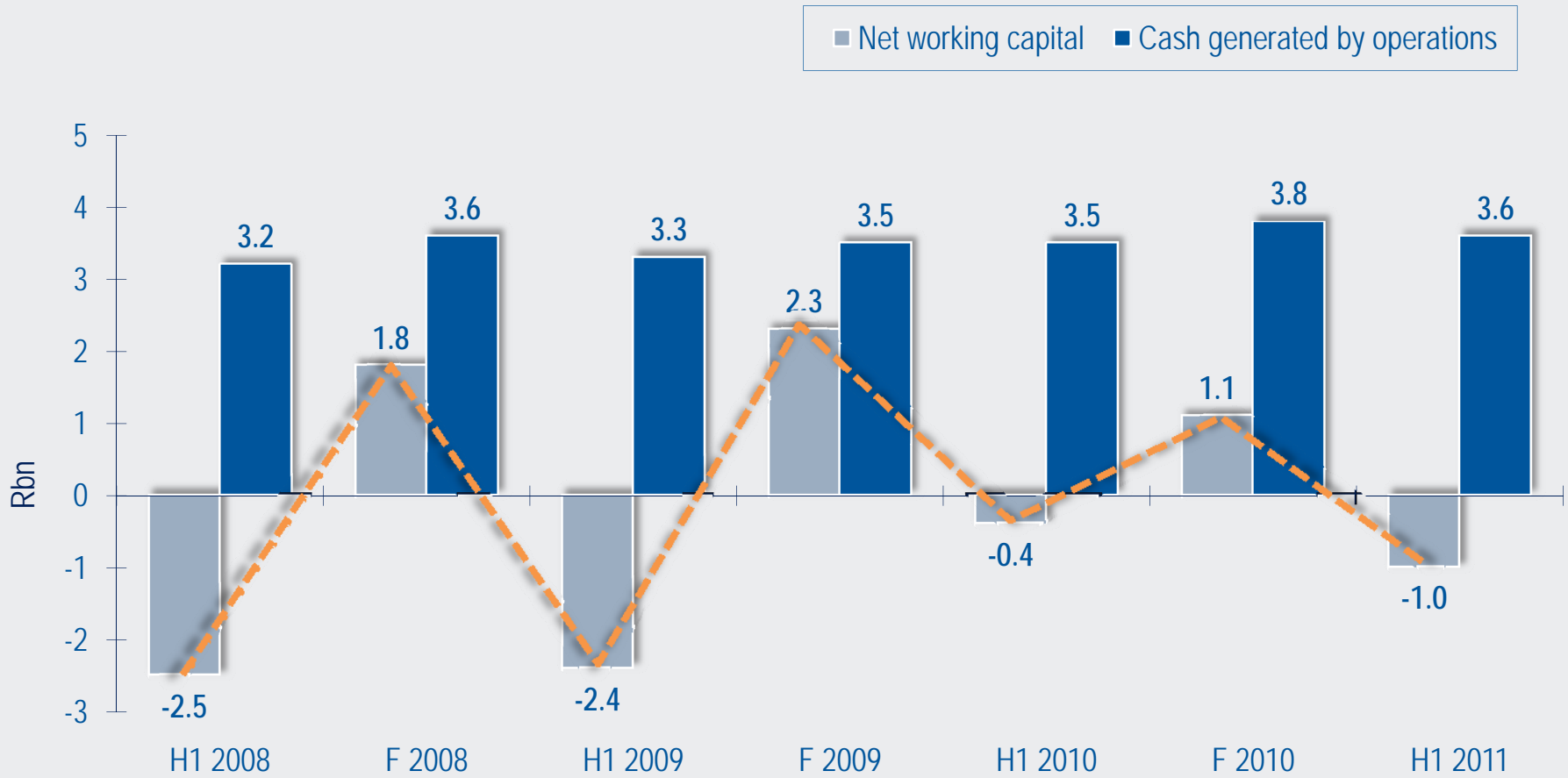
# Net working capital days



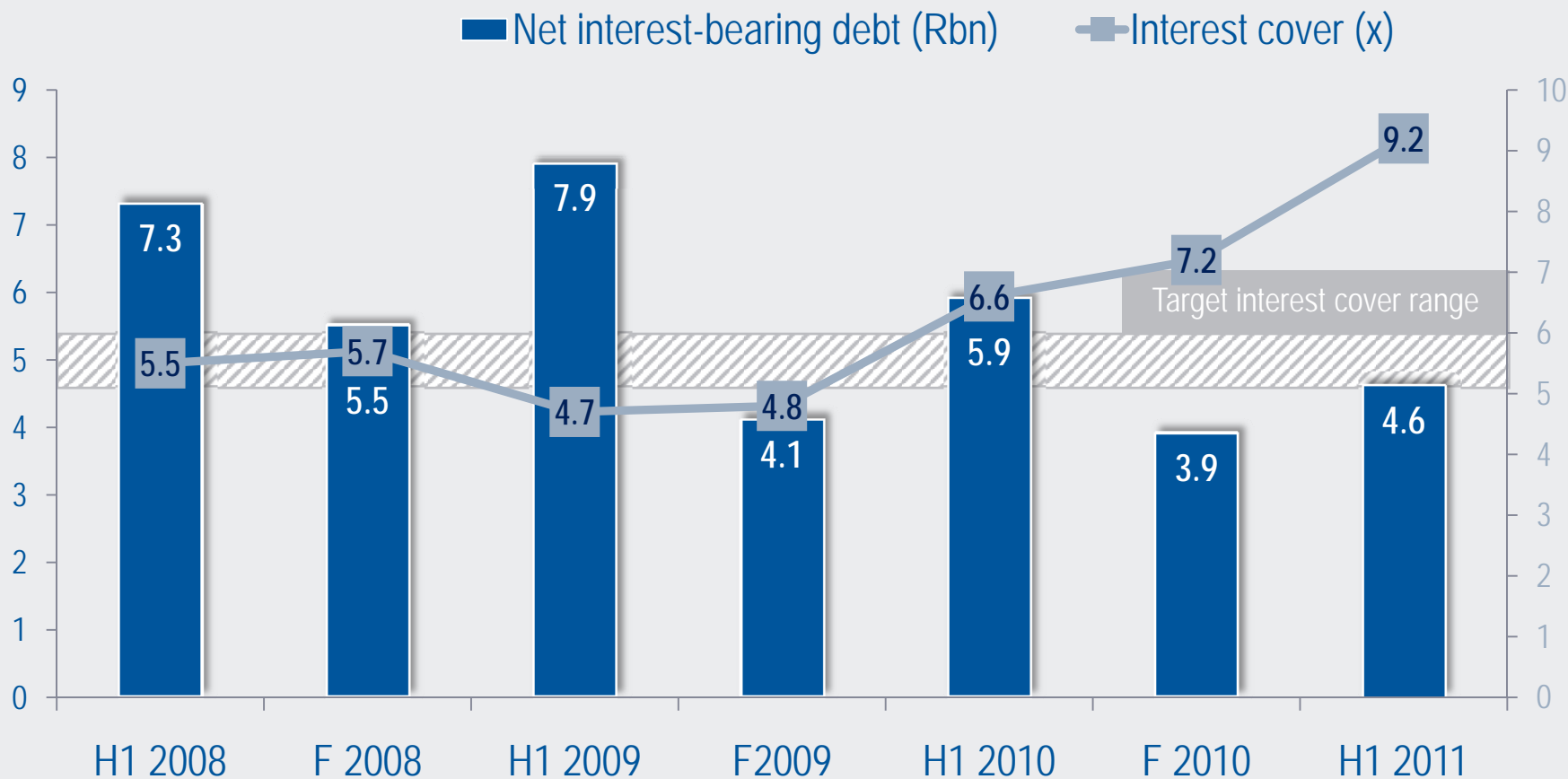
Working capital position typically spikes in H1 but sharp improvement on weaker trading activity and focus on management

