Results for the half year ended December 31 2007

infinite possibilities . . .

BIDVest

Revenue up

12,6%

to R53,9 billion

(2006: R47,9 billion)

Operating profit up

17,9%

to R2,5 billiion

(2006: R2,1 billion)

Headline earnings per share up

10,1%

to 498,1 cents

(2006: 452,4 cents)

Distribution per share up

11,1%

to 220,0 cents

(2006: 198,0 cents)

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS34 Interim Reporting. The accounting policies are consistent with those of the prior year.

Analyst presentation

The presentation to investors will be available on the Bidvest website from 14:00 on March 3 2008.

Further information regarding our financial results can be found on the Bidvest website

www.bidvest.com

Consolidated income statements

for the R000s	Half year ended December 31 2007 Unaudited	 2006 Unaudited	 Percentage change	Year ended June 30 2007 Audited
Revenue	**53 884 531**	47 871 908	12,6	95 655 509
Cost of revenue	**(43 711 260)**	(38 766 554)		(77 330 818)
Gross profit	**10 173 271**	9 105 354	11,7	18 324 691
Other income	**197 842**	89 614		419 408
Operating expenses	**(7 913 027)**	(7 109 232)		(14 197 315)
Sales and distribution costs	**(5 223 674)**	(4 405 740)		(9 432 053)
Administration expenses	**(1 993 116)**	(1 996 684)		(3 940 085)
Other costs	**(696 237)**	(706 808)		(825 177)
Operating profit	**2 458 086**	2 085 736	17,9	4 546 784
Net finance charges	**(445 468)**	(224 989)		(566 181)
Finance income	**49 311**	36 931		79 521
Finance charges	**(494 779)**	(261 920)		(645 702)
Share of profit of associates	**59 081**	37 667		68 354
Dividends received	**24 388**	8 031		9 083
Share of retained earnings	**34 693**	29 636		59 271
Net capital items	**(46 544)**	16 695		(228 553)
Profit before income tax	**2 025 155**	1 915 109	5,7	3 820 404
Income tax expense	**(525 576)**	(519 089)		(1 033 248)
Profit for the period	**1 499 579**	1 396 020	7,4	2 787 156
Attributable to:				
Shareholders of the Company	**1 480 024**	1 367 690	8,2	2 700 054
Minority shareholders	**19 555**	28 330		87 102
	1 499 579	1 396 020	7,4	2 787 156
Shares in issue				
Weighted ('000)	**303 283**	299 566		300 206
Diluted weighted ('000)	**310 195**	307 756		307 421
Basic earnings per share (cents)	**488,0**	456,6	6,9	899,4
Headline earnings per share (cents)	**498,1**	452,4	10,1	970,0
Diluted basic earnings per share (cents)	**477,1**	444,4	7,4	878,3
Diluted headline earnings per share (cents)	**487,0**	440,3	10,6	947,2
Distribution per share (cents)#	**220,0**	198,0	11,1	446,4
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	**1 480 024**	1 367 690	8,2	2 700 054
Impairment of goodwill and other intangibles	**—**	—		65 707
Impairment of investment in associate	**—**	—		178 339
Loss (profit) on disposal of investments in subsidiaries, associates and disposal and closure of operations	**34 047**	(6 055)		595
Loss (profit)	**50 019**	(7 355)		(84)
Tax charge (relief)	**(15 972)**	1 300		679
Net profit on disposal of property, plant and equipment	**(3 475)**	(8 369)		(12 835)
Profit on disposal of property, plant and equipment	**(3 475)**	(9 340)		(15 409)
Tax charge	**—**	971		1 984
Minority interest	**—**	—		590
Share of capital items in associates	**—**	1 900		(19 874)
Headline earnings	**1 510 596**	1 355 166	11,5	2 911 986
Rand/Sterling exchange rates				
Opening rate	**14,180**	13,205		13,205
Closing rate	**13,691**	13,822		14,180
Average rate	**14,140**	13,745		13,946

