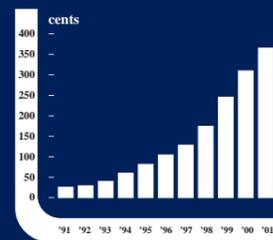




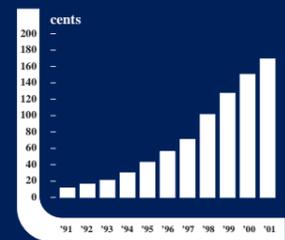
The **BID**Vest Group Limited

Audited results for the year ended June 30 2001

Headline earnings per share



Distribution per share*



Income statement

for the year ended June 30

	2001 R'000	2000 R'000	Percentage change
Revenue	29 415 011	26 427 620	11,3
Operating income	1 433 035	1 223 660	17,1
Net finance income (expense)	(391)	221	
Income before taxation	1 432 644	1 223 881	17,1
Taxation	(328 084)	(281 667)	
Income after taxation	1 104 560	942 214	17,2
Income from associates	33 384	25 623	
Outside shareholders' interest	(72 587)	(73 453)	
Headline earnings	1 065 357	894 384	19,1
Capital items	(19 478)	-	
Income attributable to shareholders	1 045 879	894 384	16,9
Number of shares in issue (weighted 000)	291 599	288 554	
Headline earnings per share (cents)	365,4	310,0	17,9
Earnings per share (cents)	358,7	310,0	15,7
Distribution per share (cents)*	169,2	150,3	12,6
- interim	81,0	72,0	
- final	88,2	78,3	
Capital items comprise:			
Goodwill amortised net of outside shareholders' interest	(12 400)	-	
Net surplus on disposal of properties and subsidiaries	1 058	-	
Share of associates amortisation of goodwill	(4 063)	-	
Share of associates write down of assets	(4 073)	-	
	(19 478)	-	

*Includes distribution from share premium and capitalisation issues at market value at date of the award.

Balance sheet

as at June 30

	2001 R'000	2000 R'000
ASSETS		
Non-current assets	3 567 661	3 096 262
Fixed assets	2 231 482	2 052 281
Intangible assets	353 164	-
Deferred tax	178 807	208 974
Investments and advances	495 278	623 986
Banking advances	308 930	211 021
Current assets	6 230 777	5 013 166
Other current assets	4 916 714	4 277 715
Liquid funds	1 314 063	735 451
Total assets	9 798 438	8 109 428
EQUITY AND LIABILITIES		
Capital and reserves	4 348 958	3 502 595
Shareholders' interest	4 041 911	3 199 823
Outside shareholders' interest	307 047	302 772
Non-current liabilities	158 575	188 498
Deferred taxation	87 385	74 761
Long-term portion of interest-bearing borrowings	29 105	89 789
Banking liabilities	42 085	23 948
Current liabilities	5 290 905	4 418 335
Other current liabilities	4 965 318	4 151 393
Current portion of interest-bearing borrowings	325 587	266 942
Total equity and liabilities	9 798 438	8 109 428
Number of shares in issue (000)	295 821	289 638
Net tangible asset value per share (cents)	1 247	1 105

Statement of changes in shareholders' interest

for the year ended June 30

	2001 R'000	2000 R'000
Shareholders' interest at the beginning of the year	3 199 823	3 146 201
Share capital issued	309	161
- in terms of the share incentive scheme	103	58
- capitalisation issue	206	103
Share premium arising on shares issued	(68 475)	16 306
- in terms of the share incentive scheme	48 730	16 338
- refund of share premium to shareholders	(116 981)	-
- costs	(224)	(32)
Movement in non-distributable reserves	10 222	67 009
- foreign currency translation reserve	8 723	61 387
- revaluation of fixed assets	2 186	5 622
- transferred to distributable reserves	(687)	-
Movement in retained income	900 032	(29 854)
- income attributable to shareholders	1 045 879	894 384
- dividends and capitalisation issues	(146 183)	(306 032)
- secondary tax on companies	(351)	(382)
- transfer from non-distributable reserve	687	-
- goodwill, patents, trademarks and trade names written off	-	(617 824)
Shareholders' interest at the end of the year	4 041 911	3 199 823

