



Unaudited Results

For the six months
ended December 31 2009

What is Bidvest?

A group specialising in services, trading and distribution

Freight management, outsourced soft-services, foodservice and food ingredients, automotive retailing and fleet management, industrial and commercial products

Strategy

- ▶ Own the cash flow
- ▶ Mastery of the distribution channel
- ▶ Balance of mature and growth businesses
- ▶ Funds allocated according to return, need, and life cycle stage
- ▶ Opportunistic and acquisitive

Implementation

- ▶ Minimalist head office
- ▶ Decentralisation
- ▶ Managerial autonomy and accountability
- ▶ Build and retain market leadership
- ▶ Group size leveraged for collective benefit
- ▶ Reaching common customers
- ▶ Tying the customer in

Management

- ▶ Operational autonomy
- ▶ A small head office provides corporate support services and allocates capital
- ▶ Financial disciplines - working capital, return on funds employed
- ▶ Extracting industry-leading returns
- ▶ Staff motivation and morale is key for us – “infinite possibilities...when Bidvest people take on a challenge”

Agenda for the H1 F2010 results presentation



- Welcome and introduction to the result - CEO Brian Joffe
- Bidvest into the future - CEO Brian Joffe
- Dissecting the financials - FD David Cleasby
- Segment performance and outlook - CEO Brian Joffe
- Group outlook - CEO Brian Joffe
- Comprehensive appendix provided in your booklet:
 - Revenue and trading profit by geography
 - Analysis of the segmental results and strategic imperatives and prospects
 - Historic performance

The H1 F2010 numbers in a nutshell

Revenue	↓ 6.5%	to	R56.1bn
Trading profit	↑ 0.1%	to	R2.62bn
Headline earnings	↑ 13.3%	to	R1.55bn
Headline earnings ex. acquisition expenses	↑ 17.2%	to	R1.60bn
HEPS	↑ 9.0%	to	R495.0cps
Adjusted HEPS*	↑ 12.8%	to	R512.1cps
DPS	↑ 9.0%	to	207.0cps
Cash generated from operations	↑ 230%	to	R3.0bn
Net debt	↓ R2bn	to	R5.9bn, 37% gearing

* Excluding R53,4m in acquisition costs not capitalised and expensed in headline earnings



Bidvest into the future

CEO Brian Joffe

Joffe on Bidvest into the future

- We have three overarching activities and will stick with them: services, foodservice, and products
- Decentralisation remains a core operational philosophy
- Management succession planning within the businesses and at group level is vital to ensure continuity of purpose, fresh thinking and sustainability
- Scale, critical mass is important – and that applies even if the Bidvest of tomorrow takes on a different shape to the Bidvest of today

This recession gave us cause for introspection and an opening to prepare for the new economic reality

- Bidfood South Africa is being incorporated into the Southern Hemisphere Foodservice management structure as a first step to a fully consolidated Bidvest Food that includes Europe, Asia Pacific and Southern Africa
- The objective of the international Food business is to ensure full synergy and best practice is extracted globally and that it operates as a unified entity
- New executive responsibilities at Bid Auto and Bid Industrial and Commercial Products to better align with a revised business structure and in the interests of succession



Dissecting the financials

David Cleasby

H1 F2009 – FD's perspectives

- Funding of Nowaco completed, unsecured, €130m at favourable interest rates
- Favourable term funding still not easy to come by
 - Nominal costs declining marginally
 - increased credit spreads with decreasing base rates
- Capital market availability increasing
 - R350m 3 year bonds raised
 - R1,4bn corporate paper raised
- Value and condition of inventory good
- Debtor delinquencies still present, Group well covered
- Capex higher mainly due to Bidfreight expansion (long term projects)
- Working capital management much improved due to ongoing focus as well as lower market activity
- Internal focus on controls as increased fraud and criminal activity prevalent

