The Bidvest Group Limited

Audited results for the year ended June 30 2010

Our people are our universe . . .

Bidvest

R109,8 billion
Revenue
2,3% decrease

R5,6 billion
Trading profit
8,1% increase

1 070,0 cents
Headline earnings per share
15,1% increase

R8,0 billion
Cash generated by operations
18,3% increase

432,0 cents
Distributions per share
13,7% increase

Summarised analysis of Group earnings on constant currency

The average rand exchange rate strengthened against both sterling (14,47 in 2009 to 12,05 in 2010) and the euro (12,35 in 2009 to 10,60 in 2010). On a constant average currency basis (which restates the current income statement using the previous year's average exchange rate) revenue would have been up 4,2% (reported: down 2,3%), trading profit would have been up 11,9% (reported: up 8,1%) and HEPS would have been up 19,3% (reported: up 15,1%).

Comment

Pleasing results were achieved for the year ended June 30 against the backdrop of extended recessionary conditions and a strong South African exchange rate. Headline earnings per share (HEPS) increased by 15,1% to 1 070,0 cents per share while basic earnings per share increased by 14,4% to 1 063,6 cents per share. The appreciation of the rand against sterling and the euro, which had a negative impact on translation of the earnings of foreign operations equivalent to 4,2% of HEPS. The results included those of the acquired Nowaco group with effect from July 1 2009. However,no contribution to HEPS arose, due to the expensing of associated once-off acquisition costs combined with the issue of new shares to fund the acquisition.

The Group delivered a much improved second half trading performance. Consumer demand for foodservice products held up, particularly in the Asia Pacific region. In South Africa, commodity exports improved, new vehicle sales staged an improvement and demand for outsourced services increased. The infrastructure and construction industry remained subdued impacting demand for electrical and business furniture products.

Concerted efforts by operational management to optimise inventory levels and manage debtor delinquencies ensured an improvement in returns on funds employed across all regions. Cash generated by operations after working capital changes improved by 18,3% to R8,0 billion (2009: R6,7 billion).

The Group continued to invest in property, plant and equipment to ensure medium-term growth and sustainability.

Hosting of the 2010 FIFA World Cup™ proved a major sporting and organisational success for South Africa, which will result in significant medium-term economic opportunities. However, near term benefits accruing to Bidvest failed to meet expectations with no material impact on the results. Adverse factors included fewer than expected foreign tourists, extended holidays by educational institutions and unpredicted leisure behavioural patterns by stay-at-home South Africans.

Financial overview

Revenue fell 2,3% to R109,8 billion (2009: R112,4 billion), impacted by lower import revenue in Safcor Panalpina, price deflation and the impact of the appreciating rand. Deflation was evident in all geographies as lower demand drove product prices down. Many operations achieved market-share gains as they traded aggressively and took advantage of market weakness. Operating expenses were well controlled across the Group, reflecting a decline on the prior year. The trading margin improved to 5,1% (2009: 4,6%).

Headline earnings were impacted by abnormal charges of R61,2 million relating to acquisition costs, mostly attributable to our new Eastern European businesses. Previously, these once-off acquisition costs would have been capitalised to the cost of the investment, but under the revised IFRS 3 accounting standard are now included as an expense in headline earnings, impacting HEPS negatively by 2,1%.

Our balance sheet remains strong and appropriately capitalised. Net debt declined to R3,8 billion (2009: R4,1 billion), assisted by a R0,7 billion reduction in working capital and despite additional debt funding of R1,7 billion for the Nowaco group acquisition. Interest cover improved to 7,2 times from 4,8 times in 2009, reflecting significant borrowing capacity. Net debt to equity at 23,1% shows pleasing improvement (2009: 29,2%). Net finance charges declined 26,3% to R758,5 million. Exposure to the short end of the funding market in South Africa's falling interest rate environment was also beneficial. Bidvest's attitude to gearing remains appropriate in the current climate. In December 2009, Fitch Ratings affirmed the Group's rating at A+ with a stable outlook while Moody's rated the Group at A1.za also with a stable outlook.

Acquisition of Nowaco group

Nowaco and Farutex management have integrated seamlessly into Bidvest. Results are in line with pre-acquisition expectations despite tougher economic conditions in Eastern Europe.

Transformation

Transformation within the South African businesses remains a strategic imperative. The Group continues to focus and improve on the broad-based elements of the scorecard. Significant progress in all businesses is evident and management remains firmly committed to the journey of transforming. Bidvest is currently a Level 4 contributor to B-BBEE with many operations rated at Level 3 or better.

