Results for the half-year ended December 31 2005

PROUDLY

BIDVest

Creating value and building strength from diversity

Revenue

R38,2bn

+21,6%

Trading income

R1,7bn

+18,7%

Headline earnings

R1,1bn

+20,4%

Headline earnings per share

368,6c

+21,8%

Distributions per share*

162,0c

+21,1%

Consolidated statements of income

R000's	Half-year ended December 31 2005 Unaudited	2004 Restated Unaudited	Percentage change	Year ended June 30 2005 Restated Unaudited
Revenue	**38 240 127**	31 447 147	21,6	62 811 776
Cost of revenue	**(30 879 816)**	(25 346 836)		(49 957 282)
Gross income	**7 360 311**	6 100 311	20,7	12 854 494
Operating expenses	**(5 668 823)**	(4 675 300)		(9 801 481)
Sales and distribution costs	**(3 271 066)**	(2 716 282)		(5 877 351)
Administration expenses	**(1 526 729)**	(1 351 546)		(2 994 130)
Other net costs	**(871 028)**	(607 472)		(930 000)
Trading income	**1 691 488**	1 425 011	18,7	3 053 013
Impairment of goodwill	**—**	—		(10 292)
Net capital profits (losses)	**24 197**	(2 157)		(19 463)
Net operating income before finance charges	**1 715 685**	1 422 854	20,6	3 023 258
Net finance charges	**(164 412)**	(131 058)		(285 105)
Finance income	**24 336**	19 399		42 291
Finance charges	**(188 748)**	(150 457)		(327 396)
Share of retained income of associates	**21 861**	6 767		31 941
Income before taxation	**1 573 134**	1 298 563	21,1	2 770 094
Taxation	**(420 640)**	(379 582)		(797 755)
Net income for the period	**1 152 494**	918 981	25,4	1 972 339
Attributable to:				
Shareholders of the Company	**1 123 290**	915 532	22,7	1 961 231
Outside shareholders	**29 204**	3 449		11 108
	1 152 494	918 981	25,4	1 972 339
Number of shares in issue (weighted 000)	**299 595**	302 991		302 700
Basic earnings per share (cents)	**374,9**	302,2	24,1	647,9
Headline earnings per share (cents)	**368,6**	302,7	21,8	656,4
Diluted basic earnings per share (cents)	**356,1**	292,8	21,6	626,7
Diluted headline earnings per share (cents)	**350,0**	293,4	19,3	634,9
Distributions per share (cents)*	*****	133,8	(100,0)	306,0

** Includes distribution from share premium*

Headline earnings

The following adjustments to income attributable to shareholders were taken into account in the calculation of headline earnings:

R000's	2005 Unaudited	2004 Restated Unaudited	Percentage change	June 30 2005 Restated Unaudited
Income attributable to shareholders of the Company	**1 123 290**	915 532		1 961 231
Net impairment of goodwill	**—**	—		10 292
Net loss (surplus) on disposal and discontinuance of businesses	**(27 952)**	1 528		6 594
Loss (surplus) on disposal and discontinuance of businesses	**(32 927)**	2 021		6 053
Tax charge (relief)	**4 975**	(493)		1 822
Outside shareholders' interest	**—**	—		(1 281)
Net loss on disposal of assets	**7 280**	111		7 762
Loss on disposal of assets	**8 730**	136		13 410
Tax relief	**(1 450)**	(276)		(5 627)
Outside shareholders' interest	**—**	251		(21)
Share of capital items in associates	**1 552**	—		1 108
Headline earnings	**1 104 170**	917 171	20,4	1 986 987
Rand/Sterling exchange rates				
Opening rate	**11,957**	11,285		11,285
Closing rate	**11,012**	10,870		11,957
Average rate	**11,560**	11,433		11,532