FINANCIAL HIGHLIGHTS

- ▶ HEADLINE EARNINGS **↑ 19,1%**
- ▶ HEADLINE EARNINGS PER SHARE **↑ 17,9%**
- ▶ OPERATING INCOME **↑ 17,1%**
- ▶ HEADLINE EARNINGS EXCEEDS A BILLION RAND

Cash flow statement

for the year ended June 30

	2001 R'000	2000 R'000
Cash flow from operating activities	1 127 289	754 566
Operating income	1 433 035	1 223 660
Depreciation and other non-cash items	389 707	352 541
Changes in working capital	(264 103)	(293 513)
Cash generated by operations	1 558 639	1 282 688
Net finance income (expense)	(391)	221
Taxation paid	(269 007)	(190 638)
Dividends paid	-	-
- Company	(145 977)	(305 929)
- subsidiaries	(15 975)	(31 776)
Cash effects of investment activities	(493 365)	(1 113 702)
Net additions to fixed assets	(495 955)	(457 800)
Net additions to intangible assets	(8 509)	-
Net realisation (acquisition) of subsidiaries, trading operations, associates and investments	11 099	(655 902)
Cash effects of financing activities	(127 000)	301 487
Proceeds from shares issued	-	-
- Company	48 609	16 364
- subsidiaries	2 478	219 181
Distribution of share premium to shareholders	(116 981)	-
Net borrowings raised (repaid)	(61 106)	65 942
Net increase (decrease) in cash and cash equivalents	506 924	(57 649)
Net cash and cash equivalents at the beginning of the year	536 263	538 197
Currency adjustments	15 026	55 715
Net cash and cash equivalents at the end of the year	1 058 213	536 263

Segmental analysis

for the year ended June 30

	2001 R'000	2000 R'000	Percentage change
REVENUE			
The Services Division	13 759 072	11 515 848	19,5
Bidfreight	12 131 648	10 123 915	19,8
Bidserv	1 162 818	996 981	16,6
Renfin	464 606	394 952	17,6
The Foodservice Products Division	13 226 694	12 663 190	4,4
Caterplus	1 360 908	1 245 888	9,2
- local	11 213 360	10 778 332	4,0
- foreign	652 426	638 970	2,1
Combined Foods	3 372 066	3 068 867	9,9
The Commercial Products Division	2 685 607	2 413 841	11,3
Bidoffice	686 459	655 026	4,8
Corporate Services	168 244	-	-
I-Fusion	-	-	-
Intergroup eliminations	(1 111 065)	(820 285)	-
	29 415 011	26 427 620	11,3
OPERATING INCOME			
The Services Division	576 013	464 149	24,1
Bidfreight	379 712	311 171	22,0
Bidserv	107 030	90 242	18,6
Renfin	89 271	62 736	42,3
The Foodservice Products Division	444 791	358 792	24,0
Caterplus	106 446	98 513	8,1
- local	269 629	191 233	41,0
- foreign	68 716	69 046	(0,5)
Combined Foods	290 216	259 466	11,9
The Commercial Products Division	204 946	172 286	19,0
Bidoffice	85 270	87 180	(2,2)
Corporate Services	122 015	141 253	(13,6)
I-Fusion	(5 965)	-	-
Investment and other income	90 303	107 722	(16,2)
Group properties	37 677	33 531	12,4
	1 433 035	1 223 660	17,1

Extracts from the Chairman's statement

INTRODUCTION

The Bidvest Group Limited ("Bidvest" or "the Group") has achieved success through its dedicated people being able to operate internationally in a decentralised, entrepreneurial and incentivised environment with the same culture and spirit as that of a small business. Due to the diversity of our businesses, which are dynamic, complex and perhaps difficult to understand, we have simplified the Group for clarity of focus and to set the platform for future growth.

I am proud of our achievements in the face of extremely difficult trading conditions in the review period and I am so confident about our future as I was at the time of the creation of Bid Corporation Limited in 1988. The fundamental forces that drive Bidvest continue to be valid and our ability to assess and take opportunities combined with our financial strength will ensure that our goals continue to be achieved.