Consolidated income statement

for the year ended June 30

R000s	2010	2009	Percentage change
Revenue	109 789 207	112 427 831	(2,3)
Cost of revenue	(86 778 366)	(89 482 780)	
Gross income	23 010 841	22 945 051	0,3
Other income	424 725	198 815	
Operating expenses	(17 880 870)	(18 007 297)	
Sales and distribution costs	(12 115 597)	(12 726 832)	
Administration expenses	(4 069 739)	(3 955 068)	
Other costs	(1 695 534)	(1 325 397)	
Trading profit	5 554 696	5 136 569	8,1
Acquisition costs	(61 202)	—	
Non-trading items	—	(164 240)	
Net capital items	(30 151)	(37 701)	
Operating profit	5 463 343	4 934 628	10,7
Net finance charges	(758 479)	(1 029 243)	(26,3)
Finance income	64 408	40 982	
Finance charges	(822 887)	(1 070 225)	
Share of profit of associates	40 983	49 238	
Dividends received	30 785	29 298	
Share of current year earnings	10 198	19 940	
Profit before taxation	4 745 847	3 954 623	20,0
Taxation	(1 301 059)	(1 046 344)	
Profit for the year	3 444 788	2 908 279	18,4
Attributable to:			
Shareholders of the Company	3 345 175	2 802 386	19,4
Minority shareholders	99 613	105 893	
	3 444 788	2 908 279	18,4
Shares in issue			
Total	319 006	304 995	
Weighted ('000)	314 510	301 462	
Diluted weighted ('000)	316 439	303 109	
Basic earnings per share (cents)	1 063,6	929,6	14,4
Diluted basic earnings per share (cents)	1 057,1	924,5	14,3
Headline earnings per share (cents)	1 070,0	930,0	15,1
Diluted headline earnings per share (cents)	1 063,4	924,9	15,0
Distributions per share (cents)*	432,0	380,0	13,7
Interim	207,0	190,0	
Final	225,0	190,0	

*Includes distribution from share premium and capitalisation issue

Consolidated statement of other comprehensive income

for the year ended June 30

R000s	2010	2009
Profit for the year	3 444 788	2 908 279
Other comprehensive income (expense) for the year net of tax		
Decrease in foreign currency translation reserve	(675 601)	(1 277 229)
Increase (decrease) in fair value of available-for-sale financial assets	(12 831)	2 428
Increase (decrease) in fair value of available-for-sale financial assets before tax	(17 877)	2 523
Taxation	5 046	(95)
Total comprehensive income for the year	2 756 356	1 633 478
Attributable to:		
Shareholders of the Company	2 661 125	1 527 585
Minority shareholders	95 231	105 893
	2 756 356	1 633 478

Headline earnings

R000s	2010	2009	% change
The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:			
Profit attributable to shareholders of the Company	3 345 175	2 802 386	19,4
Impairment of property plant and equipment, goodwill and intangible assets	41 070	34 952	
Property, plant and equipment	30 271	16 361	
Goodwill	5 528	19 910	
Intangible assets	6 158	—	
Tax relief	(816)	(1 319)	
Minority shareholders	(71)	—	
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	—	110 770	
Loss on disposal and closure	—	138 272	
Tax relief	—	(27 502)	
Profit on disposal, and impairment of investments in associates	(22 331)	(181 709)	
Impairment (reversal of impairment) of investments in associate	(25 900)	200 000	
Net loss (profit) on change in shareholding in associates	3 569	(391 138)	
Tax charge	—	9 429	
Net loss (profit) on disposal of property, plant and equipment and intangible assets	1 208	37 561	
Property, plant and equipment	8 814	54 685	
Intangible assets	1 711	—	
Tax relief	(4 076)	(17 124)	
Minority shareholders	(5 241)	—	
Negative goodwill recognised in profit	—	(389)	
Headline earnings	3 365 122	2 803 571	20,0

Segmental analysis

for the year ended June 30

R000s	2010	2009	Percentage change
REVENUE			
Bidvest Freight	15 941 865	18 647 915	(14,5)
Bidvest Services	7 927 750	8 105 904	(2,2)
Bidvest Foodservice	58 389 859	59 005 013	(1,0)
Europe	35 460 797	36 984 511	(4,1)
Asia Pacific	17 547 642	17 067 597	2,8
Southern Africa	5 381 420	4 952 905	8,7
Bidvest Industrial and Commercial Products	8 643 601	9 290 941	(7,0)
Bidvest Paperplus	2 091 926	1 933 415	8,2
Bidvest Automotive	17 297 510	15 626 260	10,7
Bidvest Namibia	1 949 205	1 616 381	20,6
Bidvest Corporate	444 034	727 033	(38,9)
Ontime Automotive	410 674	703 855	(41,7)
Corporate	33 360	23 178	43,9
	112 685 750	114 952 862	(2,0)
Inter Group eliminations	(2 896 543)	(2 525 031)	—
	109 789 207	112 427 831	(2,3)
TRADING PROFIT			
Bidvest Freight	794 284	770 742	3,1
Bidvest Services	1 126 008	1 181 160	(4,7)
Bidvest Foodservice	2 046 017	1 759 087	16,3
Europe	897 771	770 634	16,5
Asia Pacific	729 375	602 533	21,1
Southern Africa	418 871	385 920	8,5
Bidvest Industrial and Commercial Products	421 286	596 882	(29,4)
Bidvest Paperplus	248 311	224 186	10,8
Bidvest Automotive	424 102	264 384	60,4
Bidvest Namibia	367 891	294 367	25,0
Bidvest Corporate	205 850	79 138	160,1
Bidvest Properties	176 637	144 602	22,2
Ontime Automotive	(16 115)	(49 816)	—
Corporate	45 328	(15 648)	—
	5 633 750	5 169 946	9,0
Share-based payment expense	(79 054)	(33 377)	—
	5 554 696	5 136 569	8,1