- Inventory - reduction in line with lower activity and leaner stocking
- Debtors - receivables in line with past years, delinquencies remain well controlled
- Creditors - in line with previous half years

# Net working capital flows vs cash generated



- Seasonal absorption of working capital but lower than previous half year cycles



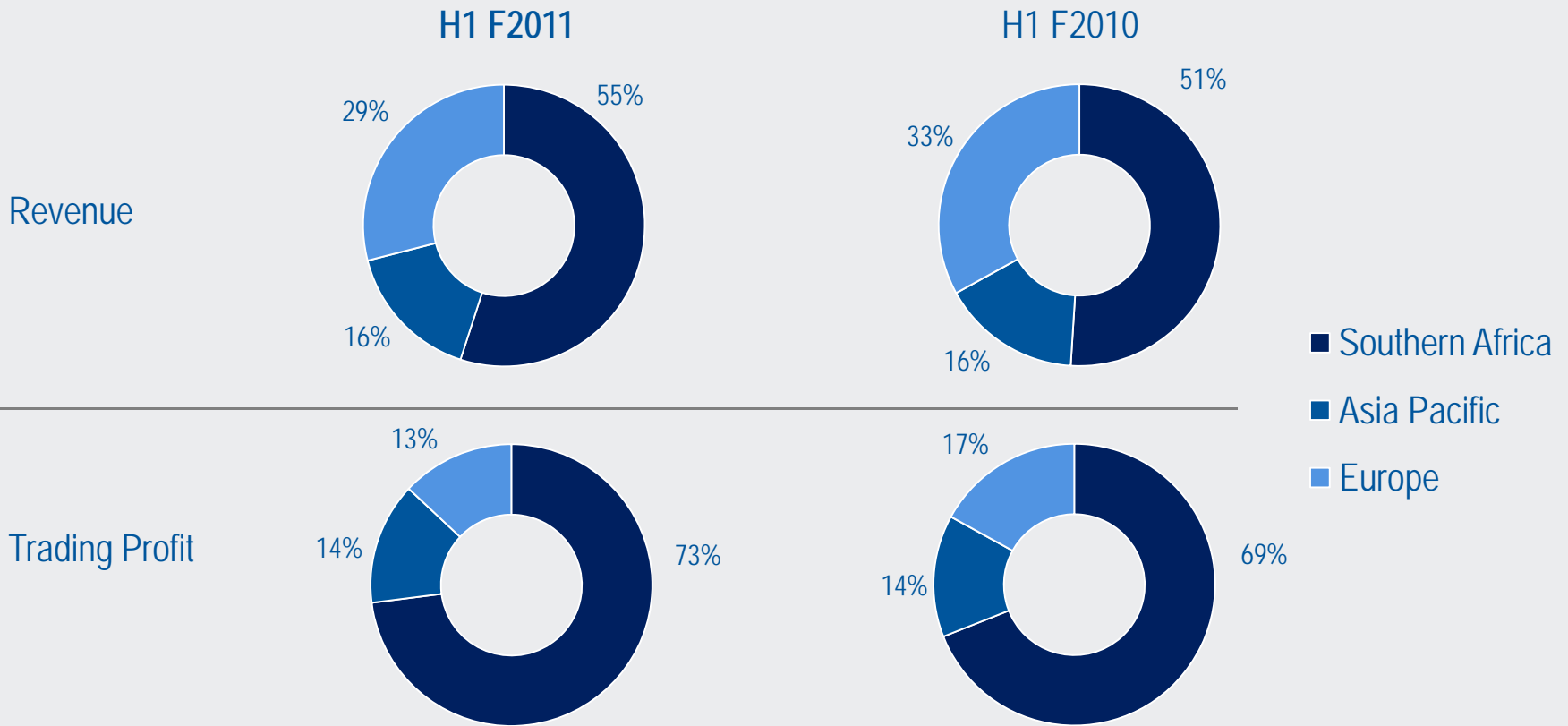
- Net interest cover of 9,2x exceeds Group benchmark of 5 – 6x
- Ample headroom to fund organic or acquisitive expansion



