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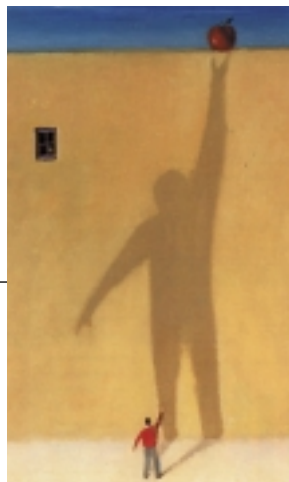
## C o n t e n t s

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## The Bid Profile



**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.



AS A STRATEGICALLY FOCUSED

GROUP, WE ARE IDEALLY

PLACED TO MEET THE NEEDS OF

ALL OUR STAKEHOLDERS

## Group Financial Highlights

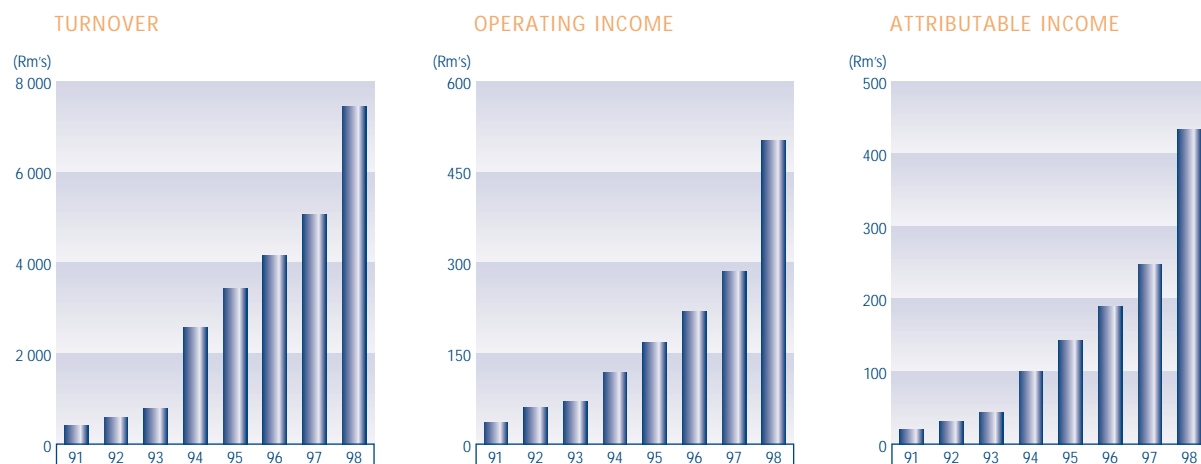


	7 year compound growth rates % per annum	1998	1997	1996
<b>Extract from financial statements (R000's)</b>				
Turnover	51,2	7 432 920	5 069 948	4 166 682
Operating income	46,0	501 391	285 530	219 534
Attributable income	55,2	434 384	247 412	190 330
Ordinary shareholders' interest		2 660 920	1 627 929	735 404
Total assets		3 990 171	3 101 089	1 537 413
Wealth created by trading operations		1 611 111	899 879	696 702
<b>Share statistics</b>				
Earnings per share (cents) <sup>(1)</sup>	32,0	185,6	132,5	105,8
Dividends per share (cents) <sup>(2)</sup>	36,5	101,3	70,8	56,1
Dividend cover (times) <sup>(2)</sup>		1,8	1,9	2,6
Dividend yield (%)		2,2	2,0	2,2
Net asset value per share (cents)	41,1	1 067	708	402
Share price (cents)				
high		5 980	3 535	2 956
low		3 250	2 275	1 838
closing (June 30)	48,8	4 525	3 500	2 590
Market capitalisation (Rm's)	70,4	11 282	8 030	4 681
Volumes traded (000's)		64 413	26 456	13 997
Volume traded as % of weighted number of shares		27,5	14,2	7,8
<b>Ratios and statistics</b>				
Return on total ordinary shareholders' interest (%)		26,7	33,6	35,4
Operating income margin (%)		6,7	5,6	5,3
Current asset ratio		2,8	2,0	1,9
Quick asset ratio		2,1	1,5	1,5
Number of employees		31 420	30 001	21 506
Number of ordinary shares in issue (000's)		249 319	229 795	183 041

<sup>(1)</sup>Based on weighted number of shares in issue.

<sup>(2)</sup>Includes capitalisation issues at market value.

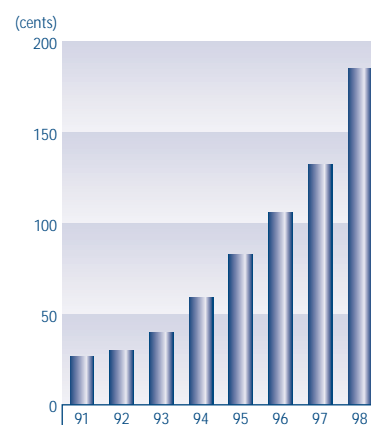
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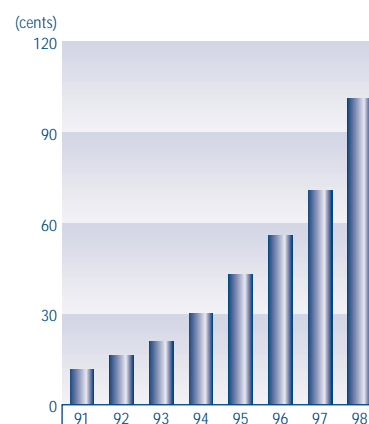
1995	1994	1993	1992	1991
3 432 155	2 560 707	775 206	595 994	411 694
168 468	118 070	70 515	60 054	35 377
143 126	100 404	43 442	31 227	19 988
538 251	448 313	371 039	122 561	92 227
1 138 318	922 014	688 858	377 325	311 070
524 636	412 828	224 924	175 299	104 350
82,6	59,4	40,1	30,0	26,6
43,0	30,2	21,0	16,4	11,5
2,8	2,9	2,6	2,5	2,5
2,3	2,1	2,7	4,1	4,1
306	262	222	124	96
2 000	1 470	780	400	283
1 450	780	343	250	180
1 875	1 470	780	400	280
3 294	2 502	1 301	391	271
8 140	11 061	1 186	4 877	1 247
4,7	6,5	1,1	5,0	1,8
31,9	27,1	35,4	33,9	71,1
4,9	4,6	9,1	10,1	8,6
1,9	1,8	2,0	2,5	1,7
1,5	1,5	1,5	1,4	1,0
14 970	14 117	4 749	4 784	2 226
175 701	171 131	166 775	98 551	96 266

<sup>(3)</sup> The comparative figures have been restated to account for the 10 for 1 subdivision of the ordinary shares and debentures, and the conversion of the debentures effective July 1 1997, where appropriate.

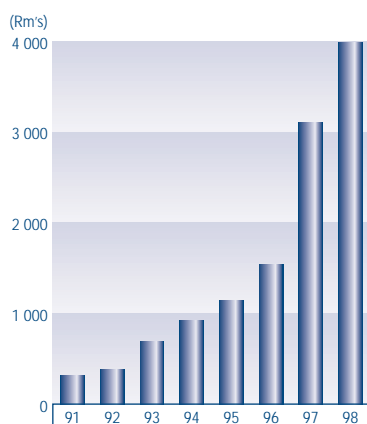
#### EARNINGS PER SHARE<sup>(1)</sup>



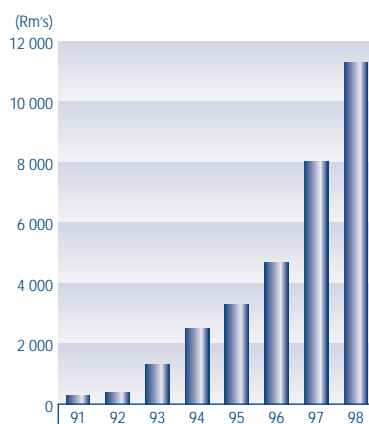
#### DIVIDENDS PER SHARE<sup>(2)</sup>



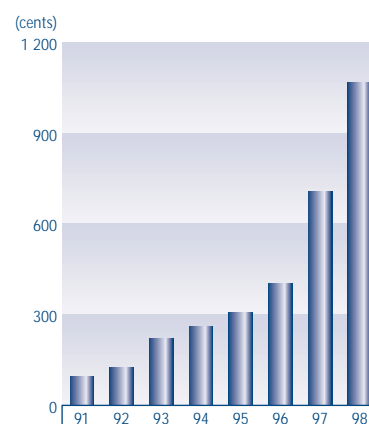
#### TOTAL ASSETS



#### MARKET CAPITALISATION



#### NET ASSET VALUE PER SHARE



## Chairman's Statement



This year we celebrate Bidvest's tenth anniversary, which is a significant milestone in any life. Our relatively short existence has been characterised by dramatic developments that have taken us from the status of a virtual unknown to one of the largest industrial groups on the Johannesburg Stock Exchange (JSE). While this is a commendable achievement it is only worth proud acknowledgement because the growth in the asset base has been accompanied by a steady advance in the profitability of those assets. The investment community's enthusiastic response is reflected in the Group's market capitalisation which, although reduced by the current market crisis, sees the Group ranked as one of the most powerful industrial companies on the JSE.

While there may be a temptation to look on ten years as 'just the beginning', it is instructive to consider the number of companies on the JSE that have disappeared over the past ten years. And of those that remain, the number that have been dramatically restructured to cope with changing times and changing demands. This pace of change and the creation and destruction of corporate entities is not just a South African phenomenon. The average life expectancy of a company listed on the New York Stock Exchange is reportedly a mere 13 years.

So having reached the ten year mark we are keenly aware of the need not to rely on the momentum of our past achievements. We at Bidvest must be prepared to treat every year with the drive and enthusiasm of our first year. This is the greatest challenge facing management and it is one that I believe we have already demonstrated we can meet.

