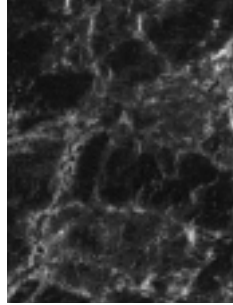
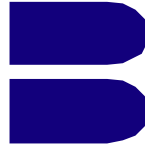


The Bidvest Group Limited

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The Bid Profile



PAGE
ONE

*As a strategically
focused group, we
are ideally placed
to meet the needs of
all our stakeholders*

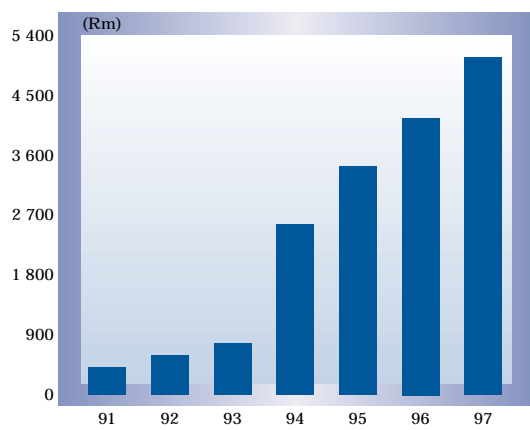
THE BIDVEST GROUP LIMITED IS AN INVESTMENT HOLDING COMPANY LISTED ON THE JOHANNESBURG STOCK EXCHANGE IN THE INDUSTRIAL HOLDINGS SECTOR. THE STRATEGY OF THE GROUP IS TO BE INVESTED IN COMPANIES OPERATING IN THE FIELDS OF DISTRIBUTION, SERVICE AND TRADING, WHICH ENCOMPASSES LIGHT MANUFACTURING.

THE GROUP'S OBJECTIVE IS TO ENHANCE SHAREHOLDER WEALTH BY REAL GROWTH IN EARNINGS AND DIVIDENDS PER SHARE THROUGH ORGANIC GROWTH, SELECTIVE ACQUISITIONS AND CONTROL OF FUNDS EMPLOYED.

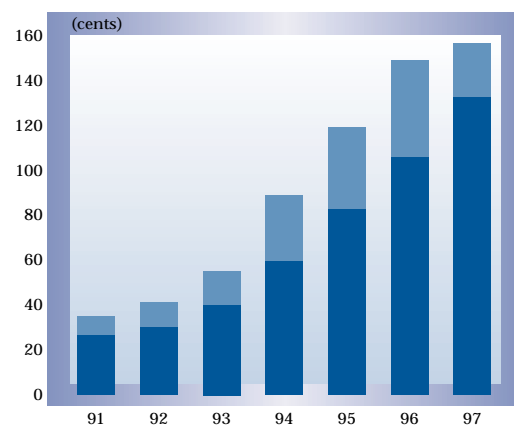
THE GROUP'S PHILOSOPHY FOR MOTIVATING MANAGEMENT IS BASED ON A DECENTRALISED STRUCTURE WITH STRONG INCENTIVES TO EXCEED REALISTIC PROFIT GOALS.



Group Financial Highlights

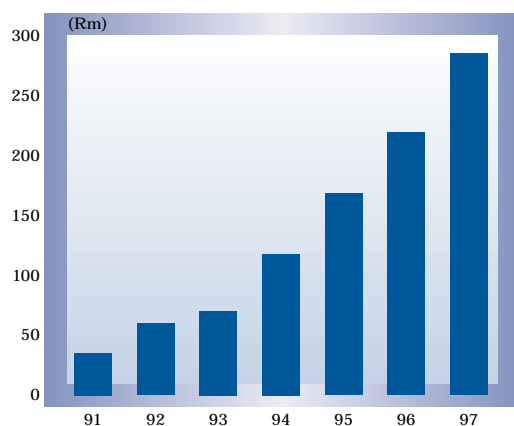


TURNOVER

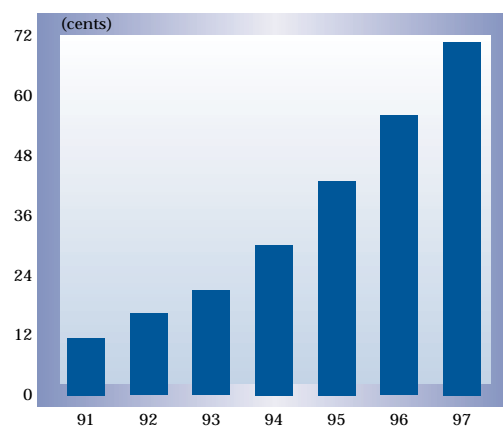


EARNINGS PER SHARE

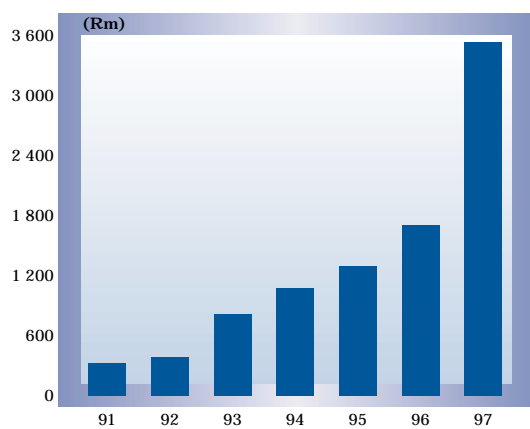
■ Diluted ■ Undiluted



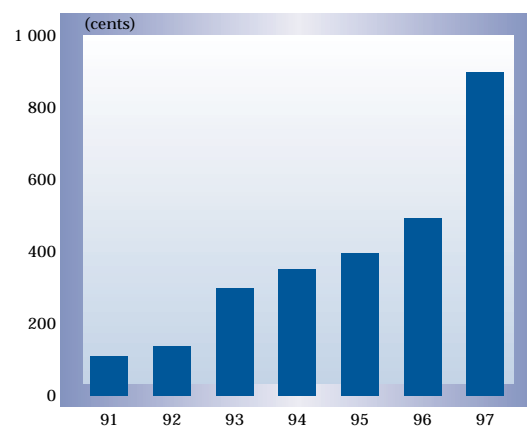
OPERATING INCOME



DIVIDENDS PER ORDINARY SHARE⁽²⁾



TOTAL ASSETS



NET ASSET VALUE PER ORDINARY SHARE



	7 year compound growth rates % per annum	1997	1996	1995	1994	1993	1992	1991
Extract from financial statements (R000's)								
Turnover	45,7	5 069 948	4 166 682	3 432 155	2 560 707	775 206	595 994	411 694
Operating income	49,8	285 530	219 534	168 468	118 070	70 515	60 054	35 377
Attributable income	69,6	228 461	170 370	127 980	89 926	37 265	27 053	17 589
Ordinary shareholders' interest		2 073 631	904 176	694 823	604 200	497 812	135 565	105 231
Total assets		3 546 791	1 706 185	1 294 890	1 077 901	815 631	390 329	324 074
Wealth created by trading operations		899 879	696 702	524 636	412 828	224 924	175 299	104 350
Share and debenture statistics								
Earnings per share (cents) ⁽¹⁾								
diluted	27,6	132,5	105,8	82,6	59,4	40,1	30,0	26,6
undiluted	30,7	157,0	149,3	119,4	89,1	55,2	41,2	35,2
Dividends per ordinary share (cents) ⁽²⁾	33,0	70,8	56,1	43,0	30,2	21,0	16,4	11,5
Dividend cover (times) ⁽²⁾		2,0	2,6	2,8	2,9	2,6	2,5	2,5
Dividend yield (%)		2,0	2,2	2,3	2,1	2,7	4,1	4,1
Net asset value per ordinary share (cents) – diluted	30,1	902	494	395	353	298	138	109
Share price (cents)								
high		3 535	2 956	2 000	1 470	780	400	283
low		2 275	1 838	1 450	780	343	250	180
closing (June 30)	49,0	3 500	2 590	1 875	1 470	780	400	280
Debenture price (cents)								
high		3 540	2 825	1 950	1 465	780	390	285
low		2 250	1 800	1 400	780	390	270	180
closing (June 30)	52,6	3 470	2 500	1 875	1 450	780	390	285
Volumes traded (000's)								
shares		18 942	7 972	3 377	4 831	742	2 735	1 236
debentures		7 514	6 025	4 763	6 230	444	2 142	11
Volume traded as % of weighted number of instruments								
shares		13,0	7,0	3,2	4,8	1,1	4,2	2,5
debentures		18,2	9,2	7,2	9,1	1,2	6,8	0,1
Ratios and statistics								
Return on total ordinary shareholders interest (%)		27,4	27,4	23,7	20,2	32,0	29,7	59,7
Operating income margin (%)		5,6	5,3	4,9	4,6	9,1	10,1	8,6
Current asset ratio		2,0	1,9	1,9	1,8	2,0	2,5	1,7
Quick asset ratio		1,5	1,5	1,5	1,5	1,5	1,4	1,0
Number of employees		30 001	21 506	14 970	14 117	4 749	4 784	2 226
Number of ordinary shares in issue (000's)		187 811	117 054	107 995	102 975	100 310	65 661	65 661
Number of debentures in issue (000's)		41 984	65 987	67 706	68 156	66 465	32 890	30 605

⁽¹⁾ Based on weighted number of shares in issue.

⁽²⁾ Includes capitalisation issues at market value.

⁽³⁾ The comparative figures have been restated to account for the 10 for 1 subdivision of the ordinary shares and debentures, where appropriate.

Chairman's Statement

The challenge of growing a business in a climate of uncertain economic growth is always a daunting one, even to the most seasoned of businessmen. It requires courage, discipline, a keen sense of anticipation, and an unswerving commitment to succeed. Above all, it requires a clear vision that transcends the short-term challenges that can so easily divert our attention and lead us to stray from our chosen path.

