Bidvest

The Bidvest Group Limited

Audited results for the year ended June 30 2013

We are an international services, trading and distribution company, listed on the JSE, South Africa and operating on four continents. We employ 106 000 worldwide, but our roots remain South African.

Bidvest has again maintained its record of consistent growth in every market served by the Group.

Lorato Phalatse
Non-executive chairperson

Contents

- Revenue grew 14,9% to R153,4 billion (2012: R133,5 billion).
- EBITDA up 8,4% to R9,8 billion.
- EBITDA interest cover up to 12,8 times (11,5 times).
- Normalised headline earnings up 16,2% to R4,9 billion.

Revenue

+14,9%

up to R153,4 billion

Normalised HEPS

+15,4%

up to 1 560,6 cents

Dividends per share

+15,8%

up to 720,0 cents

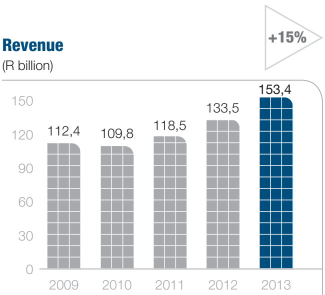
NAV per share

+21,3%

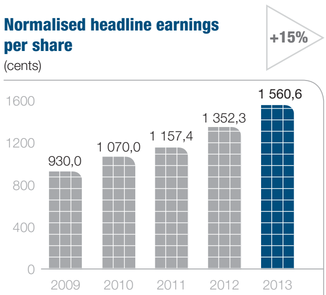
up to 8 411,0 cents

- Net debt has increased to R4,5 billion (2012: R3,6 billion) driven principally by the absorption of working capital.
- Bidvest's attitude to gearing remains conservative whilst retaining adequate borrowing capacity.

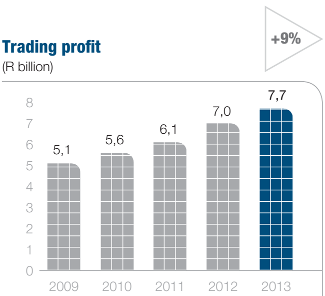
Revenue
(R billion)



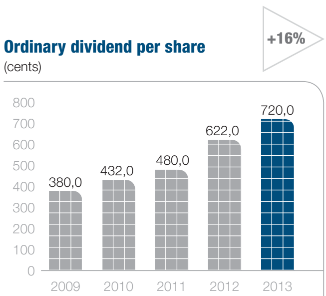
Normalised headline earnings per share
(cents)



Trading profit
(R billion)



Ordinary dividend per share
(cents)



Summarised consolidated income statement

for the year ended June 30

R000s	2013	2012	Percentage change
Revenue	153 404 532	133 533 633	14,9
Cost of revenue	(123 039 972)	(106 241 730)	
Gross income	30 364 560	27 291 903	11,3
Other income	800 817	646 058	
Operating expenses	(23 490 150)	(20 923 733)	
Sales and distribution costs	(15 610 550)	(13 993 709)	
Administration expenses	(5 002 728)	(4 365 840)	
Other costs	(2 876 872)	(2 564 184)	
Trading profit	7 675 227	7 014 228	9,4
Share-based payment expense	(119 650)	(121 524)	
Profit on partial sale of investment in Mumbai International Airport Private Limited	—	399 100	
Acquisition costs	(14 181)	(17 762)	
Net capital items	(102 476)	(133 743)	
Operating profit	7 438 920	7 140 299	4,2
Net finance charges	(764 546)	(784 666)	
Finance income	76 659	46 256	
Finance charges	(841 205)	(830 922)	
Share of profit of associates	161 824	77 298	
Dividends received	64 466	43 733	
Share of current year earnings	97 358	33 565	
Profit before taxation	6 836 198	6 432 931	6,3
Taxation	(1 783 782)	(1 695 458)	
Profit for the year	5 052 416	4 737 473	6,6
Attributable to:			
Shareholders of the Company	4 772 432	4 442 902	7,4
Minority shareholders	279 984	294 571	
	5 052 416	4 737 473	6,6
Shares in issue			
Total	313 555	311 952	
Weighted ('000)	312 577	310 324	
Diluted weighted ('000)	314 379	311 037	
Basic earnings per share (cents)	1 526,8	1 431,7	6,6
Diluted basic earnings per share (cents)	1 518,0	1 428,4	6,3
Normalised basic earnings per share (cents)	1 526,8	1 303,1	17,2
Headline earnings per share (cents)	1 560,6	1 474,2	5,9
Diluted headline earnings per share (cents)	1 551,6	1 470,8	5,5
Normalised headline earnings per share (cents)	1 560,6	1 352,3	15,4
Normal dividends per share (cents)	720,0	622,0	15,8
Interim	324,0	280,0	
Final	396,0	342,0	
Special dividend per share (cents)	—	80,0	