I suspect that one of the major reasons why so few corporates thrive into old age is that key decision makers lose sight of the source



BRIAN JOFFE

of their early success and in an ego sensitive world they chase that ephemeral power that seems to come from size. In growing for the sake of size they lose sight of the basics and cease to invest to develop the group's core strengths. Inevitably in the corporate jungle it is just a matter of time before such a lumbering entity becomes someone's prey.

It is in this unforgiving environment that the principles of the free market can be seen working most efficiently. Too often in South Africa the efficiency of the free market is undermined by control structures that seem more interested in control and size than in generating economic wealth that will benefit a broad base of stakeholders. This philosophy often results in a corporate environment that is more in keeping with government and semi-government organisations than in the so-called free market. Indeed one of the reasons for the general chronic inefficiencies of government bodies worldwide is the fact that governments protect their organs from the forces that would normally demand change or destroy an inefficient entity.

The decision taken in the 1997 financial year to dismantle the Bid Corporation Limited holding company has reinforced our commitment to the efficient working of the free market system. Shareholders should continue to take comfort from the fact that in the absence of a protective parent Bidvest management has to ensure that it is achieving the best returns possible for its shareholders.

In the past ten years we at Bidvest have built a strong foundation for a company that I believe will thrive into old age. But the obstacles ahead are numerous and daunting. International financial market volatility has hit South Africa hard. What began as a currency crisis has flowed through to equity and capital markets crises, immediately impacting on consumer demand through

unsustainable interest rate levels. The negative wealth effect for South Africa has been inestimable. It is particularly frightening for South Africa approaching an election year and comes as the first real test for our delicate democratic system. One hopes that it will survive intact although one must in good faith question some of the apparent policy priorities of Government and the monetary authorities, and what the impact of these policies upon our democratic order is likely to be, particularly in these volatile times. I refer for example to the Employment Equity Act which I fear has the potential to undermine economic growth as well as destroy much needed job opportunities.

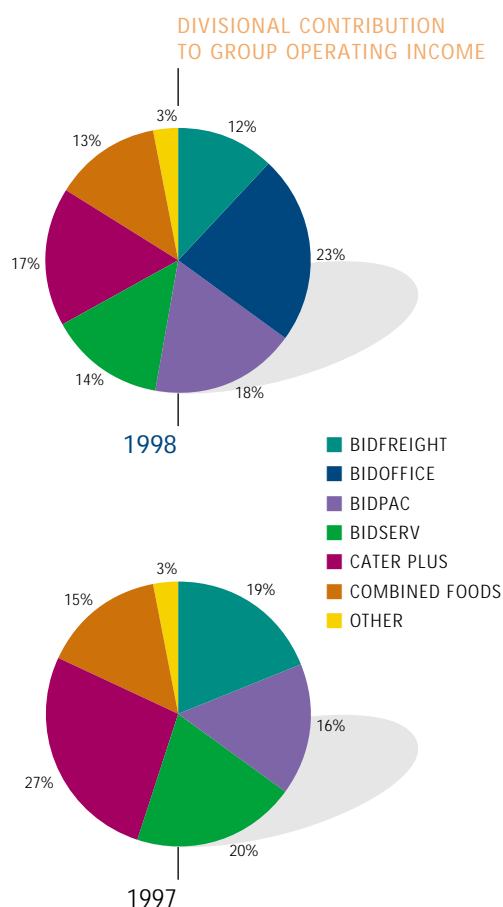
While there is a need for much broader social and economic upliftment in South Africa, achieving this should not be the business of business. While acknowledging this I should state that I am a strong advocate of some form of social security system as the most effective means currently at our disposal to ensure that all the people of this country have access to at least the basic necessities.

To date attempts to redress the historic inequalities in this country have tended to focus on a comparatively small number of previously disadvantaged groups and individuals. But it is increasingly apparent that the trickle down effect from such efforts is far from sufficient to meet the needs or expectations of the vast majority of our population.

Unfortunately government policies, including the perceived strong support for the trade union movement, have generally tended to undermine the willingness of business to create jobs and also tended to make the job market inflexible. Government's intrusion into this important aspect of business, while understandable given the historical context, seems to have heightened the tension between the two parties - labour and management - at the firm level. By doing so it has undermined the resolve of the two parties to create a more productive environment. Indeed many of the policies that government has adopted or intends to adopt on this front are certain to reduce further the flexibility of the market place and add to the cost of employment and therefore to reduce the incentive to employ people.

The reducing numbers of opportunities for employment in the formal sector means that for many people the new South Africa has brought nothing more than the right to vote.

Government's understandable desire to create a better social environment for all of its citizens would, at least in the short and medium term, be better realised by the implementation of some



IN THE PAST TEN YEARS WE

AT BIDVEST HAVE BUILT

A STRONG FOUNDATION FOR

A COMPANY THAT I BELIEVE

WILL THRIVE INTO OLD AGE

## Chairman's Statement

(continued)



form of social security fund. Although business is traditionally apprehensive about involving itself in social issues I believe there is an increasing willingness on the part of business in South Africa to assume a more direct role in this country's social issues - on the understanding that it is allowed to play a more direct and active role and not merely look on helplessly while the government increases tax bills to help fund some or other priority.

A social security system that was funded and managed by the private sector would avoid the usual difficulties relating to government's shortage of skilled manpower and funds. And given that the people whose money was being spent were managing the system it would inevitably result in a high level of efficiency.

There are several advantages to providing a basic level of social security over and above the obvious desire to protect people from destitution. The advantages include the reduced opportunity for crime to thrive on peoples desperation; the perception that government is keen to uplift all of its people; and reduced pressure on those with formal employment to provide for relatives and friends without employment.

Such a system would surely create scope for a more concessionary approach to business from both government and organised labour; an approach that would in the long-term ensure stronger growth in the economy and therefore ironically less need for a social security system.

I believe that the tough times being experienced at present will not last forever. For the country and for Bidvest the critical challenge is not only to preserve and grow what we have created but above that to find and seize the right opportunities. The best opportunities are rarely created in the good times.

Bidvest is fortunate in that we have the cash and the other necessary ingredients to realise such opportunities both in South Africa and abroad.

Indeed, this last year has seen the highly effective absorption by us of the Waltons Group, the largest single acquisition in our history. We are now in a position to move forward to consummate further transactions.

Against this assessment of our historical context and in the light of our most challenging year to date, I am delighted to report that the Group grew turnover by 47% in the year to June 1998 to R7,4 billion (1997 – R5,1 billion) with a concomitant 76% improvement in operating profit to R501 million (1997 – R286 million) and 76% rise in attributable income to R434 million (1997– R247 million). Earnings per share increased to 185,6 cents per share (1997 – 132,5 cents), an increase of 40% and dividends by 43% to 101,3 cents per share (1997: 70,8 cents).

All divisions showed satisfactory growth in particular in light of the most extreme trading conditions experienced in the history of the Group. While growth was exaggerated by the inclusion of Waltons and other acquisitions undertaken in the last year, the like on like growth rate continued at levels consistent with our historical compound annual growth rate. This growth is attributable to a focus on working capital management, cost reduction and organic growth through geographic extensions into previously underrepresented yet high growth geographic nodes, notably Nelspruit, Pietersburg and others. This latter aspect has proved highly successful and will continue into other areas and across our Group businesses in the year ahead.

Also gratifying in the year under review was the completion of the restructuring of Bidserv which has resulted in a lean, efficient and technologically advanced services platform for the businesses. The year ahead promises to be an exciting one for this division.

During the year, various moves were made to restructure our 54% held Australian subsidiary, Bidvest Australia Limited (formerly Manettas Limited) by transferring its incorporation to the Isle of Man with a dual listing in Luxembourg and Australia under the name Bidvest PLC. The mechanics entail a scheme of arrangement in terms of which Bidvest Australia will become a wholly owned subsidiary of Bidvest PLC with shareholders of Bidvest Australia receiving cash of 45 Australian cents per share and having the option to subscribe for shares in Bidvest PLC on a one for one basis at 45 Australian cents per share. It will be the intention of Bidvest PLC to focus on international opportunities confined neither to

Australia nor foodservice, but rather, upon those activities where the Group has a core competence. International market volatility coupled with Bidvest's foreign cash pile make for interesting opportunities. Operationally the Australian business performed poorly in an absolute sense although relative to its competitors it led the market. The results were clouded by rationalisation and other non-recurring costs relating to restructuring undertaken during the year. It is anticipated that the changes made will yield benefits in the 1999 financial year and I remain convinced of the opportunities open to that operation.

Looking to the year ahead, there can be no doubt that times will be even tougher than in this, our 10th anniversary year. However, I believe that we will once again achieve improved earnings growth in real terms arising from our strong market positions in non-cyclical industries as well as benefits from strategic business decisions taken over the last eighteen months. Organic growth from geographic and product range extension will continue. The Group remains highly liquid and will continue to seek opportunities to enhance returns through appropriate acquisitions.

In closing, I would like to extend my sincere appreciation to my fellow executives and non executive directors, advisors, auditors, attorneys and the entire management team and staff within the Group, not only for their unceasing efforts in producing yet another set of commendable financial results in increasingly difficult circumstances, but also for the part that each and every one of them has played in the ongoing development and evolution of Bidvest.