## Appendix 2

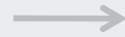
Segmental results analysis, strategic imperatives and prospects

# Revenue and Profit by geography and contribution



Contribution	Revenue		Trading Profit	
	H1 F2011	H1 F2010	H1 F2011	H1 F2010
Foodservice	49%	53%	34%	39%
Services	51%	47%	66%	61%

# Segmental contributions to results

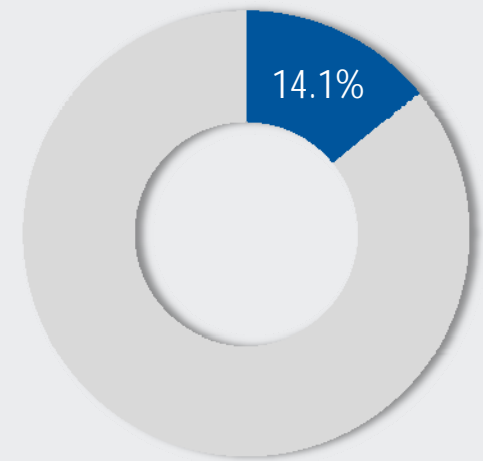


Segment	% Contribution to Revenue	% Contribution to Trading Profit
Bidvest Freight	16.1	14.1
Bidvest Services	7.6	22.8
Bidvest Foodservice	49.0	33.7
Bidvest Industrial and Commercial Products	7.3	5.3
Bidvest Paperplus	2.1	5.4
Bidvest Automotive	16.0	8.6
Bidvest Namibia	1.5	7.8
Corporate	0.4	2.4

# Bidvest Freight – billings bounce back

- Bulk Connections
- Island View Storage
- Bidfreight Port Operations
- Rennies Distribution Services
- SACD Freight
- South African Bulk Terminals
- Naval
- Safcor Panalpina
- Manica

Current contribution to  
Group Trading Profit



- A pick up in billings on a rise in imports following the recession
- Bulk activity remained buoyant particularly in exports
- Automotive volumes increased as the industry recovered from recession
- Port authority lease charges increased substantially following five-year tranche re-negotiation
- Resolution of tenure at Bulk Connections and IVS Richard's Bay a positive factor, lease extensions provides stability and is supportive of capital expenditure
- Transnet freight rail inefficiencies remain a challenge and necessitates increasing use of road transport despite higher costs and congestion
- Debtors position continues to be closely monitored and action taken on overdue accounts
- **Island View Storage:** another good performance on improved volume and cost control
- **South African Bulk Terminals:** an excellent result on growth in agricultural volumes, particularly maize, and consequently higher utilisation rates
- **Safcor Panalpina:** increased billings, disbursements and volumes plus good expense control results in sharply improved profits; much improved staff morale; a new managing director from within the group was appointed
- **Rennies Distribution Services:** profits up on higher volumes and the benefits of a rationalisation of the customer base to focus on profitable business

- **South African Container Depots:** new Cape Town facility is attracting additional clients and resulting in higher utilisation; profits up despite higher property costs; poor service levels at Transnet freight rail are proving problematic for business in Johannesburg
- **Bulk Connections:** R200m capex programme underway to improve capacity and efficiencies on the strategic Durban site; higher costs on 25 year lease; Transnet freight rail are receptive to the need for an improved level of service which if realised would result in improved capacity utilisation
- **Bidfreight Port Operations:** an excellent result on improved volumes in all sectors and in particular steel volumes through Durban
- **Naval:** sized coal volumes through Maputo up strongly
- **Manica:** business conditions remain challenging in the southern African Development Community region

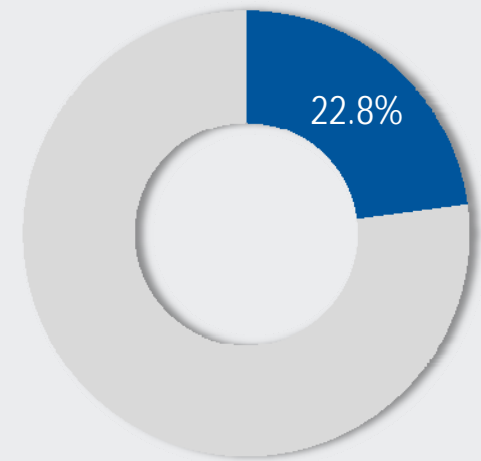
## Strategic imperatives and prospects

- Profits expected to be up for the full year
- Demand for the handling of bulk commodities remains strong
- Ongoing capital investment to support productivity and growth
- Growth in trade with the rest of the world and particularly Asia
- Strategically very well positioned at key sites in southern Africa

## Full range of outsourced services including:

- Cleaning
- Laundry
- Hygiene
- Security
- Interior and exterior landscaping
- Aviation services
- Industrial workwear
- Corporate and Online Travel
- Banking and foreign exchange services
- Fleet services
- Budget Car and Van Rental
- Office automation

Current contribution to  
Group Trading Profit



- Recovery gathered momentum with a 25.7% rise in profits off a 10% rise in revenue translating into trading margin rising from 12.6% to 14.4%
- Businesses have emerged stronger from the recession
- Budget car and van rental is included in the results with comparatives restated
- **Bidvest Banking:** fleet services fully integrated and a meaningful contributor; although profits are up for the six months relative rand strength combined with reduced volatility and lower interest rates is resulting in pressure on profitability in the bank and currency businesses
- **Bidtravel Services:** a considerably improved underlying result assisted by earlier right-sizing measures and introduction of new technology solutions for a tough and price conscious market
- **TMS:** partial recovery in profitability; new management team taking a fresh look at the business and opportunities
- **Laundries:** a satisfactory result in the context of lower hotel occupancies and reduced garment rental by customers as a result of redundancies during the recession
- **Steiner:** a strong result from the new management team
- **Industrial:** production and quality at the Giant Clothing factory in Swaziland now up to desired levels and positively affecting the result
- **Prestige:** an excellent result, which included some benefit from 2010 FIFA World Cup™ business
- **Bidair:** an improved result compared with a weak H1 2010; benefits of restructuring at the ramp handling business and an improved pricing arrangement; lounges face stiffer competition