R000s	2013	2012	Percentage change
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	**4 772 432**	4 442 902	7,4
Impairment of property, plant and equipment; goodwill and intangible assets	**101 101**	26 470	
Property, plant and equipment	**3 536**	13 223	
Goodwill	**29 328**	8 141	
Intangible assets	**98 637**	8 263	
Tax relief	**(30 400)**	(1 134)	
Minority shareholders	**—**	(2 023)	
Net loss (profit) on disposal of interests in subsidiaries and disposal and closure of businesses	**12 779**	(968)	
Loss (profit) on disposal and closure	**17 749**	(2 614)	
Tax charge (relief)	**(4 970)**	1 646	
Loss (profit) on disposal, impairment and reversal of impairment of investments in associates	**(41 230)**	97 675	
Impairment of investments in associate	**75 000**	96 700	
Reversal of impairment of investments in associates	**(80 000)**	—	
Net loss (profit) on change in shareholding in associates	**(47 988)**	975	
Tax charge	**11 758**	—	
Net loss on disposal of property, plant and equipment; and intangible assets	**4 183**	8 793	
Property, plant and equipment	**6 214**	43	
Intangible assets	**—**	9 012	
Tax relief	**(2 031)**	(1 525)	
Minority shareholders	**—**	1 263	
Non-headline earnings items included in equity accounted earnings of associated companies	**28 755**	—	
Headline earnings	**4 878 020**	4 574 872	6,6
Profit on partial sale of investment in Mumbai International Airport Private Limited	**—**	(399 100)	
Secondary Taxation on Companies on special dividend paid	**—**	20 781	
Normalised headline earnings	**4 878 020**	4 196 553	16,2

Summarised consolidated statement of other comprehensive income

for the year ended June 30

R000s	2013	2012
Profit for the year	**5 052 416**	4 737 473
Other comprehensive income (expense)		
Items that may be classified subsequently to profit or loss		
Increase in foreign currency translation reserve	**1 836 112**	1 144 511
Increase (decrease) in fair value of available-for-sale financial assets	**(9 306)**	4 047
Increase in fair value of cash flow hedges	**42 581**	—
Fair value gains arising during the year	**58 722**	—
Tax charge	**(16 141)**	—
Total comprehensive income for the year	**6 921 803**	5 886 031
Attributable to		
Shareholders of the Company	**6 621 460**	5 580 830
Minority shareholders	**300 343**	305 201
	6 921 803	5 886 031

Summarised consolidated statement of cash flows

for the year ended June 30

R000s	2013	2012
Cash flows from operating activities	**2 666 069**	4 577 878
Operating profit	7 438 920	7 140 299
Dividends from associates	64 466	43 733
Acquisition costs	14 181	17 762
Depreciation and amortisation	2 097 264	2 001 864
Other non-cash items	(356 413)	(459 259)
Cash generated by operations before changes in working capital	9 258 418	8 744 399
Changes in working capital	(1 891 175)	197 584
Cash generated by operations	7 367 243	8 941 983
Net finance charges paid	(626 549)	(668 954)
Taxation paid	(1 847 495)	(1 632 383)
Dividends paid by – Company	(2 088 982)	(1 920 923)
– subsidiaries	(138 148)	(141 845)
Cash effects of investment activities	**(3 168 357)**	(3 151 751)
Net additions to vehicle rental fleet	(282 486)	(375 303)
Net additions to property, plant and equipment	(2 201 338)	(1 812 785)
Net additions to intangible assets	(287 253)	(294 549)
Net acquisition of subsidiaries, businesses, associates and investments	(397 280)	(669 114)
Cash effects of financing activities	**2 459 971**	165 521
Proceeds from shares issued – Company	—	56 247
– subsidiaries	30 635	42 415
Net issue of treasury shares	151 539	182 188
Net borrowings raised (repaid)	2 277 797	(115 329)
Net decrease in cash and cash equivalents	1 957 683	1 591 648
Net cash and cash equivalents at beginning of the year	4 615 458	2 809 043
Exchange rate adjustment	519 014	214 767
Net cash and cash equivalents at end of the year	**7 092 155**	4 615 458
Net cash and cash equivalents comprise:		
Cash and cash equivalents	8 452 559	5 871 306
Bank overdrafts shown as short-term portion of interest-bearing debt	(1 360 404)	(1 255 848)
	7 092 155	4 615 458