▶ Notable financial features of the trading period

- Despite a flat trading profit Group margin edged up to 4.7% from 4.4% in H1 F2009 and 4.6% in H1 F2008
- All trading segments, with the exception of Bidserv and Bid Industrial and Commercial Products, improved margin
- Constant currency headline earnings increased 16% and HEPS 12%
- Organic headline earnings increased 11% to R1,51bn and HEPS 9% to 495.8cps
- R53,4m or 17cps in Nowaco and Farutex acquisition costs expensed in headline earnings per IFRS 3
- Nowaco and Farutex funded €100m cash (9,6m new shares issued at a premium of R104 per share) and €150m borrowings
- Net trading profit impact of Nowaco and Farutex is R152m or 6%, with revenue of R2,15bn or 4%
- Weighted average number of shares up 4% or 11,7m shares

▶ Notable financial features of the trading period

- Cash generated by operations R3,0bn vs. R0,9bn
- R400m in cash applied to working capital vs. R2,4bn
- Net interest expense down 32% to R386m, lower rates and utilisation
- 25% reduction in net debt to R5,9bn vs. H1 F2009, 37% gearing (debt/equity)
- EBITDA interest cover 9,2x vs. 6,1x
- Credit rating quality upheld in a riskier and weakened business climate
- ZAR stronger: on average 17% vs. GBP, 10% vs. EUR, 2% vs. AUD
- Negative movement on translation of foreign earnings of R370m, >R1,6bn over 18 months
- Bidvest has substantial headroom for corporate action – as with Nowaco and Farutex, the most competitive combination of funding structures will be assessed as and when necessary

Consolidated Income Statement

Half year ended December 31 2009	Avg R/£12.57		Avg R/£15.21	H1 2010 in constant currency R/£ 15.21	
Revenue	56 113,1	-6.5%	59 990,9	59 510,4	-0.8%

- R3,4bn adverse exchange rate impact on revenue just in translation
- R2,6bn reduction in Safcor Panalpina billings, a 30% decline
- Organic revenue R54,0bn, down 10% as reported
- Bidvest Australia alone now 10.3% of group revenue or R5,8bn
- Sterling denominated revenue in results now less than 20%
- 53/47 split between Foreign and South African revenue

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Trading margins	H1 2010	H1 2009	Comment
Local	6.0%	5.7%	Improvement in Bid Auto and Bidfreight, decline in Bidserv and Bid Industrial
Foreign	3.4%	3.1%	All segments contributed higher margins
Group	4.7%	4.4%	

Note:

1. Nowaco and Farutex acquisitions contributed R152m or 6% of total trading profit
2. Foreign operations contributed 38% to Trading Profit vs. 31% in H1 2009
3. Safcor Panalpina reduction in billings due to reduced imports benefited Bidfreight margin
4. Safcor Panalpina retrenchment expenses of R23m
5. 3663 Lichfield depot closure costs of R25m

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- R177,3m reduction in net interest paid
- Foreign interest of R72,8m vs local interest of R312,8m
- Net debt offshore of R0,8bn vs local net debt of R5,1bn
- Group debt down R2,0bn notwithstanding R1,75bn debt assumed on acquisition of Nowaco and Farutex
- Finance cost to be significantly lower for the full year

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Associates

Comair



Other



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Taxation	(597,1)	+25.1	(477,5)	(611,6)	+28.1

Effective tax rates (ex non trading items)	H1 2010	H1 2009	Comment
Local	26.4%	25.9%	No material change
Offshore	26.4%	27.2%	Impacted by non-deductable acquisition costs; Czech rate 20%
Group	26.4%	26.5%	Sustainable rate of ± 27%

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Minority interests	(52,8)	-1.5	(53,6)	(53,1)	0.9

	H1 2010	H1 2009
Bidvest Namibia	40,7m	29,7m
Other	12,1m	23,9m

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Headline earnings	1 545,3	+13.3	1 364,3	1 586,1	+16.3

- Headline adjustments minimal vs. H1 of F2009:
 - One off acquisition costs (R53,4m) impacted by new IFRS 3 Accounting Standard
- Basic earnings impacted by:
 - Reversal of associate impairment R25,9m