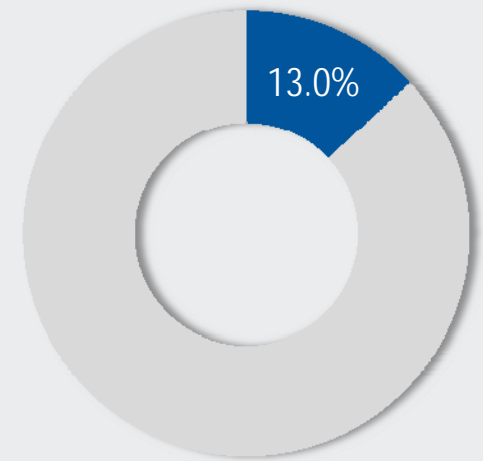
- **Office – Konica Minolta SA and Océ:** margin at Konica Minolta SA was under some pressure in part due to currency effects; Océ produced a good result, benefitting from a stronger rand against the euro; the distribution arrangement with Océ has been maintained following its acquisition by Canon and in turn Océ is distributing a new range of high-end machines to complement the existing Océ range
- **Security:** continued improvement in results from Bidvest Magnum and BidTrack (vehicle tracking)
- **Global Payment Technologies:** a strong result driven by both machine sales and service; performance tends to be variable due to timing of capex of banking customers but there are a number of opportunities to exploit
- **Greens:** weak demand in hospitality sector is depressing the Hotel Amenities result; landscape, golf course and sports contracting has fallen off sharply; Pureau (bottled water dispensing in JV with Nestle) is now number one in the water cooler market and performed well; Execuflora (interior plantscaping) continues to show improving results following a restructure in the prior year
- **Budget:** a flat result in a sub-optimally priced car rental market; the business model is under review

## Strategic imperatives and prospects

- Good potential for facilities management with a focus on a total integrated service offering
- Improving confidence levels in the market place
- Corporate and operating brands co-branding initiative rolling out well
- A pleasing result is expected for the full year

- 3663 Wholesale (UK)
- Bidvest Logistics (UK)
- Deli XL (Netherlands)
- Deli XL (Belgium)
- Horeca (Middle East)
- Nowaco (Czech and Slovakia)
- Farutex (Poland)

Current contribution to  
Group Trading Profit



- Economic recovery is fragile in western Europe and fiscal cut-backs reinforce customer prudence
- Extreme wintry weather was an added negative
- Value for money and pricing considerations are taking precedence over service levels
- Difficult times have energised the businesses to seek ways in which to be more efficient
- Bolt-on deals continue to be undertaken and sought
- E-commerce being rolled out in Deli XL and 3663
- Standalone Wholesale and Logistics in UK is working well
  
- **Deli XL Netherlands:** revenue €379.6m (-4%), profit €7.2m (-14%), margin 1.9% (2.1%)
- Out of home spending decreasing
- Margin erosion in HORECA, Institutional, and Catering; price-down pressure from customers on renewals/tenders
- Extension of range in the meat, fish, fresh produce, and convenience foods categories
- **Deli XL Belgium:** Revenue €130.7m (+3.5%), profit €1.6m (-24%), margin 1.2% (1.6%)
- Gross margin pressure due to stiff pricing competition in institutional and a shift in mix toward lower margin catering and logistics customers
- A hospitality wholesaler in Flanders was acquired
- **Horeca:** £0.2m profit; a small profit at the new Saudi Al Diyafa JV; new food regulations in Dubai favour this business as it meets stringent accreditations; model appropriate for the region and new offers continue to be introduced

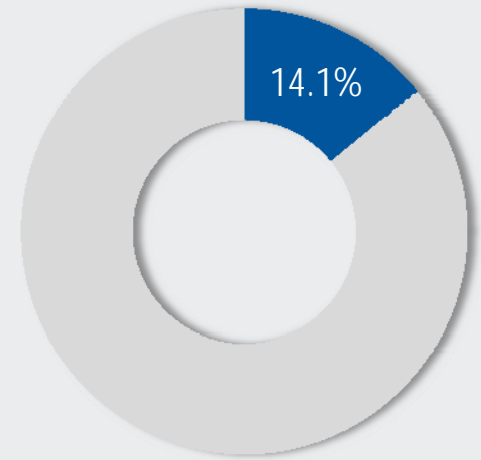
- **3663 Wholesale:** sales up 5.7% to £497.6m; profit up marginally to £16.9m pre exceptionals; margin 3.4%
- Encouraging recovery in volumes across all channels but winter weather hampered the result; cost per item delivered continues to be driven down
- **Bidvest Logistics:** sales up 5.8% to £414.8m; profit £0.3m
- Efficiency initiatives are widespread and continue to yield savings in a price sensitive environment
- **Nowaco:** sales at CZK3.9bn (-3%), profits of CZK313.4m (-13%), margin of 8.0%; weather conditions unfavourable for the seasonal – high margin - ice cream business; gains in HORECA
- **Farutex:** sales of PLN169.8m (+9.8%), profits of PLN2.9m (+15.5%), margin 1.7%; successful diversification into replacement business following an anticipated contract loss in prior year; strategy on track to get margin back to the 2% to 3% range

## Strategic imperatives and prospects

- Seafood Holdings acquired at an enterprise value of £45m; annual turnover estimated at £80m and EBITDA £6m; a fish processing and distribution business with a national UK footprint employing 500 staff; 80% of sales are fresh fish predominantly to independent caterers and also to well known national accounts; Seafood has a skilled and motivated workforce that will benefit from the financial disciplines Bidvest brings; early indications suggest the outlook is very favourable
- Bidvest Foodservice Europe is anticipating a better second half