Each division in the Group has developed its key value drivers of service, product and geographical diversity, distribution, technology and intellectual capital and we are well positioned for potential market consolidation and for local and international expansion.

MARKET OVERVIEW

Economic conditions

World economic growth slowed down towards the end of last year, and the South African economy has not and will not be exempt from the negative consequences. Import volumes dropped and weaker international demand negatively impacted on export volumes. However, the depreciating rand helped soften the blow.

Business conditions in South Africa were extremely tough although we did see a slight improvement in the third quarter of the review period.

Gross Domestic Product growth forecasts for South Africa continue to be revised downwards and the current consensus for the 2001 financial year ranges between 2,8% and 3,3%.

Additionally, South Africa's excessively high crime levels have not abated and the negative effects on both the financial and social stability of the country continue to be felt. Until the country finds a solution to this problem, we believe that South Africa's growth potential will be limited.

The existing regulatory framework needs to be addressed to make the business process in South Africa easier and more user-friendly.

We have simplified the Group for clarity of focus and to set the platform for future growth

JSE Securities Exchange South Africa ("JSE")

Share prices fluctuated extensively on the JSE, but on a net basis there was no gain in the overall share price level from the end of 1999 to the end of 2000. A strong rally in share prices in December 2000 carried through into 2001 and pushed the all-share price index to a record high in February 2001, falling in July and August 2001.

Within the Industrial - Service sector, Bidvest is by far the largest organisation with a market capitalisation of R14,8 billion as at June 30 2001, which is substantially higher than its closest rival, Bidvest, carries the JSE's highest liquidity rating and is the third largest industrial company by market capitalisation on the JSE. Bidvest shares are currently held by 91 unit trusts.

The Morgan Stanley MSCI Emerging Market Index was recently recalculated and due to our substantial free-float, Bidvest's weighting in the index will be increased and could result in portfolio reweightings both for South African equity investments and for Bidvest. The move to the adjusted indices will take place in a phased fashion with 50% of the changes taking place in November 2001 and the balance in May 2002.

The Company officially transferred to the STRATE ("Share Transactions Totally Electronic") system of electronic settlement on the JSE on Monday, August 20 2001 (the dematerialisation date), with electronic trading commencing on Monday, September 3 2001 for settlement on Monday, September 10 2001.

FINANCIAL REVIEW

Bidvest has reported earnings at the lower end of analysts' expectations, but we believe we have done well given the current trading environment.

I-Fusion Holdings Limited's ("I-Fusion") performance has been disappointing and had a negative effect on Bidvest's earnings during the period under review and reduced our earnings per share by approximately 2,8 cents. The I-Fusion business is in the process of being downsized to focus on a narrow band of activities.

Headline earnings increased by 19,1% to R1,065 billion (2000: R894,4 million), exceeding a billion rand for the first time, whilst headline earnings per share increased by 17,9% to 365,4 cents (2000: 310,0 cents), which largely reflects organic growth. A compound growth rate in earnings per share over the past ten years of 30,5% has been achieved. Bidvest plc, the Group's 78,4% held offshore subsidiary, increased its contribution to the Group's operating income to 18,8% (2000: 15,6%) and its contribution to headline earnings to 14,6% (2000: 11,2%).

Revenue grew by 11,3% to R29,4 billion (2000: R26,4 billion) and the operating margin improved to 4,9% (2000: 4,6%).

Income attributable to shareholders increased by 16,9% to R1,045 billion (2000: R894,4 million).

The cash flow generated by operating activities increased by 49,4% to R1,127 billion (2000: R754,6 million) resulting in the Group having R1,058 billion (2000: R536,3 million) available to finance future activities. Net capital expenditure on fixed assets increased by 8% to R496,0 million (2000: R457,8 million) for the period under review.

Capital items amounting to R19,5 million (2000: Nil), have been written off. The amortisation of goodwill (R12,4 million) and associate companies share of goodwill costs (R4,1 million) have been written off as a result of changes in the basis of accounting in line with Generally Accepted Accounting Practice ("GAAP").

