The Bidvest Group Limited Audited results for the year ended June 30 2011

Bidvest

PASSION / VITALITY / PRECISION

R118,5 billion
Revenue 7,9% ⬆

R6,1 billion
Trading profit 9,1% ⬆

1 157,4 cents
Headline earnings per share 8,2% ⬆

480,0 cents
Dividends per share 11,1% ⬆

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 ("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 financial statements have been prepared using accounting policies that comply with IFRS and which are consistent with those applied in the preparation of the financial statements for the year ended June 30 2010. The Group has, however, adopted the following new and modified standards and interpretations, in response to changes to IFRS: IAS 39 (revised) – Financial instruments: recognition and measurement, IAS 24 (revised) – Related party disclosure, IAS 32 (revised) – Financial instruments: presentation, IFRIC 14 – The limit on a defined benefit asset, minimum funding requirements and their interaction, and IFRIC 19 – Extinguishing financial liabilities with equity instruments.

The adoption of the new and modified standards and interpretations has had no impact on the Group's results.

Restatement of segmental information

During the year, operations in South Africa were reorganised, resulting in the creation of new segments and the reorganisation of operations within others. The comparative year's segmental results have been restated to reflect these changes.

The above reorganisation had no impact on the results of the Group as previously reported, and as such, a restated consolidated financial position for the year to June 30 2009 has not been included with this announcement.

Exchange rates

The following principal exchange rates were used in the conversion of foreign interests and foreign transactions during the years:

June 30	2011	2010
Rand/Sterling		
Closing rate	**10,97**	11,53
Average rate	**11,18**	12,05
Rand/Euro		
Closing rate	**9,84**	9,34
Average rate	**9,56**	10,60
Rand/Australian dollar		
Closing rate	**7,25**	6,56
Average rate	**6,94**	6,71

Audit report

The auditors, Deloitte & Touche, have issued their opinion on the Group's financial statements for the year ended June 30 2011. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised provisional financial statements have been derived from the Group's financial statements and are consistent in all material respects, with the Group financial statements. A copy of their audit report is available for inspection at the company's registered office.

Any reference to future prospects included in this announcement, has not been reviewed or reported on by the Company's auditors.

Preparer of financial statements

These condensed consolidated financial statements have been prepared under the supervision of NEJ Goodwin CA(SA).

The Bidvest Group Limited

("Bidvest" or "the Group" or "the Company")
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
FJ Barnes*, AA Da Costa (alternate LJ Mokoena), RM Kunene, T Slabbert

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

*(*British **Australian)*

Company secretary

CA Brighten

Consolidated income statement

for the year ended June 30

R000s	2011	2010	Percentage change
Revenue	**118 482 736**	109 789 207	7,9
Cost of revenue	**(93 930 778)**	(86 778 366)	
Gross income	**24 551 958**	23 010 841	6,7
Other income	**451 623**	424 725	
Operating expenses	**(18 941 920)**	(17 880 870)	
Sales and distribution costs	**(12 541 784)**	(12 115 597)	
Administration expenses	**(4 263 910)**	(4 069 739)	
Other costs	**(2 136 226)**	(1 695 534)	
Trading profit	**6 061 661**	5 554 696	9,1
Acquisition costs	**(24 297)**	(61 202)	
Net capital items	**(189 453)**	(30 151)	
Operating profit	**5 847 911**	5 463 343	7,0
Net finance charges	**(644 010)**	(758 479)	
Finance income	**69 905**	64 408	
Finance charges	**(713 915)**	(822 887)	
Share of profit of associates	**98 417**	40 983	
Dividends received	**32 948**	30 785	
Share of current year earnings	**65 469**	10 198	
Profit before taxation	**5 302 318**	4 745 847	11,7
Taxation	**(1 528 169)**	(1 301 059)	
Current and deferred taxation	**(1 395 682)**	(1 298 744)	
Secondary taxation on companies	**(132 487)**	(2 315)	
Profit for the year	**3 774 149**	3 444 788	9,6
Attributable to:			
Shareholders of the Company	**3 538 748**	3 345 175	5,8
Minority shareholders	**235 401**	99 613	
	3 774 149	3 444 788	9,6
Shares in issue			
Total	**309 021**	319 006	
Weighted ('000)	**318 665**	314 510	
Diluted weighted ('000)	**319 612**	316 439	
Basic earnings per share (cents)	**1 110,5**	1 063,6	4,4
Diluted basic earnings per share (cents)	**1 107,2**	1 057,1	4,7
Headline earnings per share (cents)	**1 157,4**	1 070,0	8,2
Diluted headline earnings per share (cents)	**1 153,9**	1 063,4	8,5
Dividends per share (cents)	**480,0**	432,0	11,1
Interim	**225,0**	207,0	
Final	**255,0**	225,0	
HEADLINE EARNINGS			
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	**3 538 748**	3 345 175	5,8
Impairment of property, plant and equipment, goodwill and intangible assets	**140 004**	41 070	
Property, plant and equipment	**27 027**	30 271	
Goodwill	**3 571**	5 528	
Intangible assets	**151 521**	6 158	
Tax relief	**(42 115)**	(816)	
Minority shareholders	**—**	(71)	
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**84**	—	
Loss on disposal, and reversal of impairment of investments in associates	**209**	(22 331)	
Reversal of impairment of investments in associate	**—**	(25 900)	
Net loss on change in shareholding in associates	**209**	3 569	
Net loss on disposal of property, plant and equipment and intangible assets	**9 114**	1 208	
Property, plant and equipment	**5 642**	8 814	
Intangible assets	**1 399**	1 711	
Tax relief	**(5 760)**	(4 076)	
Minority shareholders	**7 833**	(5 241)	
Headline earnings	**3 688 159**	3 365 122	9,6