Segmental analysis

R000's	Half-year ended December 31 2005 Unaudited	2004 Restated Unaudited	Percentage change	Year ended June 30 2005 Restated Unaudited
Revenue				
Services	**10 160 630**	8 959 691	13,4	18 166 619
Bidfreight	**8 328 272**	7 229 849	15,2	14 583 212
Bidfreight southern Africa	**7 687 248**	6 582 951	16,8	13 268 320
Bidcorp plc	**641 024**	646 898	(0,9)	1 314 892
Bidserv	**1 464 407**	1 392 075	5,2	2 890 769
Renfin	**367 951**	337 767	8,9	692 638
Foodservice Products	**15 593 646**	11 933 279	30,7	23 782 200
Bidvest Europe	**10 365 954**	7 475 304	38,7	14 836 523
Bidvest Australasia	**3 387 328**	2 797 511	21,1	5 691 085
Caterplus	**1 260 510**	1 104 060	14,2	2 188 544
Combined Foods	**579 854**	556 404	4,2	1 066 048
Commercial Products	**4 663 003**	4 128 467	12,9	8 282 407
Office Products	**1 832 385**	1 671 117	9,7	3 387 385
Bid Paper Plus	**1 067 756**	968 010	10,3	1 901 636
Bid Industrial Products	**1 762 862**	1 489 340	18,4	2 993 386
Automotive Products				
McCarthy	**8 315 108**	6 933 450	19,9	13 628 958
Corporate Services	**198 346**	135 024	46,9	331 845
Bidvest Network Solutions	**20 337**	27 112	(25,0)	52 598
mymarket.com	**7 132**	4 650	53,4	10 860
Namsov fishing	**170 877**	103 262	65,5	268 387
Inter-Group eliminations	**(690 606)**	(642 764)		(1 380 253)
	38 240 127	31 447 147	21,6	62 811 776
Trading income				
Services	**485 098**	421 223	15,2	883 569
Bidfreight	**265 863**	226 578	17,3	493 739
Bidfreight southern Africa	**260 233**	220 991	17,8	476 811
Bidcorp plc	**5 630**	5 587	0,8	16 928
Bidserv	**144 329**	129 732	11,3	283 872
Renfin	**74 906**	64 913	15,4	105 958
Foodservice Products	**570 865**	494 487	15,4	1 015 033
Bidvest Europe	**286 298**	238 760	19,9	532 753
Bidvest Australasia	**108 777**	85 175	27,7	163 844
Caterplus	**105 093**	100 012	5,1	186 142
Combined Foods	**70 697**	70 540	0,2	132 294
Commercial Products	**315 922**	279 340	13,1	645 926
Office Products	**115 875**	107 622	7,7	251 175
Bid Paper Plus	**79 847**	76 585	4,3	159 220
Bid Industrial Products	**120 200**	95 133	26,3	235 531
Automotive Products				
McCarthy	**290 172**	225 592	28,6	474 672
Corporate Services	**56 218**	32 632	72,3	90 339
Bidvest Network Solutions	**583**	(3 772)	—	(6 035)
mymarket.com	**(820)**	(1 495)	45,2	(2 794)
Namsov fishing	**42 264**	(4 160)	—	12 589
Corporate costs net of investment income	**(12 296)**	18 275	—	37 530
Bidprop	**26 487**	23 784	11,4	49 049
Amortisation of tradenames and trademarks	**(26 787)**	(28 263)		(56 526)
	1 691 488	1 425 011	18,7	3 053 013