Consolidated condensed statement of cash flows

for the year ended June 30

R000s	2010	2009
Cash flows from operating activities	4 856 127	3 322 584
Operating profit (including dividends from associates)	5 532 999	4 963 926
Depreciation and amortisation	1 870 465	1 744 350
Other non-cash items	(104 214)	171 384
Cash generated by operations before changes in working capital	7 299 250	6 879 660
Changes in working capital	684 970	(130 792)
Cash generated by operations	7 984 220	6 748 868
Net finance charges paid	(659 634)	(1 024 829)
Taxation paid	(1 166 914)	(1 223 496)
Distributions by – Company	(1 267 899)	(1 144 096)
– subsidiaries	(33 646)	(33 863)
Cash effects of investment activities	(4 846 526)	(1 862 306)
Net additions to vehicle rental fleet	(382 822)	(157 177)
Net additions to property, plant and equipment	(2 332 242)	(1 960 676)
Net additions to intangible assets	(140 118)	(182 635)
Net disposal (acquisition) of subsidiaries, businesses, associates and investments	(1 991 344)	438 182
Cash effects of financing activities	993 372	(1 035 300)
Proceeds from shares issued – Company	1 233 119	51 116
– subsidiaries	300 772	—
Net issue (purchase) of treasury shares	23 714	(6 371)
Net borrowings raised (repaid)	175 385	(322 868)
Net decrease in bank overdrafts	(739 618)	(757 177)
Net increase in cash and cash equivalents	1 002 973	424 978
Net cash and cash equivalents at the beginning of the year	3 212 425	3 038 618
Exchange rate adjustment	(76 676)	(251 171)
Net cash and cash equivalents at end of year	4 138 722	3 212 425

Consolidated statement of financial position

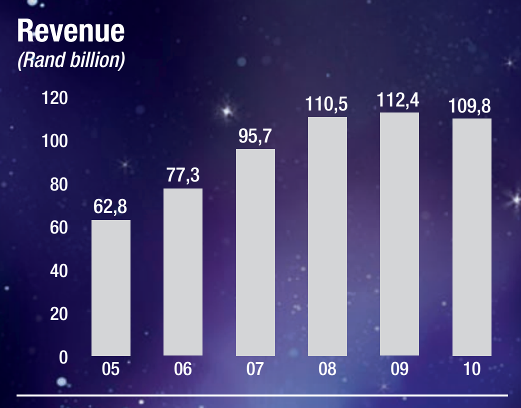
as at June 30

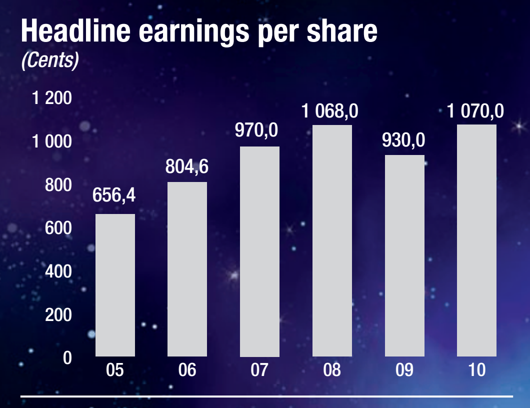
R000s	2010	2009
ASSETS		
Non-current assets	19 371 091	16 119 562
Property, plant and equipment	10 367 571	9 409 702
Intangible assets	651 094	512 286
Goodwill	5 709 169	3 966 950
Deferred tax asset	426 822	378 603
Defined benefit pension surplus	129 850	120 985
Interest in associates	656 865	449 889
Investments	1 157 190	908 884
Banking and other advances	272 530	372 263
Current assets	23 973 829	22 364 822
Vehicle rental fleet	915 042	684 205
Inventories	8 030 752	7 443 252
Short-term portion of banking and other advances	350 086	279 862
Trade and other receivables	10 539 227	10 745 078
Cash and cash equivalents	4 138 722	3 212 425
Total assets	43 344 920	38 484 384
EQUITY AND LIABILITIES		
Capital and reserves	17 392 937	14 297 627
Attributable to shareholders of the Company	16 736 503	13 929 132
Minority shareholders	656 434	368 495
Non-current liabilities	4 669 207	4 155 520
Deferred tax liability	378 992	255 402
Life assurance fund	13 734	20 672
Long-term portion of borrowings	3 448 501	2 990 232
Post-retirement obligations	394 527	460 803
Long-term portion of provisions	235 253	218 972
Long-term portion of operating lease liabilities	198 200	209 439
Current liabilities	21 282 776	20 031 237
Trade and other payables	15 032 357	14 570 716
Short-term portion of provisions	251 635	297 080
Vendors for acquisition	539	15 629
Taxation	364 558	262 080
Short-term portion of banking liabilities	1 080 366	591 200
Short-term portion of borrowings	4 553 321	4 294 532
Total equity and liabilities	43 344 920	38 484 384
Number of shares in issue	319 006	304 995
Net tangible asset value per share (cents)	3 253	3 098
Net asset value per share (cents)	5 246	4 567