Segmental analysis

for the R000s	Half year ended December 31 2007 Unaudited	 2006 Unaudited	 Percentage change	Year ended June 30 2007 Audited
REVENUE				
Bidfreight	**10 580 870**	9 561 473	10,7	18 994 985
Bidserv	**3 059 970**	2 580 492	18,6	5 393 090
Bidvest Europe	**16 007 122**	15 016 630	6,6	29 962 516
Bidvest Asia Pacific	**6 575 119**	4 131 006	59,2	8 863 650
Bidfood	**2 249 779**	1 956 404	15,0	3 845 772
Caterplus and Speciality	**1 533 171**	1 287 315	19,1	2 593 194
Bidfood Ingredients	**716 608**	669 089	7,1	1 252 578
Bid Industrial and Commercial Products	**4 689 562**	4 286 329	9,4	8 565 131
Bidpaper Plus	**1 020 377**	975 801	4,6	1 823 822
Bid Auto	**10 004 539**	9 640 189	3,8	18 689 283
Corporate Services	**793 507**	701 107	13,2	1 477 364
Namsov	**299 024**	189 875	57,5	469 974
Ontime Automotive	**489 923**	504 235	(2,8)	986 566
Investment and other income	**4 560**	6 997	(34,8)	20 824
	54 980 845	48 849 431	12,6	97 615 613
Inter-Group eliminations	**(1 096 314)**	(977 523)		(1 960 104)
	53 884 531	47 871 908	12,6	95 655 509
OPERATING PROFIT				
Bidfreight	**330 874**	278 968	18,6	596 352
Bidserv	**390 526**	305 591	27,8	669 411
Bidvest Europe	**410 379**	341 152	20,3	757 551
Bidvest Asia Pacific	**251 300**	156 540	60,5	346 554
Bidfood	**191 372**	153 757	24,5	279 814
Caterplus and Speciality	**115 530**	89 931	28,5	181 233
Bidfood Ingredients	**75 842**	63 826	18,8	98 581
Bid Industrial and Commercial Products	**336 776**	335 894	0,3	742 670
Bidpaper Plus	**126 591**	114 771	10,3	226 899
Bid Auto	**357 774**	355 023	0,8	724 303
Corporate Services	**62 494**	44 040	41,9	203 230
Bidprop	**54 190**	35 685	51,9	82 471
Namsov	**7 632**	17 042	(55,2)	80 077
Ontime Automotive	**(10 913)**	1 348	—	(3 348)
Investment, other income and corporate costs	**11 585**	(10 035)	—	44 030
	2 458 086	2 085 736	17,9	4 546 784

Certain operations have been transferred to other segments. Comparative results have been restated.

Consolidated cash flow statements

for the R000s	Half year ended December 31 2007 Unaudited	 2006 Unaudited	Year ended June 30 2007 Audited
Cash flows from operating activities			
Operating profit (including dividends from associates)	**2 482 474**	2 093 767	4 555 867
Depreciation and other non-cash items	**696 885**	536 107	1 032 826
Cash generated by operations before changes in working capital	**3 179 359**	2 629 874	5 588 693
Changes in working capital	**(2 527 161)**	(2 306 002)	(1 351 796)
Cash generated by operations	**652 198**	323 872	4 236 897
Net finance charges paid	**(367 145)**	(177 625)	(472 699)
Taxation paid	**(691 432)**	(702 759)	(1 152 174)
Distribution of share premium by Company	**(761 148)**	(610 602)	(1 205 633)
Dividends paid by subsidiaries	**(10 640)**	(17 308)	(27 786)
	(1 178 167)	(1 184 422)	1 378 605
Cash flows from investment activities			
Net additions to vehicle rental fleet	**(124 055)**	(104 434)	(134 050)
Net additions to property, plant and equipment	**(976 278)**	(791 453)	(1 723 174)
Net additions to intangible assets	**(179 652)**	(59 608)	(121 552)
Net acquisition of subsidiaries, businesses, associates and investments	**(1 042 456)**	(347 650)	(1 125 027)
	(2 322 441)	(1 303 145)	(3 103 803)
Cash flows from financing activities			
Proceeds from shares issued	**—**	25 117	494 094
Net issue (purchase) of treasury shares	**63 783**	(323 600)	(699 593)
Net borrowings raised (repaid)	**1 713 393**	(447 710)	(129 751)
	1 777 176	(746 193)	(335 250)
Net decrease in cash and cash equivalents	**(1 723 432)**	(3 233 760)	(2 060 448)
Net cash and cash equivalents at the beginning of the period	**616 465**	2 546 995	2 546 995
Currency adjustments	**(10 603)**	84 841	129 918
Net cash and cash equivalents at the end of the period	**(1 117 570)**	(601 924)	616 465
Net cash equivalents are made up as follows			
Cash on hand and in the bank	**2 290 589**	2 469 541	2 374 442
Bank overdrafts shown as current portion of interest-bearing debt	**(3 408 159)**	(3 071 465)	(1 757 977)
	(1 117 570)	(601 924)	616 465