This challenge increases with every step forward in the growth of a business. To instil and nurture the aforementioned qualities in a relatively small business employing a hundred people is a far cry from doing so in a business that is the working home to many thousands. It is precisely this challenge that has driven the management of Bidvest to pursue a strongly decentralised management philosophy, which can accommodate sound organic growth without losing sight of the basic business fundamentals that gave the business its birth.

*Bidvest will always strive first and foremost for sound
earnings growth within our existing businesses*



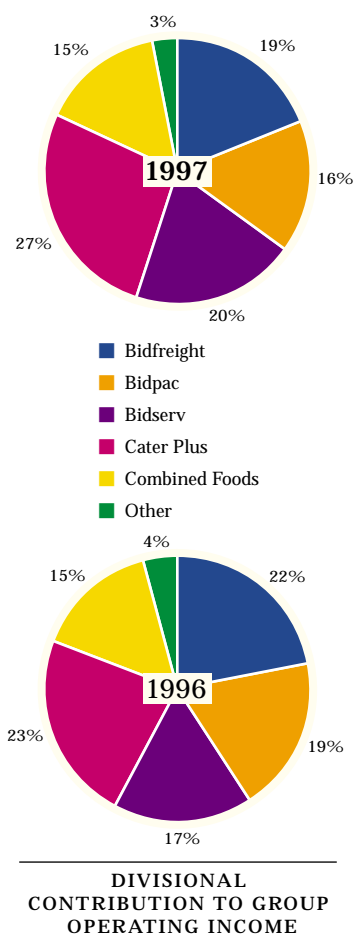
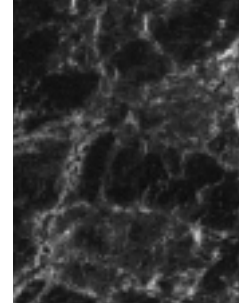
BRIAN JOFFE

Quite clearly, it is this decentralised management approach that has enabled Bidvest to grow consistently over the years, in the face of sweeping political and social changes, a generally sluggish economy and punitive economic policies aimed at curtailing what, at times, has threatened to become endemic double digit inflation. It is this approach that has spawned an entrepreneurial strength and discipline within all our individual businesses to achieve inflation-beating growth and leadership in virtually every market we serve.

The resulting ability to trade aggressively and from a position of strength, has generated the financial and people resources necessary to make strategic acquisitions to further entrench our leadership in the markets we serve, and to make bold entries into competitive new market areas, both in South Africa and offshore. The past year was no exception in this

regard. While it may well be remembered by most of our stakeholders as the year we acquired Waltons, by far the largest single new business acquisition in our history, it will be remembered by myself and my colleagues on the Bidvest management team, as the year we grew our existing businesses on average by over 30% in a difficult economy.





And while synergistic acquisitions such as Waltons, NCP Yeast, CAARS and Boston Laundries are strategic growth imperatives of a business such as Bidvest, we will always strive first and foremost for sound earnings growth within our existing businesses, before we look to such acquisitions as a means of building shareholder value.

I touched earlier on the punitive economic measures that have been applied for the larger part of this decade in South Africa. In particular, I was referring to the Reserve Bank's long-standing adherence to a policy of high interest rates as a means of suppressing inflationary pressures within the economy.

Whilst I am wholly supportive of these efforts to contain inflation, I would hasten to add that they are having a severely deleterious effect on the economy by inhibiting growth and sorely needed new job creation. Inflationary pressures will always be in the wings until continued pressures for wage and salary increases in the public and private sectors alike, are matched by commensurate improvements in productivity.

The liberalisation of many aspects of economic life in South Africa by the new Government, such as our signatory to GATT and membership of the WTO, are commendable indeed. However, this has launched South Africa

into a highly competitive, sophisticated and agile global economic arena for which the country is singularly ill-equipped, especially in so far as the local manufacturing sector is concerned.

The key to developing a vibrant and globally competitive manufacturing sector lies in a meeting of minds between employers and organised labour. In past Chairman's Statements, I have repeatedly called for such rapprochement as it is the only means of achieving sustainable long-term economic growth for the country. Recent indications in the media that this might happen with the support of the Government are encouraging to say the least and it is my sincere hope that they will lead to fruition.

The absence of any tangible progress towards the curtailment of rampant crime remains a serious debilitating factor to economic growth, despite the increasing involvement of the private sector in the application of law and order in South Africa. Our abundance of natural beauty and wild life combined with our relatively close proximity to Europe and positioning midway between East and West, not to mention the low value of the rand, should have ensured record volumes of visitors to our shores since our return to the international community.

It is no secret that the disastrous lack of law and order within our country, which has received regular and prominent exposure in the international media, has been the major factor in discouraging tourism. We can but hope that the appointment of a business leader of the calibre of Meyer Kahn to the helm of the South African Police Services will help to lay the foundation for the creation of a safe and secure society for all South Africans.

I need hardly add that his appointment alone will not solve the problem. He will require the wholehearted support of all echelons of Government and all South Africans if he is to succeed in his monumental task.

Chairman's Statement

(continued)

Against this challenging backdrop, I am happy to report that the Group continued to achieve growth in both sales and earnings during the year to June 1997. Group turnover rose by 21,7% to R5,1 billion (1996: R4,2 billion) while operating income climbed by 30,1% to R285,5 million (1996: R219,5 million). Attributable income grew by 34,1% to R228,5 million (1996: R170,4 million) resulting in a 25,2% improvement in diluted earnings per share to 132,5 cents (1996: 105,8 cents). Dividends equivalent to 70,8 cents a share (1996: 56,1 cents) were declared in the form of capitalisation awards of 1,25 Bidvest shares in February 1997, and of 0,95 Bidvest shares, in September 1997, for every 100 shares held.

All our divisions performed satisfactorily during the past year, which is particularly gratifying given the slowdown in the South African economy. This all-round trading performance was achieved through aggressive marketing and a careful focus on core business activities. Improvements in profitability were achieved in all divisions despite extreme pressure on margins in some competitive sectors. Our continuing commitment to prudent asset management and ability to curtail costs were crucial contributors to this growth as was our ongoing upgrading of skills throughout the Group.

I believe we will once again achieve improved earnings

growth in real terms

The growth over the past year was almost entirely of an organic nature. Only five days of trading by Waltons were included in these results, while other recent acquisitions such as NCP Yeast, CAARS, Silveray Stationery Company and Boston Laundries, will only make their first contributions to the Group's results in the year ahead.

All these acquisitions have enhanced Bidvest's established strength and focus in distribution, service and trading industries, which include food ingredients, office and industrial catering supplies, wholesale commercial stationery and office products, office hygiene and cleaning services, freight forwarding and clearing, and packaging equipment and materials. An important aspect of our strength in these industries lies in the fact that we have well established and effective distribution networks which we control and which affords us a key competitive advantage in the markets we serve. In addition, we now own an impressive array of long established and highly regarded trademarks.



It would be opportune at this point to extend a warm welcome to the management and employees of the new additions to the Bidvest Group. I believe we have acquired in them dedicated teams of people who, together with their respective businesses, will prosper within our decentralised management style.

In the case of Waltons, our restructuring programme is proceeding on schedule and progress at this early stage is promising. There are still many hurdles to overcome along the road to revitalising this business and enabling it to achieve its true potential. However, I have the fullest confidence in the ability of the Waltons people to succeed in this mission.

Our 51% owned Australian subsidiary, Manettas, which has strong similarities to our Cater Plus division in South Africa, participates in a highly competitive and overtraded market, however, there are signs that the market is consolidating. While I am happy to report a welcome resumption of dividend payments, there is still much work to be done to achieve a satisfactory return to profitability by Bidvest's standards. Nevertheless, I firmly believe that with the appropriate restructuring, Manettas offers enormous upside potential in the longer term.

The Group's structure was simplified by the unbundling and liquidation of our pyramid holding company, Bidcorp, following a fully subscribed R240 million rights offer by Bidvest in April 1997, and the announcement by our board that all remaining debentures in the Company will be converted into ordinary shares by the end of September 1997. The current financial results are therefore the last to include both ordinary shares and debentures. Bidvest's fully diluted market capitalisation now stands at almost R9 billion.

It is clear that these changes, which have created a single point of entry for investors into the Group and enhanced the tradeability of Bidvest's shares, have been welcomed by the investing public and we appreciate their confidence and support.

Looking to the year ahead and despite the somewhat uncertain economic outlook, I believe we will once again achieve improved earnings growth in real terms. This will arise from our strong position in industries with considerable upside potential as well as from the substantial benefits we expect to flow from the Waltons and other acquisitions mentioned earlier. The Group is still highly liquid after these acquisitions and we continue to seek further investment opportunities where they can add shareholder value.

In closing, I would like to extend my sincere appreciation to my fellow executive and non-executive directors, advisors, auditors and the entire management team and staff within the Group for their unceasing efforts in producing yet another set of commendable financial results in difficult circumstances. My appreciation also goes out to our valued customers and suppliers whose loyalty and support is never taken for granted and remains an ever-present reminder of why we are successful in our business.