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HEPS adjusted for acquisition expenses up 12.8%

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Diluted HEPS (cps)	491,1	+9.0	450,3	504,0	+11.9

314,7m vs. 302,9m diluted weighted average shares
 Total ordinary shares (net of treasury) 317,2m vs. 300,9m

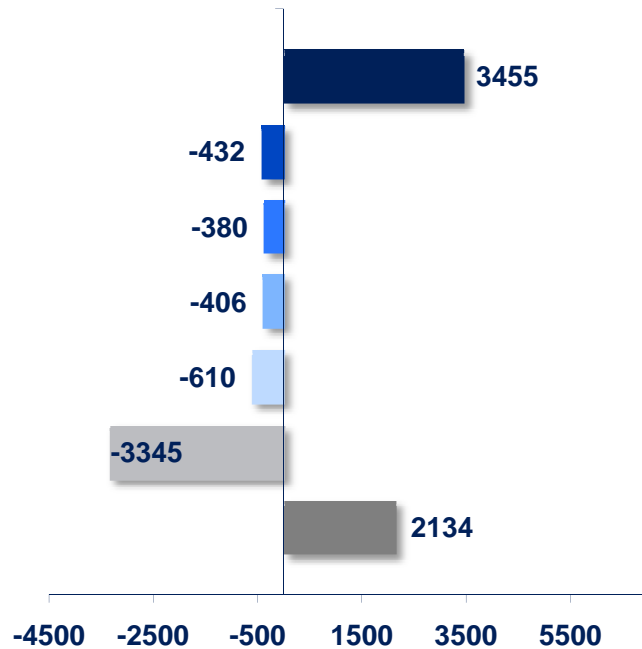
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Distribution (cps)	207,0	+9,0	220,0		

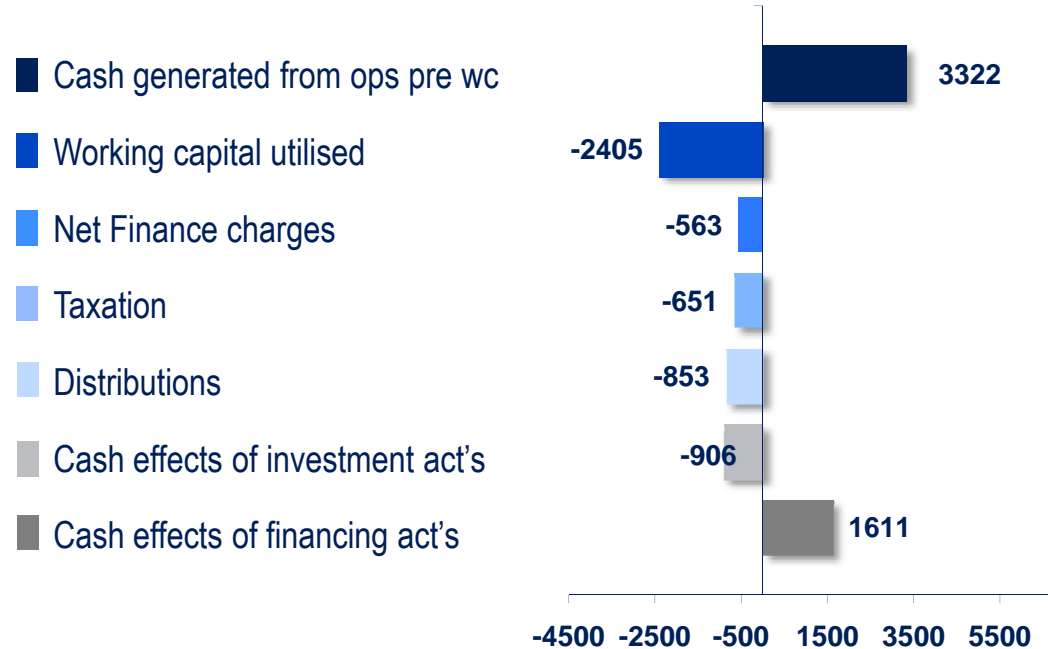
Maintained higher dividend cover of 2,4x