Consolidated statement of other comprehensive income

for the year ended June 30

R000s	2011	2010
Profit for the year	**3 774 149**	3 444 788
Other comprehensive income (expense) net of tax		
Increase (decrease) in foreign currency translation reserve	**224 774**	(675 601)
Decrease in fair value of available-for-sale financial assets	**(1 732)**	(12 831)
Decrease in fair value of available-for-sale financial assets before tax	**(1 732)**	(17 877)
Taxation	**—**	5 046
Total comprehensive income for the year	**3 997 191**	2 756 356
Attributable to:		
Shareholders of the Company	**3 765 319**	2 661 125
Minority shareholders	**231 872**	95 231
	3 997 191	2 756 356

Segmental analysis

for the year ended June 30

R000s	2011	2010	Percentage change
REVENUE			
Bidvest South Africa	**59 020 824**	51 791 014	14,0
Automotive	**18 608 261**	15 849 758	17,4
Financial Services	**1 676 700**	1 474 441	13,7
Electrical	**4 100 368**	3 978 286	3,1
Freight	**19 253 273**	15 941 865	20,8
Industrial	**1 486 371**	1 434 758	3,6
Office	**3 684 598**	3 497 605	5,3
Paperplus	**3 705 374**	3 464 184	7,0
Rental and Products	**1 730 074**	1 576 391	9,7
Services	**2 901 383**	2 840 059	2,2
Travel and Aviation	**1 874 422**	1 733 667	8,1
Bidvest Foodservice	**59 645 556**	58 389 859	2,2
Asia Pacific	**19 563 066**	17 547 642	11,5
Europe	**34 664 912**	35 460 797	(2,2)
Southern Africa	**5 417 578**	5 381 420	0,7
Bidvest Namibia	**2 133 749**	1 949 205	9,5
Bidvest Corporate	**683 238**	730 687	(6,5)
Properties	**212 270**	175 015	21,3
Corporate and investments	**470 968**	555 672	(15,2)
	121 483 367	112 860 765	7,6
Inter Group eliminations	**(3 000 631)**	(3 071 558)	
	118 482 736	109 789 207	7,9
TRADING PROFIT			
Bidvest South Africa	**3 412 191**	3 091 230	10,4
Automotive	**255 420**	230 787	10,7
Financial Services	**641 621**	557 604	15,1
Electrical	**181 832**	193 933	(6,2)
Freight	**886 248**	794 284	11,6
Industrial	**118 445**	134 154	(11,7)
Office	**215 388**	197 274	9,2
Paperplus	**325 609**	312 629	4,2
Rental and Products	**325 872**	280 205	16,3
Services	**187 577**	183 190	2,4
Travel and Aviation	**274 179**	207 170	32,3
Bidvest Foodservice	**2 031 705**	2 046 017	(0,7)
Asia Pacific	**833 125**	729 375	14,2
Europe	**842 455**	897 771	(6,2)
Southern Africa	**356 125**	418 871	(15,0)
Bidvest Namibia	**540 154**	367 891	46,8
Bidvest Corporate	**140 263**	128 612	9,1
Properties	**207 153**	176 637	17,3
Corporate and Investments	**(66 890)**	(48 025)	39,3
	6 124 313	5 633 750	8,7
Share-based payment expense	**(62 652)**	(79 054)	
	6 061 661	5 554 696	9,1