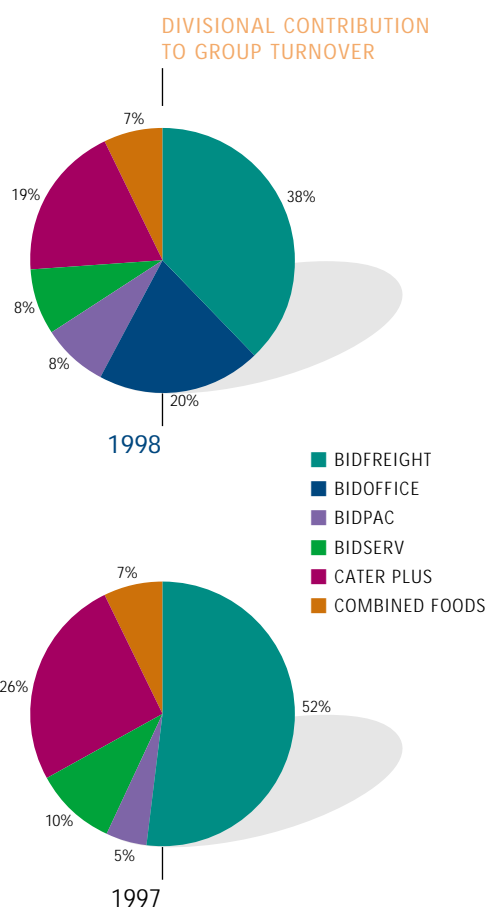
I would like to pay tribute to my longstanding friend and colleague, Peter Desilla, who died in tragic circumstances during the year. His contribution will be sorely missed.

On a brighter note I would like to welcome Philip Womersley and Alan Griffith to the Board and look forward to their valued input.

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 endeavours.



**Brian Joffe**  
Chairman



THE BEST OPPORTUNITIES ARE

RARELY CREATED IN THE

GOOD TIMES



## Directorate and Administration



## NON-EXECUTIVE DIRECTORS



TONY BEHRMANN



NOMHLE CANCA



BERNARD CHIPKIN



ERIC ELLERINE



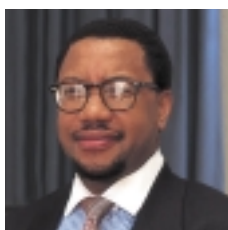
STEPHEN KOSEFF



DONALD MASSON



MOELETSI MBEKI



PHUTHUMA NHLEKO



JOE PAMENSKY



TEDDY REITMAN

## DIRECTORS

**BRIAN JOFFE** (51)

CA(SA)

*EXECUTIVE CHAIRMAN*

APPOINTED MARCH 1 1989

**MERVYN CHIPKIN** (72)

*DEPUTY CHAIRMAN*

APPOINTED MAY 9 1989

**ANTHONY JOHN BEHRMANN** (60)\*#

BA, LLB

APPOINTED JUNE 17 1997

**ISAAC ABRAHAM BERMAN** (60)

APPOINTED SEPTEMBER 10 1990

**LEONARD IVAN CHIMES** (64)

APPOINTED JUNE 30 1997

**BERNARD ROBERT CHIPKIN** (69)

BSC(WITS)

APPOINTED SEPTEMBER 10 1990

**ERIC ELLERINE** (64)

APPOINTED JUNE 17 1997

**ALAN MICHAEL GRIFFITH** (47)

APPOINTED AUGUST 14 1998

**NOMHLE GCABASHE CANCA** (32)

BA ECONOMICS, BA POLITICAL SCIENCE  
(EMORY)

APPOINTED APRIL 10 1997

**STEPHEN KOSEFF** (47)

CA(SA), HDIP BDP, MBA

APPOINTED JUNE 17 1997

**COLIN HUGH KRETZMANN** (51)

CA(SA)

APPOINTED AUGUST 10 1992

**DONALD MASSON** (66)

ACIS

APPOINTED MARCH 10 1992

**MOELETSI GODUKA MBEKI** (52)

MA(SOC)

APPOINTED OCTOBER 22 1995

**PHUTHUMA FREEDOM NHLEKO** (38)

BSC (ENG), MBA

APPOINTED JUNE 17 1997

**PETER NYMAN** (53)\*#

CA(SA), ACMA, HDIP TAX LAW

APPOINTED FEBRUARY 1 1991

**JOSEPH LEON PAMENSKY** (68)\*#

CA(SA), OMSG

APPOINTED JANUARY 8 1990

**LINDSAY PETER RALPHS** (42)

CA(SA)

APPOINTED MAY 20 1992

**THEODORE HERZL REITMAN** (72)

(BRITISH)

APPOINTED JUNE 17 1997

**FRANK ERNEST ANTHONY ROBARTS** (63)

APPOINTED JUNE 30 1997

**DAVID KEITH ROSEVEAR** (42)\*

CA(SA)

APPOINTED MARCH 11 1992

**ALAN CHARLES SALOMON** (49)

CA(SA), BSC(LOND)

APPOINTED SEPTEMBER 10 1990

**CHARLES ELI SINGER** (52)

CA(SA)

APPOINTED JUNE 30 1995

**ROY WAINER** (50)

APPOINTED MAY 14 1991

**CHARLES EDWARD WATT** (53)

APPOINTED SEPTEMBER 10 1990

**PHILIP DOUGLAS WOMERSLEY** (48)

BA ECON, BSC (CUM LAUDE)

APPOINTED AUGUST 14 1998

\* Member of Audit Committee

# Member of Remuneration Committee

## EXECUTIVE DIRECTORS



BRIAN JOFFE –  
CHAIRMAN



MERVYN CHIPKIN –  
DEPUTY CHAIRMAN



ISSY BERMAN



LEN CHIMES



ALAN GRIFFITH



COLIN KRETZMANN



PETER NYMAN



LINDSAY RALPHS



FRANK ROBERTS



DAVE ROSEVEAR



ALAN SALOMON



CHARLES SINGER



ROY WAINER



CHARLES WATT



PHILIP WOMERSLEY

## ADMINISTRATION

### SECRETARY

MARIA SUSANNA VILJOEN

### 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: [info@bidvest.co.za](mailto:info@bidvest.co.za)

### AUDITORS

KPMG

### BANKERS

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

### ATTORNEYS

WERKSMANS

### A.D.R. DEPOSITARY

CITIBANK, N.A.

### SHARE TRANSFER SECRETARIES

MERCANTILE REGISTRARS LIMITED  
11 DIAGONAL STREET  
2001 JOHANNESBURG  
PO BOX 1053  
2000 JOHANNESBURG

### COMPANY REGISTRATION NUMBER

05/21180/06

## Divisions of The Bidvest Group



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.



CATER PLUS



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, Catersales, D&R Lowe Catering Supplies, First Foods, Lou's Wholesalers, Manettas, Pyramid Catering Supplies, Nelpack, 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, local and imported premium quality food products are marketed under the Goldcrest and other leading local and international brand names.



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 HYGIENE

South Africa's leading washroom rental service provider offering the largest and most cost effective range of products.

### PRESTIGE CLEANING SERVICES

The largest contract cleaning operation in Southern Africa, which also trades as Execu-Clean, Regent Pro-Serve, Setsebi Cleaning Services and Hi-Tech Cleaning Services. Its specialised services division offers a variety of services such as pest control, carpet and window cleaning, waterproofing and ISO training and also trades as Hebco Waterproofing and QMS Consulting.

### SA TEXTILE RENTAL AND LAUNDRY SERVICES

The country's largest commercial laundry and textile rental operation, trading as First Garment Rental and Boston Laundries.

### STEINER TRADING

A major distributor of janitorial cleaning products and light industrial consumables to industry in general.

### CLOCKWORK CLOTHING

Manufactures and distributes a large range of industrial workwear as well as leisurewear under the Admiral brand name.



BIDPAC



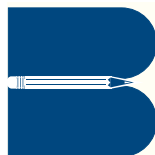
SOUTH AFRICA'S LEADING MANUFACTURER AND DISTRIBUTOR OF WORLD CLASS FASTENING, PACKAGING, STRAPPING, STATIONERY PRODUCTS, ADHESIVE TAPE, CODING AND LABELS TO THE COMMERCIAL, INDUSTRIAL, MINING, AGRICULTURAL AND RETAIL SECTORS.

#### FASTENING, PACKAGING AND STRAPPING

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

#### STATIONERY PRODUCTS

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



BIDOFFICE



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, Kolok Africa, Statmark, Sigmagraphics, Back-To-School, Hortors Stationery, South African Diaries, Medions, Contract Office Products, Quantum 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 Seating, 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 Office Mart, a supplier of computer note books, personal computers, software applications, office furniture and stationery aimed at the small office/home office market.



BIDFREIGHT



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 and 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.





COMBINED FOODS CHAIRMAN  
D ROSEVEAR

## Review of Operations

### COMBINED FOODS



GROWTH THROUGH ACQUISITIONS AND THROUGH THE ESTABLISHMENT OF NEW BRANCHES HAS SET SOLID FOUNDATIONS FOR THE YEAR AHEAD

#### COMBINED FOODS

CHAIRMAN – D ROSEVEAR

##### CHIPKINS BAKERY SUPPLIES

MANAGING DIRECTOR – I BERMAN

###### JOHANNESBURG

ADMINISTRATION – R HARRISON  
OPERATIONS – B BOSHOFF  
PRODUCTION – E KOHLOFFEL  
SALES – J KLOSTA

###### CAPE TOWN

GENERAL MANAGER – M MYERS  
ADMINISTRATION – R HITCHINS  
SALES – L GAREIS

###### DURBAN

GENERAL MANAGER – F GODDAER  
ADMINISTRATION – V GOVENDER  
SALES – U LANG

###### PORT ELIZABETH

GENERAL MANAGER – D STEVENSON

###### NELSPRUIT

GENERAL MANAGER – J WORTER

###### PIETERSBURG

GENERAL MANAGER – H LIPPENBERGER

###### NAMIBIA

GENERAL MANAGER – A VIJJOEN

###### BLOEMFONTEIN

GENERAL MANAGER – K ZURFLUH

##### CROWN NATIONAL

MANAGING DIRECTOR – C SINGER  
FINANCIAL – J KRAMER  
OPERATIONS – H HUNKIN  
EXPORTS/KEY ACCOUNTS – J DYSEL  
CASINGS – C BURGER  
EQUIPMENT – R JACOBS  
RESEARCH AND DEVELOPMENT – A STEYN  
PROCUREMENT – E DUSHEIKO  
SHIPPING – G FASSER

###### JOHANNESBURG

ADMINISTRATION – S PIENAAR  
BUYING – E KODESH

###### CAPE TOWN

ADMINISTRATION – H KAIGHIS  
SALES – P VAN ALPHEN

###### DURBAN

ADMINISTRATION – A THORNE  
SALES – G DAVIS

###### PRETORIA

ADMINISTRATION – R SCHEPPEL

#### COMBINED FOODS

The Combined Foods division had a satisfactory year. Growth through acquisitions at Crown National and through the establishment of new branches at Chipkins Bakery Supplies has set solid foundations for the year ahead. Chipkins Bakery Supplies and NCP Yeast achieved solid organic growth during the year under review.