- Bidvest Australia
- Bidvest New Zealand
- Angliss Singapore
- Angliss Greater China

Current contribution to  
Group Trading Profit



- All territories contributed positively to an increased result; constant currency consolidated profits up 8% in rand, with Australia up 5%, New Zealand up 13%, Greater China up 21% and Singapore up 16% with respective contributions 66%, 17%, 10% and 7%
- The extreme weather in Australia had minimal effect on the result and the strategy to build footprint nationally has paid off as it enabled Bidvest to maintain supply routes to affected areas
- The New Zealand team continue to excel and build market presence at good margin
- Floods in Australia and the recent earthquake in Christchurch brought with them dislocation, physical damage, casualties and financial cost but it has also brought out the best in people and the Bidvest team is getting on with the job and doing its bit to assist recovery and provide support
- **Australia:** revenue up 6% to A\$922.2m; profit up 5% to A\$39.2m; margin steady at 4.3%; deflation a feature; real organic sales growth estimated at 2% on market share gains; entry into Fresh yielding results; cautious consumers despite a booming resources sector
- Foodservice positively impacted by the Kele branches (April 2010); wage inflation at 4% combined with price deflation resulted in margin pressure; the new coldstore and further facility enhancements in Sydney will provide a platform for growth; Perth expansion will be complete in H2; branch support structure now housed under one roof in Adelaide; small wholesaler acquired in northern NSW
- Hospitality Supply is diversifying into repeat consumables
- QSR performing well, state of the art technology assisting with productivity in tight margin logistics
- Fresh focus is on getting the model right and then rolling it out nationwide

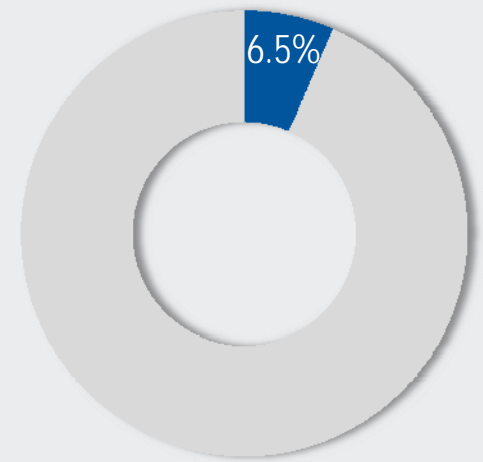
- **New Zealand:** sales up 11.7% to NZ\$266.2m, profits up 13% to NZ\$12.9m margin 4.85%; economy remained soft; sales tax increase; scaling back of spending by customers an enduring feature
- Fresh sales up 29%, profits up 28%; leveraging off synergies with Foodservice
- Foodservice sales up 9%, profits up 10%; expanding footprint, including a new DC in Dunedin
- Logistics: Christchurch DC performing well on higher utilisation
- **Angliss Greater China:** Sales up 11.7% to HK\$1.12bn, profits up 22.1% to HK\$44.2m; margin 3.9%; Q2 a record; good progress in Macau, Beijing, Shanghai, Guangzhou, and Shenzhen
- **Angliss Singapore:** Sales up 7.4% to S\$175.5m, profit up 19.1% to S\$5.6m; margin 3.2% (2.9%); strong demand in the hotel, catering and restaurant markets; excellent progress in gourmet

## Strategic imperatives and prospects

- **Asia:** Significant scaling up potential in China - a 50 million person potential market for high end product; entry into fine-dining has been promising; Malaysia is fledgling at this stage and focusing on high value items into the foodservice channel; upward price pressures are a feature in the region
- **Australia:** \$10m acquisition of a facility in Sydney to house foodservice and logistics; continued investment in infrastructure and bolt-ons ; a good result is expected for the year
- **New Zealand:** Bidvest is now a meaningful business in the New Zealand context with annualised sales at a record NZ\$500m; despite a tough economy and the challenges presented by recent natural disasters in South Island the business will enjoy a record year; e-commerce expertise developed in New Zealand will find a ready market in other Bidvest territories

- Bidvest Foodservice South Africa
- Bidfood Ingredients
- Speciality

Current contribution to  
Group Trading Profit



- Deflationary and price sensitive conditions
- Expenses were well contained but with sales flat and gross margins under pressure operating profit margin came off from 8.3% to 7.1%
- The run up to the usually buoyant Christmas season was poor
  
- **Bidvest Foodservice South Africa:** difficult trading conditions persisted in a stressed market and net turnover dipped by 2% and profits by 23%; during the period the business exited from a large national customer account providing inadequate margin and has sought replacement business at improved return; Q2 produced very encouraging improvement in turnover; although hotel business was poor post the World Cup keener pricing by hotel operators resulted in December occupancies up on the prior year; competition for industrial catering business is fierce; fresh red meat offering is being rolled out in Gauteng and is showing good promise
- **Speciality:** sales and profits up by 4% with prices flat to down and the market subdued; a stronger rand is a challenge for margin; a strategy of aggressive promotional activity and maintaining visibility continued; own-brand Goldcrest continued to do very well with strong double digit sales growth; inflation in the basket became apparent toward the end of the period largely because of commodity price increases

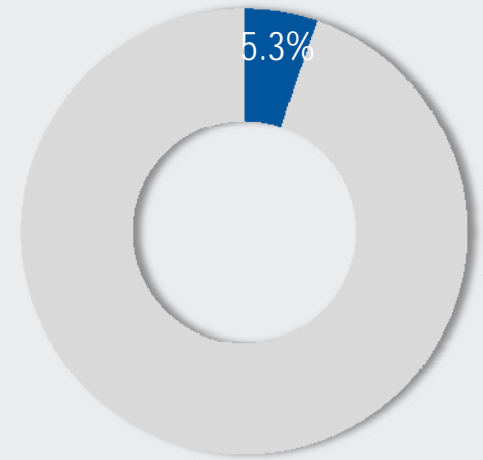
- **Ingredients:** revenue up by 4% but profits were down 9% with deflationary pressures evident; despite these deflationary pressures the Crown Trading result was good driven by a focus on the sale of own-manufactured products and Crown Food Ingredients produced sharply improved volumes in Q2; sales volume at bakery group was good but margin came under pressure due to an inability to pass through yeast price increases and in turn the NCP Yeast result was negatively affected; the export result was favourable and new markets are being sought