Consolidated cash flow statements

R000's	Half-year ended December 31 2005 Unaudited	2004 Restated Unaudited	Year ended June 30 2005 Restated Unaudited
Cash flow from operating activities	**(202 448)**	(400 681)	2 172 651
Operating income	**1 715 685**	1 422 854	3 023 258
Depreciation and other non-cash items	**450 428**	356 410	769 937
Changes in working capital	**(1 229 752)**	(1 190 885)	196 314
Cash generated by operations	**936 361**	588 379	3 989 509
Net finance expenses paid	**(124 651)**	(94 577)	(210 428)
Taxation paid	**(491 854)**	(473 664)	(742 364)
Dividends paid and distribution of share premium by Company	**(509 890)**	(410 283)	(846 754)
Dividends paid by subsidiaries	**(12 414)**	(10 536)	(17 312)
Cash effects of investment activities	**(1 889 099)**	(1 375 626)	(2 052 310)
Net additions to property, plant and equipment	**(755 640)**	(583 935)	(1 199 503)
Net additions to intangible assets	**(34 462)**	(1 615)	(17 348)
Net acquisition of subsidiaries, businesses, associates and investments	**(1 098 997)**	(790 076)	(835 459)
Cash effects of financing activities	**1 118 885**	(18 054)	(769 821)
Proceeds from shares issued	**72 702**	95 309	177 061
Purchase of treasury shares	**—**	—	(497 896)
Net borrowings raised (repaid)	**1 046 183**	(113 363)	(448 986)
Net increase (decrease) in cash and cash equivalents	**(972 662)**	(1 794 361)	(649 480)
Net cash and cash equivalents at the beginning of the year	**1 497 683**	2 100 982	2 100 982
Currency adjustments	**(70 258)**	(10 927)	46 181
Net cash and cash equivalents at the end of the period	**454 763**	295 694	1 497 683
Net cash equivalents are made up as follows:			
Cash on hand and in the bank	**1 915 326**	1 358 619	1 707 932
Bank overdrafts shown as current portion of interest-bearing debt	**(1 460 563)**	(1 062 925)	(210 249)
	454 763	295 694	1 497 683

Consolidated balance sheets

R000's	December 31 2005 Unaudited	2004 Restated Unaudited	June 30 2005 Restated Unaudited
ASSETS			
Non-current assets	**9 235 611**	7 372 073	8 388 160
Property, plant and equipment	**4 843 288**	3 881 157	4 267 825
Intangible assets	**2 943 713**	2 404 819	2 851 945
Deferred tax	**294 687**	228 908	221 523
Interest in associates	**560 576**	143 042	493 684
Investments and advances	**530 522**	686 075	511 983
Banking and other advances	**62 825**	28 072	41 200
Current assets	**15 175 806**	11 598 668	12 745 655
Inventories	**5 233 842**	4 284 799	4 308 478
Short term portion of banking and other advances	**74 796**	96 494	105 979
Accounts receivable	**7 590 972**	5 858 756	6 623 266
Liquid funds	**1 915 326**	1 358 619	1 707 932
Non-current assets held for resale	**360 870**	—	—
Total assets	**24 411 417**	18 970 741	21 133 815
EQUITY AND LIABILITIES			
Total equity	**7 867 039**	6 861 992	7 642 424
Non-current liabilities	**2 928 014**	1 862 477	1 841 589
Deferred taxation	**56 023**	95 329	87 401
Life assurance fund	**33 372**	14 579	21 410
Long term portion of borrowings	**2 637 579**	1 533 206	1 513 871
Post-retirement obligations	**201 040**	219 363	218 752
Long term portion of banking liabilities	**—**	—	155
Current liabilities	**13 616 364**	10 246 272	11 649 802
Accounts payable	**9 604 416**	6 911 995	8 967 468
Provisions	**1 203 162**	703 912	956 825
Vendors for acquisition	**2 385**	393	—
Taxation	**373 019**	324 431	448 242
Short term portion of banking liabilities	**124 137**	111 439	94 468
Short term portion of borrowings	**2 240 271**	2 194 102	1 182 799
Non-current liabilities held for resale	**68 974**	—	—
Total equity and liabilities	**24 411 417**	18 970 741	21 133 815
Number of shares in issue	**301 364**	304 729	299 421
Net tangible asset value per share (cents)	**1 573**	1 409	1 542