The net tangible asset value per share increased by 12,9% to 1 247 cents (2000: 1 105 cents) and distributions to shareholders were increased by 12,6% to 169,2 cents per share (2000: 150,3 cents per share).

VALUE STRATEGY - SERVICE, FOODSERVICE PRODUCTS AND COMMERCIAL PRODUCTS

Bidvest's value strategy has always been to be invested in companies operating in the fields of services, distribution and trading. The strategy began with the acquisition of Chipkins Catering Supplies in 1988. The focus since then has been to create an 'engine' driving the growth of the underlying businesses by harnessing cash flows, using the benefits of critical mass to make acquisitions, to grow and to deliver shareholder value.

It is time to position the underlying divisions within their own focused industry sectors to build further critical mass to succeed nationally and internationally as stand alone entities, and to develop the engines that will generate their own long-term, sustainable growth and increased shareholder value.

In order to create a better understanding of the Group, we have reclassified the Group's activities into three umbrella divisions: Services, Foodservice Products and Commercial Products, without changing in any way the management focus of the underlying businesses or divisions and without any intention to unbundle the operations.

DIRECTORS: B Joffe (Executive Chairman), M Chipkin (Deputy Chairman), AJ Behrmann*, IA Berman, LG Boyle, NG Canca*, LI Chimes, BR Chipkin*, E Ellerin*, RW Graham, AM Griffith, CH Kretzmann (Alternate J Anzani), S Koseff*, D Masson*, SP Ngwenya*, PF Nkhle*, P Nyman, JL Pamensky*, LP Ralphs, TH Reitman* (British), FEA Roberts, DK Rosevear, AC Salomon (Alternate HL Greenstein), CE Singer, PC Steyn, R Wainer CE Watt, PD Womersley.

COMPANY SECRETARY: MA David

TRANSFER SECRETARIES: Mercantile Registrars Limited, 11 Diagonal Street, Johannesburg, 2001. PO Box 1053, Johannesburg, 2000.

REGISTERED OFFICE: Milner Place, Sunnyside Office Park, 4 Carse O'Gowrie Road, Parktown, 2193. PO Box 82724, Houghton, 2041.

REGISTRATION NUMBER: 1946/021180/06

ISIN NUMBER: ZAE00008132

SHARE CODE: BVT



Extracts from the Chairman's statement

These divisions will continue to use the South African engine to seek acquisitions and organic growth opportunities that fit within their business focus.

To give an indication of the scale of these operations, they have an operating income, including income from associates, of R611,8 million (Services), R446,5 million (Foodservice Products) and R311,4 million (Commercial Products).

The spirit of entrepreneurship, decentralisation and opportunism continues. We believe that an incentivised management should be encouraged to retain their entrepreneurial spirit and a decentralised structure will continue to breed greater responsibility and accountability and ultimately, greater business success. It puts a small business heart into a big business organisation and creates an environment in which management can proactively turn opportunities into positive results.

Bidvest demands excellence and strives to keep itself free from bureaucracy and the restrictions of 'red tape'. By vigorously supporting a decentralised model, we ensure that despite our size, we remain an agile organisation ready to assess and take opportunities as they present themselves.

We have worked hard to remove the obstacles to innovative business practices. By creating and harnessing a free flow of ideas across geographic boundaries we have made the whole stronger than the sum of its parts. Those closest to the businesses best understand the market, the opportunities and the risks, and thus we encourage them to take responsibility and share their ideas.

Bidvest is a South African company, dedicated to its roots and committed to continue growing its activities in South Africa. There are still significant growth and acquisition opportunities locally, notwithstanding the inhibitions of the competition legislation.

We believe that foreign listings are suitable for foreign activities and that it is not appropriate to list primarily local assets offshore. Consequently, we will maintain our JSE listing.

ACQUISITIONS AND DISPOSALS

John Lewis Foodservice was acquired by Bidvest plc with effect from June 4 2001 for approximately A\$69 million. John Lewis Foodservice is a major player in the Australian foodservice market with annual sales of approximately A\$310 million through its twelve branches nationwide. Its incorporation into Bidvest Australia greatly enhances our position as Australia's leading national foodservice distributor and whilst there was no contribution in the period under review, John Lewis Foodservice is expected to contribute significantly to the results in the year ahead.