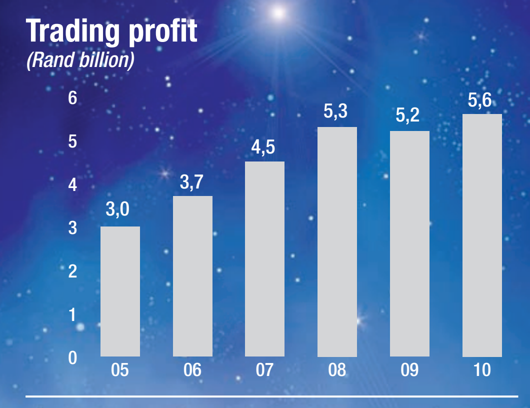
Consolidated statement of changes in equity

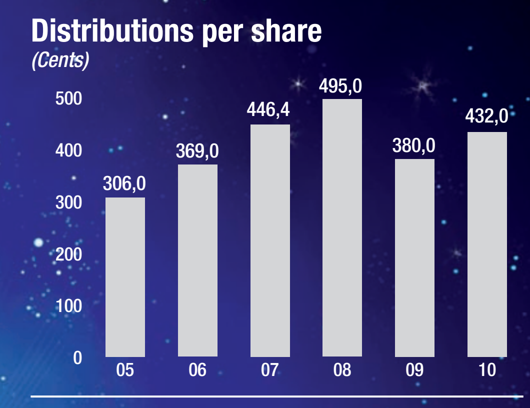
for the year ended June 30

R000s	2010	2009
Shareholders' interest		
Issued share capital	15 950	15 249
– balance at beginning of the year	15 249	15 029
– shares issued during the year	693	56
– capitalisation issue	—	166
– net movement in treasury shares	8	(2)
Share premium arising on shares issued	(2 263 031)	(2 251 264)
– balance at beginning of the year	(2 251 264)	(1 456 154)
– shares issued during the year	1 236 462	51 060
– capitalisation issue	—	(166)
– refund of share premium to shareholders	(1 267 899)	(839 525)
– net movement in treasury shares	23 706	(6 371)
– share issue costs	(4 036)	(108)
Foreign currency translation reserve	20 527	691 746
– balance at beginning of the year	691 746	1 968 975
– arising during the year	(671 219)	(1 277 229)
Statutory reserves	15 215	13 033
– balance at beginning of the year	13 033	13 049
– transfer from (to) retained earnings	2 182	(16)
Equity-settled share-based payment reserve	328 640	253 936
– balance at beginning of the year	253 936	220 559
– arising during the year	74 704	33 377
Movement in retained earnings	18 619 202	15 206 432
– balance at the beginning of the year	15 206 432	12 706 171
– attributable profit	3 345 175	2 802 386
– change in fair value of available-for-sale financial assets	(12 831)	2 428
– dividends paid	—	(304 569)
– transfer of reserves as a result of changes in shareholding of subsidiaries	82 608	—
– transfer from (to) statutory reserves	(2 182)	16
Capital and reserves attributable to shareholders of the Company	16 736 503	13 929 132
Minority shareholders		
– balance at beginning of the year	368 495	310 456
– attributable profit	99 613	105 893
– dividends paid	(33 646)	(33 863)
– movement in foreign currency translation reserve	(4 382)	(4 607)
– movement in equity-settled share-based payment reserve	5 525	60
– issue of shares in subsidiaries	300 772	—
– changes in shareholding	2 665	(9 444)
– transfer of reserves as a result of changes in shareholding of subsidiaries	(82 608)	—
	656 434	368 495
Total equity	17 392 937	14 297 627









Divisional review

Bidvest Freight

Bidvest Freight did well in a difficult year, improving trading profit by 3,1% to R794,3 million (2009: R770,7 million). This improvement was achieved despite a 14,5% revenue decline to R15,9 billion (2009: R18,6 billion). The revenue mix improved as the lost revenue was low-margin clearing and forwarding business.

Bulk trade drove profitability gains. Island View Storage put in a good performance and excellent results were achieved by South African Bulk Terminals. Export forest products, steel and imported bulk products contributed to a record year at Bidfreight Port Operations. Bulk Connections performed strongly, boosted by increased manganese volumes. Rennies Distribution Services produced a strong profit turnaround as the benefits of cost control and restructuring were realised.

A significant fall in demand for imported consumer products impacted clearing and forwarding and container handling. At Safcor Panalpina, restructuring was necessary as billings to customers dropped, exacerbated by lower interest rates and a strong rand. SACD Freight performed well by containing costs as imported container volumes fell. Stringent cost control and cash management contributed to a good result at Marine. Manica had a difficult year, compounded by falling aid cargoes.