Statements of changes in equity

R000's	Half-year ended December 31 2005 Unaudited	2004 Restated Unaudited	Year ended June 30 2005 Restated Unaudited
Interest of shareholders of the Company			
Issued share capital	**15 068**	15 237	14 971
– balance at the beginning of the period	**14 971**	15 108	15 108
– in terms of the share incentive scheme	**97**	129	240
– repurchase of shares by subsidiary	**—**	—	(377)
Share premium arising on shares issued	**2 112 306**	3 401 939	2 549 591
– balance at the beginning of the period	**2 549 591**	3 511 901	3 511 901
– in terms of the share incentive scheme	**72 736**	95 262	177 349
– refund of share premium to shareholders	**(509 890)**	(205 142)	(641 612)
– repurchase of shares by subsidiary	**—**	—	(497 519)
– share issue costs	**(131)**	(82)	(528)
Foreign currency translation reserve	**(28 608)**	(63 357)	466 019
– balance at the beginning of the period	**466 019**	(223 918)	(223 918)
– IFRS adjustment	**—**	207 850	203 106
– arising during the period	**(494 627)**	(47 289)	486 831
Statutory contingency reserve	**6 846**	4 240	6 039
– balance at the beginning of the period	**6 039**	4 240	4 240
– transfer from retained income	**807**	—	1 799
Equity-settled share-based payment reserve	**82 126**	37 139	57 828
– balance at the beginning of the period	**57 828**	—	—
– IFRS adjustment	**—**	20 201	20 201
– arising during the period	**24 298**	16 938	37 627
Movement in retained income	**5 496 901**	3 304 506	4 374 418
– balance at the beginning of the period	**4 374 418**	2 691 082	2 691 082
– IFRS adjustment	**—**	(96 966)	(92 222)
– net attributable income	**1 123 290**	915 532	1 961 231
– dividends and capitalisation issues	**—**	(205 142)	(205 142)
– net credit goodwill arising in prior years transferred to retained income	**—**	—	21 268
– transfer to statutory contingency reserve	**(807)**	—	(1 799)
	7 684 639	6 699 704	7 468 866
Outside shareholders' interest			
– balance at the beginning of the period	**173 558**	370 006	370 006
– IFRS adjustment	**—**	(571)	(571)
– net attributable income	**29 204**	3 449	11 108
– dividends and capitalisation issues	**(12 414)**	(10 536)	(17 312)
– share of movement in foreign currency translation reserve	**(89)**	(2 422)	1 762
– share of movement in equity-settled share-based payment reserve	**138**	17	41
– changes in shareholding and advance from outside shareholders	**(7 997)**	(197 655)	(191 476)
	182 400	162 288	173 558
Total equity	**7 867 039**	6 861 992	7 642 424

Basis of Presentation and Change in Accounting Policies

The Group results for the six months ended December 31 2005 have been prepared in accordance with International Financial Reporting Standards (IFRS) expected to be applicable at June 30 2006. As a result of ongoing review and possible amendments by interpretive guidance from the International Accounting Standards Board and International Financial Reporting Interpretations Committee, which may differ from IFRS finally in effect at June 30 2006. The financial statements for the year ending June 30 2006 will be the Group's first annual financial statements prepared under IFRS.

Comparative information presented with these results has been restated to comply with IFRS. The results for the year ended June 30 2005 have been restated as unaudited, as the IFRS adjustments have not been audited by the external auditors.

The Group's transition date to IFRS is July 1 2004 and the Group has taken advantage of the following optional exemptions from full retrospective application at this date:

– Not to restate business combinations which took place prior to transition date, other than to the extent that there were identifiable intangible assets at the time of acquisition that were previously written off to retained income.
– To include goodwill on the basis of deemed cost, being cost less accumulated amortisation, with negative goodwill being written off to retained income. These adjustments were made in the Group's financial statements for the year ended June 30 2005.
– The transfer to retained income of the accumulated foreign currency translation reserves at transition date.
– To only account for the cost of options to acquire shares in the Company, granted subsequent to November 7 2002 which had not vested by January 1 2005.