Consolidated condensed statement of cash flows

for the year ended June 30

R000s	2011	2010
Cash flows from operating activities	**4 490 872**	4 856 127
Operating profit	**5 847 911**	5 463 343
Dividends from associates	**32 948**	30 785
Acquisition costs	**24 297**	61 202
Depreciation and amortisation	**1 811 698**	1 870 465
Other non-cash items	**64 653**	(126 545)
Cash generated by operations before changes in working capital	**7 781 507**	7 299 250
Changes in working capital	**405 727**	684 970
Cash generated by operations	**8 187 234**	7 984 220
Net finance charges paid	**(559 214)**	(659 634)
Taxation paid	**(1 577 411)**	(1 166 914)
Distributions by – Company	**(1 452 491)**	(1 267 899)
– subsidiaries	**(107 246)**	(33 646)
Cash effects of investment activities	**(3 877 688)**	(4 846 526)
Net additions to vehicle rental fleet	**(282 940)**	(382 822)
Net additions to property, plant and equipment	**(2 523 231)**	(2 332 242)
Net additions to intangible assets	**(237 389)**	(140 118)
Net acquisition of subsidiaries, businesses, associates and investments	**(834 128)**	(1 991 344)
Cash effects of financing activities	**(735 423)**	1 732 990
Proceeds from shares issued – Company	**—**	1 233 119
– subsidiaries	**—**	300 772
Net issue (purchase) of treasury shares	**(1 426 546)**	23 714
Share buy back costs	**(11 980)**	—
Net borrowings raised	**703 103**	175 385
Net increase (decrease) in cash and cash equivalents	**(122 239)**	1 742 591
Net cash and cash equivalents at the beginning of the year	**2 905 453**	1 239 538
Exchange rate adjustment	**25 829**	(76 676)
Net cash and cash equivalents at end of the year	**2 809 043**	2 905 453
Net cash and cash equivalents comprise:		
Cash and cash equivalents	**4 437 268**	4 138 722
Bank overdrafts included in short-term portion of borrowings	**(1 628 225)**	(1 233 269)
	2 809 043	2 905 453

Consolidated statement of financial position

as at June 30

R000s	2011	2010
ASSETS		
Non-current assets	**21 860 236**	19 371 091
Property, plant and equipment	**11 603 183**	10 367 571
Intangible assets	**672 105**	651 094
Goodwill	**6 354 825**	5 709 169
Deferred tax assets	**390 792**	426 822
Defined benefit pension surplus	**111 692**	129 850
Interest in associates	**684 405**	656 865
Investments	**1 749 577**	1 157 190
Banking and other advances	**293 657**	272 530
Current assets	**25 969 682**	23 973 829
Vehicle rental fleet	**1 063 371**	915 042
Inventories	**8 750 609**	8 030 752
Short-term portion of banking and other advances	**154 279**	350 086
Trade and other receivables	**11 564 155**	10 539 227
Cash and cash equivalents	**4 437 268**	4 138 722
Total assets	**47 829 918**	43 344 920
EQUITY AND LIABILITIES		
Capital and reserves	**18 456 992**	17 392 937
Attributable to shareholders of the Company	**17 669 264**	16 736 503
Minority shareholders	**787 728**	656 434
Non- current liabilities	**5 769 111**	4 669 207
Deferred tax liabilities	**507 505**	378 992
Life assurance fund	**34 014**	13 734
Long-term portion of borrowings	**4 391 429**	3 448 501
Post-retirement obligations	**381 332**	394 527
Long-term portion of provisions	**272 400**	235 253
Long-term portion of operating lease liabilities	**182 431**	198 200
Current liabilities	**23 603 815**	21 282 776
Trade and other payables	**16 812 487**	15 032 357
Short-term portion of provisions	**237 471**	251 635
Vendors for acquisition	**539**	539
Taxation	**201 313**	364 558
Short-term portion of banking liabilities	**1 275 897**	1 080 366
Short-term portion of borrowings	**5 076 108**	4 553 321
Total equity and liabilities	**47 829 918**	43 344 920
Net tangible asset value per share (cents)	**3 444**	3 253
Net asset value per share (cents)	**5 718**	5 246