Consolidated balance sheets

at R000s	December 31 2007 Unaudited	 2006 Unaudited	June 30 2007 Audited
ASSETS			
Non-current assets	**14 613 196**	11 506 804	13 037 827
Property, plant and equipment	**8 175 995**	5 952 292	6 732 602
Intangible assets	**404 857**	334 978	388 145
Goodwill	**3 912 432**	3 319 112	3 772 297
Deferred tax	**396 104**	327 726	431 525
Interest in associates	**664 517**	606 225	454 865
Investments and advances	**712 766**	801 425	1 031 670
Banking advances	**346 525**	165 046	226 723
Current assets	**22 234 444**	18 798 097	19 806 022
Vehicle rental fleet	**613 049**	583 760	527 524
Inventories	**7 876 548**	6 336 313	6 813 187
Short-term portion of banking advances	**277 764**	151 607	183 983
Trade and other receivables	**11 176 494**	9 256 876	9 906 886
Cash and cash equivalents	**2 290 589**	2 469 541	2 374 442
Total assets	**36 847 640**	30 304 901	32 843 849
EQUITY AND LIABILITIES			
Capital and reserves	**11 538 793**	9 825 909	10 824 966
Shareholders' interest	**11 287 679**	9 614 290	10 626 509
Outside shareholders' interest	**251 114**	211 619	198 457
Non-current liabilities	**4 755 533**	3 730 269	3 114 180
Deferred taxation	**324 263**	130 297	265 323
Life assurance fund	**41 127**	43 648	50 457
Long-term portion of borrowings	**3 824 403**	2 997 389	2 229 892
Post-retirement obligations	**163 489**	196 714	156 582
Long-term portion of banking liabilities	**6 450**	293	73
Long-term portion of provisions	**244 705**	216 266	245 757
Operating lease liability	**151 096**	145 662	166 096
Current liabilities	**20 553 314**	16 748 723	18 904 703
Accounts payable	**14 007 164**	12 400 606	14 192 506
Provisions	**236 917**	193 890	200 375
Vendors for acquisition	**7 049**	12 188	27 007
Taxation	**218 249**	319 933	372 789
Short-term portion of banking liabilities	**275 013**	154 544	203 025
Short-term portion of borrowings	**5 808 922**	3 667 562	3 909 001
Total equity and liabilities	**36 847 640**	30 304 901	32 843 849
Number of shares in issue	**304 171**	300 520	302 852
Net tangible asset value per share (cents)	**2 292**	1 983	2 135