#### CHIPKINS BAKERY SUPPLIES

The business, which focuses on the manufacture and distribution of pre-mixed convenience products and ingredients to free-standing and supermarket-based bakeries, maintained its leading position in a highly competitive market. Business with the major chain stores continued to grow. Supplies to biscuit and pie manufacturers were substantially down following last year's trends, primarily due to the market shrinking with an increase in credit risk. All branches performed well and the branches in Bloemfontein and Pietersburg, which were opened during the year, made a positive contribution. We expect the new branch in Nelspruit to do the same when it opens. Direct exports into sub-Saharan Africa remained constant. However, growth was achieved through the use of agents especially in Zambia and Malawi. Our own production was substantially up on the prior year, achieved through an increase in production capacity at the Johannesburg factory. The outlook for the year remains challenging and management expects to maintain its current growth momentum.









## Review of Operations

### COMBINED FOODS

(continued)



ACTION PLANS TO REVERSE ADVERSE TRADING CONDITIONS HAVE BEEN IMPLEMENTED AND THE POSITIVE EFFECTS ARE ALREADY BEING EXPERIENCED

#### CROWN NATIONAL (continued)

##### BLOEMFONTEIN – H PFEIFFER

ADMINISTRATION – R HUMAN  
SALES – N LE GRANGE

##### PORT ELIZABETH – P ROOS

ADMINISTRATION – M JORDAAN

##### EAST LONDON – T VAN DER MERWE

ADMINISTRATION – M HEDLEY

##### PIETERSBURG – D JENKINS

ADMINISTRATION – H VAN WYK

##### NELSPRUIT – T QUARMBY

ADMINISTRATION – V MATHER

##### FOOD INGREDIENTS

FRESH MEAT – M JACOB  
PROCESSED MEAT – C LUCAS  
FOOD SERVICES – G KEELING  
FUNCTIONAL INGREDIENTS – L FIHL

##### SPICE PRODUCTION

##### JOHANNESBURG

PRODUCTION – E NARDELLI  
ADMINISTRATION – A FORBES

##### CAPE TOWN

PRODUCTION – J PHILOGENE  
ADMINISTRATION – G FIDLER

##### MODERN PACKAGING

D MCBRIDE

##### NCP YEAST

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

##### KWAZULU-NATAL

MAINTENANCE – J VAN RENSBURG  
TECHNICAL – M MCCREARY  
FINANCIAL – L HEADS  
SALES – G GOSCHEN

##### GAUTENG

SALES – B SMITH, C NGWENYA

##### CAPE

SALES – G WALDER

##### FREE STATE

SALES – A ERASMUS

#### 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.

A decline in consumer spending on fresh and processed red meat products had a negative effect on our industry and resulted in fierce competition in a depressed market which, in turn, exerted severe pressure on margins.

Action plans to reverse these adverse trading conditions have been implemented and the positive effect of these plans are already being experienced. In addition, two significant acquisitions were made during the year, leaving the division poised to capitalise on major opportunities in the near future.

Modpack, a well-established supplier of packaging materials to the retail food industry, was acquired in October 1997 and this division has made a considerable contribution to the Group.

Columbit Foods, a well-respected competitor of Crown National, was acquired in December 1997 and tremendous benefits will accrue to the Group as a result. Columbit Foods has been manufacturing and distributing quality seasonings, marinades and food ingredients for many years and its product range perfectly complements that of Crown National, leaving the division in the unique position of being able to supply customers with the most extensive product range available.



The merging of the Columbit Food factory and its six branches into Crown National will effect considerable cost savings as well as open up vast marketing opportunities.

Central to Crown National's proactive strategy is its ability to anticipate the needs of its customers, and respond creatively by offering value through technology and superior products.

## NCP YEAST

NCP Yeast is one of the two major suppliers of yeast to the South African food ingredients market. During the year, the group acquired a 25% interest in Yeastpro, the joint venture previously between Sentrachem and Anchor Yeast. This followed, and was an integral part of the acquisition of NCP Yeast last year. Products currently being supplied by NCP Yeast are top-quality bakers' and brewers' yeast to the baking, brewing and consumer industries.

The Bidvest decentralised management philosophy has accorded NCP Yeast the opportunity of focusing on the constituent business units which will inevitably be of benefit to the most important stakeholder, the customer.

A concentration on asset management, costs and margins, caused this division to produce results in excess of levels anticipated at the time of acquisition. The division is well placed to reflect increased earnings in the year ahead.

CROWN NATIONAL IS IN THE

UNIQUE POSITION OF BEING

ABLE TO SUPPLY CUSTOMERS

WITH THE MOST EXTENSIVE

PRODUCT RANGE AVAILABLE





**CATER PLUS CHAIRMAN**  
C KRETZMANN

## Review of Operations

### CATER PLUS



CATER PLUS AND ALL MEMBERS OF STAFF ARE  
CONSTANTLY AWARE OF THE NECESSITY TO PROVIDE  
SUPERB SERVICE AND QUALITY PRODUCTS

#### CATER PLUS

CHAIRMAN – C KRETZMANN  
FINANCIAL DIRECTOR – T SCRUSE

#### CATERING SUPPLIES DIVISION

DIRECTOR – J ARAUJO  
INTERNAL AUDIT – L PETHO  
TRAINING – S MABE

#### CHIPKINS CATERING SUPPLIES

##### JOHANNESBURG

MANAGING DIRECTOR – C WATT  
HUMAN RESOURCES DIRECTOR – M LOCKLEY  
ADMINISTRATION – J DE VRIES  
BUYING – W FORBES  
OPERATIONS – J UYS

##### CAPE TOWN

MANAGING DIRECTOR – S HORWITZ  
ADMINISTRATION – N HARDWICH  
BUYING – A DU TOIT

##### NELSPRUIT

MANAGING DIRECTOR – D MACKIE  
ADMINISTRATION – Y MACKIE  
BUYING – W LOGAN  
SALES – B MOORE

##### DURBAN

MANAGING DIRECTOR – R LOWE  
ADMINISTRATION – C PALMER  
OPERATIONS – S PENNY  
SALES – B MATHURA

##### BLOEMFONTEIN

MANAGING DIRECTOR – E EAGER  
ADMINISTRATION – C STANDER  
BUYING – M DE WINNAAR  
OPERATIONS – S MAHOLI

##### PORT ELIZABETH

MANAGING DIRECTOR – D KOHLER  
ADMINISTRATION – P GOUWS  
OPERATIONS – J DHLOMO  
SALES – F BEKKER

##### PIETERSBURG

GENERAL MANAGER – A McLEOD  
ADMINISTRATION – H VAN HOUTEN  
SALES – N STRYDOM

##### EAST LONDON

GENERAL MANAGER – R SNEDDON  
ADMINISTRATION – R HECHTER

Cater Plus operates in all the major urban and tourist areas of South Africa through four specialist divisions: Catering Supplies, Speciality, Frozen Foods and Catering Equipment. It also operates in Australia through Bidvest Australia Limited (formerly Manettas Limited).

The performance of Cater Plus for the year was most satisfactory given the state of the market. Although most segments of the catering market into which we supply reflected decreasing demand, every endeavour was made to pursue new areas of opportunity and focus on alternative market segments. The deterioration in trading conditions was aggravated by intense competition as all players sought to maintain their market share at lower margins. The division however competed at every opportunity and was successful in maintaining its position in the market. It would appear that the impact of violence in our country has had an impact on eating-out patterns. Notwithstanding these issues, Cater Plus has recorded satisfactory returns and continues to be a significant contributor to the Group's results. Growth for this division will in future be dependent to a degree on both government privatisation programmes as well as a dramatic improvement in tourism.

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 products. The constant attention given by management to superb service levels should ensure that entry barriers are continually raised. 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. The division has budgeted for an improvement in profits for the forthcoming year.









## Review of Operations

### CATER PLUS

(continued)



#### CATER SALES

MANAGING DIRECTOR – G SUPRA  
BUYING – D HUDSON  
OPERATIONS – R RAMOS

#### D & R LOWE CATERING SUPPLIES

MANAGING DIRECTOR – C McCORMACK  
ADMINISTRATION – S MARAIS  
BUYING – F DA SILVA  
SALES – N PAPPAS

#### LOU'S WHOLESALERS

MANAGING DIRECTOR – H DORFLING  
ADMINISTRATION – A JOCHENS  
BUYING – J INGLIS  
OPERATIONS – C LEE

#### FIRST FOOD DISTRIBUTORS

MANAGING DIRECTOR – D SMIT  
ADMINISTRATION – R VAN VLAANDEREN  
BUYING – M WAINWRIGHT  
SALES – P McINULTY

#### RFS CATERING SUPPLIES

MANAGING DIRECTOR – E WEBSTER  
ADMINISTRATION – F BALL  
BUYING – M MURPHY

#### PYRAMID CATERING SUPPLIES

MANAGING DIRECTOR – B SAHARIN  
ADMINISTRATION – A RAMSAROOP  
BUYING – R JANKIEPERSADH  
OPERATIONS – A GOVENDER  
SALES – B GOVENDER

#### NELPACK

GENERAL MANAGER – D SARDOZ, C COOPER

#### SPECIALITY

##### PATLEYS

MANAGING DIRECTOR – M NOTRICA  
**JOHANNESBURG**  
ADMINISTRATION – D WEBER  
SALES – R FITZSIMMONS

##### DURBAN

GENERAL MANAGER – P WHITTON  
SALES – E TUBACK

##### CAPE TOWN

GENERAL MANAGER – C KENNEDY  
SALES – D VAN BREDA, M GLIDDON

### 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 profit improvement over the past year despite the extreme pressure on trading margins.