Consolidated statement of changes in equity

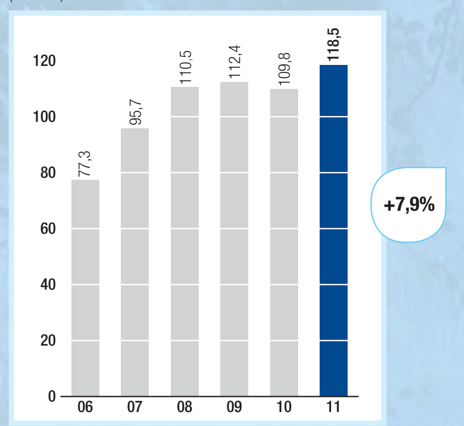
for the year ended June 30

R000s	2011	2010
Shareholders' interest		
Issued share capital	**16 367**	17 507
Balance at beginning of the year	**17 507**	16 814
Shares issued during the year	**—**	693
Cancellation of treasury shares	**(1 140)**	—
Share premium	**81 258**	81 258
Balance at beginning of the year	**81 258**	228 301
Shares issued during the year	**—**	1 236 462
Refund of share premium to shareholders	**—**	(1 379 469)
Share issue costs	**—**	(4 036)
Foreign currency translation reserve	**248 830**	20 527
Balance at beginning of the year	**20 527**	691 746
Arising during the year	**228 303**	(671 219)
Statutory reserves	**15 894**	15 215
Balance at beginning of the year	**15 215**	13 033
Transfer from retained earnings	**679**	2 182
Equity-settled share-based payment reserve	**391 430**	328 640
Balance at beginning of the year	**328 640**	253 936
Arising during the year	**62 790**	74 704
Movement in retained earnings	**19 101 358**	18 619 202
Balance at beginning of the year	**18 619 202**	15 206 432
Attributable profit	**3 538 748**	3 345 175
Change in fair value of available-for-sale financial assets	**(1 732)**	(12 831)
Net dividends paid	**(1 452 491)**	—
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(4 331)**	82 608
Cancellation of treasury shares and related costs	**(1 597 359)**	—
Transfer to statutory reserves	**(679)**	(2 182)
Treasury shares	**(2 185 873)**	(2 345 846)
Balance at beginning of the year	**(2 345 846)**	(2 481 130)
Purchase of shares by susidiaries	**(1 581 285)**	(24 975)
Shares disposed of in terms of share incentive scheme	**154 739**	48 689
Capital invested	**—**	111 570
Cancellation of treasury shares	**1 586 519**	—
Capital and reserves attributable to shareholders of the Company	**17 669 264**	16 736 503
Minority shareholders		
Balance at beginning of the year	**656 434**	368 495
Attributable profit	**235 401**	99 613
Dividends paid	**(107 246)**	(33 646)
Movement in foreign currency translation reserve	**(3 529)**	(4 382)
Movement in equity-settled share-based payment reserve	**60**	5 525
Issue of shares in subsidiaries	**—**	300 772
Changes in shareholding	**2 277**	2 665
Transfer of reserves as a result of changes in shareholding of subsidiaries	**4 331**	(82 608)
	787 728	656 434
Total equity	**18 456 992**	17 392 937

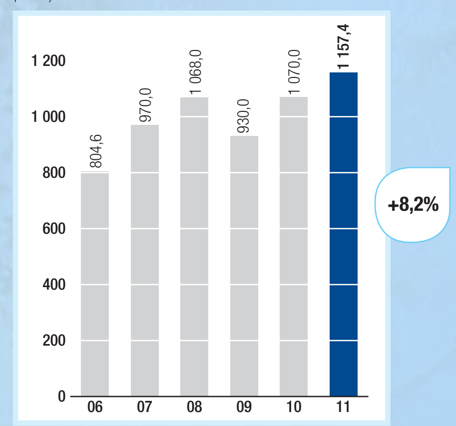
The vitality of each individual generates the life force of the whole.

We are proudly Bidvest

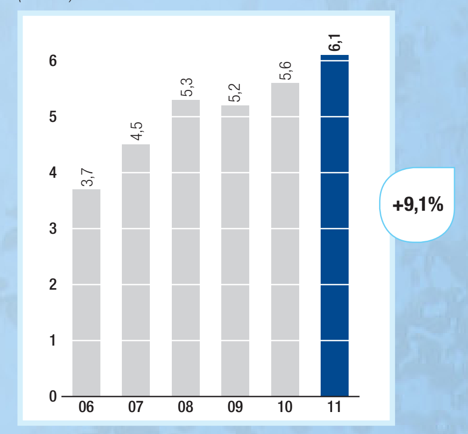
Revenue
(R billion)



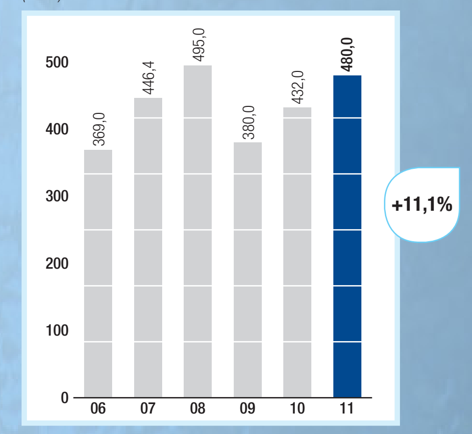
Headline earnings per share
(cents)



Trading profit
(R billion)



Dividends per share
(cents)



Overview

Solid financial results were achieved for the year ended June 30 in the face of a strong South African currency, poor demand in the construction and hospitality sectors in South Africa and weak economic activity in a number of geographic regions in which the Group operates. Headline earnings per share (HEPS) increased by 8,2% to 1 157,4 cents. Headline results were also impacted by a R132,0 million increase in the tax charge as a result of Secondary Tax on Companies on dividends – a charge that had not been incurred in the comparative year. This reduced HEPS by 3,9%. The overall impact of rand strength versus sterling and the euro and rand weakness against the Australian dollar was equivalent to a reduction of 1,3% of HEPS on the translation of the earnings of foreign operations. Basic earnings per share increased by 4,4% to 1 110,5 cents, impacted by the write-off of capital items of which the largest part related to the impairment of an IT project in 3663 Wholesale.

Asia Pacific continued to deliver strong results. Deflation on food products was evident for a large part of the year, impacting trading margins. Bidvest Europe's overall result was lower. Adverse factors included a challenging economic climate and poor weather. Most business maintained profitability, however.

Trading conditions in southern Africa showed some improvement, though last-quarter demand weakened. The corporate market held up relatively well. Discretionary consumer spending remained under pressure. Activity levels were weak across businesses exposed to infrastructure, construction and hospitality sectors. Bidvest continued to invest in infrastructure to ensure medium-term growth and sustainability. Ongoing focus on asset and cash-flow management contributed to inventory optimisation and minimised debtor delinquencies. Return on funds employed (ROFE) remains a core management driver across all regions.