Consolidated statements of changes in equity

for the R000s	Half year ended December 31 2007 Unaudited	 2006 Unaudited	Year ended June 30 2007 Audited
Shareholders' interest			
Issued share capital	**15 209**	15 026	15 143
– balance at the beginning of the period	**15 143**	14 958	14 958
– in terms of the share incentive scheme	**—**	232	279
– net movement in treasury shares	**66**	(164)	(94)
Share premium arising on shares issued	**(880 088)**	319 507	(182 657)
– balance at the beginning of the period	**(182 657)**	1 228 660	1 228 660
– in terms of the share incentive scheme	**—**	458 845	493 815
– refund of share premium to shareholders	**(761 148)**	(610 602)	(1 205 633)
– net movement in treasury shares	**63 717**	(757 396)	(699 499)
Foreign currency translation reserve	**1 007 131**	1 012 747	1 158 151
– balance at the beginning of the period	**1 158 151**	807 033	807 033
– arising during the period	**(151 020)**	205 714	351 118
Statutory reserves	**13 398**	10 549	16 691
– balance at the beginning of the period	**16 691**	10 013	10 013
– transfer from/(to) retained income	**(3 293)**	536	6 678
Equity settled share-based payment reserve	**195 432**	130 634	165 664
– balance at the beginning of the period	**165 664**	107 724	107 724
– arising during the period	**29 768**	22 910	57 940
Movement in retained earnings	**10 936 597**	8 125 827	9 453 517
– balance at the beginning of the period	**9 453 517**	6 760 607	6 760 607
– profit attributable to shareholders	**1 480 024**	1 367 690	2 700 054
– change in fair value of available-for-sale equity securities	**(237)**	(1 934)	(466)
– transfer from (to) statutory reserves	**3 293**	(536)	(6 678)
	11 287 679	9 614 290	10 626 509
Outside shareholders' interest			
– balance at the beginning of the period	**198 457**	229 700	229 700
– attributable profit	**19 555**	28 330	87 102
– dividends and capitalisation issues	**(10 640)**	(17 308)	(27 786)
– share of movement in foreign currency translation reserve	**1 132**	775	940
– share of movement in equity settled share-based payment reserve	**73**	71	143
– changes in shareholding	**42 537**	(29 949)	(91 642)
	251 114	211 619	198 457
Total equity	**11 538 793**	9 825 909	10 824 966

Message to shareholders

Overview and financial summary

In an environment characterised by higher interest rates and international market volatility, Bidvest produced satisfactory operating results for the half year to December 31 2007. Headline earnings per share rose by 10,1% while operating profit increased by 17,9%. Revenue grew 12,6% to R53,9 billion, of which 9,3% was achieved through organic growth. The effects of the slowdown in the automotive industry on Bid Auto is pronounced as the rest of the Group, excluding Bid Auto, grew headline earnings per share by 20,0%. The Group trading margin improved slightly to 4,6% (2006: 4,4%).

Operating profit reflects excellent contributions from international operations, notably Bidvest Australia and DeliXL Netherlands. The newly acquired Angliss businesses in Singapore and Hong Kong are performing well. Overall there were strong operating results from our South African businesses. However areas of underperformance reside principally in Bid Auto and Bid Industrial and Commercial Products divisions. Bidserv in particular has had a good trading period as well as Bidfreight which benefited from the recovery in imported agricultural volumes.

Net interest paid to funders reflects an increase of R220,5m over the comparative period. This reflects higher interest rates across the geographies in which the Group operates as well the funding costs associated with the acquisitions of Angliss Asia (May 2007) and Viamax (July 2007).

Associate earnings reflect the improved performances of Enviroserv Limited and Tiger Automotive Limited and the first time impact of the Group's investment in Comair Limited.

Rand weakness had a mildly positive effect on the translation of offshore earnings. The rand traded at an average of R14,14 against sterling (2006: R13,75).

Cash flows from operations and our balance sheet remain strong, however seasonal working capital absorption and further significant investments into capital expansions and acquisitions utilised funds. Working capital absorption is seasonal and is 10% ahead of last year. Interest cover remains a satisfactory 5,5 times. Cash invested in acquisitions utilised R1,0 billion principally reflecting the payment for Viamax of R960 million. Net additions to property, plant and equipment absorbed R1,4 billion, largely as a result of existing commitments already contracted for at June 2007.