Brian Joffe
Chairman

Directorate and Administration

DIRECTORS

BRIAN JOFFE (50)
CA(SA)
EXECUTIVE CHAIRMAN
APPOINTED MARCH 1 1989

MERVYN CHIPKIN (71)
DEPUTY CHAIRMAN
APPOINTED MAY 9 1989

NON - EXECUTIVE DIRECTORS



**TONY
BEHRMANN**



**BERNARD
CHIPKIN**



**ERIC
ELLERINE**



**NOMHLE
GCABASHE**



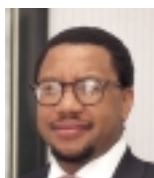
**STEPHEN
KOSEFF**



**DONALD
MASSON**



**MOELETSI
MBEKI**



**PHUTHUMA
NHLEKO**



**JOE
PAMENSKY**



**TEDDY
REITMAN**

ANTHONY JOHN BEHRMANN (59)*
BA, LLB
APPOINTED JUNE 17 1997

ISAAC ABRAHAM BERMAN (59)
APPOINTED SEPTEMBER 10 1990

LEONARD IVAN CHIMES (63)
APPOINTED JUNE 30 1997

BERNARD ROBERT CHIPKIN (68)
BSC(WITS)
APPOINTED SEPTEMBER 10 1990

JOHN PETER DESILLA (61)
CA(SA)
APPOINTED JUNE 30 1993

ERIC ELLERINE (63)
APPOINTED JUNE 17 1997

NOMHLE JACQUELINE GCABASHE (31)
BA ECONOMICS, BA POLITICAL SCIENCE (EMORY)
APPOINTED APRIL 10 1997

STEPHEN KOSEFF (46)
CA(SA), HDip BDP, MBA
APPOINTED JUNE 17 1997

COLIN HUGH KRETZMANN (50)
CA(SA)
APPOINTED AUGUST 10 1992

DONALD MASSON (65)
ACIS
APPOINTED MARCH 10 1992

MOELETSI GODUKA MBEKI (51)
MA(SOC)
APPOINTED OCTOBER 22 1995

PHUTHUMA FREEDOM NHLEKO (37)
BSc (Eng), MBA
APPOINTED JUNE 17 1997

PETER NYMAN (52)*
CA(SA), ACMA, HDIP TAX LAW
APPOINTED FEBRUARY 1 1991

JOSEPH LEON PAMENSKY (67)*
CA(SA), OMSG
APPOINTED JANUARY 8 1990

LINDSAY PETER RALPHS (41)
CA(SA)
APPOINTED MAY 20 1992

THEODORE HERZL REITMAN (71)
(BRITISH)
APPOINTED JUNE 17 1997

FRANK ERNEST ANTHONY ROBARTS (62)
APPOINTED JUNE 30 1997

DAVID KEITH ROSEVEAR (41)*
CA(SA)
APPOINTED MARCH 11 1992

ALAN CHARLES SALOMON (48)
CA(SA), BSC(LOND)
APPOINTED SEPTEMBER 10 1990

CHARLES ELI SINGER (51)
CA(SA)
APPOINTED JUNE 30 1995

ROY WAINER (49)
APPOINTED MAY 14 1991

CHARLES EDWARD WATT (52)
APPOINTED SEPTEMBER 10 1990

* Members of Audit Committee



EXECUTIVE DIRECTORS



**BRIAN
JOFFE**



**MERVYN
CHIPKIN**



**ISSY
BERMAN**



**LEN
CHIMES**



**PETER
DESILLA**



**COLIN
KRETZMANN**



**PETER
NYMAN**



**LINDSAY
RALPHS**



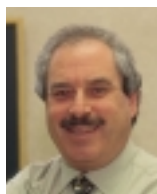
**FRANK
ROBERTS**



**DAVE
ROSEVEAR**



**ALAN
SALOMON**



**CHARLES
SINGER**



**ROY
WAINER**



**CHARLES
WATT**

ADMINISTRATION

SECRETARY

MARIA SUSANNA VIJOEN

REGISTERED OFFICE

MILNER PLACE
SUNNYSIDE OFFICE PARK
4 CARSE O'GOWRIE ROAD
2193 PARKTOWN
PO BOX 87274
2041 HOUGHTON
TELEPHONE (011) 481-4100
TELEFAX (011) 643-4517
E-MAIL bidvest@fast.co.za

AUDITORS

KPMG

BANKERS

THE STANDARD BANK OF SOUTH AFRICA LIMITED
NEDCOR BANK LIMITED
FIRST NATIONAL BANK OF SOUTH AFRICA LIMITED
INVESTEC BANK LIMITED
ABSA BANK LIMITED

ATTORNEYS

WERKSMANS

A.D.R. DEPOSITARY

CITIBANK, N.A.

SHARE TRANSFER SECRETARIES

MERCANTILE REGISTRARS LIMITED
94 PRESIDENT STREET
2001 JOHANNESBURG
PO BOX 1053
2000 JOHANNESBURG

COMPANY REGISTRATION NUMBER

05/21180/06

Divisions of The Bidvest Group

BIDFREIGHT



BIDFREIGHT IS A PROMINENT FREIGHT MANAGEMENT GROUP IN SOUTH AFRICA. IT SERVES CUSTOMERS IN ALL THE MAJOR CENTRES OF THE COUNTRY THROUGH TWO INDEPENDENT BUSINESSES WHICH FOCUS ON INTERNATIONAL AND DOMESTIC FREIGHT SERVICES.

SAFCOR FREIGHT

Specialises in international freight management and has access to an international network of over 200 offices in 65 countries through its long-standing association with Panalpina World Transport of Switzerland. It has the facility to forward or clear freight moved by land, sea or air to or from anywhere in the world.

SAFCON

Provides an overnight door-to-door service by road or air. It operates an extensive fleet of vehicles ranging from long-distance trucks to light delivery vehicles, enabling it to handle almost any consignment to all parts of the country.

BIDOFFICE



BIDOFFICE IS ENGAGED IN THE SUPPLY AND DISTRIBUTION OF COMMERCIAL OFFICE PRODUCTS INCLUDING STATIONERY, OFFICE FURNITURE, COMPUTER AND OTHER OFFICE AUTOMATION PRODUCTS THROUGH A NETWORK OF BRANCHES THROUGHOUT SOUTHERN AFRICA.

STATIONERY

Wholesales and distributes a wide range of stationery products including leading brand names through its operations **Waltons Stationery Company, International Office Supplies, Kolok, Statmark, Sigmagraphics, Back-To-School, Hortors Stationery, South African Diaries** and **Palladium Stationers**.

OFFICE FURNITURE

Manufactures and distributes a wide range of office furniture and associated products for the corporate and commercial markets through **Atomic Office Equipment, Cecil Nurse, Central Office Furniture, Dauphin Office, Office Centre, Nuclear Office Products** and **Seating**.

OFFICE AUTOMATION

Distributes leading brands of office automation products trading as **Minolco**, the distributor of the **Minolta** range of photocopiers, facsimile machines and laser printers and **Businessland**, a specialist supplier of computer note books, personal computers and software applications.

BIDPAC



BIDPAC IS SOUTH AFRICA'S LEADING MANUFACTURER AND DISTRIBUTOR OF WORLD CLASS FASTENING, PACKAGING, STRAPPING, STATIONERY PRODUCTS, ADHESIVE TAPE, CODING AND LABELS TO COMMERCE, INDUSTRY, MINING AND AGRICULTURE.

FASTENING, PACKAGING AND STRAPPING

Manufactures and distributes strapping, staples, labels, seals, nails and custom-made machinery and systems through its operations **Afcom, GE Hudson, Buffalo Tapes** and **King-Pac**.

STATIONERY PRODUCTS

Manufactures and distributes adhesive tapes, rubber bands, paper punches, envelopes, labels, files, coding and other stationery products through its operations **Buffalo Tapes, Jonrod, Silveray Stationery Company, Hi-Maur Labelling Systems, Ozalid, Twinlock, International Systems** and **Roll-a-Pak** under well-known brand names including **Sellotape** and **Croxley**.



BIDSERV



BIDSERV PROVIDES A RANGE OF HYGIENE SERVICES TO COMMERCE AND INDUSTRY AND IS THE MARKET LEADER IN WASHROOM SERVICES, TEXTILE RENTAL AND CONTRACT CLEANING SERVICES.

STEINER SERVICES

South Africa's leading service provider of washroom rental services and garment rental services. In addition this division distributes a comprehensive range of light industrial and janitorial products to industry in general. Trading names are **Steiner Services, Steiner Hygiene, Steiner Trading and First Garment Rental.**

CLOCKWORK CLOTHING

Manufactures and wholesales industrial workwear, as well as a limited range of sportswear such as soccer kits.

BOSTON LAUNDRIES AND DRY CLEANING

The country's largest commercial launderer and dry cleaner. The laundries specifically service the hotel and hospital markets.

PRESTIGE CLEANING SERVICES

The largest contract cleaning company in South Africa. Its strong core of corporate clients is serviced by a workforce exceeding 17 000. The specialised services division provides a range of special cleaning services including pest control. The company also trades as **Execu-Clean, Regent Pro-Serve, Sneller Dienstes and Setsebi Cleaning Services.**

CATER PLUS



CATER PLUS IS A MAJOR DISTRIBUTOR OF A COMPREHENSIVE RANGE OF PRODUCTS TO THE LEISURE, HOSPITALITY AND FOOD SERVICE INDUSTRIES THROUGH STRATEGICALLY LOCATED, INDEPENDENT BUSINESS UNITS.

CATERING SUPPLIES

A major supplier of groceries and allied products to the catering, hospitality and food service industries and trades under the following names – **A G Hugget & Co, Burleigh Marr, Chipkins Catering Supplies, Cater Goods, Catersales, Coastal Foods, D&R Lowe Catering Supplies, Lou's Wholesalers, Manettas, Mannic Fresh Produce, Pyramid Catering Supplies, RFS Catering Supplies and RM Smith & Son.**

CATERING FROZEN FOODS

Supplies seafood, vegetable, poultry, red meat, dairy and pastry products to the catering, hospitality and food service industries and trades under the following names – **A G Hugget & Co, Burleigh Marr, Felans, Lusitania Sea Products (Free State), Peter's Fish Market, and Seaworld.**

CATERING EQUIPMENT

One of South Africa's leading manufacturers, importers and suppliers of catering and refrigeration equipment, heavy duty kitchen equipment and catering utensils and trades as **Vulcan President and CAARS.**

SPECIALITY

Through **Patleys** markets local and imported premium quality food products under the **Goldcrest** and other leading local and international brand names.

