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Bidvest

Financial results

Six months ended December 31 2012



Business unusual

105 000 people defining the Bidvest DNA

www.bidvest.com

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Result

Brian Joffe – Group CE

Financial results for the six months ended December 31 2012

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	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Group			
Normalised HEPS cents	725.1	613.4	18.2%
Dividend per share cents	324.0	280.0	15.7%
ROFE (annualised)	35%	36%	
Net gearing	25%	27%	
Net working capital cycle	14 days	14 days	
Bidvest South Africa margin	5.96%	5.60%	
Bidvest Foodservice margin	2.85%	3.04%	
Non-South Africa revenue contribution	53.9%	51.0%	
Non-South Africa trading profit contribution	37.4%	40.3%	
Non-South Africa normalised earnings contribution	37.2%	42.2%	
% movement in ZAR vs GBP	-11%		
% movement in ZAR vs EUR	-3%		
% movement in ZAR vs AUD	-12%		



R75,4 billion (\$8,89 billion) revenue
and
R4,6 billion (\$542 million) EBITDA



- Continued growth - diversity of geography and activity and our adaptability to the marketplace

Trading backdrop



- South Africa – labour disruptions
- Western Europe – austerity, flat to declining demand
- Eastern Europe – steady development
- Asia-Pacific - mood relatively optimistic

Acquisitions



- Foodservice abroad
- South Africa

Investing in People capacity



- Motivation, skills and community engagement



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Bidvest South Africa

Lindsay Ralphs – Divisional CE

Financial results for the six months ended December 31 2012

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- A pleasing result in a difficult trading environment
- Operating expenses up 3%
- Revenue up 8% like-for-like
- Profit up 12.8%

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Revenue	34 095 396	32 166 581	6.0%
Trading profit	2 030 855	1 799 830	12.8%
Trading margin	5.96%	5.60%	



Bidvest South Africa Automotive, Electrical

- Automotive - substantial improvement in profitability assisted by rationalisation initiatives and mix of income
 - 8% like for like revenue growth (adjusted for effect of dealer swaps)
 - 2.9% clean margin, aspire to >3%
- Electrical
 - satisfactory result with enhanced margin
 - investing in brand and image in the market place
 - disruptive mining and transport strikes
 - construction remained soft

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Automotive			
Revenue	10 474 481	10 363 506	1.1%
Trading profit	307 310	227 877	34.9%
Automotive margin	2.93%	2.20%	
Electrical			
Revenue	2 174 265	2 128 379	2.2%
Trading profit	78 669	69 957	12.5%
Electrical margin	3.62%	3.29%	



Bidvest South Africa Financial Services, Freight

- Financial Services -
 - sound risk metrics
 - equity portfolio income performed strongly
 - tougher retail forex competition
 - Transnet fleet maintenance contract being run down, slightly negative effect
 - seeking optimisation of surplus capital
- Freight - margin slightly diluted due to change in mix of revenue
 - volumes in certain terminals weaker, such as steel, maize and containers
 - Revenue affected by high value of clearing and forwarding for the automotive industry but at low margin
 - Bulk Connections performed well, assisted by infrastructure upgrades

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Financial Services			
Revenue	812 363	815 793	(0.4)%
Trading profit	334 124	287 556	16.2%
Financial Services margin	41.13%	35.25%	
Freight			
Revenue	11 924 386	10 450 386	14.1%
Trading profit	451 996	425 128	6.3%
Freight margin	3.79%	4.07%	



- Industrial – weak demand persists
 - expenses well controlled
 - discretionary consumer spend remains subdued
 - manufacturing sector struggling, fighting imports
 - AMAP acquisition in line with strategy to bulk up
 - various acquisition possibilities are being pursued
- Office – underlying result sound
 - momentum in Waltons
 - Furniture experiencing much improved order books
 - H2 looking promising , in particular Konica Minolta

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Industrial			
Revenue	777 008	775 245	0.2%
Trading profit	47 404	49 232	(3.7)%
Industrial margin	6.10%	6.35%	
Office			
Revenue	2 152 183	2 092 138	2.9%
Trading profit	130 711	141 150	(7.4)%
Office margin	6.07%	6.75%	