Funds employed in the Group have increased substantially as the businesses invested for medium term opportunities. The incremental returns from this investment will impact positively on future growth.

Acquisitions

Angliss

In May 2007 we acquired 100% of Angliss Singapore, Angliss Hong Kong and Angliss China in a US$80 million equity transaction funded by debt raised in Australia. Performance of Angliss has exceeded managements' expectations and Angliss contributed R46,0 million operating profit to the Group's results.

Viamax

The purchase of Transnet's Viamax fleet management and leasing business has been incorporated into the Group's results with effect from July 2007. The operations of Viamax have been integrated into those of McCarthy Fleet Services, and is managements' key focus in order to capitalise on the synergistic benefits. Viamax contributed R98,1 million to Bid Auto's operating profit.

Divisional review

Bidfreight

Operating profit of R330,9 million was 18,6% up on a 10,7% increase in revenue to R10,6 billion as Bidfreight regained momentum. Island View Storage achieved a satisfactory operating profit despite lower capacity following the fire at Bay 3 of the Durban operation. Work to clear the site is under way. A weaker rand and higher interest rates had a beneficial effect on Safcor Panalpina's billings, though margins declined. Operating profit at SACD Freight was somewhat above expectation, with all branches operating at high volumes and full capacity. South African Bulk Terminals performed strongly, with volumes up by 38% and operating profit showed pleasing growth. Six new silos commissioned by SABT are nearing completion. Bidfreight Port Operations was another strong performer. It benefited from increased demand for general cargo warehousing, a resurgence in steel exports, higher throughput of ferrochrome exports and increased stevedoring. Rennies Distribution Services faced a challenging six months. Corrective action is under way. Bulk Connections achieved pleasing growth in trading volumes, where facility upgrades have led to higher efficiency and load rates. Marine had a good half year, with operating profit significantly above budget. High demand for Bidfreight's port-based services is expected to continue.

Bidserv

A good set of results puts the division on course to achieve its full-year targets, with first-half operating profits up 27,8% at R390,5 million. Revenue of R3,1 billion is 18,6% up. The Security Group turned last year's loss into solid profit in an improved industrial relations climate. Bidtravel returned good results, though cost control is a concern. TMS Group produced excellent results with further momentum assured by new contract gains. The Steiner Group was bolstered by excellent results at Steiner Hygiene while the Prestige performance was credible given wage pressures. The Laundry division's result is pleasing, with the new equipment business off to a promising start. Bidserv Industrial Products continued its run of pleasing results, despite margin pressure. Operating profit in Office automation was well up on last year, with Océ staging a pleasing recovery. Global Payment Technologies achieved reasonable results, with pleasing performances by the cash-handling and service divisions. Bidvest Bank achieved an excellent growth in operating profit while pursuing new opportunities. The acquisition of Master Currency has bedded down well. Bidair continues to benefit from rising airport traffic and will pursue further gains when its super ramp licence becomes effective on March 1 2008. Top Turf continues to do well and reported record results. Hotel Amenities Supplies optimised growth in hotel rooms and hotel vacancies for an exceptional six months. After achieving break-even last year, mymarket.com and Group Procurement returned a pleasing result while delivering Bidvest-wide efficiencies.

Bidvest Europe

Encouraging performances by all businesses contributed to revenue growth of 6,6% to R16,0 billion while operating profit rose 20,3% to R410,4 million. Incremental rand weakness against sterling augmented the translation of the result.