## Strategic imperatives and prospects

- **Speciality:** new premium brand agencies continue to be sought; continued focus on growth in own-brand; extending reach into the independent trade; ensuring brands comply with forthcoming Consumer Protection Act
- **Bidvest Foodservice South Africa:** inflation is once again becoming apparent but in a price sensitive and competitive market it may not be possible to extract full advantage as in the past so the business is focusing on expanding the basket within the existing quality customer base and attract new customers that meet strict credit criteria
- **Ingredients:** differentiation through high quality products and extension of the offering

- Electrical Wholesaling
- Stationery
- Office Furniture
- Packaging Closures
- Industrial Catering Equipment
- Materials Handling (Nissan forklift trucks)

Current contribution to Group Trading Profit



- Markets remained depressed and in particular the important building and construction sector
- **Electrical Wholesaling:** revenue was flat for the period with the rate of decrease in profits slowing to 5% but down significantly since the peak year 2008; the business is right-sized for the new lower market; tenders are scarce with little sign of improvement; Voltex Solutions competitive technology offering for energy savings continues to gain interest and orders
- **Stationery:** Waltons profits improved strongly although still below previous best levels; sales mix orientating to lower yielding categories; the downsizing of the Gauteng bulk store with suppliers encouraged to deliver direct to branches or use the bulk store only as a cross-dock is yielding favourable results; development of a new distribution facility in KwaZulu Natal is underway and scheduled to yield efficiencies from F2012; specialised filing is growing strongly
- **Furniture:** the segment remained loss making but expenses have been aggressively managed; remedial measures have resulted in this segment coming through the downturn in better shape; activity levels are picking up and Seating, CN Business Furniture and Dauphin order books have improved; CN Business Furniture launched a new catalogue introducing competitively priced quality product and will go further by extending its reach in due course to capture a broader market
- **Kolok:** the market remained challenging but market share has been maintained; the business is a leading printer supplies, printers, scanners, data storage supplies and computer accessories business representing top global OEM's and opportunities that have opened up in hardware distribution are now being turned into an additional line of revenue

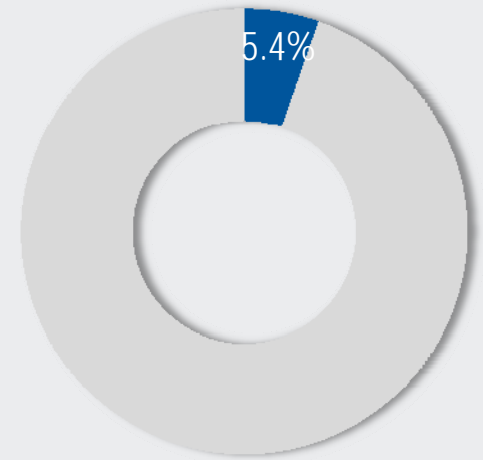
- **Packaging Closures and Catering Equipment:**
- Afcom results remained weak in a tough market for packaging and fastening products
- Buffalo Executape results reflected a pleasing improvement assisted by sales mix
- Vulcan Catering Supplies recorded a decline in revenue and profits following a relatively strong period buoyed by World Cup and export business
- **Materials Handling:** this Nissan forklift agency returns a respectable margin

### Strategic imperatives and prospects

- **Electrical Wholesaling:** no material improvement is expected for the full year; well leveraged to an upturn when it comes
- **Stationery:** profitability likely to improve for the full year
- **Furniture:** tentative signs of improvement; right sized and more competitive
- **Kolok:** the business is strongly positioned ; hardware a complementary addition
- **Vulcan:** a strong product range in the catering equipment market, export opportunities will continue to be sought
- **Packaging and Closures:** market share gains will continue to be sought by Afcom, assisted by new Sellotape trademark; Buffalo Executape is the leading self-adhesive tape business in South Africa operating in six market segments and is benefitting from improved activity levels in the economy

- Printing and conversion
- Sales and Distribution
- Wholesale Stationery
- Labeling and Packaging products
- Personalisation and Mail
- Alternative Products

Current contribution to  
Group Trading Profit



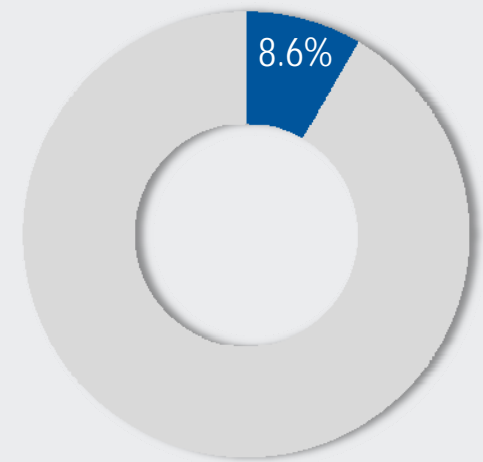
- Successful adaption to shifts in technology and applications continues
- High speed full colour digital printing yields a positive market response and return on investment
- Market retention strategy in wholesale distribution secures volumes
- Buying down trend in stationery with an expectation of reasonable quality
- Project based export activities continue to be actively pursued
- Print on demand performing well
- Mailing activity levels in retail advertising rising
- Electronic billing a strong growth category
- Stronger rand assisted input costs
- Energy saving initiatives and other efficiencies partly mitigate rising electricity charges
- Sprint Packaging acquisition earnings accretive during the period

## **Strategic imperatives and prospects**

- Behavioural changes in the market stimulated by economic pressures underscore the strategy of gradual diversification toward newer technology and a solutions approach
- Complementary acquisitions continue to be sought
- Timely investment into digital is realising excellent results
- Food packaging offers good potential
- Procurement savings initiative stepped up