In an endeavour to maintain our positions in the market, the operations within this division have endeavoured more and more to provide the end user with a wider variety of products. In spite of the fact that volumes are declining, the division continues to focus on its management of funds employed and has become successful in managing overhead expenditure to enable it to continue in its objective to be a low cost distributor.

During the year the division made two acquisitions, one in Cape Town and another in Nelspruit, and continues to offer our national customers a national distribution opportunity.

### SPECIALITY

Patleys, the nationwide marketer of local and imported premium quality products under the Goldcrest and other leading local and international brand names, performed reasonably well over the past year. The Goldcrest range of products was expanded considerably during the year and this extended range of products enhanced Patleys' performance. Certain additional brands from the Danone group were introduced during the year and the division continues to seek opportunities in respect of international brands that may have an opportunity in the South African market. A significant financial investment has been made to develop the Goldcrest range and this has no doubt contributed significantly in establishing Goldcrest as a brand in the South African food market. Patleys continues to market its products on a national basis to the retail, wholesale and industrial markets.

### FROZEN FOODS

Seaworld continues to be a leading nationwide distributor of specialised frozen and chilled products to the leisure, hospitality and food-service industries. A characteristic of the frozen food supply industry has been the emergence of a number of small operators all fighting for a share of



a smaller market. Sales volumes and margins continue to reflect an unsatisfactory downward trend. As a result, overhead expenditure has been under extreme pressure as the division strives to record acceptable returns.

During the latter part of this year the division acquired operations in both Nelspruit and Pietersburg, the results of which will only be enjoyed in the new financial year. This division is most fortunate in having state of the art facilities in most of its operations and as a result is in a position to offer its customers both superb quality service and products.

## BIDVEST AUSTRALIA

This group of distributors in Queensland and New South Wales distributes fresh, frozen and chilled products, which include grocery, seafood and ice cream products.

During the year the Manettas operation in Rozelle was closed and its frozen and dry grocery operations were merged with those of R M Smith at Homebush Bay. The fresh seafood business was merged with Peter's Fish Market and its property is now being disposed of.

The reorganisation, which has taken place since we acquired the group, has now positioned it with decentralised focused operations all competing for their share of the market. The changes also encompassed a reorganisation of the executive management team, which resulted in the departure of Graham Turk, the Group Managing Director. Bernard Berson and Ken Bielby are currently in management control and it is our view that the group is now well and truly established to capitalise on its profit potential. While the performance for the year was a little disappointing, we remain optimistic about the potential of this division.

## CATERING EQUIPMENT

The Catering Equipment Division, which encompasses Vulcan President and CAARS, operates in a cyclical market. During the year, there was a downturn in demand for catering equipment, particularly in the Government and industrial canteen sectors. Against this background, Vulcan President and CAARS produced satisfactory results. CAARS in particular, which was acquired on July 1 1997, produced pleasing results in its first year with the Group.

## CATERING FROZEN FOODS

### SEAWORLD

MANAGING DIRECTOR – R WAINER  
FINANCIAL DIRECTOR – B VARCOE  
HUMAN RESOURCES DIRECTOR – M DULAZE

### JOHANNESBURG

COMMERCIAL – A BROWER  
SALES – L ABEL

### BLOEMFONTEIN

GENERAL MANAGER – A RHEEDER  
ADMINISTRATION – M SMITH

### CAPE TOWN

GENERAL MANAGER – L FOUCHE  
ADMINISTRATION – P STRUCKMAN

### DURBAN

GENERAL MANAGER – S NAIDOO

### NELSPRUIT

GENERAL MANAGER – H DE WITT

### PIETERSBURG

GENERAL MANAGER – N MYBURGH

## BIDVEST AUSTRALIA

OPERATIONS DIRECTOR – K BIELBY  
FINANCIAL DIRECTOR – B BERSON  
PROCUREMENT MANAGER – A FECHNER

### BURLEIGH MARR

BRISBANE – M FURNESS

GOLD COAST – I McLEOD

SUNSHINE COAST – C JAMES

TOWNSVILLE – R REARDON

HERVEY BAY – C FECHNER

FELANS – C MANTIKAS

MANETTAS NEWCASTLE – D NORTHAM

PETER'S FISH MARKET – P ZANTEY

R M SMITH & SON – J LEQUERTIER

## CATERING EQUIPMENT

CHAIRMAN – A SALOMON

### VULCAN PRESIDENT

MANAGING DIRECTOR – D LEIBOWITZ  
PRODUCTION – K WILDING  
FINANCIAL – R LUCAS  
SALES – M NEILSON  
EXPORTS – R McMURRAY  
INFORMATION SYSTEMS – M HOFF  
TRAINING – J MATSIPA

### BRANCH DISTRIBUTION

JOHANNESBURG – D LEIBOWITZ

DURBAN – G ROBERTSON

CAPE TOWN – B DU BOIS, B STAEGEMANN

PORT ELIZABETH – C TAYLOR

EAST LONDON – T RADEMEYER

CONTRACTS – P LITTLE

### CATERING APPLIANCES AND REFRIGERATION SERVICES (CAARS)

MANAGING DIRECTOR – D THEWLIS  
SALES – P THEWLIS  
FINANCIAL – J VISSER



**BIDSERV CHAIRMAN**  
LINDSAY RALPHS

## Review of Operations

### BIDSERV



#### BIDSERV

CHAIRMAN – L RALPHS  
INTERNAL AUDIT – T TENDEIRO  
GROUP HUMAN RESOURCES – L DEETLEFS  
GROUP INFORMATION TECHNOLOGY – P SCHOEMAN

#### STEINER HYGIENE

MANAGING DIRECTOR – N SMITH  
FINANCIAL DIRECTOR – P MEIJER  
GROUP MARKETING MANAGER – R TYACK  
FINANCIAL MANAGER – R STEYN  
GROUP ACCOUNTANT – B TEIXEIRA  
BUSINESS DEVELOPMENT MANAGER – R NEL, V BENDRAU

#### BRANCH MANAGERS

KYA SANDS – A COWAN  
EAST RAND – G GRAY  
BENROSE – J FORMAN  
PRETORIA – P LABUSCHAGNE  
BLOEMFONTEIN – A VIVIER  
CAPE TOWN – G RONAN  
DURBAN – Y SMITH  
EAST LONDON – R HAGERTY  
ERMELO – R HEUER  
GEORGE – Q HARRIS  
KIMBERLEY – G KEATING  
NELSPRUIT – C ROHM  
NEWCASTLE – D ZIMMERMAN  
PIETERMARITZBURG – A FULLER  
PIETERSBURG – L KRAUSE  
PORT ELIZABETH – J MULDER  
POTCHEFSTROOM – M VELDMAN  
RICHARDS BAY – G LARKAN  
VEREENIGING – E BARNARD  
WELKOM – A MUTTON

#### S.A. TEXTILE AND LAUNDRY SERVICES

##### FIRST GARMENT RENTAL

MANAGING DIRECTOR – A FAINMAN  
FINANCIAL DIRECTOR – E HAUPT  
SALES AND MARKETING DIRECTOR – V SUTHERLAND  
TECHNICAL DIRECTOR – Q ESCREET

##### BOSTON LAUNDRIES

OPERATIONS MANAGER – D YIALLOURIS  
SUN CITY – K MYNHARDT  
JOHANNESBURG – J VILENSKY

##### GENERAL MANAGERS

CAPE TOWN – P DUNN  
DURBAN – N LAMBLE  
PORT ELIZABETH – J FRITZ

#### CLOCKWORK CLOTHING

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

NEW BRANCHES HAVE BEEN STRATEGICALLY POSITIONED THROUGHOUT SOUTH AFRICA WHICH ALLOWS FOR MUCH CLOSER CONTACT WITH OUR CLIENTS

The Bidserv Group once again produced strong sales and profit growth during the year under review. This result was achieved in a year in which the businesses of the old Steiner Services Group were effectively unbundled and reconstituted into four separately focussed business divisions.