In the UK, 3663 First for Foodservice returned a solid operating profit and strong cash flows were generated, despite the first signs that an economic slowdown in the UK is under way. Sales were slightly below expectation, however, volumes in the comparable period were still buoyed by the final months of the MoD contract. Multi temp exceeded budgeted sales, offsetting lower volumes in Logistics. Cost control was stringent at all business units, with cost efficiencies particularly evident in Wholesale following its reorganisation into a single entity. Prospects for the rest of the year were enhanced by several new national account gains while margins have been strengthened. Replacement of the IT system continues, though at a slower pace than initially anticipated. Deli XL Netherlands entrenched recent gains with operating profit somewhat above expectation, though the institutional market remains under pressure. A new contract – to supply Starbucks' first operation in the Netherlands – has been won. The hospitality business continues to achieve real growth and a number of acquisitive opportunities are under consideration. Deli XL Belgium more than doubled its operating profit and good progress is being achieved with the integration of the Kruidenier acquisition. Dubai-based Horeca Trade achieved an improved second quarter performance ensuring a reasonable first half trading result. Management are confident of producing strong full year results within the context of the broader European economy.

Bidvest Asia Pacific

Excellent performances by all businesses, including those of Angliss Asia, contributed to revenue growth of 59,2% to R6,6 billion while operating profit rose 60,5% to R251,3 million.

Bidvest Australia registered another excellent performance with operating profit up by more than 23,3% to A$27,0 million. Revenue was up 16,3%, driven by small acquisitions, organic growth and price inflation. A particularly strong sales performance was achieved in the core wholesale business. The QSR division continues to operate efficiently whilst exploring additional sources of revenue. Hospitality remains below expectations, however prospects remain positive. The overall trading margin reached a new record of 3,8% and the business is well positioned to maintain momentum as the commodities boom continues to sustain relatively strong economic growth.

Bidvest New Zealand increased operating profit by 20,0% to NZ$8,8 million while revenue rose by 18,3%. The trading margin was a highly satisfactory 4,7%. Growth of the business is particularly pleasing as it occurs at a time when many foodservice customers are experiencing lower year-on-year sales as a result of falling consumer confidence and higher inflation and interest rates. The success is attributable to the continued growth of the customer-base and the diversification into new product categories.

Angliss Singapore since acquisition has exceeded managements' expectations despite product supply and quality issues. Notwithstanding Singapore's moderating GDP growth of 7,5% for 2007, Angliss achieved revenue of S$150,6 million and operating profit of S$5,7 million. The foodservice, wholesale and export divisions are the principal contributors to the volumes in the business and management are committed to exploring growth in the southeast Asian region.

At Angliss Hong Kong, a pleasing first-half performance was achieved with revenue of HK$681,2 million and operating profit of HK$26,3 million. The foodservice and wholesale divisions are the core of the business benefiting from robust GDP growth of 6,1% and aggressive focus on margin expansion. The performance puts the business into a sound position from which to pursue additional growth in both Hong Kong as well as meaningful expansion in mainland China on the run-in to the 2008 Beijing Olympics.

Bidfood

Bidfood business units delivered a satisfactory performance, growing revenue by 15,0% to R2,2 billion and operating profit by 24,5% to R191,3 million.

Caterplus and Speciality achieved a 28,5% increase in operating profit to R115,5 million on revenue of R1,5 billion, up 19,1%. In Caterplus, whilst food inflation benefited top-line growth, the strategy of growing the basket of goods to each customer continues to ensure we deliver growth in our market share and operating profit. Despite the environment becoming increasingly challenging, strong cash flows were maintained and managements' focus on the opportunities, service levels, asset management and alleviating capacity constraints will ensure ongoing growth.

Despite concerns about falling consumer spending, Speciality put in a strong performance achieving record sales, with Gauteng region making particularly impressive gains. Aggressive promotion drove good growth across all brands, especially Lu-Tuc, Frico and the in-house Goldcrest range. Higher food inflation and a weakening rand create a continuing challenge, though operational difficulties in Gauteng have eased following the relocation of the Johannesburg branch. Prospects for the Speciality business remain encouraging.

Bid Food Ingredients continued to derive benefit from last year's reorganisation. Revenue increased by 7,1% to R716,6 million while operating profit rose 18,8% to R75,8 million. The Crown National Group was a major contributor benefiting from investment in human capital and modern facilities. Chipkins Bakery Supplies maintained their recently improved performance. The bakery ingredients factory remains a focus area for management. NCP performed in line with expectations despite higher input costs. Bidfood Exports performed exceptionally well, albeit off a small base.