The sale of 13,5% of the equity of Mumbai International Airport Limited for a profit of between R300,0 million and R400,0 million was not timeously completed as certain formalities remain outstanding. No accrual has been made for this profit in the results.

Financial overview

Revenue grew 7,9% to R118,5 billion (2010: R109,8 billion). Gross margin was largely maintained. Operating expenses were well controlled across the Group, increasing by 5,9%. Overall trading margin improved slightly to 5,12% (2010: 5,06%), despite a relative increase in revenue from lower margin activities such as forwarding and clearing and automotive retailing.

Cash generated by operations before working capital changes improved 6,6% to R7,8 billion. Working capital generation of R0,4 billion was encouraging, showing the value of ongoing focus on asset management. Over the past two years, approximately R1,1 billion has been generated through reduced working capital requirements. Net capital expenditure on property, plant and equipment and intangibles of R2,8 billion (2010: R2,5 billion) included significant investment into asset-based leasing and terminal assets.

Net debt increased to R5,0 billion (2010: R3,8 billion), impacted principally by the R1,6 billion of cash utilised to implement the share buy-back from Dinatla in May 2011. Ongoing utilisation of the short end of the funding market in South Africa's stable interest rate environment was beneficial. Net finance charges declined 15,1% to R644,0 million, while interest cover improved to 9,1 times (2010: 7,2 times). The Group retains adequate borrowing capacity. Overall, the stated financial position remains robust and appropriately valued. Bidvest's attitude to gearing remains conservative and is appropriate in the current climate. In December, Fitch Ratings affirmed the Group national rating at A+ with a positive outlook. Moody's continue to rate the Group at A1.za with a stable outlook.

Strategic realignment of executive management responsibilities

Bidvest faces a wide array of opportunities and challenges in its continuing pursuit of superior performance for stakeholders. To sharpen the focus of executive responsibilities and create capacity for expansion, Bidvest announced in March that Lindsay Ralphs would become managing director of all core South African operations, excluding food and Bidvest Namibia. Businesses in South Africa have been realigned into new divisions. Senior positions in the new structure were all filled by internal staff. Management is encouraged by the enthusiasm and energy of the new teams.

Black economic empowerment

Bidvest has level 3 BBBEE status, reflecting the efforts of management and staff to achieve transformation objectives. However, the promotion of black executives to senior management positions remains the greatest challenge and a key priority.

In May, the Group concluded a R1,6 billion share repurchase with its broad-based BEE partners, Dinatla, to give them the certainty of early cash realisation and facilitate repayment well ahead of settlement obligations in March 2012. Dinatla remains a shareholder of the Group with unencumbered shares valued in excess of R2,0 billion. The Group is extremely proud of the value created.

Acquisitions

The Group acquired 100% of the share capital of Seafood Holdings Limited ("Seafood") for an enterprise value of GBP45,0 million, effective January 2011. Seafood afforded the Group a unique opportunity to acquire a market-leading UK fresh fish foodservice business with sufficient geographic reach to provide a solid platform for growth.

Seafood contributed R595,2 million to revenue and R21,7 million to operating profit for the period, before taking account of the costs arising on the acquisition.

A number of other smaller acquisitions were also completed during the year.

Divisional review

Bidvest South Africa

Realignment into 10 focused divisions was successfully implemented. Performance was mixed, reflecting patchy, hesitant recovery and ongoing weak demand in construction and hospitality. Freight and Rental performed strongly, Travel staged a good recovery, Automotive optimised opportunities and Paperplus and Services coped well. Banking operations showed good growth. All teams showed resilience, driving revenue 14,0% higher to R59,0 billion (2010: R51,8 billion), while trading profit reached R3,4 billion (2010: R3,1 billion).

Automotive

The dealer-focused division put in a satisfactory performance, with revenue up 17,4% to R18,6 billion (2010: R15,9 billion) while trading profit moved 10,7% higher to R255,4 million (2010: R230,8 million). The principal driver was new vehicle sales, which rose 22,1% to 36 269 units, up from 29 697. Used vehicle sales fell 11,2% from 42 594 to 37 825. Combined volumes were up by 1 803 units. Volkswagen/Audi remained the top performer.

The rate of industry growth showed signs of slowing and markets remained highly competitive. New entry level vehicle price deflation continued and margins narrowed. Trading challenges were compounded by supply difficulties after strikes in August and September 2010 and following the natural catastrophe in Japan. Parts and service department profits were impacted by the reluctance to spend of over-indebted consumers. Lower bank repossessions were negative for Burchmore's. ROFE nevertheless improved from 23,1% to 25,1%. Additional closure costs at Value Centre/Call a Car were absorbed.

Financial Services

An expanded Bidvest Bank performed strongly, with profit before tax up 17,9% to R388,8 million (2010: R330,0 million). The R650,0 million internal acquisition of the fleet activities of the Automotive division was successfully integrated. Assets of R3,6 billion showed 4,7% growth and were well managed. The low credit loss ratio was maintained while building the loans, advances and leased assets book by 8,9% to R2,4 billion. Operations were strongly cash generative. Deposits rose 15,5% from R1,2 billion to R1,4 billion.