Bidserv now consists of five major divisions, each with its own dedicated management team. Major emphasis is still placed on the synergistic benefits that exist between the various divisions within the Group:

#### Steiner Hygiene

– washroom rental service

#### Prestige Cleaning Services

– contract cleaning, specialised cleaning services and pest control

#### S.A. Textile and Laundry Services

– garment rental and laundry services. Trading as First Garment Rental and Boston Laundries

#### Steiner Trading

– distributor of janitorial cleaning products and light industrial consumables

#### Clockwork Clothing

– manufacturer and distributor of industrial work wear









## Review of Operations

### BIDSERV (continued)



#### STEINER TRADING

MANAGING DIRECTOR – S XENOPHON  
GENERAL MANAGER – K RENNIE  
FINANCIAL MANAGER – S MARITZ

##### BRANCH MANAGERS

CAPE TOWN – B OLDFIELD  
DURBAN – F MARAIS

#### PRESTIGE CLEANING SERVICES

MANAGING DIRECTOR – J LOUW  
FINANCIAL DIRECTOR – C VILJOEN  
OPERATIONS DIRECTOR – J TAYLOR  
HUMAN RESOURCES DIRECTOR – F DE CLERCO  
SALES DIRECTOR – J DU TOIT

##### DIVISIONAL DIRECTORS

FINANCE – B GOSAI  
OPERATIONS SOUTH – D OTTO  
OPERATIONS CENTRAL – J SEEGER  
OPERATIONS NORTH – M MEDALLIE  
MARKETING – S SANDERS  
SPECIALISED SERVICES – J DAMES

##### GENERAL MANAGERS

EAST RAND – S COETZEE  
EASTERN CAPE – R WHITE  
EXECU-CLEAN – C LABUSCHAGNE  
FREE STATE – H LIEBENBERG  
HOSPITALITY DIVISION – P VAN DER WESTHUIZEN  
INFORMATION TECHNOLOGY – D DU PISANI  
JOHANNESBURG REGION 1 – C MAGUIRE  
JOHANNESBURG REGION 2 – B DA COSTA  
JOHANNESBURG REGION 3 – H LANGEVELDT  
MPUMALANGA – L JONKER  
PRETORIA – J VOGEL  
SALES – D NEILON  
SALES COASTAL – R MACKENZIE  
SALES HEALTH & HOSPITALITY – L MURRAY  
SPECIALISED SERVICES FINANCIAL – M GEORGIADIS  
TECHNICAL/TRAINING – S ERASMUS, E MATTHEWS  
VAAL – G EHLERS  
WESTERN CAPE – E DE KOK

##### QMS CONSULTING

MANAGING DIRECTOR – C MENKIN  
GENERAL MANAGER – A BESTER  
QUALITY MANAGEMENT DIRECTOR – B PRETORIUS

##### REGENT PRO-SERV

CHAIRMAN – L VAN TONDER  
MANAGING DIRECTOR – A FULTON  
GENERAL MANAGER – N WITHERS  
J VAN TONDER, J DU TOIT

#### HI-TECH CLEANING SERVICES

MANAGING DIRECTOR – M DE JONG

PRESTIGE WAS AWARDED A SIGNIFICANT NUMBER OF  
LARGE VALUE CORPORATE ACCOUNTS DURING THE YEAR

#### STEINER HYGIENE

Steiner Hygiene is South Africa's largest washroom rental service provider offering the largest and most cost effective range of products in the country. This division produced extremely solid results for the year under review.

As part of its strategy to provide superior service levels to its very wide client base, a number of new branches were opened during the year. These new branches have been strategically positioned throughout South Africa which allows for much closer contact with our clients, and has further improved our sales penetration in the market-place.

#### PRESTIGE CLEANING SERVICES

The Prestige Group produced another set of excellent results for the year under review and further consolidated its position as the largest and most professional cleaning service provider in the country. As a result of its ongoing efforts to offer a superior service to its client base, Prestige was awarded a significant number of large value corporate accounts during the year. The Execu-Clean acquisition, which was effective on July 1 1997, has bedded down extremely well. The Specialised Services Division, which offers a variety of services such as pest control, carpet and window cleaning and deep cleaning services, enjoyed another extremely successful year. In order to expand its range of services on offer, the waterproofing and coating business of Hebco was acquired during the year. In addition a specialised training and I.S.O. consulting division – Q.M.S. – was successfully launched.



## S.A. TEXTILE RENTAL AND LAUNDRY SERVICES

With effect from July 1 1997 the Boston Laundry and Dry Cleaning business was acquired. This acquisition enabled the Group to set up the largest commercial laundry and textile rental operation in the country. The laundry and textile rental business of the old Steiner Services Group, together with that of First Garment Rental and Boston, were merged into one. Major capital expenditure programmes were undertaken to convert our five major laundries into modern state of the art, highly productive, factories. This exercise was in the main completed during the year under review. This division now focuses exclusively on garment rental to industry, and professional laundry services to the hotel industry. Both these industries are seen as major growth opportunities, and this division is well set to take advantage of these opportunities with its new hi-tech facilities.

## STEINER TRADING

Steiner Trading distributes a full range of janitorial consumable products. This division had a difficult year. However, a new management team is now in place and future prospects are encouraging.

## CLOCKWORK CLOTHING

Clockwork Clothing, which includes the Steiner Ciskei manufacturing and distribution facility, produced a very satisfactory set of results for the year under review.

This division manufactures and distributes a large range of industrial workwear, as well as leisurewear under the "Admiral" brand name. A new industrial shirt plant was commissioned during the year. The local market for industrial workwear remains extremely tight. Export opportunities are being investigated and preliminary indications are promising.

MAJOR CAPITAL EXPENDITURE  
PROGRAMMES WERE UNDERTAKEN  
TO CONVERT OUR FIVE MAJOR  
LAUNDRIES INTO MODERN  
STATE OF THE ART, HIGHLY  
PRODUCTIVE, FACTORIES





**BIDPAC CHAIRMAN**  
ALAN SALOMON

## Review of Operations

### BIDPAC



#### BIDPAC

CHAIRMAN – A SALOMON  
FINANCIAL DIRECTOR – H GREENSTEIN  
FINANCIAL MANAGER – C LEVIN  
OPERATIONS – I ZIMMERMAN  
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 – G ZAHN  
STRETCHFILM – R TRENT  
LABELS – W COETZER  
HUMAN RESOURCES – B CAMPBELL  
ACCOUNTING – M BERTHELOT  
PRODUCTION – F FREMOUW  
COLLATED NAILS AND STAPLES – J VAN RYSSSEN  
STRAPPING – N CLOETE  
TI-STRAP – W MOLAUTSI  
WORKSHOP – F OUDMAYER

#### BRANCH DISTRIBUTION

BLOEMFONTEIN – W COETZER  
CAPE TOWN – P SYKES  
DURBAN – K OLIVER  
EAST LONDON – K GUESS  
JOHANNESBURG – G ZAHN  
NELSPRUIT – A DE BEER  
PORT ELIZABETH – H NEL  
PRETORIA – T NEL  
TZANEEN – J VAN DER MERWE  
MARKWELL – P STEYN

#### BUFFALO TAPES

MANAGING DIRECTOR – T HARMAN  
PRODUCTION – D ALLEN  
SALES – T GIRNUN

#### GE HUDSON/PAC-KING

MANAGING DIRECTOR – C STEDMAN  
STEEL STRAPPING – P JOHNSTON  
PLASTIC STRAPPING – T LOWTHER  
NAILS – I HUNTER  
MARKING AND CODING – F SCHOLTZ

#### PRODUCTION

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

BIDPAC PRODUCED GOOD RESULTS FOR THE YEAR  
THESE RESULTS WERE ACHIEVED AGAINST  
A BACKGROUND OF TOUGH TRADING CONDITIONS

Bidpac consists of seven manufacturing-led groups which are segmented into two divisions, namely Packaging and Stationery. Bidpac encompasses Afcom, Buffalo Tapes, GE Hudson/Pac-King, Hi-Maur Labelling Systems, Ozalid, Roll-a-Pak and Silveray Stationery. The Group has 11 self-standing factories and 31 autonomous branch business units which are located in all the major centres of South Africa.

Bidpac manufactures and distributes a diverse range of key products to the commercial, industrial, mining, agricultural and retail sectors. Each group within Bidpac carries some of the finest world-renowned brand names in its respective field of endeavour. They have long-term, exclusive licence and distribution agreements with overseas principals, which ensure access to internationally superior technology and manufacturing technical know-how.

Bidpac produced good results for the 1998 financial year. These results were achieved against a background of tough trading conditions in the manufacturing sector, exacerbated by low economic growth, a decline in gross domestic fixed investment, reduced Government spending and general destocking in the market-place. Manufacturing domestic sales and order volumes contracted sharply during the year and management successfully implemented the necessary strategies to counter the effects of the slowdown in the economy.

The Packaging division which comprises Afcom, GE Hudson/Pac-King, Buffalo Tapes and Roll-a-Pak, produced satisfactory results, notwithstanding a decline in volumes. Production capacity utilisation declined and it became evident during the year of material cut-backs









## Review of Operations

**BIDPAC**  
(continued)



**G E HUDSON/PAC-KING** (continued)

### BRANCH DISTRIBUTION

DURBAN – D POOVAN  
CAPE TOWN – D McVEAN-NICOL  
ISANDO – I HUNTER  
GERMISTON – P JOHNSTON

### SILVERAY STATIONERY

MANAGING DIRECTOR – A MUIRHEAD  
FINANCIAL – P HARIPERSAD  
NATIONAL SALES – J WHEATLEY  
RETAIL – J FELDMAN

### PRODUCTION

MOBENI – D FOURE  
GLOBE – J DAVIS  
INFORMATION SYSTEMS – V HOARE

### BRANCH DISTRIBUTION

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

### ROLL-A-PAK

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

### HI-MAUR

MANAGING DIRECTOR – T 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  
EAST LONDON – W LICHTENSTEIN

### OZALID

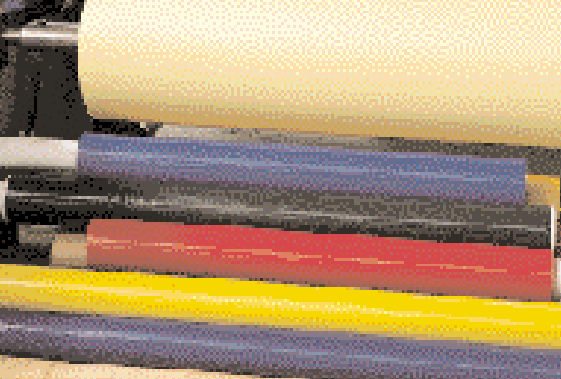
MANAGING DIRECTOR – T RUPPING  
FINANCIAL – R HILL  
SALES – J BURDIS  
PRODUCTION – J VAN HEERDEN  
PRINTING – G HILLMAN

THE GROUP'S ETHOS OF TRADING WELL IN A DIFFICULT ENVIRONMENT, WAS CLEARLY EVIDENT DURING THE YEAR

in machinery and equipment fixed investment, which is an important facet of the packaging group's sales activities. Management adhered stringently to basic business principles which resulted in improved gross margins, reduced expenses and tight asset management.