Bid Industrial and Commercial Products

Acceptable results were achieved with revenue up 9,4% to R4,7 billion however, operating profit was flat at R336,8 million. Despite strong volume growth, electrical wholesaling margins were impacted by an extremely weak copper price in the latter part of the period. The firmer rand against the US dollar were negative for Kolok. Higher interest rates affected sales at many business units.

Electrical Wholesale grew revenue 12,1% but operating profit was flat as trading challenges sharpened. While activity levels across most sectors of the construction market remained buoyant, there are indications of cash flow stresses within the contracting sector. The major portion of the divisions' debt is insured. The national electricity crisis creates opportunities in the area of alternate power sources, but has adverse effects for numerous industrial and mining sector customers.

The Stationery and Furniture performance was satisfactory, although operating profit was flat. The flagship Walton's brand achieved gains in both revenue and operating profit, with improved results in the key Gauteng market. New retail branches and a distribution hub are performing beyond managements' expectations. The impact of a "soft" market with reduced margin were detrimental to the trading results of Kolok. Furniture benefited from strong demand delivering good trading results.

Afcom GE Hudson put in a steady performance benefiting from selling a much broader range of products, much of which is imported. Buffalo Executape grew sales, particularly in the DIY range, whilst opening new markets.

Bidpaper Plus

Operating profit rose 10,3% to R126,6 million off revenue growth of 4,6%. Revenue of R1,0 billion was pleasing considering the major export orders executed in the comparative period.

The business entrenched its leadership in print and paper conversion while achieving a growing presence in the labels and packaging industry. The profile in this sector will be further strengthened by the acquisition of Rotolabel. The strategy of re-establishing Silveray Statmark as the leading producer and distributor of stationery gained momentum. Though mixed results were obtained with the effort to grow electronic alternatives to traditional print products, electronic mail put in a strong performance. The revitalised Croxley brand made important gains, but Ozalid continues to suffer margin pressure. Lufil's integration is now complete yet its performance was impacted by input cost increases. While the print and conversion operations have flat prospects for the balance of the year, personalisation and mail, electronic solutions, labels and packaging businesses all expect higher activity levels going forward.

Bid Auto

Revenue growth was lower than anticipated, rising by 3,8% to R10,0 billion, while operating profit was up 0,8% at R357,8 million. Excluding the effect of the acquisition of Viamax, operating profit fell by 26,8% to R259,7 million.

The prevailing higher interest rates during the period under review, as well as the stricter lending criteria, adversely affected motor retail activity and demand for ancillary products. In December 2007 South African vehicle sales hit the lowest monthly level in five years and Bid Auto's new and used vehicle volumes also fell significantly below budget. However, revenue from parts and servicing was in line with expectations. The larger McCarthy franchises performed well in a very difficult environment, however the smaller motor franchises recorded disappointing results. The recently acquired Viamax fleet management and leasing business performed above expectations. Viamax has been integrated successfully into McCarthy Fleet Services. Financial Services was impacted by falling vehicle sales and its inability to sell term products following the introduction of the National Credit Act, allied to both lower premium and investment income. Budget Rent a Car and van rental performed satisfactorily in a tough climate although returns were negatively impacted by lower fleet utilisation. The new import and distribution business and Yamaha registered disappointing results, although the start-up Heavy Equipment performed well ahead of budget, recording a small profit. McCarthy Value Centres were affected by the delayed introduction of the Chinese imports and intense competition resulting in lower than expected sales. An import and distribution agreement with Chery Automobile Company, China's largest domestic car brand sets the scene for the launch of Chery passenger cars by financial year-end. Bid Auto continues to create jobs, with 954 new staff joining McCarthy. Technical and non-technical training is being stepped up. In an increasingly challenging trading environment, non-performing operations, expense savings and working capital management are receiving priority.

The environment for Bid Auto is anticipated to remain challenging in the short-term.