Net revenue at Bidvest Financial Services rose by 57,1% to R320,9 million (2010: R204,3 million) while profit before tax went 44,6% higher to R253,5 million (2010: R175,3 million). Total assets at the refocused insurance business increased from R723,6 million to R884,4 million. The Finance business returned to profit, growing book size to R6,2 billion. Policy volumes grew across all channels. Product innovation drives boosted growth. A newly created structure, Yamaha Financial Services, will be implemented in the new year.

Electrical

With the construction industry still in recession, teams did well to retain market share and maintain revenue at R4,1 billion. Margins were under pressure as competition intensified and trading profit fell 6,2% to R181,8 million (2010: R193,9 million). The IT rollout was successfully completed across the wholesale network, but pushed expenses higher. Efficiencies are coming through following branch rationalisation. Despite a protracted strike, Atlas achieved record sales in a shrinking market. Certain regions were hit harder than others, resulting in some branches returning poor results. Improvements were seen at Voltex Retail. Waco performed at acceptable levels. Sanlic results were disappointing.

Freight

Bulk commodity businesses led a strong performance in a challenging environment. Trading profit jumped 11,6% to R886,3 million (2010: R794,3 million) while revenue moved 20,8% higher to R19,3 billion (2010: R15,9 billion). Challenges related principally to rail freight bottlenecks and congested harbour and road infrastructure. Freight teams maximised the opportunity presented by continued strong commodity demand and improved trade volumes. Capital expenditure of R314,6 million was committed to improve efficiencies and terminal capacity utilisation.

High capacity levels underpinned a good IVS performance. The full-year effect of the expansion of Richards Bay terminal was beneficial. The SABT bulk terminals business put in an exceptional performance, bolstered by substantial maize exports. BPO also had an excellent year, thanks to strong fertilizer, soya bean meal, export pulp and steel volumes. Transport and stevedoring showed good growth. Rennies Ships Agency maximised opportunities. Bulk Connections was impacted by operational challenges with rail freight services and higher rentals.

SACD Freight put in a solid performance, with a pleasing showing by the Durban operations. The forwarding and clearing operations of Safcor Panalpina maintained their recovery, though low-margin automotive volumes drove much of the billings improvement. Rennies Distribution Services had a better year on the back of new customer gains and good cost and debtors control. Naval was challenged by falling ferrochrome and granite volumes. Marine Insurance profits exceeded expectation.

Industrial

Performance was mixed, with revenue up 3,6% to R1,5 billion (2010: R1,4 billion) while trading profit fell 11,7% to R118,5 million (2010: R134,2 million). Margins narrowed from 9,3% to 7,9% and ROFE dipped to 23,3%. Asset management remains a focus area. Pressure on manufacturing due to the weak economy and effects of the strong rand impacted Afcom, which produced disappointing results. Berzacks optimised clothing industry opportunities for pleasing growth. The new Materials Handling operation bedded in well, driving strong growth. Buffalo Executape took advantage of new markets for an excellent year. Vulcan sales fell as hospitality demand declined. Yamaha improved off last year's low base.

Office

Results were mixed. Revenue moved 5,3% higher to R3,7 billion (2010: R3,5 billion) and trading profit rose 9,2% to R215,4 million (2010: R197,3 million). Technology businesses performed strongly, furniture had a disappointing year and stationery faced continuing pressure. Restructuring was necessary at Cecil Nurse. The loss-making furniture division was consolidated and production activities are to be merged. Dauphin broadened its range and distribution channels. Contract Stationers was merged into Waltons Gauteng. Konica Minolta has entered the radiology market.

Paperplus

Revenue rose 7,0% to R3,7 billion (2010: R3,5 billion) while trading profit of R325,6 million (2010: R312,6 million) was up 4,2% – a satisfactory performance in challenging industry conditions. Volumes were boosted by Kolok's inclusion. ROFE dipped to 31,0% (2010: 32%) and trading margin eased higher, reflecting continued migration into new technology areas. Technology investment and acquisition enabled market-share gains in industry growth sectors. Export successes helped replace one-off volumes related to last year's World Cup. Acquisition of nationally represented Sprint Packaging enabled strategic packaging expansion. Continued investment in digital printing technology entrenched Lithotech Afric Mail's sector leadership.

Rental and Products

A highly satisfactory performance took revenue 9,7% higher to R1,7 billion (2010: R1,6 billion) while trading profit rose 16,3% to R325,9 million (2010: R280,2 million). The G.Fox industrial products business had a record year, underpinned by strong growth in Johannesburg and Swaziland. Steiner Hygiene was another strong performer while good improvement was shown by Pureau and Execuflora. The Boston laundries business was impacted by low hotel occupancies and intense garment rental competition resulting in the cost base being reassessed. Hotel Amenities had a poor year.