Consolidated cash flow statement – Rm's

Half year ended December 31 2009



Half year ended December 31 2009



Working capital absorption down by R2bn

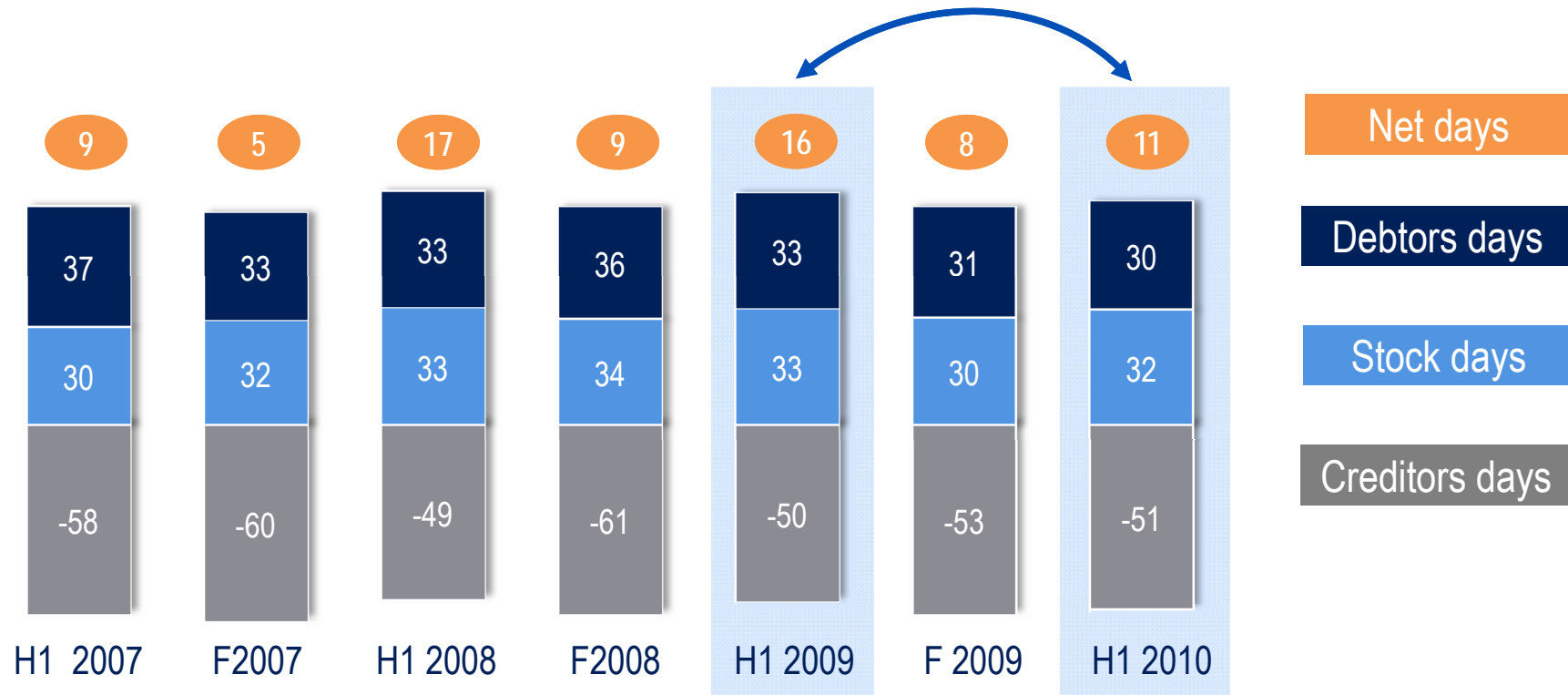
Investment activities

- Nowaco and Farutex acquisition €250m (R1,75bn debt and R1,0bn equity)
- Net capex of R1,7bn vs. R1,1bn
- Increased investment in vehicle rental fleet ahead of 2010 FIFA World Cup™