The transition to IFRS has resulted in the following principal changes to the Group's accounting policies:

– Property, plant and equipment – where components of property, plant and equipment have significantly different useful lives, they are accounted for as separate assets. The useful lives and residual values of all assets are assessed annually. In addition, the Group now provides for the estimated cost of dismantling and removing items and restoring the site on which they are located, as part of the cost of the asset. Changes in the measurement of these liabilities resulting from changes in timing or outflow of resources required to settle the obligations are recognised in the statements of income as a finance charge.
– Intangible assets – acquired computer software, previously reflected in property, plant and equipment as office furniture and equipment, has now been reclassified as an intangible asset. The useful life of computer software, both acquired and self-developed, is assessed annually. Patents, trademarks and tradenames acquired as a result of business combinations prior to June 30 2000 and written off against retained income, have been reinstated with effect from the date of the business combination. These patents trademarks and tradenames have been amortised in accordance with the Group's existing accounting policies.
– Share-based payments – options to acquire shares in the Company granted to shareholders and staff, have been expensed against income over the vesting period at fair value, with a corresponding increase in equity. The fair value of the options are measured using the binomial method taking into account the terms and conditions upon which the options were granted.
– Leases – certain leases, which were previously considered to be operating leases, have been reclassified as finance leases.
– Revenue recognition – fees charged for the origination of loans were previously recognised immediately in income, and are now deferred over the anticipated period in which services will be provided.
– Insurance – reinsurance assets previously offset against the related insurance liabilities have been reclassified as assets.

In addition, the Group revised its accounting treatment of operating leases at June 30 2005 in accordance with the guidelines issued by The South African Institute of Chartered Accountants whereby leases, which have fixed determinable escalations, are charged to income on a straight-line basis, as compared to being expensed when incurred. The results for the six months ended December 31 2004 have also been restated to account for this change.

Reconciliation between IFRS and previous South African Generally Accepted Accounting Practice

The impact of the adoption of IFRS on the equity and the profit attributable to shareholders is detailed in the tables below.

Reconciliation of Equity

R000's	December 31 2004 Restated Unaudited	June 30 2005 Restated Unaudited
As previously reported	6 820 990	7 564 401
Adjustment for change in accounting policy in respect of straight-lining of leases	(64 535)	—
In terms of previous accounting policies	6 756 455	7 564 401
Restatement for		
Property, plant and equipment	(14 483)	(23 824)
Intangible assets	139 418	123 816
Leases	(10 254)	(10 530)
Revenue recognition	(9 144)	(11 439)
As reported under IFRS	6 861 992	7 642 424

Reconciliation of Earnings

R000's	Half-year ended December 31 2005 Unaudited	Half-year ended December 31 2004 Restated Unaudited	Percentage change	Year ended June 30 2005 Restated Unaudited
Income attributable to shareholders as reported under IFRS	**1 123 290**	915 532		1 961 231
Adjustments to income attributable to shareholders for IFRS	**49 250**	45 294		92 962
Property, plant and equipment	**4 480**	8 805		17 678
Intangible assets	**18 304**	17 227		32 829
Share-based payments	**24 160**	16 920		37 580
Leases	**(637)**	322		560
Revenue recognition	**2 943**	2 020		4 315
Adjustment for change in accounting policy in respect of straight-lining of leases	**7 120#**	6 348		
Income attributable to shareholders in accordance with previous accounting policies	**1 179 660**	967 174	22,0	2 054 193
Adjustments to income attributable to shareholders for the calculation of headline earnings as previously reported	**(19 120)**	963		24 167
Headline earnings in accordance with previous accounting policies	**1 160 540**	968 137	19,9	2 078 360
Headline earnings per share in accordance with previous accounting policies	**387,4**	319,5	21,3	686,6
Basic earnings per share in accordance with previous accounting policies	**393,8**	319,2	23,4	678,6

 # This amount has been included for comparative purposes as the accounting policy in respect of the straight-lining of leases was changed as at June 30 2005.