Services

Performance varied across the businesses, with revenue rising 2,2% to R2,9 billion (2010: R2,8 billion) while trading profit rose 2,4% to R187,6 million (2010: R183,2 million). ROFE rose from 36,9% to 49,5%. Cash generation was strong overall. Prestige cleaning businesses produced excellent results, buoyed by niche market gains. Magnum performed strongly. Its guarding and vehicle tracking businesses did well while improvements were delivered by a restructured technology unit. TMS under-performed. Its business model is being reviewed and the customer-base broadened. TopTurf revenue fell in a depressed post-World Cup hotel and resort market.

Travel and Aviation

Excellent results were achieved. Trading profit rose 32,3% to R274,2 million (2010: R207,2 million) off an 8,1% revenue increase to R1,9 billion (2010: R1,7 billion). Margins were well managed, ROFE rose to 21% from 14% and cash generation improved. A re-engineered travel business performed well. Expenses were stringently managed despite restructuring costs. A reorganised Bidair Services achieved strong revenue gains while significantly improving cost efficiency. Premier Lounges invested in improved facilities, attracting higher passenger volumes. Innovation helped Budget Rent a Car to a better year despite industry discounting.

Bidvest Foodservice

Performance was in line with managements' expectations, with revenue up 2,2% to R59,6 billion (2010: R58,4 billion) while trading profit fell marginally to R2,0 billion.

Asia Pacific

Bidvest Australia maintained its strong run, reflecting exceptional effort in challenging conditions. Trading margins were maintained despite the impact of natural disasters. The strong Australian dollar put a brake on tourist arrivals, creating challenges in areas such as Cairns and the Gold Coast. Nationwide volumes at cafes, restaurants and takeaway food vendors rose slightly, margins were maintained, primarily through enhanced procurement opportunities, and expenses well managed. E-commerce channels continued to gain customer acceptance and M-commerce is growing rapidly following the highly successful introduction of our online ordering application. The core Foodservice operation capped a good year with a strong fourth-quarter. Hospitality maintained sales, but at reduced margins. The Fresh division continued to struggle and Logistics (QSR) came under increasing pressure after exiting a large low-margin contract.

Bidvest New Zealand performed strongly despite the impact on trading of the Christchurch earthquake. Employees put in a tremendous effort to help one another and their communities. Both revenue and trading profit increased while trading margins were maintained. New distribution centres were built at Tauranga and Dunedin while Plymouth facilities were expanded. IT upgrades continued. E-commerce volumes rose to 46,0% of sales. Foodservice was the big driver of overall performance. Fresh division achieved exceptional sales and profit growth.

Angliss Singapore exceeded trading profit targets. A strengthening Singapore dollar proved beneficial in managing imported product prices. A fourth-quarter economic slowdown was cushioned by record tourist arrivals and strong hotel and restaurant demand. Angliss Greater China put in a pleasingly strong performance, with good contributions from the core Hong Kong business as well as the divisions in Macau and Mainland China.

Europe

In local currencies, trading results were satisfactory with the exception of Nowaco. Depressed trading conditions in the UK and other national markets compounded operational and competitive pressures. In December, UK-based Seafood Holdings (a national fresh fish processor and distributor) was acquired and added to the strategic product offering. Smaller bolt-on acquisitions were made in Scotland and Belgium.

A strong second-half performance enabled 3663 Wholesale to achieve trading profit and sales volume growth, though trading remained under pressure. Ongoing focus on volume growth in the free trade sector while expanding margins delivered an improved result. Costs and working capital were well managed. Planned roll-out of a new ERP system was abandoned in favour of a more cost-effective solution. Exceptional operational costs, one-off separation costs from 3663 Wholesale and disruptive weather in December contributed to a small loss at Bidvest Logistics, though volume growth was secured on the back of customer gains and higher food prices. Significant investment into new distribution fleet and allied vehicle efficiencies will benefit the business going forward. Seafood Holdings bedded down well and put in a solid initial performance.

Trading conditions in Europe remained difficult and extremely competitive, especially in the institutional sector. Deli XL Netherlands secured a slight trading profit increase through stringent cost and margin management. Working capital was well managed despite significant stress among certain customers. Significant capital expenditure continued to be directed towards IT systems upgrades. Deli XL Belgium achieved reasonable sales growth, but gains tended to be in low-margin business, impacting gross margin. Trading profit was maintained at prior year's levels despite cost increases due to an acquisition in the horeca segment and growing administrative capacity. Nowaco had a disappointing year, with trading profit down. Revenue was flat as retail customers traded down, impacting margins, while a poor summer depressed ice-cream sales. Horeca volumes showed encouraging signs that customer spend on eating out-of-home was on the rise. Costs remain well controlled and cash generation was excellent. Farutex put in a pleasing performance, with volume growth in the independent and wholesale channels. Further capital expenditure is under way to improve capacity at four depots. The Middle East businesses continued to grow in a tough market.