Bidvest South Africa

Paper Plus, Rental and Products

- Paper Plus - underperformed but in line with expectation, fundamentals remain sound
 - inevitable decline of traditional Print continues to be well managed
 - successful diversification in to electronic, food and pharmaceutical packaging
- Rental & Products – a pleasing result from all contributors underpinned by good competitive positioning
 - national footprint increasing
 - roll-out of product into Africa
 - environmental sustainability a key part in managing financial efficiencies

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Paper Plus			
Revenue	2 027 366	1 984 934	2.1%
Trading profit	175 369	186 213	(5.8)%
Paper Plus margin	8.65%	9.38%	
Rental and Products			
Revenue	1 069 752	989 361	8.1%
Trading profit	197 441	171 596	15.1%
Rental & Products margin	18.46%	17.34%	



- Services – Bidvest TMS and Bidvest Top Turf returns materially better
 - Bidvest Prestige retains leading presence in a competitive cleaning market
 - Bidvest Magnum performed to expectations
- Travel & Aviation - a solid result from travel, car rental and aviation services
 - BidTravel benefitting from previous right-sizing, key account retentions
 - Budget Rent-a-Car achieved a reasonable result in a slow market
 - BidAir Services operates in a very challenging airline environment
 - Bidvest Lounges result reflects strong support from travellers

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Services			
Revenue	1 591 891	1 542 097	3.2%
Trading profit	121 186	94 311	28.5%
Services margin	7.61%	6.12%	
Travel & Aviation			
Revenue	1 091 701	1 024 742	6.5%
Trading profit	186 645	146 810	27.1%
Travel & Aviation margin	17.10%	14.33%	



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Bidvest Foodservice

Bernard Berson – Divisional CE

Financial results for the six months ended December 31 2012

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Bidvest Foodservice

Overview

- Good quality results out of Australia, New Zealand and Greater China
- Singapore and Netherlands detracted from the result
- UK has momentum
- South Africa is encouraging

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Foodservice			
Revenue	40 796 943	35 002 281	16.6%
Trading profit	1 163 905	1 064 283	9.4%
Foodservice margin	2.85%	3.04%	



- Australia – a good result driven once again by Foodservice division
 - Slight shift in Foodservice mix – national accounts grew ahead of free trade
 - Pricing pressure a feature underscoring need for improved efficiencies
- New Zealand - pleasing contributions across all operations
 - Continued strong growth in Fresh, now 21% of profits
- Angliss Greater China – China business strong, range extension, beneficial procurement initiatives
- Angliss Singapore – substantial drop in profit, strategic transition phase to take a little time to yield results
- Deli Meals Chile – pleasing progress since acquisition in November 2011
- Latin America an exciting growth opportunity

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Asia Pacific			
Revenue	14 199 570	11 716 677	21.2%
Trading profit	560 837	495 371	13.2%
Asia Pacific margin	3.95%	4.23%	



- UK – positive outcome, momentum
 - Wholesale sales and volume ahead of expectation, refining mix and reducing cost to serve
 - Logistics gross margin up, assisted by higher volumes
 - Seafood (now called Bidvest Fresh) returned a strong result, acquisition of Oliver Kay (supplier of fresh produce)
- Olympics had little effect
- Netherlands – a disappointing outcome, a small loss in a cut-throat pricing environment complicated by ERP implementation
- Belgium - assisted by small bolt-ons, margins tight, motivated team
- Czech & Slovakia - trading aggressively in a cautious market, favourable summer period
- Poland – underperformance, modernisation process continues
- Middle East continues to grow strongly

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Europe			
Revenue	23 596 580	20 322 808	16.1%
Trading profit	420 382	378 987	10.9%
Europe margin	1.78%	1.86%	



- Good progress under new management structure in developing business model, ecommerce roll-out, savings and synergies continue to be sought, rising inflation, weaker ZAR impacts
 - Foodservice holding its own through the channels but at the expense of margin, transitioning well to Multi temp
 - Crown Foods returned a solid result backed by product innovation, keener ingredient sourcing
 - Rationalisation in yeast yields results in Baking
 - Patleys benefitted from improved internal controls, new top management, eliminating unprofitable products

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Southern Africa			
Revenue	3 000 793	2 962 896	1.3%
Trading profit	182 686	189 925	(3.8)%
Southern Africa margin	6.09%	6.41%	