Summarised consolidated statement of financial position

as at June 30

R000s	2013	2012
ASSETS		
Non-current assets	**28 820 557**	24 756 540
Property, plant and equipment	**13 872 872**	12 445 541
Intangible assets	**1 025 768**	860 957
Goodwill	**8 853 973**	7 449 997
Deferred taxation asset	**519 828**	413 427
Defined benefit pension surplus	**101 794**	100 215
Interest in associates	**1 199 879**	1 089 859
Investments	**2 507 906**	1 889 140
Banking and other advances	**738 537**	507 404
Current assets	**37 857 862**	31 138 606
Vehicle rental fleet	**1 363 704**	1 272 720
Inventories	**11 839 302**	10 248 120
Short-term portion of banking and other advances	**276 173**	211 215
Trade and other receivables	**15 926 124**	13 535 245
Cash and cash equivalents	**8 452 559**	5 871 306
Total assets	**66 678 419**	55 895 146
EQUITY AND LIABILITIES		
Capital and reserves	**27 550 719**	22 599 453
Attributable to shareholders of the Company	**26 373 592**	21 630 154
Minority shareholders	**1 177 127**	969 299
Non-current liabilities	**8 937 319**	5 498 206
Deferred taxation liability	**604 586**	553 919
Life assurance fund	**30 174**	31 640
Long-term portion of borrowings	**7 469 635**	4 039 858
Post-retirement obligations	**312 739**	380 669
Long-term portion of provisions	**371 353**	340 289
Long-term portion of operating lease liabilities	**148 832**	151 831
Current liabilities	**30 190 381**	27 797 487
Trade and other payables	**21 858 775**	20 001 100
Short-term portion of provisions	**363 136**	308 261
Vendors for acquisition	**113 971**	61 325
Taxation	**299 967**	298 240
Short-term portion of banking liabilities	**2 024 236**	1 681 679
Short-term portion of borrowings	**5 530 296**	5 446 882
Total equity and liabilities	**66 678 419**	55 895 146
Number of shares in issue	**313 555**	311 952
Net tangible asset value per share (cents)	**5 260**	4 270
Net asset value per share (cents)	**8 411**	6 934

Summarised consolidated statement of changes in equity

for the year ended June 30

R000s	2013	2012
Equity attributable to shareholders of the Company		
Issued share capital	16 387	16 387
Balance at beginning of the year	16 387	16 367
Shares issued during the year	—	20
Share premium arising on shares issued	137 485	137 485
Balance at beginning of the year	137 485	81 258
Shares issued during the year	—	56 260
Share issue costs	—	(33)
Foreign currency translation reserve	3 181 802	1 366 049
Balance at beginning of the year	1 366 049	248 830
Realisation of reserve on disposal of subsidiaries	—	(16 662)
Arising during the year	1 815 753	1 133 881
Hedging reserve	42 581	—
Balance at beginning of the year	—	—
Fair value gains arising during the year	58 722	—
Deferred tax recognised directly in reserve	(16 141)	—
Equity-settled share-based payment reserve	255 319	165 237
Balance at beginning of the year	165 237	391 430
Arising during the year	119 414	121 454
Deferred tax recognised directly in reserve	15 859	1 419
Utilisation during the year	(45 191)	(56 273)
Transfer to retained earnings	—	(292 793)
Retained earnings	24 592 164	21 948 681
Balance at beginning of the year	21 948 681	19 101 358
Attributable profit	4 772 432	4 442 902
Change in fair value of available-for-sale financial assets	(9 306)	4 047
Dividends paid	(2 088 982)	(1 920 923)
Transfer of reserves as a result of changes in shareholding of subsidiaries	(30 661)	12 610
Transfer from other reserves	—	308 687
Treasury shares	(1 852 146)	(2 003 685)
Balance at beginning of the year	(2 003 685)	(2 185 873)
Shares disposed of in terms of share incentive scheme	151 539	182 188
	26 373 592	21 630 154
Equity attributable to minority shareholders of the Company		
Balance at beginning of the year	969 299	787 728
Attributable profit	279 984	294 571
Dividends paid	(138 148)	(141 845)
Movement in foreign currency translation reserve	20 359	10 630
Movement in equity-settled share-based payment reserve	236	69
Issue of shares by subsidiaries	30 635	42 415
Transactions with minorities	(15 899)	(11 659)
Transfer of reserves as a result of changes in shareholding of subsidiaries	30 661	(12 610)
	1 177 127	969 299
Total equity	27 550 719	22 599 453

Summarised segmental analysis

for the year ended June 30

R000s	2013	2012	Percentage
REVENUE			
Bidvest South Africa	69 266 131	62 672 667	10,5
Automotive	20 704 970	19 130 896	8,2
Electrical	4 527 394	4 286 092	5,6
Financial Services	1 458 683	1 715 660	(15,0)
Freight	25 114 347	20 833 921	20,5
Industrial	1 528 760	1 473 920	3,7
Office	4 245 566	4 183 978	1,5
Paperplus	4 031 330	3 858 146	4,5
Rental and Products	2 208 649	2 057 282	7,4
Services	3 239 334	3 086 476	5,0
Travel and Aviation	2 207 098	2 046 296	7,9
Bidvest Foodservice	82 716 213	70 300 093	17,7
Asia Pacific	28 626 542	23 493 350	21,8
Europe	48 156 247	41 114 785	17,1
Southern Africa	5 933 424	5 691 958	4,2
Bidvest Namibia	3 597 158	2 971 322	21,1
Bidvest Corporate	973 698	834 399	16,7
Properties	339 034	317 658	6,7
Corporate and investments	634 664	516 741	22,8
	156 553 200	136 778 481	14,5
Inter Group eliminations	(3 148 668)	(3 244 848)	
	153 404 532	133 533 633	14,9
TRADING PROFIT			
Bidvest South Africa	4 223 653	3 822 564	10,5
Automotive	640 956	502 365	27,6
Electrical	224 614	207 554	8,2
Financial Services	594 883	586 743	1,4
Freight	979 402	922 216	6,2
Industrial	86 030	81 803	5,2
Office	324 259	275 149	17,8
Paperplus	281 292	328 140	(14,3)
Rental and Products	435 825	383 806	13,6
Services	276 465	215 414	28,3
Travel and Aviation	379 927	319 374	19,0
Bidvest Foodservice	2 488 149	2 222 094	12,0
Asia Pacific	1 211 408	1 000 042	21,1
Europe	936 242	912 729	2,6
Southern Africa	340 499	309 323	10,1
Bidvest Namibia	592 223	637 694	(7,1)
Bidvest Corporate	371 202	331 876	11,8
Properties	324 015	296 879	9,1
Corporate and investments	47 187	34 997	34,8
	7 675 227	7 014 228	9,4

Message to shareholders

Commentary

The Group delivered solid trading results for the year ended June 30 2013, achieved against a backdrop of challenging trading environments in many geographies in which we operate. The Bidvest team are to be complemented on a job well done.