Message to shareholders

Overview and financial summary

The Group produced pleasing results for the six months ended December 31 2005. Headline earning per share increased by 21,8% with trading income increasing by 18,7%. The results were enhanced by a lower statutory tax rate and the benefits of last year's share buy-back. Strong operational performances were recorded by most of the Group's businesses. The Group achieved revenue growth of 21,6% to R38,2 billion which included R2,2 billion from Deli XL which was consolidated with effect from September 12 2005. The total benefit of this top line growth was not fully achieved due to higher input costs of increasing capacity and the higher fuel price. Trading margin decreased slightly from 4,5% to 4,4% reflecting the impact of Deli XL and a change in the profit contribution mix of the various businesses. Exchange rates were relatively stable and had a neutral effect on the translation of the Group's foreign businesses. The rand traded at an average R11,56 against sterling, compared to R11,43 the previous period.

Cash generation from the underlying businesses remains strong, but seasonal working capital requirements, increased capital expenditure and acquisitive activity resulted in a net utilisation of funds. The Group's balance sheet is extremely strong with interest cover being approximately 11 times.

The financial results have been presented in conformity with IFRS accounting standards, the effect of which has been a 5,2% reduction (16,8 cents per share) to the comparative period headline earnings per share, reflecting for the most part the cost of share-based payments as well as the amortisation of partially reinstated intangible assets previously written off.

The Group continues to implement programme activities to address Black Economic Empowerment legislative imperatives and ongoing transformation.

Deli XL

With effect from September 12 2005 Bidvest acquired 100% of Deli XL B.V., the leading delivered foodservice wholesaler in the Benelux, from Koninklijke Ahold N.V., for approximately R1,1 billion. Good progress has been made in bedding down the acquisition and certain management changes have been effected. This acquisition strengthens our foothold in the European foodservice market and we are confident Deli XL will deliver on our expectations. The impact of this acquisition will be more significant in the second half of the financial year as the trading results for the full six months are brought to account.

Horeca Trade

In September 2005, 3663 First for Foodservice acquired a controlling stake in Horeca Trade, a small Dubai-based foodservice distributor which has the potential to develop into one of the largest foodservice distributors in the Middle East.

Dartline Shipping

In January 2006 Bidvest concluded the sale of its cross-channel ferry business, Dartline Shipping, including the ferry terminal at Dartford, Kent, for £58,9 million (R650 million), resulting in a significant premium to book value. The sale is consistent with the Group's philosophy of exiting businesses which fail to meet acceptable rates of return.

Lithotech France

Lithotech France continued to incur losses, despite concerted management efforts to place the business on a sound financial footing. The Group is addressing this situation and any losses incurred will be offset by the benefits arising from the sale of the Dartline business.

Changes to the Board of Directors

As advised in the 2005 annual report, the Group intends to restructure its statutory board with as little impact as possible on interfering with the Bidvest culture of decentralisation and participative management styles. The principal of such restructure will be to include the executives of the major business activities on the board. Attention is also being given to reconstructing the non-executive component. An announcement in this regard will be made shortly.

Divisional review

Services

Bidfreight

Bidfreight southern Africa posted a pleasing result characterised by ongoing rand strength and improved export volumes handled by the Terminals Division. Trading income grew by 17,8% to R260,2 million on a 16,8% increase in revenue to R7,7 billion.

Terminals' results were good. Trading income from Bulk Connections and Bulk Terminals improved. Tank capacity utilisation improved at IVS but trading income was slightly behind expectations after absorbing margin pressure. SACD produced a strong result with trading income up boosted by volume increases through the new warehouse in Durban and the Intermodal business.

Safcor Panalpina, South Africa's largest freight forwarder, performed well despite a slight decline in margins. Additional facilities are due to come on stream at Johannesburg International Airport, which should sustain growth in the future.

Marine posted a satisfactory result, with the liner operations reporting increased volumes and a greater number of port calls.

Bidcorp plc

Dartline traded below expectations despite higher capacity utilisation and greater efficiencies. A steady performance by Bidcorp's Ontime Automotive businesses was offset by poor results from the Volume Distribution businesses.

Bidserv

Bidserv delivered an acceptable performance in a challenging trade environment, characterised by margin pressure in certain businesses. Revenue grew 5,2% to R1,5 billion, though trading income was up 11,3% to R144,3 million due to management's strong focus on cost containment.