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Bidvest Namibia

David Cleasby – Group FD

Financial results for the six months ended December 31 2012

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- Fishing
 - Fishing result is down off an exceptionally high base
 - Impact on profitability of a 25% reduction in direct quotas
 - Arrival of foreign operators results in much higher quota costs
 - Prevailing situation is negative for the domestic industry and the Namibian economy
- Commercial
 - Acquisition of T&C effective December 2011 benefitted the Food & Distribution segment
 - Some good performances but a number underperformances
 - Managerial capacity continues to be addressed so that the businesses can perform to Bidvest norms

R000s	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Namibia			
Revenue	1 681 438	1 254 771	34.0%
Trading profit	249 270	314 401	(20.7)%
Namibia margin	14.82%	25.06%	





Financials
David Cleasby – Group FD

Financial results for the six months ended December 31 2012

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South Africa Rand	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Change %
Group income statement			
Revenue	75,4 billion	67,3 billion	11.9%
Gross profit %	19.4%	19.5%	
Expenses % (excl. depreciation)	13.8%	13.7%	
EBITDA	4,61 billion	4,27 billion	8.0%
Trading profit	3,56 billion	3,29 billion	8.3%
EBITDA interest cover	13,1x	11.6x	
Normalised headline earnings	2,26 billion	1,90 billion	19.3%
Normalised HEPS	725,1 cents	613,4 cents	18.2%
Weighted average shares	312,2 million	309,5 million	0.9%

- Significant effort undertaken across all businesses to reinforce Bidvest 'culture', particularly in the financial area
- Normalised result adjusts for partial sale of Mumbai investment in F2012, less impact over the full years result
- Overall 11.9% growth, South Africa revenue up 6%, Foodservice revenue up 17%
- ZAR weakened vs. key currencies, 3.3% effect on HEPS
- Trading result reasonable but adverse results from Netherlands, Singapore and Namibia
- Strong balance sheet, high interest cover



- Slight decrease in GP largely due to mix (automotive, C&F and acquisitions)
- Overall costs well controlled but administered price pressures internationally - ie SA electricity up 2.5x in five years and ongoing pressure on labour costs but were distorted by currency effects on translation and the impact of acquisitions
- Trading margin at 4.7% (4.9%) – SA improvements offset declines at DeliXL NL, Angliss Singapore and Bidvest Namibia (fishing and acquisition)
- Foreign operations 37% of trading profit (40%), including Namibia (NAD pegged to ZAR) contributing 7.0% (9.6%)
- Share-based payment costs increased from R41,8 million in 2011 to R59,6 million in 2012
- Incentivisation of staff remains one of the cornerstones of driving managerial performance in Bidvest
- Net finance charges declined by R15,6 million to R352,9 million, reflecting the lower interest rate environment and improved asset management
- Associates income up sharply – beginning to get a proper return on investments but cost of capital = interest
- Tax rate clean (excluding capital items and associates) 27.2% vs. 29.8% (includes STC in 2011); Sustainable rate = 27%



Financial Analysis continued

- Minorities down 23.4% to R116,1m – largely Bidvest Namibia (51% ownership results in net impact on Group = R23m \pm 1% HEPS)
- Interim dividend of 324,0 cents per share (up 15.7%), cover 2.24x (in line with Group policy guidance of 2.25x covered)
- Seasonality of cash flow cycle unchanged, generation of working capital expected in 2H
- Days: stock 32 (34), debtors 32 (31), creditors 50 (51), net days at 14 (14)
- Net debt at R6,2bn (R5,6bn) with debt to equity 25% (target of 40%), interest cover remains high at 10.0x vs 8.9x in 2011
- Net capex on PPE and intangibles of R1,2bn (R1,3bn) – Freight (R134m), Asia Pacific (R239m), Europe (R287m)
- Net investments of R0,5bn vs realisations of R0,5bn in 2011 (includes MIAL proceeds)