The Group is traditionally not a holder of minority stakes in listed entities. However, in the review period the opportunity to make strategically defensive investments in various complementary businesses operating in similar fields was taken. These investments have yielded a satisfactory return.

PEOPLE

Bidvest has a number of incentivisation programmes in place at all levels of the organisation and the ability to achieve set targets in the face of tough trading conditions and strong competition demonstrates the calibre of Bidvest's management.

Bidvest is proud of its tradition as a learning corporation. In keeping with its philosophy of decentralisation, each of the sub-divisions is responsible for training and developing its staff in not only the expertise necessary for the job, but also in life and leadership skills.

The cross-pollination of ideas and the sharing of expertise has seen the international application of skills and personnel. An example is the adaptation of 3663's 'First for Service' quality programme and its introduction into Caterplus.

In today's world, the quality of one's people is more important than ever before and providing a structure in which new ideas and best practices can freely emerge is essential.

OPERATIONAL REVIEW

The service we provide our customer is our *raison d'être*. The Group is a services, trading and distribution business and a total focus on addressing customer needs is our differentiator. Within the various market segments all the businesses have allocated time and resources to improve the understanding of the future requirements of their customers. The product and service packages that have been put in place can already be seen to be adding value to clients' businesses.

The Services Division

The services industry is increasingly characterised by outsourcing as companies divest themselves of non-core operations in an effort to streamline, create focus and reduce overheads.

Privatisation is another key influence on the services market and although no real benefits have yet been felt, government continues to commit itself to the principle of privatisation and all service businesses are expected to be positively affected in the long-term.

Bidfreight is engaged in discussions with both Spoornet and Portnet to explore win-win business opportunities.

Bidfreight, Bidserv and RENNIES Financial Services all produced pleasing results and increased their market share.

The investments in Compu-Clearing Outsourcing Limited ("Compu-Clearing"), EnviroServ Holdings Limited ("EnviroServ") and Servest Holdings Limited are viewed as part of The Services Division.

Compu-Clearing's ability to handle the documentation relating to Bidfreight's clearing and forwarding makes it a strategic investment to be retained.

Whilst EnviroServ is a complementary business and we are able to include their services as part of Bidvest's integrated offering, there is no intention to increase the stake beyond current levels.

The Foodservice Products Division

Caterplus, including Bidvest plc, and Combined Foods make up The Foodservice Products Division, a supplier of a range of mainly food and food-related products to the catering, hospitality and foodservice industry.

Bidvest is one of the top two foodservice distributors in the United Kingdom and the largest operator in South Africa, Australia and New Zealand. The strategy of building and using a South African engine to drive international expansion has proved to be successful and this formula will be used to develop long-term shareholder value in the other divisions.

The foodservice distribution business is dependent on the underlying foodservice industry. The industry achieved strong growth in South Africa in the mid- to late-1990's. Current growth has slowed, but, despite the present spending on cellphones and gambling, growth is expected to increase in the medium-term as a result of key demographic influences, which include the urbanisation of rural communities, the increasing affluence of the black middle class and the expected improvement in international tourism.

The international foodservice industry is generally highly fragmented and remains set for consolidation, which to date has only taken place in certain countries. There are a handful of players operating in these countries on a national basis and only a few operating on an international basis.

The service we provide our customers is our raison d'être

Growth through acquisition has given the larger players better economies of scale, access to international skills and expertise and improved buying power. Furthermore, international foodservice distributors are able to service the growing number of global foodservice operators.

Both the South African and international foodservice industries are expected to show growth as a result of lifestyle changes and the trend towards dual income and single parent households.

The Commercial Products Division

The Commercial Products Division, comprising Bidoffice and Bidpac, is engaged in the manufacture and distribution of commercial office products and the marketing and distribution of leading, branded, commercial goods primarily to the industrial and commercial sectors.