Normalised headline earnings per share has increased by a commendable 15,4% to 1 560,6 cents per share.

Bidvest South Africa delivered pleasing results against a backdorp of competive markets and subdued economic activity. Bidvest Asia Pacific continues to deliver robust results. Bidvest Europe's results reflect resilient performances from most operations. Bidvest Namibia recorded a small decline in trading profit as a result of the uncertain market conditions in the fishing operations.

Bidvest is an international service, trading and distribution business which derives 38,8% of its trading profit from outside South Africa. Accordingly, currency volatility has an impact on reported Rand results. The average Rand exchange rate weakened against major currencies in which the Group operates, in particular against the Australian Dollar and Sterling. A marked weakness occurred in the last quarter, the full effects of which are likely to be evident in 2014.

Financial overview

Revenue grew 14,9% to R153,4 billion (2012: R133,5 billion). The major growth occurred in Bidvest Europe (R7,0 billion) and Bidvest Asia Pacific (R5,1 billion) which reflects some organic and acquisitive growth as well as assistance from currency effects on translation.

Gross margin declined slightly largely due to business mix however margin pressure is evident in certain businesses. Growth in operating expenses of 12,3% was distorted by the currency effects on translation of the foreign operations and the impact of acquisitions. Generally costs were well controlled across the Group.

The Group grew trading profit by 9,4% to R7,7 billion (2012: R7,0 billion). Trading margin declined slightly to 5,0% (2012: 5,3%), impacted by the relative increased contribution from lower margin businesses such as automotive retailing and the marked decline in trading profit in a few foreign operations.

Net finance charges declined by R20,1 million to R764,6 million, indicative of the lower interest rate environment which was offset to some degree by the increased investment in working capital.

Associate earnings from Group investments showed a healthy increase, buoyed by the full year contribution from the 34,8% equity accounted interest in Mvelaserve Limited and the much improved performance of Comair Limited.

The Group's financial position remains strong and the Group remains well-capitalised. Net debt has increased to R4,5 billion (2012: R3,6 billion) driven principally by the absorption of working capital. Normalised interest cover has increased to 10,0 times (2012: 8,9 times). Bidvest's attitude to gearing remains prudent whilst retaining adequate borrowing capacity.

Cash generated by operations before working capital changes increased 5,9% to R9,3 billion (2012: R8,7 billion). The Group absorbed R1,9 billion of working capital reflecting growth and strategic stocking in a number of businesses. Inventories remain well controlled and appropriately valued. Credit extension remains a critical focus area of management across the Group. Accounts receivable have increased in line with revenue growth across the businesses.

Fitch Ratings upgraded the Group's national long-term rating to 'AA(zaf)' from 'AA-(zaf)' following the sovereign downgrade. Moody's continue to rate the Group at A1.za with a stable outlook.

Acquisitions

In June 2013, the Competition Commission approved the takeover of Home of Living Brands Holdings Limited (HLB) formerly Amalgamated Appliances Holdings Limited. HLB delisted from the JSE on July 2 2013. The R532,0 million transaction will be funded out of Bidvest's internal resources. Save for accounting for the Group's share of associate earnings in 2013, the full benefit of the acquisition will be in 2014. A number of smaller acquisitions were also made in the year.

Prospects

Economic confidence in many of the geographies within which we operate our global business is fragile and investors have become risk averse to emerging markets. Our management teams the world over are being encouraged to remain focussed on delivering above average returns for all stakeholders despite the impact of these environmental factors.

In South Africa, our operations remain positive, mindful of the fact that innovation and continued diversification are key drivers for growth. Weakness in the Rand and the likely spike in inflation are expected to present some cost pressures, but these pressures also give rise to trading opportunities. Our divisional teams continue to seek out acquisitive opportunities to complement our existing product and services offering while rigorously pursuing real organic growth within our existing footprint.

Bidvest continues to use it's South African businesses as a base to harness product related opportunities into Africa. Further progress in expanding our African footprint is expected into 2014.

In the Asia Pacific region, the focus is directed to delivering innovative value adding solutions for customers across all product categories to achieve real organic growth in the core wholesale model. Further consolidation opportunities exist which are being aggressively pursued. In Europe, despite the low growth environment, further opportunities to add new product ranges and expand local footprints both via organic and acquisition growth remain a focus area across all businesses. Management is committed to rectifying those areas of under-performance.