Capital expenditure of R503 million included investments in new tankage in Richards Bay and an SACD Freight facility in Cape Town. Lease conditions for Island View Storage facilities in Richards Bay and Bulk Connections in Durban were renegotiated with Transnet. The K Line agency business within Rennies Ships Agency was reconstituted as a joint venture.

Bulk commodities demand is expected to remain high. Continued pressure is anticipated across imported volumes of consumer products.

Bidvest Services

Bidvest Services achieved pleasing results in the face of challenging trading conditions for most of the year. Trading profit of R1,1 billion was 4,7% down (2009: R1,2 billion). Revenue dipped 2,2% to R7,9 billion (2009: R8,1 billion).

The 2010 FIFA World Cup™ was positive particularly for Prestige which benefited through both hospitality cleaning and toilet hire. TopTurf also benefited from tournament-related contracts particularly hospitality floral design. However Bidvest Bank and Bidtravel were disappointed at their contribution arising out of the event.

Steiner did exceptionally well following a management restructure, as did the security cluster of businesses. Prestige put in a strong performance throughout the year and showed market share gains. Laundry operations returned satisfactory results despite low hotel occupancies. A fourth-quarter revival assisted Industrial Products. Konica Minolta excelled and had a very good year as did Global Payment Technologies. TMS Group performed well below expectation but remedial action has been instituted. The Greens division performed well particularly Pureau Water while TopTurf was impacted by cuts to project work.

Cutbacks in corporate travel were negative for Bidtravel, which put in a disappointing performance. Bidair underperformed and a restructure is underway. Bidvest Bank, impacted by low interest rates and a strong rand, performed below expectation. The asset-based finance business, McCarthy Fleet Solutions, has been integrated into Bidvest Bank.

Cash flows strengthened and asset management improved. B-BBEE scores also showed pleasing improvement. Prestige, Magnum and Steiner and other companies are being re-branded to emphasise the Bidvest linkage.

Bidvest Foodservice

Overall the performance as a refocused division was satisfactory. Across such a geographically diverse division, individual business performances differed. Trading profit, including the Nowaco and Farutex acquisition, rose 16,3% to R2,0 billion (2009: R1,8 billion). At R58,4 billion, revenue was 1,0% lower (2009: R59,0 billion). Excluding this acquisition, on a like-for-like basis, revenue was down 7,8%, primarily a result of adverse exchange rate movements.

Bidvest Asia Pacific put in another excellent performance. Results from all contributors were above expectation as Asian economies quickly shook off the effects of the financial crisis and the Australian and New Zealand businesses maximised trading opportunities and their position as industry leaders.

Bidvest Australia was affected by extremely challenging trading conditions in the second half, but nevertheless returned good results, with growth in both revenue and trading profit. Kele, a central Queensland foodservice wholesaler, was acquired towards the end of the year and performed in line with expectations. Major expansions to Cairns, Hobart and Adelaide were completed. Entry into the fresh produce market was initially disappointing, but the potential is evident. The flagship foodservice business put in a strong performance, grew market share and maintained margins despite deflationary pressure.

Bidvest New Zealand faced a declining market and food deflation, yet delivered pleasing revenue and trading profit growth. The core foodservice business put in another strong performance. E-commerce sales now represent more than a third of revenue. Fresh achieved continued growth. Additional bad debt provisions were raised as economic prospects remain challenging.

Angliss Singapore achieved revenue and profit growth as market sentiment rebounded strongly. A gourmet fine food division was created to address the fine food market. *Angliss Greater China* operations put in a strong performance across all businesses, achieving record trading profits.

Bidvest Europe had to contend with recessionary conditions and its immediate aftermath in the UK and continental Europe. A further constraint on trading results was incurred by acquisition charges and the cost of UK depot closures. Nevertheless, results, excluding contributions from Nowaco and Farutex, were in line with expectations. Trading profit was significantly higher once the contributions of the Eastern European businesses were included. Asset management improved and cash generation was solid.

3663 First for Foodservice in the UK has been restructured into two standalone units, *3663 Wholesale and Bidvest Logistics*. Both entities put in a creditable performance in difficult trading conditions. 3663 Wholesale was impacted by lower volumes, however, these improved late in the year. Expense and margin management were focus areas. Various options are under consideration in respect of servicing the fresh market. Bidvest Logistics benefitted from operational efficiencies achieved in both warehousing and distribution.

Deli XL Belgium did well to achieve improved margins and trading profit growth despite the recession. *Deli XL Netherlands* performed to expectation despite intense pressure on sales in both the institutional and hospitality markets. Distribution, labour and overhead expenses were well managed. *Nowaco* in the Czech Republic and Slovakia performed well despite the prolonged impacts of the financial crisis. Flat revenues were countered by stringent margin management and cost controls. *Farutex* delivered a commendable trading result. Revenue has recovered following the loss of a major contract early in the financial year. A new depot in Lodz was opened in November 2009. The *UAE* business and the new *Saudi Arabian* joint venture performed in line with expectations and are profitable.