COMBINED FOODS



COMBINED FOODS MANUFACTURES AND DISTRIBUTES A COMPREHENSIVE RANGE OF PRODUCTS TO THE BAKERY, MEAT AND FOOD PROCESSING INDUSTRIES.

CHIPKINS BAKERY SUPPLIES

Manufactures and distributes a large range of pre-mixed convenience products and ingredients to independent and in-store bakeries and distributes a wide range of bakery consumables.

CROWN NATIONAL

One of South Africa's largest manufacturers and suppliers of spices, seasonings, additives and condiments to the butchery as well as the meat and food processing industries. It is also a leading supplier of sausage casings, butchery equipment, packaging and allied products.

NCP YEAST

Manufactures and distributes active yeast to the baking, brewing and consumer markets. The product range comprises compressed yeast, active dried yeast, brewers dried yeast and cream yeast in various pack sizes.

Review of Operations • BIDFREIGHT



*The infrastructure
has been laid for
further innovative
growth in the way
that we provide our
service, using the
latest available,
cost-effective
technologies*

BIDFREIGHT • Bidfreight is the umbrella company which controls two separate freight operations namely Safcor Freight and Safcon.

Together these two businesses have seventeen offices and warehouses in the main centres in South Africa.

SAFCOR FREIGHT

Safcor's business is management of the movement of freight on an international basis by air, sea and land and the company plays a prominent role in this industry in South Africa.

Trading conditions during the year were made difficult by virtue of an ongoing programmed reduction in customs duties and excise taxes which had the effect of reducing existing turnover. Overall turnover, however, increased through the acquisition of new business and the effect of a depreciating rand. Margins reduced due to competitive pressure but expenses were contained within the inflation index.

The nature of our business is undergoing certain changes, two of which comprise logistics – extending control over the movement

of freight – and information technology.

These changes demand innovation not only from Safcor but also our worldwide associate, Panalpina World Transport.

Our warehouse which handles airfreight at Johannesburg International Airport was expanded during the year and is due to be extended yet again. These extensions have been necessary to cater for large consolidated consignments arriving on freighter aircraft mainly for multinational corporations. There is a growing need amongst large importers that they be able to outsource their





**PETER
DESILLA**



warehousing requirements and, indeed, their distribution in many instances and it is our aim to facilitate these additional service demands.

Mention was made last year of our strategic priority to progress our electronic data interchange development. It is an area of our business as a service company which, we believe, cannot be neglected. A local area network has been installed at head office and this is tightly coupled to the existing AS400 environment. The benefit is that we have been able to present our client base with information, over the Internet, via e-mail and fax, in a proactive manner. The infrastructure has been laid for further innovative growth in the way that we provide our service, using the latest available, cost-effective technologies, by speeding the delivery of information between parties in the logistics chain. All software costs were expensed during the year.



PAGE

THIRTEEN

BIDFREIGHT

CHAIRMAN
- P DESILLA

SAFCOR FREIGHT

CHAIRMAN
- P DESILLA
MANAGING DIRECTOR
- P WOMERSLEY
FINANCIAL DIRECTOR
- N THOMPSON
SALES DIRECTOR
- C COX
COMMERCIAL DIRECTOR
- C SPEED-ANDREWS
DATA PROCESSING
- A PEKAR

JOHANNESBURG

- **SEAFREIGHT**
IMPORTS MANAGER
- C PISAPIA
CUSTOMERS
CONSULTANT
- K ANDREWS
COMMERCIAL MANAGER
- C CROWTHER
PROJECTS
- G FORSYTH
EXPORTS MANAGER
- C RADBOURNE
FREIGHT AUDITOR
- J EPSTEIN
CREDIT CONTROL
- P HOLFELDER
ACCOUNTANT
- A SULEMAN
ADMINISTRATION
- J LITABE
WAREHOUSING
- M MOSSMAN

JOHANNESBURG

**INTERNATIONAL
AIRPORT - AIRFREIGHT**
AIRFREIGHT DIRECTOR
- H VISSER
MANAGER
- A LOUW
CUSTOMS AFFAIRS
- M STEYN
EXPORTS
- W HODDINOTT
MANAGER:
MULTINATIONAL
ACCOUNTS
- T VAN COLLER

CAPE TOWN

REGIONAL DIRECTOR
- S GOSLETT
FINANCIAL
- G WHITE
IMPORTS MANAGER
- A BESTER
SALES
- B ALISON
AIRFREIGHT
- G THERON
WAREHOUSE
- P COETZEE

Review of Operations • BIDFREIGHT

(continued)

In our pursuit of service excellence Safcor Durban obtained its ISO 9002 accreditation during the year, leaving just two smaller offices to conform.

In line with our commitment to the development of our employees, we continue to invest increasing resources in our training and development initiatives. The major portion of this investment is directed at the development and empowerment of our black, coloured, Asian and female employees, at all levels within the Group.

In addition to our management development programme, we have during the past year focused on adult basic education opportunities by way of life-skills and literacy programmes. A business training programme designed to help employees better understand the financial aspects of running a business has also recently been launched.

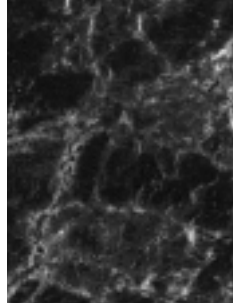
To facilitate these and future initiatives, we have significantly increased our training capability by identifying and developing several in-house voluntary training presenters.

Furthermore, forums have been established comprising employee representatives and trainers who have been drawn from all levels within the group; they have the collective responsibility of ensuring that our training direction is of appropriate standard and that they adequately meet the development needs of our employees.

Prospects for the year ahead are not certain but the expected reduction in interest rates should bolster economic activity; a continued concentration on new business sales and a strong customer servicing ethic should result in the budgeted improvement in profits being attained.

*Our warehouse which handles
airfreight at Johannesburg
International Airport was
expanded during the year*





PAGE
FIFTEEN

SAFCOR

This division of Bidfreight operates a domestic door-to-door freight service by air and by road making use of an extensive fleet of long distance trucks and smaller collection/delivery vehicles. A new warehousing hub at Isando was brought into commission during the year which, together with a strengthening of management has resulted in much improved results for the year under review. Further improvement in profitability is budgeted in the year ahead.

SAFCOR FREIGHT (continued)

DURBAN

REGIONAL DIRECTOR
- E CAWOOD
BRANCH DIRECTOR
- J CUMMINS
AIRFREIGHT DIRECTOR
- T BARRON
IMPORTS MANAGER
- G MUNRO
ACCOUNTANT
- I CARNEY
FORWARDING
- W EHLKE
COMMERCIAL
- F HODDER
RICHARDS BAY & PROJECTS
- B CULL
EXPORTS MANAGER
- S FERREIRA

PORT ELIZABETH

BRANCH MANAGER
- J GERBER

EAST LONDON

BRANCH MANAGER
- D WAYBER

SAFCOR

JOHANNESBURG

MANAGING DIRECTOR
- J MCLUCKIE
OPERATIONS DIRECTOR
- M TRUSCOTT
FINANCIAL DIRECTOR
- A SWEENEY
ADMIN DIRECTOR
- J SAITOWITZ

DURBAN

BRANCH MANAGER
- D CHARLS

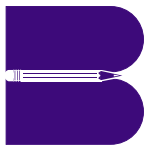
CAPE TOWN

BRANCH MANAGER
- H JOOSTE

PORT ELIZABETH/ EAST LONDON

BRANCH MANAGER
- A EDENS

Review of Operations • BIDOFFICE



Waltons people are motivated, positive and confident and can look forward to a bright and rewarding future with Bidvest

are of a very good fit for the Waltons businesses and people within Bidvest.

Perhaps the most gratifying aspect of the Bidvest takeover is how the Waltons people at all levels have risen to the challenges which are an inevitable part of change. They are motivated, positive and confident and can look forward to a bright and rewarding future with Bidvest.

Trading conditions are generally very challenging at present. Different geographic regions and business activities have felt the effects to varying

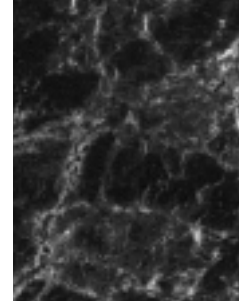
BIDOFFICE • The newly created sixth division of Bidvest comprises predominantly the trading and distribution businesses of the former Waltons Group acquired by Bidvest on 24 June 1997. The financial period covered by this report therefore includes only five trading days from this division. The manufacturing operations of the Waltons Group (other than furniture) have been rationalised into Bidpac where the focus is on revitalising and moving to international best practice in manufacturing.

Bidoffice is made up of a number of autonomous business units each now adopting the decentralised Bidvest management structure. The activities of the division comprise a broad range of businesses covering the wholesaling and distribution of a wide range of stationery products, the manufacturing and distribution of office furniture and associated products and the distribution of leading brands of office automation products. These operations fall within Bidvest's activities of trading, service and distribution, encompassing light manufacture and lend themselves ideally to its management philosophy and approach. Thus indications so far





**LEN
CHIMES**



degrees. There is some expectation of an easing in interest rates during the last quarter of 1997 and this will to some extent help to alleviate the pressures under which many of our customers – large and small – are operating. We are bedding down the restructuring process following the acquisition by Bidvest and expect that this will be completed by December 1997 and anticipate achieving acceptable results for the year ahead.