Funding and asset management

- Forex volatility: transactions covered forward, foreign assets matched to liabilities, natural hedge
- Notwithstanding rand translation effect on foreign businesses – operations managed for their home territories
- Fitch's long-term rating AA, short term F1+; Moody's long-term rating A1, short term P1 with a stable outlook - "proven and stable financial profile compared with its national peers."
- Funding appropriately termed – short vs. long maturities , continue to access the capital markets to achieve same
- Financial position continues to prove its capability to accommodate acquisitive and organic growth
- Judicious mix of debt, internally generated cash and new equity
- Interest rate outlook short term appears stable at historically low levels
- Regulatory burden – we need to make business life simpler for entrepreneurs, businesses having to deal with raft of new legislation
- Overall comfortable with the financial status of the Group, lots of new blood in businesses and governance structures are appropriate and effective



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Bidvest Prospects
Brian Joffe – Group CE

Financial results for the six months ended December 31 2012

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Looking forward

Bidvest has substantial capacity to accommodate organic and acquisitive growth and we shall continue to seek opportunities in existing and complementary activities.
We remain opportunistically Bidvest

Outside South Africa

Introducing our South African products and services internationally
Expanding our Foodservice footprint
Product focus for Africa

Within South Africa

Organic and acquisitive growth

Bidvest people will deliver yet another improved performance in F2013

Non-executive Chairperson

Transition phase to a new Chairperson prompted by Mr Ramaphosa's political commitments and in the interests of good governance

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Bidvest thanks you for attending
Q&A

Financial results for the six months ended December 31 2012

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Appendix 1
Segmental results analysis – Bidvest South Africa

Financial results for the six months ended December 31 2012

Automotive – refresh bearing fruit

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
10.47	10.36	1.1	307.3	227.9	34.9	2.93	2.20

Features

- Dealer and franchise rationalisation continued
- Profitability rather than market share *per se* an objective
- Market for new vehicles up 9% for the period, OEMs pushing stock and incentives
- Pleasing improvement in net expense ratio

Objectives

- Parts & service rationalisation into streamlined multi-franchise warehouse
- Optimising franchise segments and management
- Trading densities

Automotive – refresh bearing fruit

Trading

- McCarthy Motor Group new vehicle unit sales up 5% from 21 482 to 22 592
 - New vehicle margins remain tight with downward pressure on pricing and stiff rivalry in all categories
 - Evidence that replacement cycle is improving as affordability improves
 - Pricing may respond to currency weakness but volume category is gaining relative to luxury
- Used vehicle unit sales rise 5% like-for-like, 26 712 units sold
 - New vehicle competitive dynamics places pressure on volume and profitability
 - Burchmore's Auctioneers business model being reviewed
- Aftermarket service sales focus shows results

Electrical – investing in the brand

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
2.17	2.13	2.2	78.7	70,0	12.5	3.62	3.29

Features

- Consolidation of branding boosting customer recognition
- Result achieved in spite of labour disruption in mining and transport and general weakness in construction
- Voltex Lighting has been successfully modernised
- Sourcing of new lighting ranges
- Cabstrut reinforcing its competitive position
- Merger of Sanlic and House of Locks

Objectives

- Cables rationalisation is expected to yield additional efficiency improvements
- New technology offerings such as energy saving lighting for chicken farmers
- Working hard on supplier relationships
- Active outreach to market the Voltex electrical distribution offering via “Engage”

Financial Services – money makes the world go round

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
0.812	0.816	(0.4)	334.1	287.6	16.2	41.13	35.25

Features

- Bidvest Bank and Bidvest Insurance branding is increasingly well recognised
- Slightly reduced bank result, an improved net underwriting result
- Bank cash on hand up to R1,6 billion
- Reduced net acquisition of new leased assets and FML business due to Transnet run-down
- Customer base at bank up to 1,6m

Objectives

- World Currency Card internationalisation, broadening forex services, diversification of lending
- Corporate lending market
- Global online payments annuity based business
- Peace of mind insurance products for motor industry
- Innovation initiatives in insurance products

Financial Services – money makes the world go round

Trading

- Bank
 - Bank total assets R4.4 billion, deposits R1.9 billion, loans & advances R2.35 billion
 - Capital adequacy 16.5%, credit loss ratio 0.1%, ROE 16.0%, ROA 6.4%, financial leverage 2.5 times, cost to income ratio 54.3%
 - Moody's rating of A3.za/P-2.za with a stable outlook
 - Focus pillars: Branch Banking (retail), Global Trading & Investments (corporate foreign exchange), Lending (leasing)
 - World Currency cards now offered in 14 currencies
 - Successful opening of 14 MasterCurrency/Western Union stand-alone kiosks within a Bidvest Bank branch
- Insurance
 - Increase in unrealised profits on the equity portfolio – a variable feature of P&L dependent on market movements
 - Positive claims experience assisted underwriting result
 - Finance and insurance provision through Budget Rent-a-Car