Funding

- R1bn raised in new company equity with a further R0,3bn raised by subsidiary Bidvest Namibia

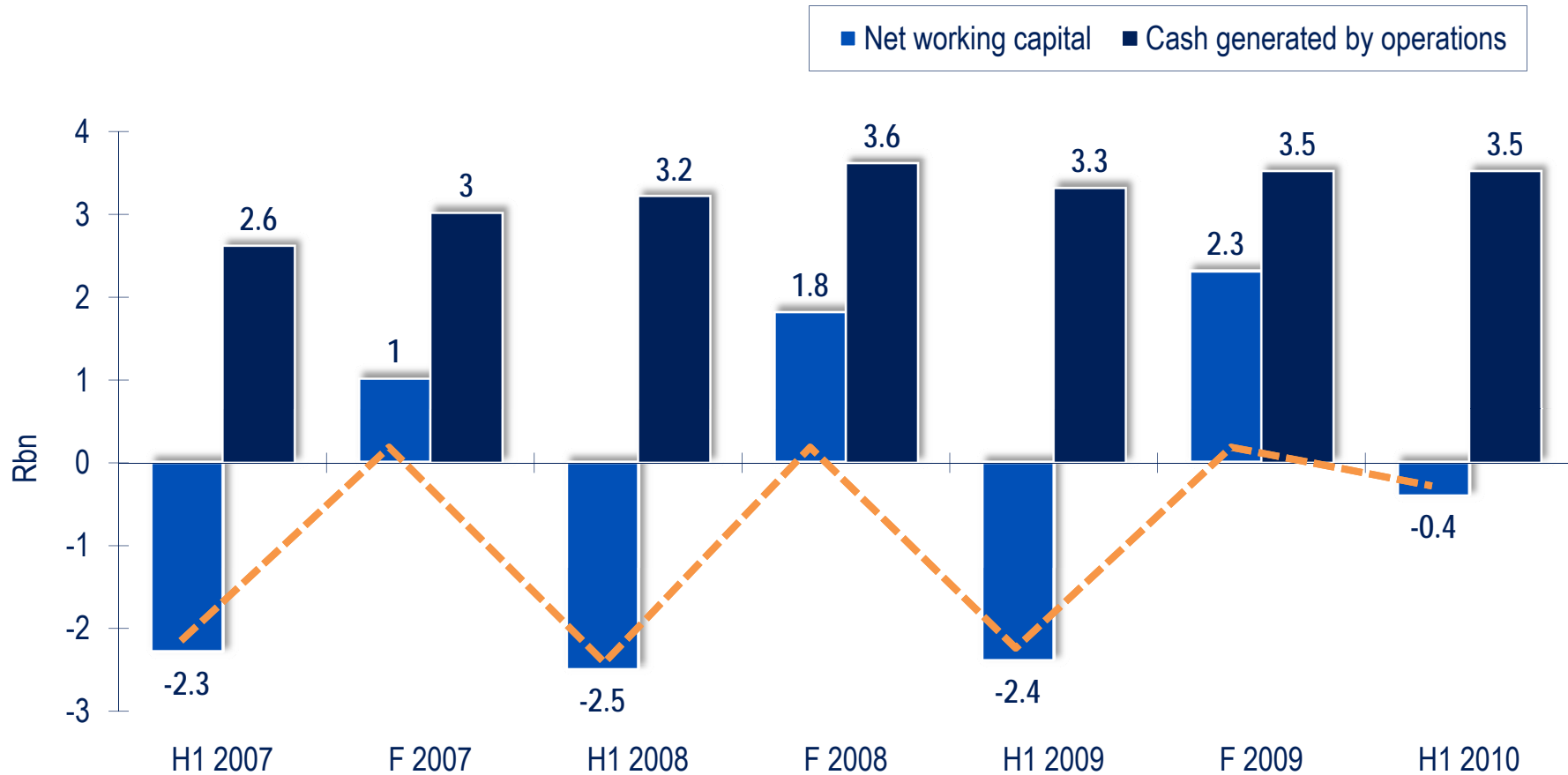
Net working capital days



W/C position typically spikes in H1 but sharp improvement on weaker trading activity and focus on management