BIDOFFICE

CHAIRMAN
– L CHIMES

**WALTONS
STATIONERY**

MANAGING DIRECTOR
– F ROBERTS

CAPE
– J FARRELL

PORT ELIZABETH
– L GERBER

EAST LONDON
– G COHEN

FREE STATE
– D GALLAGHER

NAMIBIA
– J VAN TONDER

NATAL
– M FRIZELLE

GAUTENG
– P WILLIAMS

STATMARK

MANAGING DIRECTOR
– H SERVAS

MINOLCO

MANAGING DIRECTOR
– A GRIFFITH

SEATING

CHAIRMAN
– A GOLDBERG
MANAGING DIRECTOR
– S GERBER

CECIL NURSE

CHAIRMAN
– N LEVIN
MANAGING DIRECTOR
– D MITCHELL

BUSINESSLAND

MANAGING DIRECTOR
– K STEINBERG

OFFICE MART

MANAGING DIRECTOR
– K STEINBERG

KOLOK

MANAGING DIRECTOR
– A THOMPSON

KOLOK AFRICA

MANAGING DIRECTOR
– R SMITH

Review of Operations • BIDPAC



*Bidpac achieved its
core objectives,
generating
increased
profitability,
improved cash
flows, organic
sales and market
share growth and
developed new
products*

BIDPAC • The Bidpac Group consists of Afcom, Buffalo Tapes, GE Hudson, Hi-Maur Labelling Systems, International Systems, Jonrod, King-Pac, Roll-a-Pak Converters and Silveray Stationery Company. Bidpac is South Africa's leading manufacturer and distributor of world-class fastening, packaging, strapping, adhesive tapes, coding, labels and stationery products and systems to commerce and industry, mining and agriculture. The Group consists of seven free-standing factories and 25 autonomous branch business units country-wide.

The Bidpac Group, which is a primary supplier to the South African manufacturing sector, had a challenging year. Against a background of declining business confidence, low growth in the manufacturing sector and increased competition from imported product, the Group consolidated its position as market leader in the fields in which it operates and ended the year in a more dominant market position than ever before. Bidpac generated organic sales and profit growth for the seventh consecutive year.

Management adhered stringently to basic business principles and focused its activities clearly on gross

margins, expense controls and asset management which allowed the Group to end the year with good results. All business units traded aggressively and innovatively which resulted in enhanced market shares and greater sales focus in the markets we serve.

Service levels continue to improve throughout the Group, driven by a commitment to meet, or exceed, customer needs and expectations. An intense focus has been placed on productivity improvements and manufacturing processes have been re-engineered, achieving cost leadership without compromise on





ALAN
SALOMON



product quality or service. This direction has gone hand in hand with an extensive skills enhancement programme and the encouragement of a vigorous work ethos in all echelons of Bidpac.

Bidpac's Training Services Division has grown from strength to strength. Positive productivity results and improved labour relations have emanated from the comprehensive training programmes given to all personnel.

In the final analysis, Bidpac achieved its core objectives, generating increased profitability, improved cash flows, organic sales and market share growth and developed new products. The Group is well positioned to take advantage of opportunities when the manufacturing sector improves.



BIDPAC

CHAIRMAN
- A SALOMON
FINANCIAL
- H GREENSTEIN
OPERATIONS
- C LEVIN
ADMINISTRATION
- B KERKHOFF
TRAINING
- J MATSIPA
INTERNAL AUDIT
- C VAN DER WESTHUIZEN
INFORMATION SYSTEMS
- W PIENAAR
CREDIT MANAGEMENT
- E JENKINSON

AFCOM

MANAGING DIRECTOR
- J SHEIN
FASTENING
- J EAST
STRAPPING
- D HARRISBERG
STRETCHFILM
- R TRENT
LABELS
- W COETZER
HUMAN RESOURCES
- B CAMPBELL
ACCOUNTING
- M BERTHELOT

PRODUCTION

- F FREMOUW
COLLATED NAILS AND
STAPLES
- J VAN RYSEN
STRAPPING
- N CLOETE
TI-STRAP
- P ACKERMAN,
W MOLAUTSI
WORKSHOP
- F OUDMAYER

BRANCH DISTRIBUTION

BLOEMFONTEIN
- W COETZER
CAPE TOWN
- P SYKES
DURBAN
- K OLIVER
EAST LONDON
- K GUESS
JOHANNESBURG
- G ZAHN
LADYSMITH
- J CROCKER
NELSPRUIT
- A DE BEER
PORT ELIZABETH
- D MELIN
PRETORIA
- T NEL
TZANEEN
- J VAN DER MERWE
MARKWELL
- C OLIVER

BUFFALO TAPES

MANAGING DIRECTOR
- A HARMAN
SALES AND MARKETING
- N REYNOLDS
PRODUCTION
- D ALLEN

Review of Operations • BIDPAC

(continued)

The Group acquired King-Pac Materials, trading as PacKing and Metstrap with effect from January 1 1997. These acquisitions, which were rationalised into the Group, increased market coverage and plastic strapping production capacity and although they made minimal contribution to the results under review, benefits will accrue in the year ahead.

On July 1 1997, Afcom acquired the exclusive distribution rights for southern Africa of the world renowned ITW SPIT range of powder actuated tools, anchors, electrical power tools and diamond drilling equipment, which is a product range complementary to its current nailing and stapling range of technology. The ITW SPIT acquisition is Afcom's first entry into the profiled RDP linked construction industry.

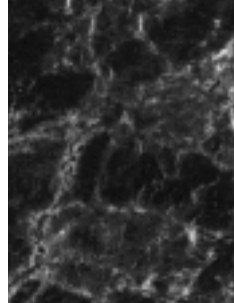
The manufacturing-led stationery operations consisting of Silveray Stationery Company, Hi-Maur Labelling Systems, Ozalid, Twinlock, International Systems and Roll-a-Pak Converters, have been integrated into Bidpac with effect from July 1 1997. The manufacturing and product synergies between these companies and the Bidpac operations are already yielding positive results in terms of product rationalisation and restructuring in the respective manufacturing processes. The re-organisation programme within the entire Group's manufacturing operations is nearly complete and we anticipate material productivity improvements

and cost savings in the short term which will improve both profitability and product competitiveness in the markets we serve.

Looking to the future, the benefits of the changes and improvements effected during the past year, together with the acquisitions and Bidpac's clearly driven ability to trade effectively in a difficult business environment, augurs well for the year ahead.

*Bidpac's clearly driven ability
to trade effectively in a
difficult business environment,
augurs well for the year ahead*





PAGE
TWENTY-ONE

BUFFALO TAPES
(continued)

BRANCH DISTRIBUTION

CAPE TOWN
- D HITCHINS
DURBAN
- B RAMBUJAN
JOHANNESBURG
- T GIRNUN
PORT ELIZABETH
- D MELIN
EAST LONDON
- R MUZZELL

GE HUDSON/KING-PAC

MANAGING DIRECTOR
- C STEDMAN
STEEL STRAPPING
- P JOHNSTON
NAILS
- I HUNTER
STRETCHFILM
- R TRENT

MARKING AND CODING
- F SCHOLTZ

PRODUCTION

STEEL STRAPPING
- H BLUCHER
NAILS
- B MTHEMBU
QUALITY ASSURANCE
- A WEIR
SERVICE
- B PRETORIUS

BRANCH DISTRIBUTION

DURBAN
- D POOVAN
CAPE TOWN
- D McVEAN-NICOL
ISANDO
- I HUNTER
GERMISTON
- P JOHNSTON
EAST LONDON
- R MUZZELL

GEORGE
- P DAVISON
NELSPRUIT
- M BARNARD

PORT ELIZABETH
- C COCKS

JONROD

MANAGING DIRECTOR
- R GAMSU
ADMINISTRATION
- I HALL
PRODUCTION
- N CURNOW

SILVERAY STATIONERY COMPANY

MANAGING DIRECTOR
- A MUIRHEAD
FINANCIAL
- P HARIPERSAD
NATIONAL SALES
- J WHEATLEY

PRODUCTION - MOBENI
- D FOURE
PRODUCTION - GLOBE
- J DAVIS
OPERATIONS
- E KLEYNHANS
INFORMATION SYSTEMS
- V HOARE
HUMAN RESOURCES
- S MASHABANE

BRANCH DISTRIBUTION

DURBAN
- J KILLORAN
JOHANNESBURG
- R GAMSU
CAPE TOWN
- K MEEHAN
BLOEMFONTEIN
- E MAREE
PORT ELIZABETH
- J KINNELL
EAST LONDON
- J TREFUSIS-PAYNTER

HI MAUR

MANAGING DIRECTOR
- V RUPPING
FINANCIAL
- R HILL
PRODUCTION
- F VERMOLEN

BRANCH DISTRIBUTION

JOHANNESBURG
- F HARMEN
PRETORIA
- M BOTES
DURBAN
- G GORDON
PORT ELIZABETH
- D KOZAK
BLOEMFONTEIN
- J BOUWER
CAPE TOWN
- C MEYER

OZALID

MANAGING DIRECTOR
- V RUPPING
FINANCIAL
- R HILL
SALES
- J BURDIS
PRODUCTION
- J VAN HEERDEN

ROLL-A-PAK

MANAGING DIRECTOR
- H PETERSEN
FINANCIAL
- C KIMMEL
SALES
- K STEER
PRODUCTION
- L DAVIDS

INTERNATIONAL SYSTEMS

MANAGING DIRECTOR
- A SALOMON
FINANCIAL
- P MCILWAIN
PRODUCTION
- A JONES
CAPE TOWN
- D ROBINSON
DURBAN
- R PARKER



Review of Operations • BIDSERV



*Steiner is well
placed to produce
yet another
inflation beating
sales and profit
performance in the
year ahead*

These important structural changes were accompanied by the capital approval to upgrade plant and equipment at laundries in Johannesburg and Cape Town, the acquisition and installation of specialist computer software sourced from the United Kingdom of particular application to the laundry business, a strengthening of management in certain key positions, and the launch of an internal training initiative focusing on literacy, business skills and concepts, sales, industrial relations and multi-skilling to enhance promotional opportunities.

BIDSERV • The two businesses that comprise this division, Steiner Services and Prestige Cleaning Services, both achieved strong sales and profit growth during the year under review. For Steiner in particular, the organic growth was very pleasing while Prestige consolidated its position as the country's leading contract cleaning services supplier.