Southern Africa

The domestic food businesses performance was mixed in challenging conditions as food deflation set in and cash-strapped consumers down-traded. 2010 FIFA World Cup™ benefits were not as strong as hoped and occurred much later than anticipated. Hospitality industry volumes rose, but industrial catering business remained flat while prolonged school holidays meant the educational component of the institutional eating market was adversely affected.

Bidvest Foodservice SA (formerly Caterplus) had an excellent fourth quarter, but trading profit for the year was flat. The business grew market share in a contracting market as business travel, conferencing and the domestic holiday market came under pressure. 2010 FIFA World Cup™ volumes were not as large as expected, though the business launched a concerted effort to maximise the opportunity. Throughout the year, margins remained under pressure. Expenses were well controlled and credit extension rigorously managed. Exports continued to grow. A catering equipment distributor was acquired.

Bidfood Ingredients achieved a pleasing overall performance in challenging conditions, impacted by lower commodity product volumes and deflation across major product lines. This resulted in a dip in revenue, though trading profit showed pleasing growth. Strong profit performances were put in by the Crown factory, Chipkins Bakery Group and NCP. Stock levels were increased in anticipation of higher 2010 FIFA World Cup™ sales, but the expected increase failed to materialise. Debtors collections improved significantly, as did cash generation and return on funds employed. The Crown and Chipkins factories gained ISO 22 000 accreditation.

Speciality achieved record revenue and trading profit on the back of a good second half. However, sales during the 2010 FIFA World Cup™ were lower than expected. The business benefited from increased in-home eating and a high in-store presence. Several new products were introduced to the brand bouquet while the Goldcrest range was expanded.

Bidvest Industrial and Commercial Products

Bidvest Industrial and Commercial Products was impacted by reduced demand as a result of the recessionary climate, lower construction activity and the winding down of major infrastructure projects. Despite World Cup disruptions, fourth-quarter improvements were registered. However, overall results were disappointing. Revenue fell 7,0% to R8,6 billion (2009: R9,3 billion), while trading profit dropped 29,4% to R421,3 million (2009: R596,9 million).

Despite the weak trading environment, cash flow improved. Capital expenditure was deferred, inventories cut and funds employed reduced. Expenses were aggressively managed. ERP rollouts continued.

All contributors in the Office Products business faced a tough trading environment and margin squeeze. Furniture companies were hard hit by corporate spending cutbacks. Extended school holidays and price deflation impacted Waltons, contributing to a disappointing year. Kolok delivered solid results despite currency volatility. Electrical Wholesale was hard hit by lower construction activity, though sales improved in the second half. The level of building plan approvals remain depressed. Depot and branch infrastructure was downsized.

Revenue at Packaging and Catering Equipment was flat. Activity picked up in the final quarter and Vulcan did well from 2010 FIFA World Cup™ contracts. Bidvest Materials Handling (suppliers of forklifts and previously part of McCarthy Heavy Equipment) was integrated into Packaging and Catering.

Bidvest Paperplus

Bidvest Paperplus performed well in a challenging market. Revenue of R2,1 billion was up 8,2% (2009: R1,9 billion). Trading profit rose 10,8% to R248,3 million (2009: R224,2 million). Returns on funds employed and cash generation improved. Investment in new property, plant and equipment was trimmed from R83 million to R44 million.

No major export contracts were won, but this was offset by 2010 FIFA World Cup™ contracts gained. Margins were well managed.

Rotolabel performed strongly from an already good base and the Wholesale Stationery Distribution business delivered much-improved results. Take-up of the Parker pen agency was beneficial. Personalisation and Mail entrenched its position as the top profit contributor. Print Sales and Distribution was impacted by low demand for traditional print but maximised 2010 FIFA World Cup™ opportunities. Alternative Products continues to grow.

Bidvest Automotive

Performance as a whole across the restructured and decentralised division was satisfactory. Trading profit rose 60,4% to R424,1 million (2009: R264,4 million). Revenue at R17,3 billion was 10,7% higher (2009: R15,6 billion).

Following extensive rationalisation and restructuring over the past two years, the *McCarthy Motor Group* staged a strong turnaround. Trading profit more than doubled to R208 million despite a 4% decline in vehicle sales to 72 291 units. Increased emphasis on used vehicle trading resulted in an improvement of 34% in profit contribution, despite lower sales volumes. Parts and service revenues increased. Strong performances were put in by Toyota, VW/Audi, Mercedes, BMW/Mini and Land Rover franchises. Burchmores did well.

The insurance and financing business *McCarthy Financial Services* is transitioning to a multi-channel business model while retaining its strong automotive linkages. Pleasing results were recorded. Record penetration levels were achieved across all major product lines. Underwriting profits exceeded expectations and an equity recovery bolstered the investment portfolio returns.