Corporate

Namsov Fishing Enterprises experienced difficult trading conditions, impacted by poor winter conditions and lower than expected catch rates. We have consolidated our Namibian assets into Bidvest Namibia to be managed wholly by Namibians. Due to unforeseen circumstances, the listing of Bidvest Namibia has been delayed to the third quarter of calendar 2008.

UK-based Ontime Automotive underperformed. It was unable to achieve improved contract returns in the national car delivery business so exited the major part of this segment. Pleasing performances were achieved in the Specialist and Prestige distribution divisions.

Bid Property Holdings continues with the development of a high-quality portfolio over strategic operational properties within the Group, albeit at a slower pace.

Prospects

Internationally our foodservice businesses continue to trade well. Acquisition opportunities continue to be sought across all geographies in order to extend and grow our international foodservice footprint. Angliss Asia holds much promise as it operates in high growth economies with ample opportunity for expansion in the surrounding regions. Approximately 30% of the Group's earnings are derived internationally and should rand weakness persist this will provide a positive hedge in the translation of the results of our international businesses.

Locally our businesses, other than Bid Auto, are confident that the momentum achieved in the first half will continue into the next period. Economic conditions are challenging, yet manageable. A prolonged high interest rate cycle and sustained electricity supply constraints will have some negative impact on most businesses. The tightened credit conditions and higher inflation climate will present acquisition opportunities allowing our businesses to take advantage thereof. Management has placed an intense focus on the improvement in returns on funds employed in all divisions.

Management forecasts remain positive. Earnings growth in the second half of the financial year is expected to be at a higher rate than that achieved in the first half. Our strategic objective set in 2005 of doubling the size of Bidvest in five years remains on track.

For and on behalf of the Board

MC Ramaphosa
Chairman

B Joffe
Chief Executive

Distribution#

Notice is hereby given that Bidvest intends to make an interim cash distribution by way of a pro rata share buy back. The implementation will be effected by way of a scheme of arrangement in terms of section 311 of the Companies Act for the repurchase of 1,82% of every members' shareholding in Bidvest at a price of R121,00 per share being a premium of 15,3% over the last 30 days weighted average share price of Bidvest. The payment will equate to an effective distribution of 220,0 cents per share (2006: 198,0 cents). On the basis that the scheme of arrangement is successfully implemented, it is anticipated that shareholders will receive payment on or about May 5 2008.

The rationale for Bidvest implementing the pro rata buy back by scheme of arrangement is to ensure all shareholders are treated on a uniform basis and that after implementation, a shareholders' effective percentage holding of Bidvest would not have changed. Bidvest would benefit in that a reduction of shares in issue would be earnings enhancing and accordingly all shareholders would share in the accretion.

The requisite circular to shareholders will be posted to shareholders in due course and a further announcement detailing the salient dates and notice of scheme meeting will be published shortly.

For and on behalf of the board

MA David
Company Secretary

Johannesburg
February 29 2008

… when Bidvest people
take on a challenge

The Bidvest Group Limited
Incorporated in the Republic of South Africa ("Bidvest" or "the Group" or "the Company")

Directors

Chairman: MC Ramaphosa

Independent non-executive: DDB Band, S Koseff, D Masson, JL Pamensky, NG Payne, Adv FDP Tlakula

Non-executive: LG Boyle*, AA Da Costa (alternate LJ Mokoena), MBN Dube, RM Kunene, T Slabbert

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

(*British **Australian)

Company Secretary
MA David

Transfer secretaries
Link Market Services South Africa (Pty) Limited
11 Diagonal Street, Johannesburg, 2001, South Africa
PO Box 4844, Johannesburg, 2000, South Africa

Registered office
Bidvest House, 18 Crescent Drive, Melrose Arch
Melrose, Johannesburg, 2196, South Africa
PO Box 87274, Houghton, Johannesburg, 2041
South Africa

Registration number 1946/021180/06
Share code: BVT ISIN: ZAE000050449

PROUDLY BIDVest