STEINER SERVICES

The gratifying all-round performance from Steiner was the result of the intense efforts of management over the past year to restructure and refocus the business on its core competencies, namely hygiene services, garment rental and laundry services. The acquisition of First Garment Rental at the beginning of the review period added significant specialist skills to the business and bolstered its drive into the lucrative garment rental market, which still offers enormous potential for growth in South Africa. The acquisition on July 1 1997 of Boston Laundries and Dry Cleaning will add significantly to Steiner's laundry business and provide an important entrée into the hospital and hotel markets.





**LINDSAY
RALPHS**



Important achievements on the human resource front have included the introduction of a culture change programme aimed at heightening productivity by recognising and rewarding all efforts that contribute to it. The positive results of this programme have been singularly conspicuous in the strong financial performance of Steiner and in the substantial improvement in the relationship with the representative union at the company. This crucial training initiative will be extended in the new year to include the development of promotable staff members.

With further benefits of the Boston Laundries acquisition still to become apparent, and additional benefits still to accrue from the company's clearly successful restructuring programme, Steiner is well placed to produce yet another inflation beating sales and profit performance in the year ahead.



PAGE
TWENTY-
THREE

BIDSERV

CHAIRMAN
- L RALPHS

STEINER SERVICES

MANAGING DIRECTOR
- L RALPHS
FINANCIAL DIRECTOR
- P MEIJER
HUMAN RESOURCES
- L DEETLEFS
INTERNAL AUDIT
- A TENDEIRO
INFORMATION SYSTEMS
- P SCHOEMAN
CREDIT MANAGEMENT
- A POTGIETER

HYGIENE DIVISION

SALES DIRECTOR
- N SMITH
PRODUCT MANAGER
- R TYACK
NATIONAL ACCOUNTS
- P GUMEDE
DEEP CLEAN
- R NEL

FIRST GARMENT RENTAL

MANAGING DIRECTOR
- A FAINMAN
FINANCIAL DIRECTOR
- I SEEDAT
SALES DIRECTOR
- S ELMES

CISKEI OPERATIONS

MANAGING DIRECTOR
- H KEOGH
SALES DIRECTOR
- W WELGEMOED
FINANCIAL DIRECTOR
- M ROSS
OPERATIONS DIRECTOR
- H THOMAS

TRADING DIVISION

GENERAL MANAGER
- K RENNIE
FINANCIAL MANAGER
- D ARONS

REGIONAL OPERATIONS

GAUTENG REGION

DIRECTOR
- N SMITH
FINANCIAL MANAGER
- R STEYN
PRODUCTION MANAGER
- R OLIVIER
NORTH RAND
- A COWAN
EAST RAND
- G GRAY
JOHANNESBURG
- P DUNN

INLAND REGION

DIRECTOR
- P LABUSCHAGNE

PRETORIA

- G RONAN

POTCHEFSTROOM

- J FRITZ

ERMELO

- L VAN DER

WESTHUIZEN

PIETERSBURG

- L KRAUSE

BLOEMFONTEIN

- A VIVIERS

NEWCASTLE

- M KRUGER

Review of Operations • BIDSERV

(continued)

PRESTIGE CLEANING SERVICES

With the move towards outsourcing non-core services gaining increasing momentum throughout the South African public and private sectors, Prestige experienced yet another buoyant trading period. Growth was particularly strong in the hospital, hotel and industrial cleaning markets. The company's specialised cleaning department, which concentrates on carpet and window cleaning, deep cleaning and pest control, also reported a significant turnaround.

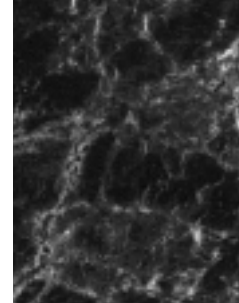
Prestige's empowerment joint venture company, Setsebi Cleaning Services, has also shown significant growth whilst the divisions trading under the names Regent Pro-Serve and Sneller Dienste in KwaZulu-Natal, reported satisfactory results for the review period.

The company's buoyant trading activities have been underpinned by significant improvements in service and productivity, as well as continuous attention to prudent cost controls. Certain divisions within the company also achieved ISO 9001 quality service certifications during the past year.

Subsequent to financial year end, the Group acquired the business of Execu-Clean and management expects to make further synergistic acquisitions in the year ahead. These, together with an emphasis on improved levels of service, increased productivity and cost control, present a particularly encouraging outlook for Prestige in the new financial year.

The company's buoyant trading activities have been underpinned by significant improvements in service and productivity, as well as continuous attention to prudent cost controls





PAGE
TWENTY-
FIVE

STEINER SERVICES
REGIONAL OPERATIONS
(continued)

WELKOM
- C INGRAMS

KIMBERLEY
- L JORDAAN

CAPE REGION

DIRECTOR
- L MASSON
FINANCIAL MANAGER
- P BAINES
PRODUCTION
- Q ESCREET

PORT ELIZABETH
- V SUTHERLAND

EAST LONDON
- R HAGERTY

GEORGE
- Q HARRIS

KWAZULU-NATAL

DIRECTOR
- N LAMBLE

FINANCIAL MANAGER
- G COETZEE
PRODUCTION MANAGER
- K HALL

RICHARDS BAY
- G LARKAN

PIETERMARITZBURG
- A FULLER

**BOSTON LAUNDRIES
& DRY CLEANERS**

DIRECTOR
- D YIALLOURIS
DIRECTOR
- C DEMETRIADES

HOTEL DIVISION
- J VILENSKY

CLINICS DIVISION
- R PAPPAS

DRY CLEANING
- O FREEMAN

MOGWASE
- K MYNHARDT

DURBAN
- N ZARADOUKAS
CAPE TOWN
- D WILLEY

**PRESTIGE CLEANING
SERVICES**

DIRECTORS

MANAGING
- J LOUW
FINANCIAL
- C VILJOEN
OPERATIONS
- J TAYLOR
HUMAN RESOURCES
- F DE CLERCQ

SALES
- J DU TOIT

ALTERNATE
- G VAN ROOYEN

MARKETING
- C MENKIN

DIVISIONAL DIRECTORS

OPERATIONS
- A FULTON,
- D OTTO
- J SEEGER
SPECIALISED SERVICES
- J DAMES
FINANCIAL
- B GOSAI

GENERAL MANAGERS

VAAL
- F DEDNAM

MPUMALANGA
- M MEDALLIE

EAST RAND
- E MATTHEWS

EASTERN CAPE
- R MACKENZIE

WESTERN CAPE
- L JONKER

FREE STATE
- H LIEBENBERG

PRETORIA
- J VOGEL

JOHANNESBURG 1
- C MAGUIRE

JOHANNESBURG 2
- P GLOY

JOHANNESBURG 3
- B BUSSELL

TECHNICAL
- S ERASMUS

TRAINING
- A BESTER

HOTELS
- P VAN DER WESTHUIZEN

HOSPITALS AND CLINICS
- L MURRAY

REGENT PRO-SERVE

DIRECTORS

CHAIRMAN
- L VAN TONDER

MANAGING
- A SKARDA

OPERATIONS
- J VAN TONDER,
N WITHERS

SNELLER DIENSTE
- S MOTALA

**SETSEBI CLEANING
SERVICES**

- P CHAUKE

EXECU-CLEAN

- S SANDERS

Review of Operations • CATER PLUS



While margins have been under extreme pressure, and markets have recorded little growth, Cater Plus has recorded satisfactory earnings growth and continues to be a significant contributor to the Group's results

CATER PLUS • Cater Plus operates in all the major urban and tourist areas of South Africa through four specialist divisions:

- Catering supplies
- Speciality
- Frozen
- Catering equipment

and in Australia through Manettas.

All of the South African operations in the inland urban areas experienced very difficult trading conditions, whereas the coastal branches benefited from slightly improved trading patterns. The benefits that were anticipated through the opening of new hotels have not yet materialised as crime continues to impact negatively on all aspects of tourism. Most segments of the catering market have experienced very little growth, and hence most customers have aggressively focused on the cost of ingredients in an endeavour to maintain and reduce overall food costs.

While margins have been under extreme pressure, and markets have recorded little growth, Cater Plus has recorded satisfactory earnings growth and continues to be a significant contributor to the Group's results.

In an industry where barriers to entry are particularly low, the management of Cater Plus and all members of staff are constantly aware of the necessity to provide superb service and quality. The division's highly motivated decentralised management teams have placed these issues in the forefront of their endeavours, as they strive for competitive advantage, and the benefits of this focus continue to have a positive impact in these difficult times.





**COLIN
KRETZMANN**



CATERING SUPPLIES

This division which operates autonomous and competitive business units that supply groceries, cleaning material, glassware, crockery, cutlery, utensils, packing material, liquor and other consumable products to the catering, hospitality and food service sectors reported satisfactory profitability over the past year despite the extreme pressure on trading margins.

In an endeavour to strive for growth, certain operations in this division have recently expanded their range of products to include liquor, but the full benefit of this line extension will only materialise in the year ahead. Our division continues to focus on managing working capital in a very efficient manner and is conscious of the need to manage all aspects of its cost structure in order to continue to be a low cost distributor.