Budget Car and Van Rental results were weaker, a result of international and domestic travel cutbacks. Industry price-cutting depressed rates. Vehicle utilisation and rental days were below expectation. The 2010 FIFA World Cup™ did not provide the substantial upturn in demand as was expected. Pre-event up-fleeting led to overstocking as corporate travel declined during the tournament. The Door2Door and Chauffer division did well.

Yamaha Distributors results were disappointing as a consequence of the further significant weakening in the demand for leisure products. Margins were also under pressure as a result of yen strength and aggressive, price based competition. Encouraging market share improvements were recorded in virtually all segments.

Bidvest Namibia

Bidvest Namibia listed successfully on the Namibian Stock Exchange in October 2009. Results were in line with listings prospectus projections despite an additional once-off BEE charge arising out of the conclusion of the Ovanhu transaction. Revenue was up 20,6% to N$1,9 billion (2009: N$1,6 billion). Trading profit of N$367,9 million (2009: N$294,4 million) was up 25,0%. The fisheries businesses did exceptionally well, underpinned by a strong performance by Namsov's core horse mackerel operation. A new vessel was acquired for N$210 million. Cash generation was strong. Results within Bidvest Commercial Holdings were mixed. Several acquisition opportunities are being pursued.

Bidvest Corporate

Group-wide initiatives are being pursued to extract further synergistic benefits across the decentralised Group. Corporate continued to evaluate acquisition opportunities. The positioning of the Bidvest brand is gaining momentum and the alignment of operational branding to 'Bidvest' continues. Bidvest Property Holdings continued to successfully manage and grow its significant strategic portfolio. Ontime Automotive in the UK delivered a small loss, an improved result in a challenging market.

Prospects

Weak economic conditions created by the global financial crisis appear to have stabilised yet activity levels in many geographies are likely to remain subdued. In many of our businesses, the asset bases and cost structures were scrutinised in view of the new economic reality. Where necessary, decisive action has been taken to ensure we are best placed in the 'new normal' economic reality. The Group remains committed to its decentralised business model which has proven resilient over a sustained period of economic upheaval. New management appointments in a number of businesses has enabled succession, whilst launching these businesses onto their next growth path.

The Asia Pacific businesses are benefitting from the regional economic environment and remain confident of growth in the year ahead. Focus remains on achieving sustainable revenues and improved operational efficiencies whilst expanding the business model into new product ranges. In the UK, overall economic growth remains anaemic. Opportunities are being sought to expand our European presence in the hospitality and fresh sectors. We remain very positive about the potential of the Eastern European region.

The rate of recovery in the South African economy remains uncertain despite evidence to the contrary. The benefits of a lower interest rate environment has yet to improve consumer demand significantly. Focus remains on ensuring we remain efficient low cost service providers of choice. Our businesses are well resourced and competitively placed to benefit from any recovery.

Our financial position remains strong with conservative gearing and ample capacity to seek out further strategic acquisition opportunities. Our focus remains on delivering acceptable returns from funds employed. Working capital management continues to receive attention, however, some absorption will be evident as and when trading volumes pick up. We remain confident that the momentum seen in the second half of 2010 will result in an improved trading performance in the year ahead. We are budgeting for real growth in earnings.

MC Ramaphosa
Chairman

B Joffe
Chief executive

Johannesburg
August 28 2010

Dividend

Notice is hereby given that a final cash dividend of 225,0 (2009 a distribution out of share premium: 190,0) cents per share, has been awarded to members recorded in the register of the Company at the close of business on Thursday, September 23 2010.

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

Last day to trade cum dividend:	Thursday, September 16 2010
First day to trade ex dividend:	Friday, September 17 2010
Record date:	Thursday, September 23 2010
Payment date:	Monday, September 27 2010

Share certificates may not be rematerialised or dematerialised during the period Friday, September 17 2010 to Thursday, September 23 2010, both days inclusive.

Shareholders are advised the payment of the final cash dividend will attract Secondary Tax on Companies at a rate of 10%.

For and on behalf of the board

CA Brighten
Company secretary

Johannesburg
August 28 2010

Basis of presentation of financial statements

These condensed financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International financial reporting standards and ("IFRS"), the interpretations adopted by the International Accounting Standards board, South African interpretations of Generally Accepted Accounting Practice and include disclosure as required by IAS 34: Interim Financial Reporting.

The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended June 30 2009. The Group has, however, adopted the following new and modified standards and interpretations, in response to changes to IFRS.

- IFRS 2 – Amendments to IFRS 2 Share-based Payment – vesting conditions and cancellations
- IFRS 3, IAS 27, IAS 28 and IAS 31 – Comprehensive revision on applying the acquisition method affecting the standards: Business Combinations; Consolidated and Separate Financial Statements; Investments in Associates; Interests in Joint Ventures
- IFRS 7 – Financial Instruments: Disclosure
- IFRS 8 – Operating Segments
- IAS 1 – Presentation of Financial Statements
- IAS 16 – Property, Plant and Equipment
- IAS 19 – Employee Benefits
- IAS 23 – Borrowing Costs
- IAS 32 – Financial Instruments: Presentation
- IAS 39 – Financial Instruments: Recognition and Measurement
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 – Distributions of Non-Cash Assets to Owners
- IFRIC 18 – Transfer of Assets from Customers

The adoption of the amendments to IFRS 3 has resulted in costs relating to acquisitions of R61,2 million being charged to profit during the year as compared to prior years, where these costs were included as part of the cost of the acquisitions. Changes to IAS 27 have resulted in a surplus of R82,6 million resulting from change in shareholding in a subsidiary being recognised directly in equity as apposed to being included in profit for the year.