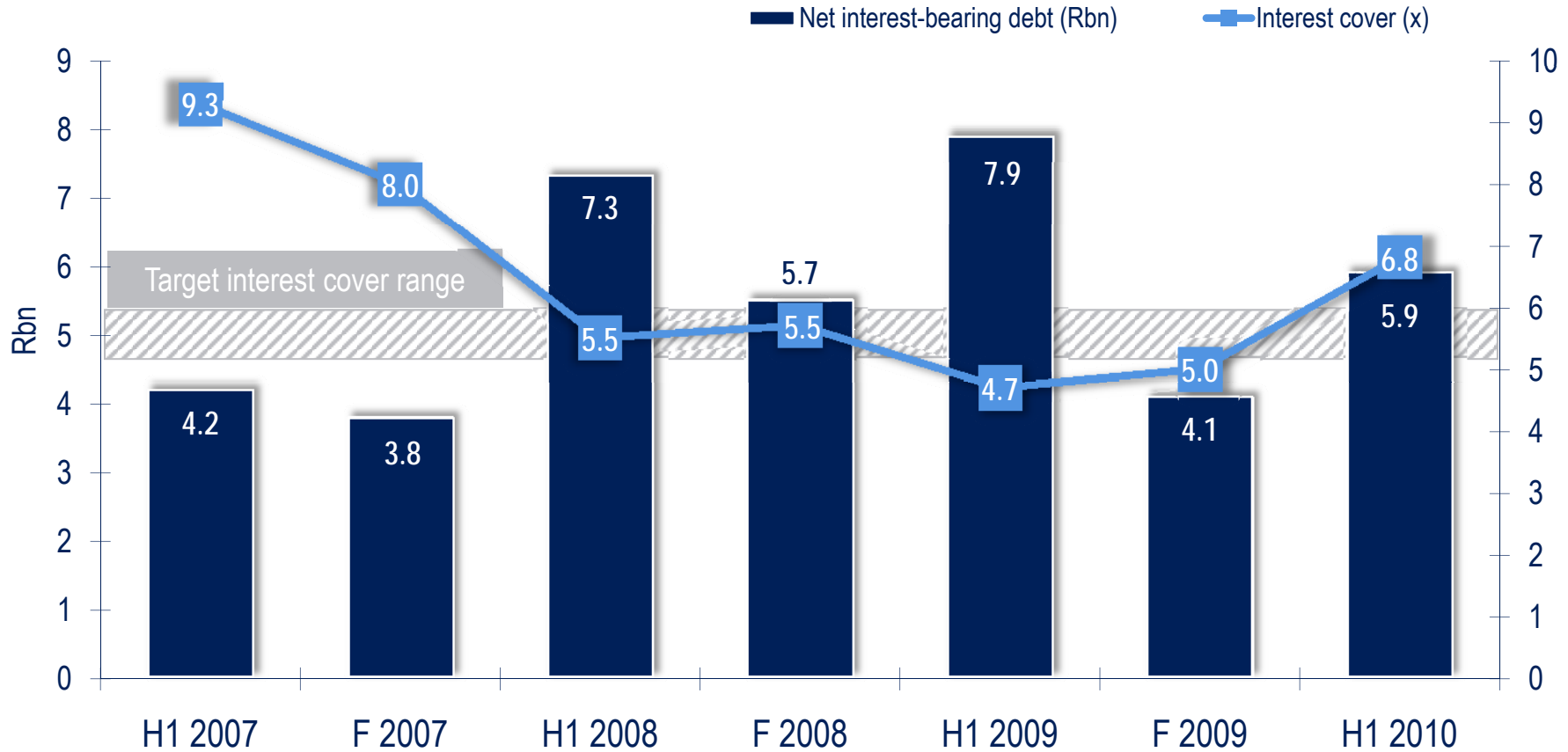
- Inventory - reduction in line with lower activity and leaner stocking
- Debtors - receivables improved sharply, delinquencies remain well controlled
- Creditors - down on lower activity