PAGE
TWENTY-
SEVEN

CATER PLUS CHAIRMAN - C KRETZMANN

CATERING SUPPLIES DIVISION

DIRECTOR
- J ARAUJO

DIRECTOR
- T SCRUSE

INTERNAL AUDIT
- A JOCHENS
HUMAN RESOURCE
DEVELOPMENT
- S MABE

CHIPKINS CATERING SUPPLIES

JOHANNESBURG

- C WATT
ADMINISTRATION
- N EGAN
OPERATIONS
- J UYS

SALES
- M BONNETTE

BUYING
- W FORBES

CAPE TOWN

- S HORWITZ
ADMINISTRATION
- R VAN VLAANDEREN

BUYING
- A DU TOIT

NELSPRUIT

- D MACKIE
ADMINISTRATION
- Y MACKIE

BUYING
- B MOORE

DURBAN

- R LOWE
SALES
- B MATURA

ADMINISTRATION
- D MEISEL

OPERATIONS
- S PENNY

BLOEMFONTEIN

- E EAGAR
ADMINISTRATION
- S MARAIS

PORT ELIZABETH

- D KOHLER

CATERSALES

- G SUPRA
ADMINISTRATION
- J MALAN

D&R LOWE CATERING SUPPLIES

- C McCORMACK
ADMINISTRATION
- G COMBRINK

OPERATIONS
- R HARRIS-LANE

BUYING
- F DA SILVA

LOU'S WHOLESALE

- H DORFLING
ADMINISTRATION
- G SWART

OPERATIONS
- C LEE

PURCHASING
- R SNEDDON

SALES
- C HEWITSON

Review of Operations • CATER PLUS

(continued)

Towards the end of the year the division made two small acquisitions – Coastal Foods in East London and Cater Goods in Pietersburg – an extension of our geographical representation as a truly national distributor.

SPECIALITY

Patleys, the nationwide marketer of local and imported premium quality products under the Goldcrest and leading local and international brand names, performed very well over the past year. The distribution arrangements that accompanied the acquisition of Select – The Food Service Company, have been terminated by the vendors which will have the effect of considerably reducing the range of products presently carried by Patleys. Notwithstanding this setback Patleys will continue to aggressively market its products to the retail and wholesale markets with added vigour in order to establish Goldcrest as an acceptable brand to the consumer. This has necessitated an investment of market expenditure as we strive to significantly improve the sales and image of Goldcrest. Since the end of the year Patleys has been awarded the agency for additional products from the Danone Group of France.

FROZEN FOODS

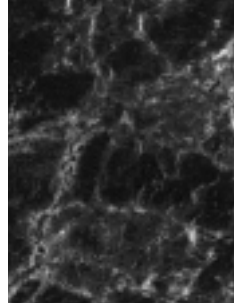
Seaworld continues to be a leading nationwide distributor of specialised frozen and chilled products to the leisure, hospitality and foodservice industries. While its extensive product range is

dominated by fish and seafood products of the highest quality, it also includes poultry, meat, vegetables, dairy and pastry products.

The poultry industry has experienced very difficult trading conditions and margins have decreased significantly. Imported products continue to be dumped onto the local market at very competitive prices and this has had a significant negative impact on the local market. For this reason, and also because of the lack of growth in traditional markets, Seaworld's growth has come under extreme pressure.

*Patleys will continue to
aggressively market its products
to the retail and wholesale
markets with added vigour*





PAGE
TWENTY-
NINE

The facility in Johannesburg was upgraded early in the year, and the branch in Cape Town is also in the process of being upgraded. These refurbishments will give Seaworld state-of-the-art distribution facilities to enable the business to supply the market with quality service and product.

CATERING EQUIPMENT

This division manufactures and distributes a wide range of branded catering equipment and provides the market with computerised kitchen design and test kitchen facilities.

Vulcan President achieved excellent results for the year, as a result of extensive structural and re-engineering changes and a re-focus of the company's core business in the markets it serves. Profitability increased

PYRAMID CATERING SUPPLIES

- B SAHARIN
ADMINISTRATION
- A RAMSAROOP
OPERATIONS
- L GOVENDER
SALES
- T GOVENDER
BUYING
- C JANKIEPERSARD

RFS CATERING SUPPLIES

- E WEBSTER
ADMINISTRATION
- F BALL
BUYING
- M MURPHY

CATER GOODS

- A McLEOD
- N STRYDOM

COASTAL FOODS

- A McELVENNY

FIRST EDITION

- K BENNETT

SPECIALITY

PATLEYS
MANAGING DIRECTOR
- M NOTRICA

JOHANNESBURG

ADMINISTRATION
- D WEBER
SALES
- R FITZSIMMONS

DURBAN

FOOD SERVICE
- P WHITTON
RETAIL
- E TUBACK

CAPE TOWN

FOOD SERVICE
- M GLIDON
RETAIL
- D VAN BREDIA

CATERING FROZEN FOODS

SEAWORLD DIVISION

MANAGING DIRECTOR
- R WAINER
FINANCIAL
- B VARCOE
COMMERCIAL
- A BROWER
HUMAN RESOURCES
- M DULAZE

JOHANNESBURG

ADMINISTRATION
- J ANDERSON
OPERATIONS
- N MYBURGH

BLOEMFONTEIN

- J GROBBELAAR
ADMINISTRATION
- M SMITH

CAPE TOWN

- L FOUCHÉ
ADMINISTRATION
- P STRUCKMAN

DURBAN

- S NAIDOO
OPERATIONS
- I MOOLA

Review of Operations • CATER PLUS

(continued)

substantially and the business generated significant cash. Re-defined sales and marketing programmes resulted in enhanced market share growth in a difficult, competitive market and service levels and production efficiencies were greatly improved. During the year under review, new products were developed and a new dealer programme was initiated which extended the distribution channels currently enjoyed by the Group's six branches located in the major centres of South Africa. Management has budgeted for organic sales and profit growth in the year ahead.

With effect from July 1 1997, Catering Appliances and Refrigeration Services (CAARS) was acquired. This company is an important player in the growing "fast food" sector of the catering equipment industry.

MANETTAS

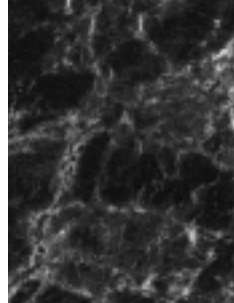
This Australian based specialist distributor of fresh, frozen and chilled products, which include seafood, grocery and ice-cream products has a number of branches in New South Wales and Queensland.

During the year a number of non-core assets which included certain properties, a trawler and a seafood processing facility were disposed of as they were considered surplus to the Group's asset requirements.

The company has significant cash resources and is well positioned to make significant acquisitions which will give it the necessary geographic coverage in order to service its national customers

The philosophy of decentralised management teams has been implemented and certain changes have recently been made to the senior management structure. A number of small acquisitions have been made during the year to improve our penetration into the central areas of Queensland and to provide benefits to an existing operation in New South Wales. In view of the poor returns achieved in the fresh sea food market, the decision has been taken to limit our activity in this market to our Peters and Felans operations.





PAGE

THIRTY-

ONE

The performance of the group during the first half of the year was most encouraging, but the profit recorded in the second half of the year was disappointing. This has necessitated a change to the management structure which has resulted in the appointment of Grahame Turk as group managing director.

The company has significant cash resources and is well positioned to make significant acquisitions which will give it the necessary geographic coverage in order to service its national customers.

CATERING EQUIPMENT

VULCAN PRESIDENT

CHAIRMAN
- A C SALOMON
MANAGING DIRECTOR
- D LEIBOWITZ
OPERATIONS
- H GREENSTEIN
NATIONAL SALES
- C DAVIS
PRODUCTION
- K WILDING
INFORMATION SYSTEMS
- M HOFF
TRAINING
- B KGAPHOLA

JOHANNESBURG

- C DAVIS
SALES
- M NEILSON
FINANCIAL
- R LUCAS
EXPORTS
- R McMURRAY

DURBAN

- G ROBERTSON
SALES
- C BRADFIELD

CAPE TOWN

SALES
- B STAEGEMANN
ADMINISTRATION
- B DU BOIS
SALES CONTRACTS
- P LITTLE

PORT ELIZABETH

- C TAYLOR

EAST LONDON

- T RADEMEYER

WELKOM

- B WALDECK

CATERING APPLIANCES AND REFRIGERATION SERVICES (CAARS)

MANAGING DIRECTOR
- D THEWLIS
PRODUCTION
- J GAUNT
SALES
- P THEWLIS
FINANCIAL
- G COAD

MANETTAS

MANAGING DIRECTOR
- G TURK
OPERATIONS DIRECTOR
- K BIELBY
FINANCIAL DIRECTOR
- B BERSON

BURLEIGH MARR

- K BIELBY

BRISBANE

- A FECHNER

GOLD COAST

- I McLEOD

SUNSHINE COAST

- C JAMES

TOWNSVILLE

- R REARDON

HERVEY BAY

- C FECHNER

FELANS

- C MANTIKAS

MANETTAS

NEWCASTLE

- W NEWLING

SYDNEY

- T CHIANESE

PETER'S FISH MARKET

- P ZANTEY

RM SMITH & SON

- P PORTER

Review of Operations • COMBINED FOODS

*While the outlook
for the new year
remains
challenging,
management expects
to maintain its
current growth
momentum*



A new branch has recently been opened in Bloemfontein and initial results are pleasing. Two new branches are planned for the year ahead.

COMBINED FOODS • Both Chipkins Bakery Supplies and Crown National, until recently the only businesses within this division of Bidvest, achieved solid organic growth during the review period. A third business was added to this division at the end of May this year with the acquisition of NCP Yeast, one of two major suppliers of yeast to the South African food ingredients market.

CHIPKINS BAKERY SUPPLIES

This business, which focuses on the manufacture and distribution of premixed convenience products and ingredients to free-standing and supermarket-based bakeries, biscuit and pie manufacturers, maintained its leading position in a highly competitive market. While business with the major chain stores showed healthy growth over the past year, there was a decline in supply to biscuit and pie manufacturers arising out of the overtraded nature of these markets. All branches performed well while exports to sub-Saharan Africa more than doubled and production at the Chipkins' factory increased during the year without any necessity to increase fixed capacity.





**DAVE
ROSEVEAR**



The company's strong emphasis on quality products and service laid a firm foundation for this growth, with its team of trained bakers offering customers a 24-hour delivery service in all the major centres. Skills transfer remained an important value-added service initiative with extensive training being offered on site to new customers and at the company's fully equipped test bakeries in Johannesburg and Durban.

While the outlook for the new year remains challenging, Chipkins' management expects to maintain its current growth momentum.