Freight – a mixed picture

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
11.92	10.45	14.1	452.0	425.1	6.3	3.79	4.07

Features

- Increased sized coal, iron ore and manganese export tonnages
- Reduced maize, wheat, steel and rice tonnages
- Continued good automotive movements resulted in higher billings
- Substantial investment in improved Bulk Connections capacity now yielding pleasing results

Objectives

- Investment in strategically well located assets ongoing

Freight – a mixed picture

Trading

- **Island View Storage:** an improved result, despite the Transnet multi-product pipeline diverting petroleum volumes from road; higher chemical and vegetable oil volumes
- **South African Bulk Terminals:** a flat result but agricultural dry bulk movements down substantially
- **Bidvest Panalpina Logistics:** container and airfreight movements were down but low margin automotive volumes were good
- **SACD Freight:** lower container volumes but profits were only marginally down
- **Bulk Connections:** a much improved result on healthy volumes, particularly manganese, and growth in product range
- **Bidfreight Port Operations:** a reduced result on lower steel and rice volumes through Durban terminals; stevedoring and ships' agency did reasonably well
- **Naval:** the Mozambique port services business delivered a much better result on iron ore and sized coal export volumes through Maputo
- **Manica:** an improved result assisted by better Zimbabwe and Malawi trade but volumes in Botswana were down

Industrial – well run in a tough market

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
0.78	0.78	0.2	47.4	49.2	(3.7)	6.10	6.35

Features

- Bidvest Afcom is competitively positioned in packaging and fastening products
- Buffalo Executape continues to seek new opportunities in the self-adhesive tape market
- Vulcan Catering Equipment is trading well and has now entered a new equipment market
- Yamaha demand is subdued - weak discretionary spending for bigger ticket product
- Bidvest Materials Handling is increasing its national footprint
- Berzack Brothers is enjoying pleasing momentum

Objectives

- Streamlining continues where necessary
- Complementary acquisitions will be considered at the right price
- Well established products with good brand recognition provide a basis for development and growth

Office – stationery and furniture on the up

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
2.15	2.09	2.9	130.7	141.2	(7.4)	6.07	6.75

Features

- A lower Technology cluster result due to a contract delay and reduced banking hardware orders
- Streamlined Furniture manufacturing resulted in reduced losses
- Waltons stationery is now operating on a much firmer basis

Objectives

- Improving returns at Waltons
- Break-even position at Furniture manufacturing is a short term goal
- Office furniture retail sales are doing well and an improved result for the year is targeted
- An improved H2 for Technology

Office – stationery and furniture on the up

Trading

- Technology
 - Konica Minolta retains a strong offering and produces good returns
 - Océ provides a complementary niche offering
 - GPT results have traditionally been driven by cash handling investments by customers and to reduce variability the company is reshaping its business model
- Stationery
 - Waltons had good back-to-school trading
 - Better H2 performance targeted
- Furniture
 - A pleasing improvement in manufacturing assisted by sales support from sister companies
 - Dauphin and Cecil Nurse are enjoying strong orders

Paper Plus – adapting to changes in the market

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
2.03	1.98	2.1	175.4	186.2	(5.8)	8.65	9.38

Features

- Reduced export contribution
- Traditional stationery profitability benefitted from previous restructuring measures
- SARS demand for print & paper continues to drop in favour of e-filing
- Email Connection traded well
- Food packaging enjoyed sustained demand and is processing a large order
- Market resistance to price rises

Objectives

- Returns remain attractive and cash generated from traditional print is being successfully deployed in growing new technologies and applications

Rental and Products – an energetic performance

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
1.07	0.99	8.1	197.4	171.6	15.1	18.46	17.34

Features

- Key contributors Steiner Hygiene, G Fox and Laundry all delivered strong results
- Masterguard has been a particularly pleasing contributor off a low base
- G Fox expanding outside of South Africa

Objectives

- Maintaining a sound rental base through good service delivery
- Managing the effect of a weaker currency
- Complementary bolt-on acquisitions will continue to be considered