- Motor retail – 116 outlets
- BMW/Mini, General Motors, Land Rover/Volvo, Mercedes-Benz, Chrysler/Jeep/Dodge/Mitsubishi, Nissan/Fiat/Alfa/Renault, Peugeot/Citroën, Toyota/Lexus/Hino, Volkswagen/Audi, Suzuki, Ford/Mazda, Chery, Foton, Mahindra
- McCarthy Call-a-Car, Corporate Fleet Marketing, Club McCarthy, Eliance
- Amalgamated Automobile Distributors (JV with Imperial)
- Burchmores Auctioneers
- Yamaha Distributors
- Bidvest Financial Services

Current contribution to Group Trading Profit



- **Motor Retail**

- New vehicle unit sales up 28% to 17 465 driving a substantial improvement in contribution
- Used vehicle unit sales reduced by 13% to 19 983 and negatively affected contribution; residual values in used have also been impacted by excess de-fleet rental stocks following the World Cup
- Pricing dynamics and replacement demand favoured new vehicles as the cycle turned
- Parts and service contribution declined slightly; disposable income constraints and the rising cost of living is resulting in customers deferring maintenance
- Profits in Motor up 48% on a 20% rise in revenue; operating margin remains inadequate; annualised ROFE improved to 26%, up from 23% in F2010
- Parts and service income reduced slightly to 54% of dealer gross profits on average, with used falling to 16% from 25% and new rising to 30% from 19% (an historic low in F2010)
- Further selective rationalisation of outlets
- Volkswagen/Audi and Mercedes-Benz franchises again achieved good quality earnings
- Burchmore's Auctioneers returned a reduced contribution as repossessions declined sharply in a recovering economy and used car values reduced

- **Financial Services**

- The now standalone business performed well
- Successful alliance with Hollard and Wesbank
- Investment income on portfolios exceeded expectation

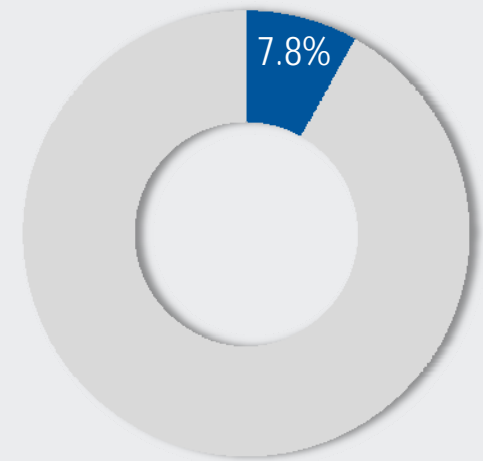
- **Yamaha Distributors:** a strong product line-up in motor leisure (e.g. ATVs, motorcycle, marine), music, and parts; market remained weak and well off previous highs
- The brand new Johannesburg based “World of Yamaha” facility is world class and expected to yield increased activity levels and interest going forward

## Strategic imperatives and prospects

- Emissions tax, significant hikes in perks tax, road tolling, higher electricity cost burdens on households and businesses and rising cost of fuel all weigh on the overall market
- Relative currency strength and relatively low interest rates a mitigating factor in the affordability equation but credit approvals remain well below peak levels in 2006/2007
- Longer repayment periods (up to 72 months) may impact the replacement cycle
- New vehicle market expected to show further growth in 2011; a return to previous cycle high is unlikely in this cycle
- Financial services is intent on increasing market penetration across insurance and life products to a broad customer base

- BidFish
- Fishing and canning
- BidCom
- Stationery and office furniture
- Electrical supplies
- Foodservice
- Automotive services
- Office solutions
- Printer consumables
- Freight management services and travel

Current contribution to  
Group Trading Profit



Bidvest Namibia is listed on the Namibian Stock Exchange. Bidvest has a 52% shareholding  
Published results, released through the Namibian Stock Exchange news service, may be accessed at:

[www.bidvestnamibia.com.na](http://www.bidvestnamibia.com.na)

Note that for foreign exchange conversion purposes the Namibian dollar trades at parity with the South African rand

- Gross revenue was down 3% to N\$923.0m and net revenue after disbursements increased by 13% to N\$831.7m; trading profit increased 47% to N\$220.6m driven by an excellent Fishing result
- Strengthening of the Namibian dollar adversely affected trading profit by approximately N\$18m
- Fishing contributed 83% of trading profit and 74% of attributable income, up from 70% and 59% respectively in the corresponding period in F2010
- Attributable income increased by 62% to N\$163.8m
- The financial position is strong and there is a net cash balance
- With the exception of mining and agriculture economic activity in Namibia was subdued
  
- **BidCom**
- BidCom encompasses the Freight, Foodservice, Services, and Industrial and Commercial Products components of the Bidvest Namibia group
- Collectively, revenue reduced 2% to N\$314m and trading profit by 23% to N\$33.2m
- Generally tougher trading conditions impeded performance

- **BidFish**

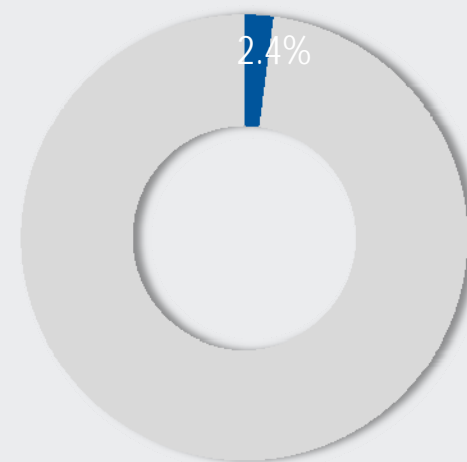
- Revenue increased 25% to N\$517.7m and trading profit by 72% to N\$181.7m. A net profit of N\$16.7m was realised on the sale of a fishing vessel
- Good fish catches, a favourable mix and firm selling prices offset the effects of a stronger currency
- The Namibian horse mackerel biomass is healthy and this strong marine resource position is positive for quota and realisations
- Canned pilchard sales and the Pesca Fresca investment in Angola performed below expectation
- The oyster business continued to struggle