Bidvest Namibia will continue to pursue strategic growth across both the commercial and fishing businesses.

Management focus remains on product and service innovation to assist in growing revenue on a sustainable basis, ongoing cost control, which combined with good working capital management, will assist in generating acceptable returns on funds employed. Further effort is being directed at those operations where performance is below our own expectations. Our financial position remains strong and the Group has ample capacity to fund both organic and acquisitive growth. We continue to see opportunities to expand our product and service offering, which bodes well for the Group going forward.

Divisional review

Bidvest South Africa

The division achieved real revenue and trading profit growth in challenging market conditions. Revenue increased 10,5% to R69,3 billion (2012: R62,7 billion). Trading profits increased by 10,5% to R4,2 billion with good growth contributions from Bidvest Automotive (27,6%) and Bidvest Services (28,3%).

Automotive

Excellent results were achieved with trading profit up 27,6% at R641,0 million (2012: R502,4 million) on an 8,2% revenue increase to R20,7 billion (2012: R19,1 billion). Return on sales rose to a healthy 3,1% from 2,6% in 2012. Overall the new vehicle market showed continued growth, up 7,2% to 644 191 units from 600 689. Strong performances were put in by VW, Audi, Land Rover, Nissan, Renault and UD Trucks. Multi Franchise Division performance was below expectations. Reorganisation continued and the business exited the non-performing Peugeot, Citroen and Volvo franchises. Toyota continued to make steady progress. Burchmores was streamlined into a pure auctioneering business. McCarthy Auto Repair Centres gained traction as a multi-brand repairer. Innovation continued across the division and McCarthy launched a mobile app, a pre-owned dealer network and a new customer loyalty programme. Migration to the Autoline dealer management system was two-thirds complete by year-end.

Electrical

Pleasing results were achieved despite a sluggish construction industry. Revenue rose 5,6% to R4,5 billion (2012: R4,3 billion). Trading profit moved 8,2% higher to R224,6 million (2012: R207,6 million). The Gauteng East and West regions were consolidated and Atlas Cables and Voltex Lighting relocated to new premises. Voltex Lighting had a better year and Versalec Cables put in a strong performance, particularly in the last quarter. Collections and debtors management remained focus areas and stock management efficiencies were achieved. Fleet upgrades are planned and Voltex is in process of opening a Soweto branch.

Financial Services

Financial Services delivered a 1,4% increase in trading profit to R594,9 million.

Bidvest Bank remained strongly cash generative in trading conditions impacted by lower inbound and outbound travel, currency volatility and consumer down trading. Overall lending turnover dropped as the run off of a major FML contract exceeded new replacement business. Cash on hand rose 31% and deposits were up 19%. Advances (excluding leasing) grew by 32%. At 2,4 times (2012: 2,5 times), financial leverage remained low. Credit quality remained good and impairments were well managed. The asset base grew to R4,6 billion (2012: R4,2 billion).

Bidvest Insurance delivered a pleasing result driven by strong investment returns. Profit before tax increased 29,5%. Like for like gross written premiums increased due to new business undertaken and penetration levels across all categories improved, notably in the last quarter. Expenses were well controlled, declining 2% over 2012. Extension of the short term licence will enable product development outside of current channels. Suitable expansion opportunities are currently under consideration, which may include acquisitions.

Freight

Revenue was up 20,5% at R25,1 billion (2012: R20,8 billion), with trading profit 6,2% higher at R979,4 million (2012: R922,2 million). Expenses were well managed but rose 4,7%, reflecting some one off reorganisation costs and increased property costs.

Bulk Connections had a very strong year, boosted by higher manganese volumes. The major terminal upgrade was completed enabling the business to handle 3,9 million tons, up 18,2%. Manica, the African general freight business, achieved a pleasing turnaround. Despite a big dip in wheat volumes, SABT put in a strong showing with maize volumes up 9%. SACD controlled expenses well and achieved good overall results despite lower import and export container volumes as well as the completion of a major contract. Naval (Mozambique) performed well in the face of disrupted rail services and some pricing pressure. Bidvest Panalpina Logistics' performance was solid, with strong contributions from Transport and Warehousing. Exposure to the automotive market reduced margins. IVS was impacted by lower petroleum volumes and several once-off costs. BPO experience lower volumes of steel and soya beans through Durban however cement imports gained momentum and fertiliser volumes rose. Marine Insurance achieved pleasing profit growth.

Industrial

Trading profit increased 5,2% to R86,0 million (2012: R81,8 million). Results improved in the last quarter as management turnaround plans started to materialise. At R1,5 billion revenue was up 3,7%. Despite rising costs, the 3,3% increase in operating expenses was kept well below prevailing inflation. Materials Handling had a successful year. Inventory levels and trading margins were well managed. Buffalo Tapes put in a satisfactory performance and introduced a night shift to accommodate higher demand. Afcom results were disappointing, but rebounded in the fourth quarter. Berzacks were unable to pass on rising costs in a tough market. Vulcan's bakery equipment division picked up momentum. Demand for leisure products remained subdued, though improvement was evident by year-end at Yamaha.