PAGE
THIRTY-
THREE

COMBINED FOODS

CHAIRMAN
- D ROSEVEAR

CHIPKINS BAKERY SUPPLIES

MANAGING DIRECTOR
- I BERMAN

JOHANNESBURG

ADMINISTRATION
- R HARRISON
OPERATIONS
- D TAYLOR
PRODUCTION
- E KOHLOFFEL
SALES
- J KLOSTA

CAPE TOWN

- M MYERS
ADMINISTRATION
- R HITCHINS
SALES
- L GAREIS

DURBAN

- F GODDAER
ADMINISTRATION
- V GOVENDER
SALES
- U LANG

PORT ELIZABETH

- D STEVENSON

NAMIBIA

- A VILJOEN

BLOEMFONTEIN

- K ZURFLUH

CROWN NATIONAL

MANAGING DIRECTOR
- C SINGER
FINANCIAL
- J KRAMER
OPERATIONS
- H HUNKIN
NATIONAL SALES
- J DEYSSEL
PRODUCT SERVICES
- G KEELING
CASINGS
- C BURGER
EQUIPMENT
- R JACOBS
RESEARCH AND
DEVELOPMENT
- A STEYN
PROCUREMENT
- E DUSHEIKO
SHIPPING
- G FASSER

JOHANNESBURG

- M CRITEN
ADMINISTRATION
- S PIENAAR
BUYING
- E KODESH

CAPE TOWN

- A CLEGHORN
ADMINISTRATION
- H KAIGHIS
SALES
- P VAN ALPHEN

DURBAN

- R MAASDORP
ADMINISTRATION
- A THORNE
SALES
- M DE BRUYN

Review of Operations • COMBINED FOODS

(continued)

CROWN NATIONAL

Crown National is a leading manufacturer and supplier of spices, seasonings, ingredients, food additives, condiments, sausage casings, meat processing equipment, packaging and allied products to the food and meat industries.

The past year witnessed a decline in consumer expenditure on red meat products in line with the general decline in consumer disposable income. As a result, sales of red meat by the butchery trade came under pressure but sales were bolstered by the introduction of innovative products and concepts which together with improved operational efficiencies enhanced profitability.

It has become clear that the foodstuffs market is shifting in the direction of meal components and ready or convenience meals. Crown National is taking advantage of this shift.

Moreover, food has become a fashion article and in order to stay abreast of developments, flavour, presentation, shelf-life, processability, costs, technical support, reliability and packaging constantly need to be considered. Crown National possesses the resources and capabilities to address these needs.

NCP YEAST

This new addition to the Combined Foods Division offers important opportunities for enhancing the division's food ingredients and allied businesses. The company currently supplies a major share of the national yeast market from its Durban factory and caters for both large and smaller bakeries. The introduction into the business of Bidvest's decentralised management approach and business philosophy should unlock the considerable growth potential that exists within this business.

*The foodstuffs market is
shifting in the direction of
meal components and ready or
convenience meals*





The company has kept abreast with overseas developments by offering a more consistent product, cream yeast, into the major large sized plant bakeries. This concept is in keeping with the desire from the customers to go bulk wherever possible.



PAGE
THIRTY-
FIVE

CROWN NATIONAL (continued)

PRETORIA
- P MELLOR
ADMINISTRATION
- R SCHEPPEL

BLOEMFONTEIN
- H PFEIFFER
ADMINISTRATION
- C MUIR
SALES
- N LE GRANGE

PORT ELIZABETH
- B ROOS
ADMINISTRATION
- M JORDAAN

EAST LONDON
- T VAN DER MERWE
ADMINISTRATION
- M HEDLEY

PIETERSBURG
- D JENKINS
ADMINISTRATION
- J LOTTERING

NELSPRUIT
- T QUARMBY
ADMINISTRATION
- C STEYN

SPICE PRODUCTION

JOHANNESBURG
PRODUCTION
- E NARDELLI
ADMINISTRATION
- A FORBES

CAPE TOWN
PRODUCTION
- J PHILOGENE
ADMINISTRATION
- G FIDLER

NCP YEAST

MANAGING DIRECTOR
- W BRIGHT
FINANCIAL DIRECTOR
- K JACOBS
SALES DIRECTOR
- J OOSTHUIZEN
OPERATIONS DIRECTOR
- J DU PLESSIS
CREDIT CONTROL
- D GREYLING
PROMOTIONS
- A HUMA

KWAZULU-NATAL

GROUP DISTRIBUTION
- A SINGH
MAINTENANCE
- J VAN RENSBURG
TECHNICAL
- M MCCREADY
FINANCIAL
- L HEADS
SALES
- G GOSCHEN

GAUTENG

SALES
- B SMITH
- C NGWENYA

CAPE

SALES
- G WALDER

FREE STATE

SALES
- A ERASMUS

Group Management

The Group's head office is based in Parktown, Johannesburg, providing strategic direction and a broad spectrum of corporate services to the Group.

It identifies and evaluates new investment opportunities and acts upon those which meet the Group's demanding investment criteria.

The team extends support to the management of Group operations in the pursuit of their respective business objectives.

BID CORPORATE SERVICES
FINANCIAL DIRECTOR
- P NYMAN
ACCOUNTING
- E ALLSOP
CORPORATE FINANCE
- D KAPLAN,
- L ROTTANBURG
GROUP ACCOUNTING
- N GOODWIN
GROUP CREDIT
- H ZINMAN
PUBLIC RELATIONS
- B DORFMAN
SECRETARY
- M VILJOEN

Corporate Governance

The Board subscribes to the values of good corporate governance espoused in the King Report. The directors have long recognised the need to conduct the enterprise with integrity and in accordance with generally accepted corporate practices. This recognition is evidenced by the directors' support of the Code.

CORPORATE CODE OF CONDUCT

Bidvest is committed to:

- the highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;
- carrying on of business through fair commercial competitive practices;
- removing discrimination and the promotion of employees to realise their potential through training and development of their skills; and
- being responsible toward environmental and social issues.

BOARD OF DIRECTORS

The Board comprises 10 non-executive and 14 executive directors. These directors have a range of differing skills and experience which they bring to bear for the benefit of the Group.

The Board considers that, given the circumstances, it is in the Group's best interest that the chief executive officer also be chairman of the board. The non-executive directors take responsibility for ensuring that the chair encourages proper deliberation of all matters requiring the Board's attention.

The Board, under the chairmanship of Brian Joffe, meets regularly, retains full and effective control

over the Group and monitors executive management through a structured approach to reporting and accountability under the auspices of an executive committee. All directors have access to the advice and services of the Group Secretary and are entitled to obtain independent professional advice, at the Group's expense, should they deem this necessary. The majority of the executive directors do not have service contracts. The continuation of their services is dependent upon satisfactory performance on an ongoing basis.

AUDIT COMMITTEE

The Audit Committee was established in 1995 and is an important element of the Board's system of monitoring internal controls. The members of the Committee are J L Pamensky (Chairman), A J Berhmann, P Nyman and D K Rosevear. The Committee meets periodically with the Group's external auditors to review accounting, auditing, financial reporting and corporate governance matters. Interim and annual results of the Group are reviewed by the Committee before publication.

TRAINING AND AFFIRMATIVE ACTION

Bidvest's strategy regarding affirmative action is aimed at the development of all of its employees. It does not believe that the promotion of a select few individuals is appropriate. Bidvest's strategy centres on creating opportunities which will enable previously disadvantaged employees to prepare themselves to occupy more skilled and responsible positions within the organisation. Inevitably, a key aspect of this strategy is to promote educational and training opportunities for all employees within the organisation and externally.



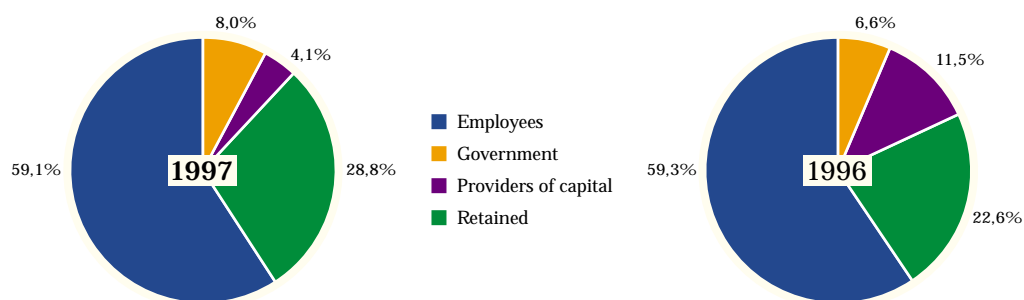
Value Added Statement

PAGE
THIRTY-
SEVEN

“Value added” is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

	1997		1996	
	R000	%	R000	%
Turnover	5 069 948		4 166 682	
Net cost of raw materials, goods and services	4 170 069		3 469 980	
Wealth created by trading operations	899 879		696 702	
Finance income	62 313		37 784	
Total wealth created	962 192	100,0	734 486	100,0
<i>Distributed as follows:</i>				
Employees				
Benefits and remuneration	568 904	59,1	435 464	59,3
Government				
Taxation	76 439	8,0	47 840	6,5
Secondary tax on companies	—	—	1 049	0,1
Providers of capital				
Finance charges	39 323	4,1	40 487	5,5
Dividends and capitalisation awards	178	—	43 834	6,0
Retained for future growth				
Depreciation	49 065	5,1	40 325	5,5
Retained income	228 283	23,7	125 487	17,1
Total wealth distributed	962 192	100,0	734 486	100,0

Distribution of Value Added



Payments to Government

including amounts collected on their behalf

	1997 R000	1996 R000
Employee taxes	75 498	54 362
Company taxes	74 385	46 291
Value added tax	1 443 794	1 196 528
Customs and excise duty	635 159	529 367
Other	7 329	5 326
	2 236 165	1 831 874