Net working capital flows vs cash generated



- Working capital utilisation to be impacted by unusual 2010 FIFA World Cup™ requirements

Gearing



- EBITDA interest cover of 9,2x
- Net interest cover of 6,8x within group parameters



Segment performance
and outlook
CEO Brian Joffe

The lows of the trading period

- Trading conditions remained very weak in South Africa and Europe July thru December 2009
- Calendar 2009 was thus the most difficult trading period in Bidvest's two-decade history
- An improved working capital position is reflective of weak markets and a concerted effort to reduce funds employed
- Return on funds employed (34%) and return on equity (22%) is currently below Bidvest targets of around 50% and 30% respectively
- Further effort is necessary to ensure the organisational structure is fully aligned with the decentralised philosophy of Bidvest

The highs of the trading period

- The group is optimally resourced and positioned, strong balance sheet
- Mix of profit drivers beneficial for the group result in these tough times
- Profitability and trading margins have held up well
- Foodservice Asia has exceeded expectation and is an excellent platform to profit from burgeoning regional growth
- Group Foodservice profits exceeded R1bn, almost 40% of total group
- Raised R1bn in new equity, 3% of share capital, to part fund the Nowaco and Farutex foodservice acquisition in Eastern Europe, which has been integrated successfully
- Bidvest Namibia listing on 26 October 2009, with BEE structure in place and R314m in new capital raised

Joffe on Bidfreight

Trading Profit up 2.8% to R375,7m

- Generally a pleasing result from most businesses
- Export trade volumes have improved but consumer imports subdued
- Safcor Panalpina right-sized for new level of air and sea cargo demand
- Substantial capex and upgrade programme ongoing, particularly at SACD, IVS, and BPO
- Growing SA trade with China and emerging world highly beneficial

Outlook

- Superbly positioned in freight – locations, resources, facilities
- Trade patterns have shifted in favour of exports and this trend is expected to endure for the foreseeable future as consumer spending remains restrained

Joffe on Bidserv

Trading Profit down 21.3% to R385,3m

- Performance matched end of year guidance of a weak first half
- Profits declined off a record level in F2009
- A slowing market for travel, forex and hotel occupancy, business retrenchments, subdued customer demand in a recessionary economy and reduced rand volatility (bank) were all contributing factors
- Steiner excelled under refreshed leadership
- Expenses well contained

Outlook

- Trading conditions remains subdued but new opportunities continue to be exploited, such as vehicle tracking, toilet hire, and Saudi Arabia
- Bidserv is well placed in areas such as cleaning, aviation, travel, hygiene, security, accommodation amenities, purified water and financial services for business associated with the 2010 FIFA World Cup™

Joffe on Bidvest Europe

Trading Profit up 12.8% to R447,1m

- 3663 coping well in arduous times, assisted by timely cost saving measures, with a 24% rise in £ profits off flat revenue
- Difficult economic realities have caught up with Netherlands and Belgium but performance remains very acceptable under the circumstances
- UAE revenue and profits down as Dubai crisis affects business
- Czech, Slovakia and Poland operations have settled in well and have contributed positively to the result, with Nowako ahead of budget

Outlook

- Best business practice experience will continue to be shared across existing and acquired businesses
- Pricing will remain keen and deflationary tendencies are evident
- Recession has provided an opportunity to reinforce competitive position and bolt-on acquisitions continue to be explored

Joffe on Bidvest Asia Pacific

Trading Profit up 29.8% to R370,9m

- Australia little affected by global recession due to commodity trade ties with China but economic conditions in New Zealand have been tough
- Australian profits up 21% and market share continues to be gained
- The New Zealand business continues to excel with profits up by 15%
- Hong Kong and Singapore have experienced a turbulent and difficult time but the businesses have fared especially well and have applied innovative and aggressive sales and product range strategies

Outlook

- The rate of price increases slowed through 2009 and deflation became evident in recent times but this is a cyclical phenomenon and pricing is expected to firm and possibly rise in certain food categories
- The Bidvest footprint will continue to expand in the region