Strong performances from Laundries and specialised cleaning group TMS were offset by weaker performances in Magnum Shield and BidAir. Cleaning reported a 21,0% improvement in trading income, and succeeded in winning a number of large contracts. Laundries posted a 27,0% increase in trading income and continues to reap the benefits of its appropriately timed capital expenditure.

International Payment Systems, which provides a range of cash management and EFT point of sale devices, traded well and order books are full. Magnum Shield had a difficult trading period during which cost increases were not sufficiently passed onto customers.

Greens performed below expectations and remedial steps have been taken. BidAir, which provides a range of airport services, posted results in line with budget. The Industrial and Janitorial Division, including G. Fox, performed satisfactorily.

Rennies Financial Services

Renfin's revenue was 8,9% higher at R367,9 million and trading income increased by 15,4% to R74,9 million.

Since the introduction of fee-based income in 2005, the Travel businesses have experienced static volumes, however, profitability improved by 55,6%. Average ticket prices have remained flat over the period. As all suppliers move to zero commission, the ability to leverage competitive advantage will improve.

Rennies Bank delivered a poor performance with trading income down 21,1% impacted by the lower retail margins and higher sales of lower value products. The strong and stable rand constrained dealing margins.

Foodservice Products

Bidvest Europe

Results were boosted by the inclusion of Deli XL from September 2005. Revenue was up 38,7% to R10,4 billion and trading income improved 19,9% to R286,3 million.

In the UK, 3663 increased trading income in sterling by 3,9%. Performance was adversely affected by sluggish economic conditions and the impact of the July 7 terror bombings in London. Joint purchasing opportunities are being pursued with Deli XL to lower purchasing costs and improve margins.

Sales in Multi Temperature, Frozen, Fresh and Chilled were in line with prior year. Margin growth has been strong and reflects continued focus in this area. The Barton Meat Company reported sales below expectations due to a shortfall in new business. Contract Distribution traded well, benefiting from the take-on of new contracts. The Ministry of Defence contract revenue was down as a result of reduced military activity in Kuwait and Afghanistan.

Deli XL's results were in line with expectations, notwithstanding management changes following the acquisition. There are encouraging signs of sustained growth in the European hospitality industry, and Deli XL is well positioned to benefit from this. Opportunities for consolidation and market share gains are being explored.

Bidvest Australasia

Bidvest Australasia traded well, growing revenue and trading income by 21,1% and 27,7% respectively. Bidvest Australia grew trading income 20,1%, increasing its trading margin to 3,1% (2005: 2,8%). Foodservice grew trading income 16,8%. Melbourne continued to operate profitably, but Sydney is still making a loss, and steps have been taken to stimulate sales. Hospitality produced a satisfactory performance and efforts are under way to expand the national footprint of this business. The national roll-out of QSR has had a beneficial effect on operating performance, increasing trading income fourfold. Crean First for Foodservice New Zealand traded strongly, with trading income up 21,3%. These results were achieved despite a slowing economy and deflationary pressures.

Caterplus

Caterplus achieved a modest 5,1% growth in trading income despite good top-line growth. The trading environment was challenging where volume growth necessitated capacity expansion. Catering Supplies and Frozen experienced margin squeeze as revenue gains were offset by increases in overheads. Speciality traded very well buoyed by niche foodstuffs and demand from the home entertaining sector. Vulcan's trading income was slightly down due to falling export volumes. Hotel Amenities and Lufil both traded well.

Combined Foods

Combined Foods results were disappointing, with trading income flat at R70,7 million. Bidbake was particularly affected by yeast imports, which impacted its ability to pass on cost increases to customers. Crown National traded reasonably well despite incompetitive import prices and the effects of Newcastle disease on the poultry industry. The move to new facilities should present opportunities for efficiency improvements.