As a result of the change in accounting standards in respect of IFRS 3 and IAS 27 profit attributable to shareholders of the company has reduced by R143,8 million. Had this change not taken place basic earnings per share for the year would have been 1 109,3 cents an increase of 19,3% and headline earnings per share would have been 1 089,4 cents an increase of 17,1%.

Results for the comparative years have not been restated as the transitional arrangements for both IFRS 3 and IAS 27 provide exemption from retrospective application.

On review of how the operating segments are managed in accordance with IFRS 8 it was decided to remove the costs in respect of share-based payment expenses from each of the operating segments, and disclose this as a reconciling item in the segmental analysis of trading profit and segmental result, as this not a criteria used in the management of the various segments. In addition to this, the leasing and fleet management business previously included with Bidvest Automotive, has been reallocated to the Bidvest Services segment. The comparative year's results have been restated to reflect these changes.

Other than the above, the adoption of the new and modified standards and interpretations, has only altered disclosure with no impact on the Group's results.

Acquisitions

The Group acquired 100% of the issued share capital of Nowaco Czech Republic s.r.o ("Nowaco"), a company incorporated in Czech Republic and 100% of the issued share capital of Farutex Sp.z.o.o ("Farutex"), a company incorporated in Poland (collectively "the Nowaco group") with effect from July 1 2009, for an enterprise value consideration of €250 million. The purchase consideration was settled with cash of €119 million and the assumption of €131 million debt. Nowaco group is the number one delivered wholesaler to the foodservice and independent retail markets in Central and Eastern Europe. Nowaco focuses on the Czech Republic and Slovakia while Farutex serves the Polish market.

€130 million of the acquisition price was funded by cash, partly raised by the Company from an issue of shares and partly from the Group's existing banking facilities, with the balance being funded by debt.

The acquisition of the Nowaco Group will complement the existing international foodservice business of Bidvest in the United Kingdom, Europe, Australia, New Zealand and Asia. Central and Eastern Europe represents a strategic market with growth opportunities. A presence here will enable Bidvest to continue expanding its international interests in the foodservice industry with the objective of developing a leading global foodservice business. The acquisition provides a unique opportunity to acquire market-leading Central and Eastern European foodservice businesses, creating potential customer and purchasing synergies. The Nowaco group is a consistently highly profitable business with a strong management team and provides Bidvest with a foothold and entry point into the broader Central and Eastern European markets.

Nowaco group contributed R4 094,8 million to revenue and R90,2 million to profit for the year, after taking account of the acquistion of R51,2 million costs arising on acquisition.

A number of smaller acquisitions were also undertaken during the year. Their impact on the Group's results was not material.

R'000	June 30 2010	 2009
Commitments		
Capital expenditure approved		
Contracted for	506 384	745 704
Not contracted for	247 226	252 231
	753 610	997 935

Exchange rates

The following exchange rates were used in the conversion of foreign interests and foreign transactions for the year:

	June 30 2010	 2009
Rand/Sterling		
Closing rate	11,53	13,02
Average rate	12,05	14,47
Rand/Euro		
Closing rate	9,34	11,05
Average rate	10,60	12,35
Rand/Australian dollar		
Closing rate	6,56	6,34
Average rate	6,71	6,67

Audit report

The auditors, Deloitte & Touche, have issued their opinion on the Group's financial statements for the year ended June 30 2010. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised financial statements have been derived from the Group's financial statements and are consistent in all material respects, with the Group's financial statements. A copy of their audit report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors.

Analyst presentation

The investor presentation will be available on the Bidvest website from 11:00 on August 30 2010.

The Bidvest Group Limited
Incorporated in the Republic of South Africa
Registration number: 1946/021180/06
ISIN: ZAE000117321
Share code: BVT

Directors
Chairman
MC Ramaphosa

Independent non-executive
DDB Band, LG Boyle*, MBN Dube, S Koseff, NP Mageza, D Masson, JL Pamensky, NG Payne, Adv FDP Tlakula

Non-executive
AA Da Costa (alternate LJ Mokoena), FJ Barnes*, RM Kunene, T Slabbert

Executive
B Joffe (Chief executive), BL Berson**, MC Berzack, DE Cleasby, AW Dawe, LI Jacobs, P Nyman, SG Pretorius, LP Ralphs, AC Salomon

(*British **Australian)

Company secretary
CA Brighten

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Further detailed information regarding our Group can be found on the Bidvest website:

www.bidvest.com