Office

The division delivered pleasing results on the back of good performances by Waltons, Cecil Nurse and Dauphin. Revenue grew 1,5% to R4,3 billion (2012: R4,2 billion) while trading profit rose 17,8% to R324,3 million (2012: R275,2 million). Expenses were well controlled. Konica Minolta did well to protect its margins in a competitive market but Océ and GPT were below expectation. The furniture factories showed significant improvement, especially the Cape Town desk factory.

Paperplus

Trading profit fell 14,3% to R281,3 million (2012: R328,1 million) while revenue rose 4,5% to R4,0 billion (2012: R3,9 billion). Expenses rose 3,4% and gross margin declined by 1,9%. General print contraction continued necessitating further rationalisation. Lithotech exports put in a strong final quarter performance benefitting from project work. Lithotech Afric Mail and Email Connection were combined into a new sub-division, Bidvest Data to offer customers a multi-channel service. Packaging and labels were separated into distinct sub-divisions to enable greater management focus. Lufil had a good year. Masterpack, a folding carton producer, was acquired and will give critical mass to Sprint Manufacturing. Labels disappointed, impacted by retail market contraction. Silveray Stationery Company's sales and trading margins declined. Kolok performed strongly as management traded aggressively in a competitive market.

Rental and Products

A pleasing performance took revenue 7,4% higher to R2,2 billion (2012: R2,1 billion) while trading profit rose 13,6% to R435,8 million (2012: R383,8 million). Bidvest Steiner performed strongly and debtors management showed a pleasing improvement. Laundries achieved a good turnaround delivering much improved returns. G Fox recorded excellent results, in particular the Swaziland factory. The African expansion is well underway. Pureau performed well but margins are under pressure. Customers cut back on office plant contracts in Excuflora. Corrective action at Hotel Amenities positions it for improvement in 2014. RMI management was strengthened and Masterguard achieved good growth.

Services

The division made a strong recovery as all businesses delivered improved results. Revenue rose 5,0% to R3,3 billion (2012: R3,1 billion). Trading profit increased by 28,3% to R276,5 million (2012: R215,4 million). Expenses were well managed across the division. Performance was underpinned by a successful turnaround at TMS and at Top Turf. Under-recovery of cost increases in a price-sensitive market impacted Prestige. At Magnum, the technology division faced challenges, but Bidtrack put in another strong performance.

Travel and Aviation

A strong overall performance drove trading profit up 19,0% to R379,9 million (2012: R319,8 million) off a 7,9% increase in revenue of R2,2 billion (2012: R2,1 billion). BidTravel results were above expectation despite a drop in volumes. Total transaction values reached record levels. BidAir Group also performed strongly, but the ramp operations faced continued challenges. Bidvest Lounges opened its ORTIA Sky Lounge and grew passenger numbers. BidAir Cargo started an overnight service in South Africa, and also benefitted from a new major contract. Budget Car and Van Rental grew rental days off a high base, delivering a pleasing trading result.

Bidvest Foodservice

Overall performance was pleasing. Trading profit rose by 12,0% to R2,5 billion (2012: R2,2 billion). Asia Pacific maintained its growth trajectory, Europe was flat in the face of economic headwinds and Southern Africa bounced back.

Asia Pacific

Bidvest Asia Pacific achieved revenue growth of 21,8% to R28,6 billion (2012: R23,5 billion) as a result of organic and acquisition growth, as well as assistance from the Rand weakness on translation. Trading profits increased by 21,1% from R1,0 billion in the previous year to R1,2 billion in 2013.

Bidvest Australia achieved pleasing sales and trading profit growth, reflecting the first full-year contribution of Foodlink (Logistics Perth). Results were creditable in the context of a slowing mining resource boom, rising unemployment and zero food inflation. Foodservice, Logistics and Fresh showed good growth. Volumes dipped at the Hospitality division due to a strategic restructure. Expenses were well controlled. Most Foodservice branches achieved positive results however margin squeeze did necessitate exits on certain unprofitable national contracts. Fresh achieved a pleasing profit turnaround, highlighting potential for promising growth in fruit and vegetable distribution. Acquisition opportunities continued to be explored. Logistics is pursuing new contracts.

Bidvest New Zealand once again grew both revenue and trading profit. Performance was underpinned by strong fresh produce growth and development of the meat and produce processing business. Two new foodservice distribution centres were completed and new premises were acquired to house the processing business. Foodservice continued to perform despite challenging conditions. Logistics was boosted by improvements in the Christchurch operations and a small niche retail business, Reduced To Clear, was acquired in February.

Angliss Greater China achieved satisfactory revenue and trading profit growth. Angliss Shenzhen, Guangzhou and Beijing put in a strong sales performance as exposure to the mainland continues to grow. New hotel and restaurant openings were positive for PastryGlobal. Angliss Macau was much improved, increasing its product range into seafood. Jetstar (Tsukiji), a newly launched Japanese food provider, continues to exceed expectations.

Angliss Singapore had an expected poor year as it transitions from a commodity trading business to a fully-fledged foodservice distributor. This necessitated a strategy of reducing reliance on redistributors and focusing on direct sales to end customers in foodservice and casual dining markets. Despite the benefits of improving gross margins, increased costs to serve customers diluted returns in this rebuilding phase.