There was a small increased offtake from our factories following the low level of net inventory investment in the last quarter of 2000 and this trend is expected to continue as long as the growth cycle remains positive.

Whilst distribution is a theme throughout all of Bidvest's businesses, it is in this division that acquisitions will be sought specifically for product lines and distribution capabilities.

The investment in Vollex Holdings Limited is presently seen as part of The Commercial Products Division and our position is being evaluated.

Corporate Services

Bidvest, relative to its size and in line with its anti-bureaucracy stance and philosophy of decentralisation, has a surprisingly small corporate office.

Corporate Services' focus includes the Group's financial management and identifying and evaluating investment opportunities and then acting on those which meet Bidvest's stringent criteria. Furthermore, they provide the strategic direction and a broad spectrum of corporate services to the Group, which includes ensuring that there is a 'red-tape free' environment so that the underlying businesses are able to operate at maximum efficiency.

The property portfolio is in the process of being evaluated and reviewed and will be managed as its own profit centre.

Bidnet

Bidnet, built for the Group by I-Fusion, utilises Cisco technology and is one of South Africa's most advanced networks to date. It allows potential customers access to a high-speed network infrastructure using the latest technologies with managed service levels at competitive prices. Certain Bidvest companies are already utilising this network as the backbone of their voice and data platform. The network supports mymarket.com and will be offered to the market at large.

RENNIES Financial Services has a distinct advantage with most of the well-known and trusted travel brands in its stable. The promotion of these brands coupled with the leverage of the immense buying power of the Group will deliver unrivalled price and value propositions to both traditional and online customers.

The Foodservice Products Division

This division will continue its geographic and product expansion internationally through Bidvest plc. Acquisitions are currently being sought in the United Kingdom, particularly in the Frozen division.

We have always been opportunistic in our approach to acquisitive growth. Bidvest plc has reached the point where it is able to enter the next acquisitive phase, which will position it as a truly international foodservice distributor and expansion into Europe and the United States of America is now a desirable strategy.

This division has already seen the financial benefits of international expansion. The operations in this division share a similar customer and supplier base and similar problems and opportunities. Through the cross-pollination of expertise, the Bidvest foodservice products businesses will be able to harness opportunities and enhance service levels, resulting in improved efficiencies of scale and higher margins. In time, subject to South African Exchange Control approval, and once critical mass is reached, Bidvest plc, including the foodservice products businesses in South Africa, will seek a listing on a major international stock exchange.

The Commercial Products Division

Long-term growth will be delivered through the value Bidoffice adds to its products and services. Bidoffice dedicates both time and resources to ensuring that they offer the best brands, keep abreast of technological change, develop products to meet these changes, have highly trained and motivated staff and deliver an impeccable service.

Looking to the year ahead, Bidpac believes that the recovery in the South African economy is already taking place and has budgeted for an improvement in sales and operating profit.

The Commercial Products Division continues to pursue synergistic and allied acquisitions.

In all likelihood the Bidvest of tomorrow may look quite different from the Bidvest of today

Bidvest

As Bidvest begins this new phase of its corporate life we remember the lessons learned to date and understand the value drivers of our future. Across all three of the umbrella divisions, the size of the customer and supplier base is unique and growth will be delivered by not only harnessing the inherent synergies, but also by continuing to build on the value platform. There are numerous benefits in being an international, multi-business company and we will make full use of these benefits in our drive to create ongoing shareholder value.

Bidvest's aim is for each of its three umbrella divisions to be truly international using critical mass in South Africa as the driver of ongoing expansion and to use the benefits of global expertise to deliver even greater shareholder value.

There are still substantial growth opportunities in South Africa, which we will continue to explore and develop. Bidvest believes that the financial and intellectual capital acquired pursuant to its globalisation strategy will benefit, and flow back to, South Africa.

The management and people, the philosophy of decentralisation and entrepreneurship, the distribution capacity, the product and service offering and the focus on the customer will ensure the success of our expansion strategy, both locally and internationally.

Bidvest aims to cautiously increase its debt and would feel comfortable with a debt-to-equity ratio of up to 40%, which will have the effect of reducing the weighted cost of capital and improving shareholder returns. Where appropriate, future acquisitions will be funded through debt.