During the year, the new stationery operations, Silveray Stationery Company, Hi-Maur Labelling Systems and Ozalid, were successfully integrated into the Group. These groups produced excellent results as they benefited from the refocus of their entire operations. A comprehensive programme of reengineering, restructuring and right-sizing of their manufacturing and distribution infrastructure contributed meaningfully to their results. Market shares improved materially and the benefits of tight expense controls and effective asset management resulted in these groups becoming significant positive cash generators during the period under review.

The Group's ethos of trading well in a difficult environment, was clearly evident during the year. Management succeeded in enhancing gross margins, significantly reducing costs in manufacture and distribution and through a strong focus on asset management, generated substantial positive cash flows. The Group's returns on funds employed improved and all business units traded aggressively and innovatively which resulted in enhanced market shares and an increased dominance in the markets they serve. The 1998 financial year was characterised by a comprehensive restructure, reorganisation and reengineering of the Group's manufacturing capability and sales and distribution infrastructure. The restructuring programme was completed by the year end and the Group is poised to benefit from the changes in the next financial year and the years ahead. Management is now dedicating more quality time on income-



producing activities, encompassing sales promotion, market share gain, improved brand awareness and further reduction in manufacturing and selling input costs which will enable the Group to grow in a declining and competitive environment. With the weakening of the South African rand, there will be a focus on exports and a drive to increase market share with locally produced product against imported competitor product.

During the year, the quality of Bidpac's locally produced product and service improved, and in most cases, met the benchmark standards set by overseas principals. Today, each group, which is a market leader in its respective field, is exercising product and service leadership. In the early part of the year, the Group embarked on a service excellence programme which produced good results and achieved the objective of meeting, or exceeding, customer's needs and expectations. Linked to the Group's service excellence programme was the expansion of our Training Division which resulted in an improvement in work ethic and quality of the goods produced and services rendered to customers. The Training Division made a significant contribution in improving staff motivation and morale, notwithstanding the cut-back in staff.

The Group's Internal Audit Department was expanded and played a key roll in the refinement of the day-to-day internal controls. Linked to internal audit was an emphatic programme of cost versus benefit analysis in the Group's expense management which resulted in a significant reduction of expenses during the year.

In the final analysis, Bidpac achieved its core objectives, generating increased profitability, improved cash flows, market share growth and developing new products. Product development, although costly in its

formative stages, has opened up new markets not previously serviced by the Group.

Looking to the future, the benefits of the changes and improvements effected during the past year, the production and sales synergies between the various operations within Bidpac and its ability to trade effectively in a difficult business environment, augers well for the year ahead.

DURING THE YEAR, THE QUALITY  
OF BIDPAC'S LOCALLY PRODUCED  
PRODUCT AND SERVICE IMPROVED



**BIDOFFICE CHAIRMAN**  
LEN CHIMES

## Review of Operations

### BIDOFFICE



THE BIDOFFICE DIVISION HAS EXPERIENCED A TOUGH BUT REWARDING YEAR

#### BIDOFFICE

CHAIRMAN – L CHIMES  
FINANCIAL DIRECTOR – C ROSTOWSKY  
INTERNAL AUDIT – G FERNANDES

#### ATOMIC GROUP

MANAGING DIRECTOR: ATOMIC – C NAUDE  
MANAGING DIRECTOR: NUCLEAR – V HANSEN  
FINANCE – B JOLLY

#### CECIL NURSE

CHAIRMAN – N LEVIN  
MANAGING DIRECTOR – D MITCHELL  
FINANCIAL DIRECTOR – W DU PLESSIS  
SALES DIRECTOR – H STEINBERG  
STORES DIRECTOR – H SMOOKLER

#### CAPE

MANAGING DIRECTOR – S KNOETZE

#### KWAZULU-NATAL

MANAGING DIRECTOR – G BOLTON

#### CONTRACT OFFICE PRODUCTS

MANAGING DIRECTOR – H MAGID, S MAGID  
SALES DIRECTOR – H ELISON  
FINANCE – N GEORGE

#### DAUPHIN OFFICE SEATING

MANAGING DIRECTOR – I GALLOWAY

#### HORTORS

MANAGING DIRECTOR – L CARLSON

#### KOLOK

MANAGING DIRECTOR – A THOMPSON  
FINANCIAL DIRECTOR – P KLEYNHANS  
STORES DIRECTOR – E CASSIM  
BUSINESS UNIT MANAGERS – G CHAPPEL, S SMITH,  
M THIEL, K JERLING

#### WESTERN CAPE

BRANCH MANAGER – R ABELS

#### KWAZULU-NATAL

BRANCH MANAGER – B PULLOCK

#### KOLOK AFRICA

MANAGING DIRECTOR – R SMITH  
PRODUCTION DIRECTOR – D LINO  
FINANCE – C PETTITT

#### MEDIONS

MANAGING DIRECTOR – J PRINS  
FINANCIAL DIRECTOR – J KEMPEN

Bidoffice is the newest of the Bidvest divisions having been created predominantly out of the acquisition of the Waltons group on June 24 1997. The current year, therefore, reflects the first full year of trading within the Bidvest stable.

The division comprises a number of autonomous business units that are engaged in the manufacture, supply and distribution of commercial office products including stationery, office furniture and office automation, through a network of branches distributed throughout South Africa.

Those business units involved in the wholesaling and distribution of stationery products include Waltons Stationery, Kolok, Back to School, Statmark, Contract Office Products, Hortors, S.A. Diaries, Quantum, Kolok Africa, Medions and International Systems.

The activities of the furniture division include the manufacture and distribution of office furniture through Seating, Dauphin, Atomic, Nuclear, Cecil Nurse, Office Centre and Central Office Furniture.

The office automation division distributes leading brands of office automation and computers through Minolco and Office Mart.

The Bidoffice division has experienced a tough but rewarding year.

Whilst margins were under pressure and turnover levels were adversely affected by declining business confidence and a softening economy, Bidoffice returned a satisfactory result, in line with expectations and thus contributed significantly to the Group's results. The easing in interest rates that was experienced in the first half of the year was more than offset by the increase that was experienced in the last quarter of the financial year. The increase in









## Review of Operations

### BIDOFFICE (continued)



EXPENSE MANAGEMENT AND IMPROVED ASSET CONTROLS  
CONTRIBUTED TO THE FAVOURABLE RESULTS

#### MINOLCO

MANAGING DIRECTOR – A GRIFFITH  
FINANCIAL DIRECTOR – I KESHWAR  
ADMINISTRATION DIRECTOR – M HOLAHAN  
TECHNICAL OPERATIONS – A BARBOSA  
DIRECTOR: COPIERS – L TAGER  
DIRECTOR: FAX AND LASERS – P ENSLIN  
GENERAL MANAGER: OCE – N FOLEY  
REGIONAL DIRECTORS – K DIX-PEEK, D JACKSON

#### OFFICE MART

MANAGING DIRECTOR – P KATZ  
FINANCIAL DIRECTOR – A MUIR  
SALES – S KING

#### QUANTUM

MANAGING DIRECTOR – T MILES, T PALPHRAMAND

#### SEATING

CHAIRMAN – A GOLDBERG  
MANAGING DIRECTOR – S GERBER  
FINANCIAL DIRECTOR – M RUBIN

#### STATMARK/INTERNATIONAL SYSTEMS

MANAGING DIRECTOR – H SERVAS  
FINANCIAL DIRECTOR – P McILWAINE

#### WALTONS STATIONERY

CHAIRMAN – F ROBARTS  
MANAGING DIRECTOR – J FARRELL  
OPERATIONS DIRECTOR – D PEWSEY  
FINANCE – F REYNKE  
PROCUREMENT – P CRONJE

#### WESTERN CAPE

FINANCIAL DIRECTOR – R BOWES

#### KWAZULU-NATAL

MANAGING DIRECTOR – M FRIZELLE  
FINANCIAL DIRECTOR – D CROOKE  
SALES DIRECTOR – T KANE-BERMAN

#### GAUTENG

MANAGING DIRECTOR – B TAYLOR  
FINANCIAL DIRECTOR – E CHOONARA  
PROCUREMENT DIRECTOR – E KLEYNHANS  
AREA DIRECTORS – B COCKHEAD, S SCHILD

#### EASTERN CAPE

MANAGING DIRECTOR – L GERBER

#### FREE STATE

MANAGING DIRECTOR – D GALLAGHER

#### NAMIBIA

MANAGING DIRECTOR – J VAN TONDER

#### IMPORT DIVISION

MANAGING DIRECTOR – R SEPP

interest rates has contributed to the challenging trading conditions that are now evident.

The focus of the year was to identify those areas of the business that required restructuring and to effect the necessary changes.

These changes have all been implemented and the division is now structurally well positioned to meet future business challenges.

Much effort and expense has been applied in the upgrading of skills to meet the changing demands of business as well as the focus of the individual business units. To this end Minolco has been especially aggressive in equipping its technical staff for the move from analogue to digital as well as from traditional copying to printing.

Expense management and improved asset controls contributed to the favourable results and all business units are now well versed in key financial ratios and understand the benefits of managing and measuring their individual business units.

A pleasing aspect is the fact that all levels of management of the old group are still in place and remain committed and motivated.

The Group acquired Contract Office Products (formerly Contract Stationery Supplies and Contract Computer Media) with effect from September 1 1998. The rationale for the acquisition was to enhance our competitive position in the stationery and computer media distribution industry within the Gauteng region. The business has integrated well into the Group and adopted the Group's philosophies.



With effect from January 1 1998, the Group acquired Medion's Stationers. The acquisition has strengthened the Group's position in the stationery distribution business in the Western Cape.

Quantum, a stationery distribution business located in Botswana, was acquired with effect from January 1 1998 to establish the Group, and with time, to expand the stationery business into the rest of Africa.

The Group disposed of Businessland with effect from June 28 1998 as it was considered that the investment and effort required to dominate in the specialised computer retail business was not justified by the potential return.