Southern Africa

Domestic businesses were impacted by challenging trading conditions and food deflation. Replacement of World Cup year volumes was a challenge in the face of consumer belt-tightening and lower discretionary spend. Margin erosion was severe. However, market-share gains were achieved while efficiency improvements were secured through technological innovation. Revenue eased 0,7% higher to R5,4 billion (2010: R5,4 billion), but trading profit fell 15,0% to R356,1 million (2010: R418,9 million). Acquisitive growth continued with the purchase of the A&S foodservice businesses. By year-end the first signs of improvement in the restaurant channel suggested consumer pressures may be easing.

Revenue and trading profit were significantly below expectation at Bidvest Foodservice SA. Loss of a major, low-margin national account contributed to falling volumes. However, market-share gains were achieved in a highly competitive environment. Despite margin erosion, the business remained highly cash generative. Management of funds employed was a focus area. Strict credit control was maintained. Branch consolidation and the transitioning of operations into multi-temperature businesses continued along with ERP system integration across a unified platform.

Bidfood Ingredients grew sales, but margin pressure intensified and trading profit fell. Margin squeeze across the yeast business was severe while food deflation in major categories compounded the trading challenge. Cash generation was strong. Crown Trading and Chipkins Bakery Supplies achieved good volume growth but low-margin products predominated. Crown Food Ingredients profits dipped from the prior high base and production volumes fell at Chipkins Bakery Ingredients.

Speciality faced a challenging year, with profit and revenue down. Expenses were well controlled. Efforts to widen the customer-base continued.

Bidvest Namibia

The business put in another strong performance, driven by exceptional fishing results. Revenue rose 9,5% to R2,1 billion (2010: R1,9 billion) with trading profit 46,8% higher at R540,2 million (2010: R367,9 million). Cash generated by operations rose 26,2% to R564,6 million. High catch rates and firm prices underpinned exceptional horse mackerel results, more than compensating for the effects of a strong rand, lower than expected canned pilchard sales and disappointing Angolan JV results. Bidcom commercial operations had a disappointing year. Steps were taken to strengthen management.

Bidvest Corporate

Bidvest Properties completed a number of significant developments, one of which is the World of Yamaha in Johannesburg. A new office and distribution centre for Waltons in Durban is close to completion. Ontime Automotive in the UK faced challenging conditions, particularly in Rescue and Recovery, though Prestige vehicle distribution put in a pleasing performance winning new contracts. Further capital was committed to Mumbai International Airport Limited in accordance with the airport development plan. Passenger volumes continue to grow.

Prospects

The Board completed its strategic review of the foodservice business following the receipt of various unsolicited proposals. The proposals highlighted that the foodservice business is a highly rated and appealing strategic asset. While the proposals would have realised significant amounts of cash in the short term, they would not have optimised value nor the strategic medium term benefits that are likely to flow from the current Group structure.

Demand for delivered wholesale food products in Asia Pacific is expected to remain buoyant, particularly in Greater China. Activity levels are slowly improving within the European geographies in which the Group operates.

Realignment of executive responsibilities in South Africa has injected renewed enthusiasm and energy. This provides the platform for the pursuit of new opportunities that will take these businesses to the next level of growth. Economic conditions in South Africa have improved but new challenges have emerged driven principally by global economic uncertainty. Industries such as construction and hospitality, casualties of the void subsequent to massive infrastructural spend linked to the World Cup 2010, are expected to remain sluggish. The current wave of industrial action adds further strain to the economic recovery.

Bidvest's entrepreneurial and decentralised business model remains relevant and appropriate as the platform for sustained growth. Our businesses are well placed to trade in the adjusted new economic reality and management is optimistic about the future.

Asset management and cost efficiency remain focus areas as we drive our businesses to deliver superior returns from funds employed. Our financial position is strong. We are well capitalised with ample capacity to fund expansion. Despite the difficult and volatile economic environments, management is committed to its philosophy of delivering continued real organic and acquisitive growth.

MC Ramaphosa
Chairman

B Joffe
Chief executive

Johannesburg
August 29 2011

Dividend

Notice is hereby given that a final cash dividend of 255,0 cents per share, has been awarded to members recorded in the register of the Company at the close of business on Friday, September 23 2011.

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

Last day to trade cum dividend:	Friday, September 16 2011
First day to trade ex dividend:	Monday, September 19 2011
Record date:	Friday, September 23 2011
Payment date:	Monday, September 26 2011

The share cannot be dematerialised or rematerialised between Monday, September 19 2011 and Friday, September 23 2011, both dates inclusive.

For and on behalf of the board

CA Brighten
Company secretary

Johannesburg
August 29 2011

Share transfer secretaries
Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07)
70 Marshall Street, Johannesburg, 2001

PO Box 61051, Marshalltown, 2107 South Africa

Telephone +27 (11) 370 5000
Telefax +27 (11) 688 7717

Registered office
Bidvest House, 18 Crescent Drive
Melrose Arch, Melrose, Johannesburg, 2196
South Africa

PO Box 87274, Houghton,
Johannesburg, 2041
South Africa

Contact details
Telephone +27 (11) 772 8700
Facsimile +27 (11) 772 8970
e-mail investor@bidvest.co.za

Proudly Bidvest

Further detailed information regarding our Group can be found on the Bidvest website:
www.bidvest.com

BASTION GRAPHICS