We also intend to substantially increase our international shareholder base. As the Group globalises, so its shareholders should reflect the geographical spread of its operations. The long-term goal of delivering shareholder value requires further international expansion, which will need to be funded from international sources.

With lower levels of South African inflation and a subdued outlook for the South African economy, corporate growth rates are likely to be more modest.

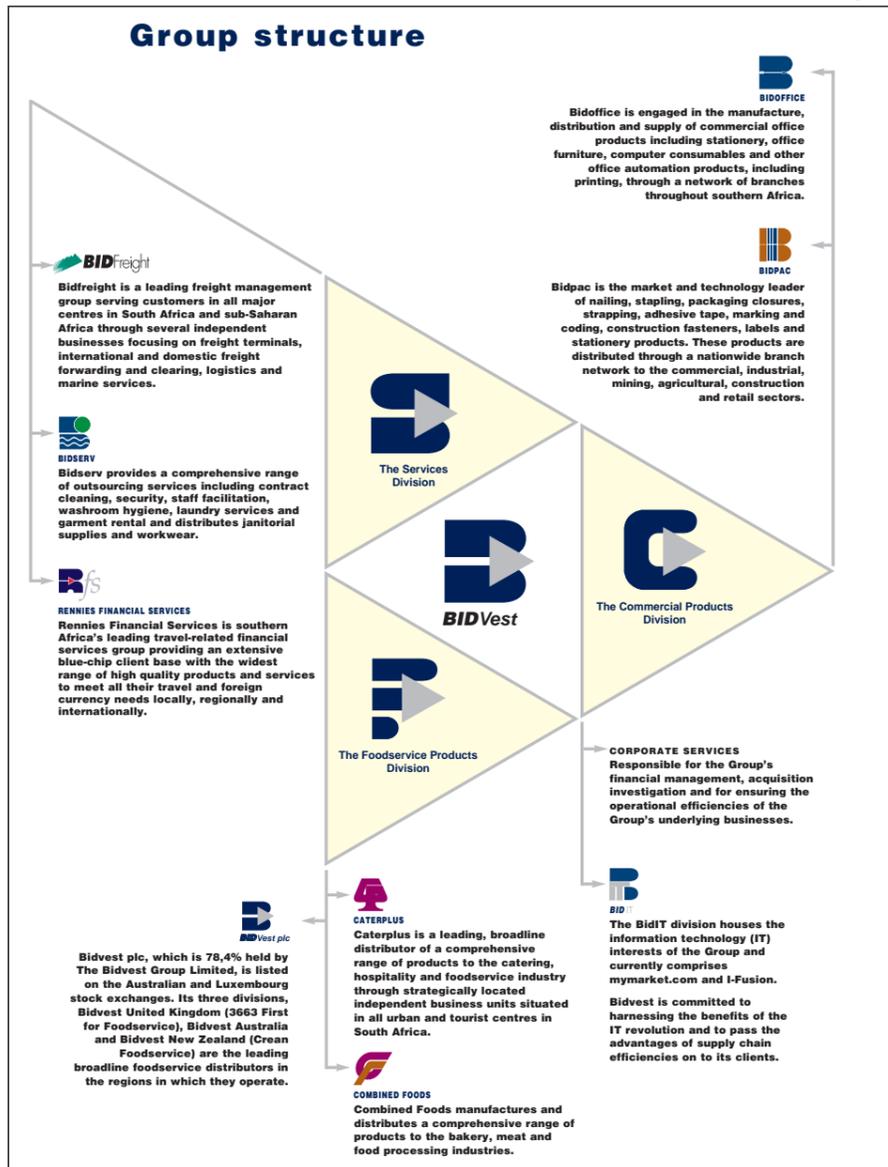
In all likelihood the Bidvest of tomorrow may look quite different from the Bidvest of today.

APPRECIATION

Thanks once again to all the directors, including those of our local and international subsidiaries. May I take this opportunity to express my sincere gratitude to Issy Berman for his dedication and service to Bidvest. Whilst he has retired as managing director of Chipkins Bakery Supplies, he will continue as a non-executive director of the Group and I look forward to his input in this new role.