Commercial Products

Office Products

Revenue was up 9,7% to R1,8 billion, though trading income increased by 7,7% to R115,9 million. Stationery traded under difficult conditions, where competitive pressures and rand strength constrained margins negating revenue gains. Waltons grew trading income 22,6% despite a poor result from the southern Gauteng region. Kolok was impacted by the strong rand and capacity constraints in Gauteng and Durban, although these bottlenecks have been addressed by the opening of new distribution facilities. Furniture posted a 6,9% increase in trading income in the face of strong import competition from China and Eastern Europe. Automation traded well with Minolta growing trading income by 18,6%, maintaining tight control over expenses and growing margins.

BidPaper Plus

Revenue grew 10,3% to R1,1 billion and trading income was up 4,3% to R79,8 million despite tough trading conditions. Management's unrelenting focus on expenses, which fell 5,7%, assisted the profitability. Lithotech SA experienced good growth in its Mail and Laser businesses, although this growth was offset by the ongoing decline in volumes in its traditional business forms. Silveray managed to increase volumes, but at lower prices due to competitive pressures.

Bid Industrial Products

Revenue increased 18,4% to R1,8 billion while trading income was up 26,3% to R120,2 million.

Electrical Wholesaling traded successfully on the back of a buoyant construction sector with a 16,9% increase in revenue and a 57,2% growth in trading income, despite a more than 38% increase in the price of copper over the past 6 months. Revenue was flat for Afcom GE Hudson, whilst trading income was down 19,5%, necessitating Afcom switching certain products from local manufacture to imports. Buffalo Executape reported a 5,8% drop in trading income, but is focussing on margin management and new business ventures into the DIY industry.

Automotive Products

McCarthy

McCarthy's achieved a 19,9% growth in revenue to R8,3 billion and a 28,6% rise in trading income to R290,2 million. Notwithstanding the ongoing surge in new vehicle sales, buttressed by low interest rates and strong consumer confidence, new and used vehicle margins remained under pressure, impacting the franchise's trading performance. Budget Rent A Car achieved better asset utilisation and volume growth. Yamaha Distributors performed well despite an increasingly competitive market, impacted by parallel and grey imports. Financial Services delivered an outstanding performance, achieving greater market penetration with insurance products. GAZ SA, the taxi distributorship, continues to make steady progress.

Corporate Services

Namsov, Bidvest's 31%-owned Namibian fishing business, produced an excellent turnaround, reporting trading income of R42,2 million due to reasonable catches and improved selling prices. Bidvest Network Solutions was sold to Business Connexion during August 2005, while mymarket.com continues to grow its customer base.

Prospects

The trading environment for many businesses in the Group are favourable. Capacity expansion has taken place across the Group to cater for current and future growth. Management has been up to the task of seizing opportunities when they arise.

The reporting and management structures have been realigned to take better advantage of the many synergies which exist in the Group.

The Group to date has had a reasonably strong and inflexible approach to acquiring businesses where less than 100% of the equity was acquired. This acquisition policy of total control is being relaxed in so far as new large scale activities where Bidvest will consider acquiring a significant shareholding with management control. This revised policy will enable the Group to take advantage of larger scale acquisition opportunities and utilise its skills in extracting value out of the investment.

The Group is optimistic of continuing to achieve above average returns and growth.

For and on behalf of the Board

M C Ramaphosa
Chairman

B Joffe
Chief Executive

Johannesburg
February 27 2006

Distribution out of share premium

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

Notice is hereby given that an interim cash distribution out of share premium of 162,0 (2004: 133,8) cents per share, in lieu of a dividend, has been awarded to members recorded in the register of the Company at the close of business on Friday, March 24 2006.

Shareholders are advised that the last day to trade "cum" the distribution will be Thursday, March 16 2006. The shares will trade "ex" the distribution as from Friday, March 17 2006 and the record date will be Friday, March 24 2006. Share certificates may not be rematerialised or dematerialised during the period Friday, March 17 2006 to Friday, March 24 2006, both days inclusive. Payment will be made on Monday, March 27 2006.

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

M A David
Company secretary

Johannesburg
February 27 2006

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

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