Deli Meals (Chile) achieved its first operating profit in the final quarter. Warehouse expansion is underway. Acquisition possibilities are being explored in the region.

Bidvest Procurement Company made good progress, and is a source of competitive procurement advantage to the total foodservice business.

Europe

Resilient performances from most operations in Europe, bolstered by acquisition growth and Rand translation benefits, have delivered a 17,1% increase in revenue to R48,2 billion (2012: R41,1 billion). Trading profit increased 2,6% to R936,2 million (2012: R912,7 million).

3663 Wholesale delivered a resilient performance with an increased trading profit on higher sales volumes. Gains were achieved despite challenging trading conditions and wet spring weather. Margins were well managed. The recently acquired South Lincs business traded in line with expectations. Infrastructure expansion to meet customers expectations is on track. Bidvest Logistics exceeded sales and profit targets and achieved a new volume record, moving 57,8 million cases. An annualised hours contract was signed with drivers at all sites enabling the business to match demand and service levels. Bidvest Fresh (incorporating Seafood Holdings and the newly acquired fresh produce business, Oliver Kay) grew sales and trading profit thanks to rising salmon prices and a dedicated focus on customer requirements, and presents exciting growth prospects.

Deli XL Netherlands faced continued margin pressure in a competitive environment which was especially evident in the institutional market. Revenue dropped slightly and costs were impacted by the restructuring of operations and inefficiencies incurred during the ERP implementation.

Deli XL Belgium achieved revenue growth and trading profit improved as the Langens and Makady acquisitions helped drive sales higher in the hotel, restaurant and catering channel.

At Bidvest Czech Republic and Slovakia both revenue and trading profit remained flat. Bad weather and floods affected sales. Foodservice continued to show steady growth as exposure to retail is impacted by margin pressure. Expenses were extremely well controlled.

Sales were flat at Farutex Poland and trading profit growth was below expectation in a challenging business climate. Key infrastructure developments were completed. Working capital and debtors management were focus areas.

Bidvest Baltics grew sales and reduced trading losses. The chilled and ambient ranges were expanded, growing the product offering from the original base in frozen foods and extending into the horeca segment.

Bidvest Middle East achieved strategic expansion into Turkey with the acquisition of a majority stake in Aktaes, a medium-size distribution business in May. UAE operations launched a retail business and opened an new depot in Abu Dhabi. The Al Diyafa business in Saudi Arabia performed strongly.

Southern Africa

Revenue rose 4,2%, driven by growth at Bidvest Foodservice (BFS) in the industrial catering channel while Crown did well in the independent butchery and supermarket channels. Bidvest Bakery Solutions (BBS) excelled off a low base in the industrial bakery market and Bidvest Food Exports gained new business in Nigeria. Trading profit increased by 10,1% to R340,5 million (2012: R309,3 million). Pressure on the disposable income of consumers impacted all businesses.

Patleys' sales dipped following product range rationalisations to remove low margin lines from its basket of brands. BFS did well to maintain its margins in highly competitive trading conditions and in the face of Rand depreciation. Expenses were well managed as a result of multi-temp mergers in BFS and the integration of the NCP Yeast business into BBS and Patleys. The NCP Durban plant was closed. Crown's new Innovation, Design and Technology Centre was successfully launched, and investment into infrastructure continued. The South African business thrived under new leadership and direction.

Namibia

Bidvest Namibia recorded weaker results as challenges at the fishing and distribution businesses impacted profitability. Revenue rose to R3,6 billion (2012: R3,0 billion). Trading profit, however, fell by 7,1% to R592,2 million (2012: R637,7 million). Fishing performance was impacted by lower direct quota allocations, higher quota purchase costs, competition from new international operators and a poor result at the Angolan operation, Pesca Fresca Limitada. Exchange rate weakness versus the US dollar was beneficial. The UFE canning factory returned to profit. Expansion into the white fish market is being considered. Results at the commercial businesses were below expectation, except for Waltons, which successfully implemented a turnaround strategy. Rennies Travel, Minolco and Waltons plan to increase their northern Namibia footprint.

Corporate

Bidvest Properties continued with its strategy of developing in-house properties for Group requirements. Losses continued at Ontime Automotive, the UK parking and vehicle services business. Early in the new period Ontime Automotive bulked up its rescue and recovery operations by completing the £5 million acquisition of the Midlands-based Mansfield Group.

Directorate

Fred Barnes, Lionel Jacobs, Joseph Pamensky and Alan Salomon did not offer themselves for re-election as directors of Bidvest at the AGM held on November 26 2012. Peter Nyman retired from the board and Muriel Dube and Rachel Kunene resigned from the board with effect from November 26 2012. The board expresses their thanks to the aforementioned directors for their dedication, advice and guidance provided to the board over the past number of years and wishes them well in the future.

Change of Chairperson

Cyril Ramaphosa notified the board in March 2013 that he would retire from the position of Chairperson of Bidvest however would remain on the board until early September. The board extends it sincere thanks and gratitude to Mr Ramaphosa for his leadership over the past nine years.

Lorato Phalatse, an independent non-executive director was appointed to succeed Cyril Ramaphosa as the new Chairperson.