Bidvest's spirit lives through its people and we can count ourselves lucky to have such an incredible staff. Their excitement and energy drives us to reach even further and my thanks for their efforts in what was an extremely tough year.

Brian Joffe
Chairman



mymarket.com

Electronic trade is the business-to-business channel of the future and Bidvest believes it has identified a unique opportunity in electronic marketplace trading. The combination of Bidvest's network infrastructure, customer and supplier base and distribution capacity is a world first, providing Bidvest with the necessary critical mass to establish an electronic trading platform without needing to bring in third parties.

Through mymarket.com, which went live on July 2 2001, Bidvest has created an enabling environment that will not only introduce the benefits of enterprise resource planning software and supply chain efficiencies to customers, but will also allow them to buy from others.

The strategy for mymarket.com is to develop a culture that is ready to embrace technology and to adapt to the Group's business models. This e-commerce initiative is a long-term project and no profit is expected in the immediate future.

POST-BALANCE SHEET EVENTS

An offer to buy 100% of Paragon Business Communications Limited ("Paragon"), the listed business forms and direct mail group, will be made by Bidoffice for between R52 million and R56 million, subject to conditions precedent and the consent of the Competition Commission.

Paragon's traditional business is mature and in decline. Its incorporation into Lithotech is expected to extend the industry's lifecycle and boost the profitability of the combined operation.

Bidvest has also made an offer to the minority shareholders in I-Fusion to purchase the 22.7% of the shares it does not already own, for a total consideration of R15 million, assuming acceptance by all the minorities. 73.1% of minority shareholders have given irrevocable undertakings to accept this offer.

PROSPECTS

The Services Division

Bidfreight is particularly well positioned to benefit from the intended privatisation of the South African port operations and the burgeoning export market. The division aims to expand its warehousing, distribution and logistics businesses offshore. As a number of its clients grow their global operations, Bidfreight is expanding its service offering to handle these cargoes in both the country of export and import.

Bidserv is ideally positioned to capture an ever-increasing share of the outsourcing market and has established a new division, Bidserv Integrated Service Solutions, to sell a comprehensive package of integrated services. Bidserv operates in a relatively low skills environment, but aims to ascend the skills ladder and to seek international acquisition opportunities.

*Distribution out of share premium and capitalisation issue in lieu of dividend

Notice is hereby given that, in lieu of a final dividend, a cash payment of 54.0 cents per share will be paid out of share premium ("distribution"), and a capitalisation issue of shares will be awarded in the ratio of 0,7245 new shares per 100 shares held ("capitalisation issue"), being equivalent to 34.2 cents per share, to members registered in the books of the Company at the close of business on Friday, September 28 2001. The total value awarded to shareholders in lieu of a dividend is 88.2 (2000 - 78.3) cents per share.

The last day to trade "CUM" the distribution and capitalisation issue in order to participate in the distribution and capitalisation issue will be Thursday, September 20 2001. The shares of Bidvest will commence trading "EX" the distribution and capitalisation issue on Friday, September 21 2001, and the record date will be Friday, September 28 2001. No rematerialisation or dematerialisation orders of Bidvest will be processed during the period Thursday, September 13 2001 to Friday, September 28 2001. Share certificates or statements in respect of the capitalisation issue and cheques in respect of the distribution will be posted or credited to members at their registered addresses or funds electronically transferred on or about Monday, October 1 2001.

After the distribution, the Company will be able to pay its debts as they become due in the ordinary course of business, and its consolidated assets, fairly valued will exceed its consolidated liabilities.

In terms of a special resolution passed at the Annual General Meeting held on November 16 1999, it was agreed that dividends amounting to R10 or less would be aggregated and donated to the Bidvest Chairman's Fund, for distribution to charitable institutions.

Application will be made to the JSE for the capitalisation shares to be listed with effect from the commencement of business on Friday, September 21 2001.

For and on behalf of the board

B Joffe
Chairman

M Chipkin
Deputy Chairman

August 27 2001