## **Strategic imperatives and prospects**

- Immediate priority is to correct poor performances within BidCom
- Expanding the BidCom footprint organically and through acquisition remains a strategic imperative
- Total allowable catch and currency remain two key variables in fishing
- Fishing industry prospects are favourable

- Corporate office
- Bidvest Properties
- Ontime Automotive
- Bidvest's strategic property holdings contributed R98.2m in income, up 9%
- Two properties in Gauteng were sold at a profit, land in Durban was purchased on which construction of the new Waltons distribution facility has commenced, and a strategic property purchase was made in Pretoria
- World of Yamaha facility constructed
- Ontime Automotive loss R3.4m
- Investment, other income, corporate costs negative R26.8m
- Further investment into Mumbai International Airport Limited; performing well with passenger volumes growing

Current contribution to Group Trading Profit



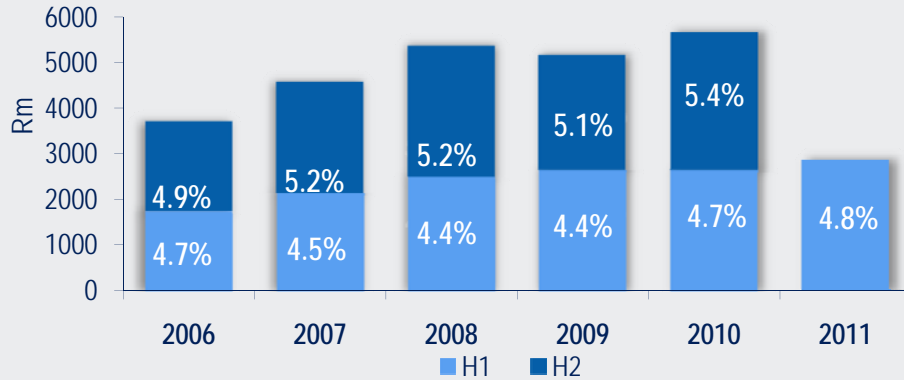


## Appendix 3

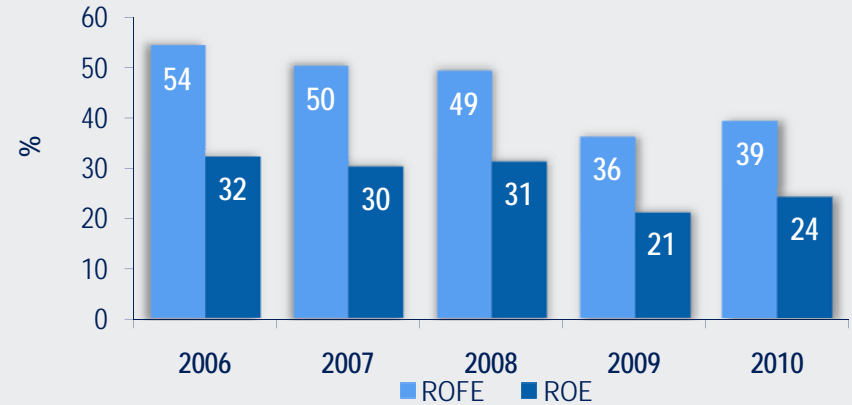
Historic performance

# Historic Performance – year to June

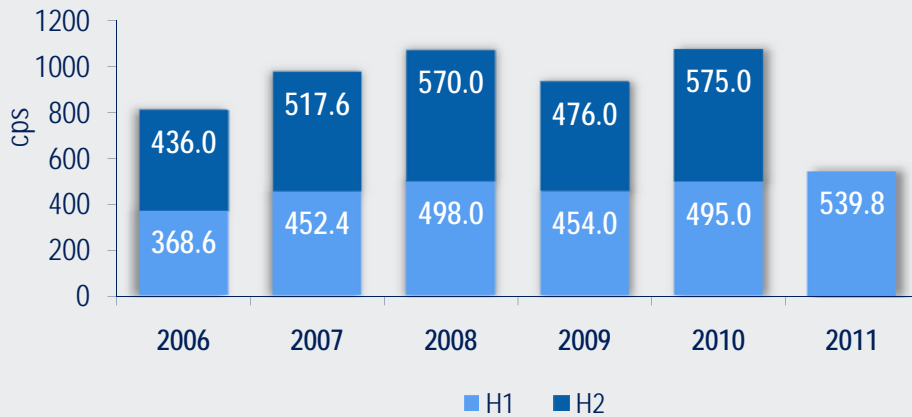
### Trading Profit and Margins



### Returns (annual)

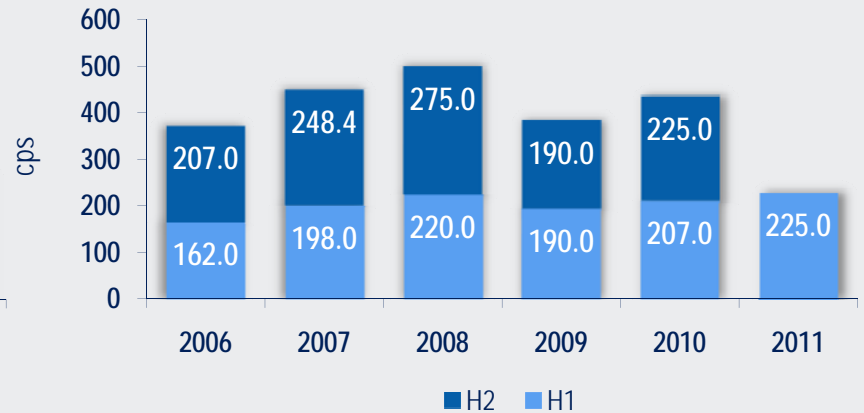


### HEPS



10% CAGR over 5 fiscal years

### DPS



7% CAGR over 5 fiscal years