Joffe on Bidfood

Trading Profit down 1.6% to R214,1m

- As in the retail sector consumers have been trading down in a recessionary economy and HORECA has been weak, with fewer hotel occupancies, less travel and less hospitality, leisure and catering spend
- The rate of increase in prices has slowed sharply and in Speciality price deflation was experienced in the period
 - **Caterplus:** all market sectors notably weak with competition cut throat; many restaurants have failed; the business has the correct strategies in place to cope
 - **Speciality:** sales were subdued in a price conscious market but overall profitability was assisted by a stronger, more stable rand
 - **Ingredients:** an overall good result with performances mixed, however the yeast and bakery businesses were particularly pleasing

Outlook

- Trading conditions are improving and the 2010 FIFA World Cup™ is expected to provide a boost due to additional demand for meals leading up to and during the event

Joffe on Bid Industrial and Commercial Products

Trading Profit down 47.6% to R170,2m

- Group segment most exposed to the sectors of the economy severely impacted by the recession and the result is a continuation of the sharp deterioration observed in the second half of F2009
- Voltex has been split into wholesale and specialised products, each with an MD
- Electrical wholesale badly affected by a tapering off of project work and shrinking markets
- Office furniture was badly impacted by reduced corporate spending
- Waltons recorded a sizeable fall in profits – mix and demand

Outlook

- Segment downsized in the light of trading difficulties and prevailing business environment
- Waltons is streamlining its distribution practices to reduce the cost of doing business
- Worst is over but recovery is expected to be gradual

Joffe on Bidpaper Plus

Trading Profit up 4.3% to R135,9m

- Sales and profit performance quite acceptable in a soft market with some notably good divisional achievements
- Reduced demand for manufactured print products and excess capacity led to margin pressure
- Newer technology and alternative products continued to gain ground

Outlook

- The trading environment has stabilised and the businesses are set to benefit from demand for print, packaging and mail services, and stationery products in the run up to the 2010 FIFA World Cup™

Joffe on Bid Auto

Trading Profit up 29.9% to R278,4m

- An improved result but new car retail margin remains unacceptably low
- Investment returns assisted result
- New vehicle market remained weak but appears to have troughed
- Credit approvals are half pre National Credit Act levels
- Used vehicle sales continue to perform well, sales up 40% in six years
- Price wars continue in the car rental industry

Outlook

- Fleet Services to be incorporated within Bidvest Bank
- Yamaha and Heavy Equipment to be separated from McCarthy
- Low point in the cycle has been reached in new car retail
- Immediate growth prospects muted
- Budget car and van rental will benefit from 2010 FIFA World Cup™

Joffe on Bidvest Namibia

Trading Profit up 19.0% to R150,0m

- Namibian economy has held up relatively well in the global recession
- The Fishing and Freight operations returned strong results
- The majority of Bidcom businesses performed below previous levels
- Fishing remains the mainstay at around 70% of profits
- Bidvest's effective economic interest in the newly listed entity is 52%

Outlook

- Listing facilitated an appropriate structure, heightened visibility in the Namibian market place and a platform for growth
- New business opportunities are being vigorously sought

Joffe's Group outlook

- The new economic reality offers opportunity for a well resourced entrepreneurial business with access to capital
- The economic outlook for major Western economies is anaemic but far brighter for emerging Central Europe, Asia Pacific, and Africa
- We shall always have things to fix – Bidvest will never be at cruising altitude and the recent past has given us a chance to revitalise
- The 2010 FIFA World Cup™ is likely to be beneficial for Bidvest on many fronts; whilst not quantifiable currently, Bidvest will benefit in different ways, in different businesses, in different proportions according to the variety and mix of business secured – and, of course, it all hinges on how successful the event is
- We have turned recession and turmoil to good effect for the group and the team goes forward with optimism
- I am confident Bidvest will have operational growth in the second six months and that this will add to the quality of the group performance for the year



Thank you
Q&A