Much of the past year was spent on establishing the Bidvest philosophies within all levels of the division. It is encouraging to note the success that has been achieved in this area and management look forward to the benefits from these good business practices being felt in the new financial year.

A PLEASING ASPECT IS THE FACT

THAT ALL LEVELS OF

MANAGEMENT OF THE OLD GROUP

ARE STILL IN PLACE AND REMAIN

COMMITTED AND MOTIVATED





**MANAGING DIRECTOR SAFCOR FREIGHT**  
PHILIP WOMERSLEY

## Review of Operations

### BIDFREIGHT

SAFCOR MANAGED TO ACHIEVE OVERALL MARKET SHARE GROWTH IN ITS SEAFREIGHT OPERATIONS

#### BIDFREIGHT

##### SAFCOR FREIGHT

MANAGING DIRECTOR – P WOMERSLEY  
FINANCIAL DIRECTOR – N THOMPSON  
NATIONAL SALES DIRECTOR – C COX  
COMMERCIAL DIRECTOR – C SPEED-ANDREWS  
HUMAN RESOURCES EXECUTIVE – S Mc SWEENEY  
COMMERCIAL ACCOUNTANT – A SULEMAN  
FINANCIAL ACCOUNTANT – A IMMELMAN

##### JOHANNESBURG – SEAFREIGHT

SEAFREIGHT DIRECTOR – P WILLIAMS  
IMPORTS MANAGER – C PISAPIA  
CUSTOMS CONSULTANT – K ANDREWS  
COMMERCIAL MANAGER – C CROWTHER  
SALES MANAGER – R BASSON  
PROJECTS – G FORSYTH  
EXPORTS MANAGER – C RADBOURNE  
LOGISTICS MANAGER – M MOSSMAN  
FREIGHT AUDITOR – J EPSTEIN  
CREDIT CONTROL – P HOLFELDER  
ADMINISTRATION – J LITABE  
WAREHOUSING – P FOUCHE

##### JOHANNESBURG INTERNATIONAL AIRPORT – AIRFREIGHT

AIRFREIGHT DIRECTOR – H VISSER  
GENERAL MANAGER AIR IMPORT  
CARGO – T VAN COLLER  
OPERATIONS MANAGER – C GREYLING  
EXPORT MANAGER – W HODDINOTT  
CUSTOMS AFFAIRS – M STEYN

##### CAPE TOWN

REGIONAL DIRECTOR WESTERN  
AND EASTERN CAPE – S GOSLETT  
ADMINISTRATION MANAGER – G WHITE  
COMMERCIAL MANAGER – B ALISON  
SEA IMPORT MANAGER – A BESTER  
AIR IMPORT MANAGER – G THERON  
WAREHOUSE MANAGER – P COETZEE

Bidfreight controls two separate freight operations namely Safcor Freight and Safcon.

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

#### SAFCOR FREIGHT

Safcor's business is the 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.

The robust growth experienced over the past few years in seafreight imports did not continue in the year under review. In line with the slower tempo of the economy as a whole, seafreight import volumes were more subdued. This trend manifested itself not so much in reduced shipment counts but rather in smaller average shipment sizes. No doubt this trend was spurred also by a desire on the part of importers to reduce their stocks in transit and to import on a "Just in Time" basis.

Smaller shipment sizes coupled with operating inefficiencies in our country's ports and an increased urgency for delivery by importers made for a challenging environment for Safcor's seafreight operations. Against this difficult background Safcor's seafreight operations acquitted themselves satisfactorily, maintaining and indeed improving service standards to customers. Safcor also managed to achieve overall market share growth in its seafreight operations.







## Review of Operations

### BIDFREIGHT

(continued)



SAFCOR HAS CONTINUED ITS DRIVE TO PROVIDE AN EFFICIENT AND USER FRIENDLY COMMUNICATIONS ENVIRONMENT FOR ITS CLIENTELE AND FOR ITS OWN STAFF

### SAFCOR FREIGHT (continued)

#### DURBAN

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

#### PORT ELIZABETH

BRANCH MANAGER – J GERBER

#### EAST LONDON

BRANCH MANAGER – D WAYBER

### SAFCON

#### JOHANNESBURG

OPERATIONS DIRECTOR – M TRUSCOTT  
ADMINISTRATION DIRECTOR – J SAITOWITZ

#### DURBAN

BRANCH MANAGER – D CHARLS

#### CAPE TOWN

BRANCH MANAGER – H JOOSTE

#### PORT ELIZABETH/EAST LONDON

BRANCH MANAGER – M NAIDOO

Mention was made last year of the growth in our airfreight business, driven largely by traffic for the multinational corporations. This trend continued throughout the past year with airfreight shipments growing both in number and more specifically, in size – quite different to the situation pertaining to seafreight.

Safcor had correctly anticipated this development and had commissioned a further considerable expansion of its cargo handling facilities close to Johannesburg International Airport. The new facilities became fully operational between June and August 1998 and they should provide a secure, high technology base for these operations for some years to come.

Results from our airfreight business in the past year were good and we forecast continued growth from this important sector.

Progress was also made during the year in the important field of ISO 9002 certification. Safcor branches countrywide are now certified in respect of their seafreight and airfreight operations; import, export plus associated warehouse and distribution.

Safcor has continued its drive to provide an efficient and user friendly communications environment for its clientele and for its own staff. In line with this initiative, extensive development work was undertaken during the year in e-mail and in data transfer. The local area network established last year at our head office has been expanded to link to a second network servicing our Gauteng airfreight operations, whilst the year ahead should see our coastal offices linked into a wide area network.





Simultaneously, development has continued on the provision of management data to our clientele in a variety of format options.

Training and staff development continued throughout the year. Our internal development programme was successfully extended to the Western Cape and 7 employees completed this course there. A further programme was held in KwaZulu-Natal, which should be completed some 12 months hence.

Our staff development forum in each region dictates the overall direction of our other training programmes. These programmes have focused largely on adult education opportunities such as life-skills and literacy programmes.

Prospects for the industry over the next 12 months are clouded by the volatility of exchange rates, high interest rates and the slowdown in the economy. Nevertheless, Safcor intends to perform creditably against that uncertain future economic backdrop by exploiting the real skills and strengths it has at its command. Our strong representation in the information technology and telecommunications niche markets will be of benefit in the coming year.

## 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.

Trading conditions were difficult in the year under review and impacted on the division's performance. Recently introduced changes appear to have had a positive effect on the division's trading and management is optimistic of improved results for the year ahead.

STRONG REPRESENTATION IN  
THE INFORMATION TECHNOLOGY  
AND TELECOMMUNICATIONS  
NICHE MARKETS WILL BE OF  
BENEFIT IN THE COMING YEAR

## Group Management



### BID CORPORATE SERVICES

OPERATIONS DIRECTOR – D ROSEVEAR  
FINANCIAL DIRECTOR – P NYMAN  
COMPANY SECRETARY – M VILJOEN  
CORPORATE FINANCE – D KAPLAN, L ROTTANBURG  
GROUP ACCOUNTING – N GOODWIN, E ALLSOP  
GROUP CREDIT – H ZINMAN  
GROUP INTERNAL AUDIT – B SMITH  
HUMAN RESOURCES – P GUMEDE  
PUBLIC RELATIONS – B DORFMAN  
PROPERTIES – M STEELE

The Group's corporate 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.

## 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 15 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.

### REMUNERATION OF DIRECTORS AND EXECUTIVES

The Board maintains a Remuneration Committee comprising J L Pamensky (Chairman), A J Behrmann and P Nyman, which is responsible for reviewing the compensation arrangements for executive directors, senior executives and non-executive directors. Executive directors who are members of the Remuneration Committee are excluded from the review of their own compensation. This committee is also responsible for reviewing management incentive schemes, share option schemes, superannuation, retirement and termination entitlements and fringe benefit policies.

### AUDIT COMMITTEE

An 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 Behrmann, P Nyman and D K Rosevear. The committee meets periodically with the Group's external and internal auditors to review accounting, auditing, financial reporting and corporate governance matters. Interim and annual results of the Group are reviewed by the committee before submission to the Board and 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 education and training opportunities for all employees within the organisation and externally.

### YEAR 2000

The Group has implemented a plan designed to ensure that all operations in the Group will be Year 2000 compliant by July 1999. A detailed survey with regard to the progress and related expenditure is being performed and the internal audit department will monitor progress in this regard.

No operational difficulties in becoming compliant are anticipated, and no material costs, over and above normal operating budgets for the on-going upgrading of computer software and hardware, are anticipated.

## Value Added Statement

"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.

	1998		1997	
	R000	%	R000	%
Turnover	7 432 920		5 069 948	
Net cost of raw materials, goods and services	5 821 809		4 170 069	
Wealth created by trading operations	1 611 111		899 879	
Finance income	83 135		62 313	
<b>Total wealth created</b>	<b>1 694 246</b>	<b>100,0</b>	<b>962 192</b>	<b>100,0</b>
<i>Distributed as follows:</i>				
Employees				
Benefits and remuneration	989 434	58,4	568 904	59,1
Government				
Taxation	134 708	8,0	76 439	8,0
Providers of capital				
Finance charges	14 723	0,9	39 323	4,1
Dividends and capitalisation awards	28 643	1,7	178	—
Retained for growth				
Depreciation	120 997	7,1	49 065	5,1
Retained income	405 741	23,9	228 283	23,7
	<b>1 694 246</b>	<b>100,0</b>	<b>962 192</b>	<b>100,0</b>

## Distribution of Value Added



## Payments to Government

including amounts collected on their behalf

	1998	1997
	R000	R000
Employee taxes	146 189	75 498
Company taxes	134 278	74 385
Value added tax	1 903 530	1 443 794
Customs and excise duty	522 604	635 159
Other	15 829	7 329
	<b>2 722 430</b>	<b>2 236 165</b>