CWL Phalatse	**B Joffe**
Chairperson	*Chief Executive*

Dividend declaration

The directors have declared a final gross cash dividend of 396,0 cents (336,6 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended June 30 2013 to those members registered on the record date.

The dividend has been declared from income reserves and no Secondary Tax on Companies credits have been used. A dividend withholding tax of 15% will be applicable to all shareholders who are not exempt.

Share code	BVT
ISIN	ZAE000117321
Company registration number	1946/021180/06
Company tax reference number	9550162714
Gross cash dividend per share	396,0 cents
Net dividend amount per share	336,6 cents
Issued shares as at declaration date	327 734 929

Declaration date	Monday, August 26 2013
Last day to trade cum dividend	Friday, September 13 2013
Trading ex-distribution commences	Monday, September 16 2013
Record date	Friday, September 20 2013
Payment date	Monday, September 23 2013

Share certificates may not be dematerialised or rematerialised between Monday, September 16 2013 and Friday, September 20 2013, both dates inclusive.

For and on behalf of the board.

CA Brighten

Company secretary

Johannesburg

August 26 2013

Basis of presentation of financial statements

for the year ended June 30 2013

These summarised preliminary financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and include disclosure as required by IAS 34: Interim Financial Reporting and the Companies Act of South Africa.

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 2012, with the exception of the adoption of the amendments to IAS 1 which requires the Group to present items in the statement of other comprehensive income based on whether they may be reclassified to profit or loss in the future.

During the year, certain operations were reclassified between segments. The comparative year's segmental information has been re-presented to reflect these insignificant changes.

Audit report

The auditors, Deloitte & Touche, have issued their opinion on the Group's financial statements for the year ended June 30 2013. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited financial statements are available for inspection at the Company's registered office.

These summarised preliminary financial statements have been derived from the Group's financial statements and are consistent in all material respects with the Group's financial statements. These summarised preliminary financial statements have been audited by the Company's auditors who have issued an unmodified opinion. The auditor's report does not necessarily report on all of the information contained in this announcement. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised, that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

Subsequent event

Other than the acquisition of HLB no significant events have occurred subsequent to the year end and the date of this report.

Preparer of the financial statements

These summarised preliminary financial statements and the Group's financial statements have been prepared under the supervision of the Group financial manager, NEJ Goodwin CA(SA).

Exchange rates

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

	2013	2012
Rand/Sterling		
Closing rate	**15,05**	12,94
Average rate	**13,87**	12,34
Rand/Euro		
Closing rate	**13,13**	10,46
Average rate	**11,46**	10,41
Rand/Australian Dollar		
Closing rate	**9,05**	8,42
Average rate	**9,08**	8,03

Supplementary pro forma information regarding the currency effects of the translation of foreign operations on the Group

The pro forma financial information has been compiled for illustrative purposes only and is the responsibility of the board. Due to the nature of this information, it may not fairly present the Group's financial position, changes in equity and results of operations or cash flows. An unmodified reasonable assurance report has been issued by the Company's auditors, Deloitte & Touche, in terms of ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Information in a Prospectus, and is available for inspection at the Company's registered office. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA.

The average Rand exchange rate weakened against the major currencies in which the Group's foreign operations trade, namely Sterling (12,34 in 2012 to 13,87 in 2013), the Euro (10,41 in 2012 to 11,46 in 2013) and the Australian Dollar (8,03 in 2012 to 9,08 in 2013). The illustrative information, detailed below, has been prepared on the basis of applying the 2012 average Rand exchange rates to the 2013 foreign subsidiary income statements and recalculating the reported income of the Group for the year.

	For the year ended June 30			Illustrative 2013 at 2012 average exchange rates	
	Actual 2013	Percentage change	Actual 2012	Recalculated 2013	Percentage change
Revenue (Rm)	**153 404,5**	14,9	133 533,6	145 176,4	8,7
Trading profit (Rm)	**7 675,2**	9,4	7 014,2	7 447,0	6,2
Normalised headline earnings (Rm)	**4 878,0**	16,2	4 196,6	4 727,6	12,7
HEPS (cps)	**1 560,6**	5,9	1 474,2	1 512,5	2,6
Normalised HEPS (cps)	**1 560,6**	15,4	1 352,3	1 512,5	11,8

Administration

The Bidvest Group Limited

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

Incorporated in the Republic of South Africa

Directors

Chairperson: CWL Phalatse

Independent non-executive: PC Baloyi, DDB Band, AA Da Costa (alternate LJ Mokoena), EK Diack, S Koseff, AK Maditsi, D Masson, NG Payne, T Slabbert, Adv FDP Tlakula

Executive: B Joffe (Chief executive), BL Berson*, DE Cleasby, AW Dawe, LP Ralphs

(*Australian)

Company Secretary

CA Brighten

Transfer secretaries

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Johannesburg 2196, South Africa

PO Box 87274, Houghton, Johannesburg 2041, South Africa

Registration number 1946/021180/06

Share code: BVT ISIN: ZAE000117321

The full annual financial statements will be distributed by the end of September 2013 and will be available on the Company's website at the same time.

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

www.bidvest.co.za