Rental and Products – an energetic performance

Trading

- **Steiner Hygiene:** a strong performance at improved margin due to good expense control; pest control is growing strongly
- **Laundries:** an improved result, costs are under scrutiny
- **G Fox:** an exceptional result driven by cost control and merger with Alsafe (personal protective equipment) and Multimerja
- **Pureau:** bottled water dispensing JV with Nestle had an improved result and is exploring growth opportunities
- **Execuflora:** interior plantscaping business is adapting to changing market
- **Silk By Design:** doing well in its niche and is seeking to extend its range
- **Hotel Amenities:** although profits were down the Steripic business performed well
- **Rochester Midland:** now 100% owned with substantially improved result
- **Masterguard:** becoming a more meaningful divisional contributor

Services – securing a good result

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
1.59	1.54	3.2	121.2	94.3	28.5	7.61	6.12

Features

- Prestige maintains a leading position in outsourced cleaning, a solid result
- Bidvest Magnum achieved a creditable outcome assisted by a pleasing result from Bidtrack
- Bidvest TMS mitigating the effects of a difficult contract; CID and Vericon performed well
- Bidvest Top Turf benefitted from improved contract revenue

Objectives

- Progress at Bidvest TMS to align activity with cash flow on Secunda contract and improve returns
- Cost efficiencies remain a challenge in people intensive businesses

Travel and Aviation – serving the passenger

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
1.09	1.02	6.5	186.6	146.8	27.1	17.10	14.33

Features

- Improved supplier revenue boosts BidTravel profitability; trading revenue muted
- Budget Rent-a-Car achieved an improved result but industry pricing remains sub-optimal
- BidAir achieved a reasonable result in a challenging market
- **Objectives**
- BidTravel well positioned - competitive cost base, travel management technology
- Budget Rent-a-Car focus on fleet utilisation
- BidAir to build on pleasing Lounge patronage but ground handling air services will remain difficult

Appendix 2
Segmental results analysis – Bidvest Foodservice

Financial results for the six months ended December 31 2012

Food Asia Pacific – expanding the offer

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
14.20	11.72	21.2	560.8	495.4	13.2	3.95	4.23

Features

- Australia – 13% growth in revenue despite food inflation at effectively zero
- New Zealand – pleasing gains by all contributors in a flat market, food inflation barely 1%
- Greater China – further operational progress, improved margin
- Singapore – an adverse result, in part a consequence of a deliberate shift in focus
- **Objectives**
- A similar outcome for H2 in Australia
- Another strong result in New Zealand, assisted by investments in infrastructure
- Greater China offers significant future potential for chosen niche
- Improve the performance of Singapore through focus on core foodservice market
- Deli Meals, Chile providing a stepping stone for further Latin America expansion

Food Asia Pacific – expanding the offer

Trading

- Australia: sales up 13,1% to A\$1,077m; profit up 8,4% to A\$43,0m; margin 3,99% vs. 4,17%
 - Foodservice grew revenue by 6.6%; pricing pressure from large corporate accounts
 - Logistics benefitted from Foodlink acquisition in May 2012, sales grew strongly with a pleasing improvement in profits
 - Fresh starting to deliver, reporting a small profit; national footprint objective
- New Zealand: sales up 8% to NZ\$332,9m, profits up 12% to NZ\$16,1m; margin at 4,8%
 - Investment in distribution and facilities across the businesses bolsters service levels
 - Fresh making strong progress with sales now 11% of total turnover
 - Logistics and Butchery are making a small but growing contribution
- Angliss Greater China: Sales up 2,6% to HK\$1,37bn, profits up 10% to HK\$58,9m; margin 4,3%
 - Good progress in key mainland cities such as Beijing, Shanghai, Guangzhou and Shenzhen and secondary city rollout in progress
 - Adding of complementary and value enhancing product ranges
- Angliss Singapore: Sales down 23% to S\$137,6m, profit down 74% to S\$1,2m; margin 0,9% (2.6%); volumes down 23%
 - refocus on sales to end users will take time to show up in results
 - foreign visitor numbers creates opportunity in a vibrant foodservice market

Food Europe – keeping focused in a difficult environment

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
23.60	20.32	16.1	420.4	379.0	10.9	1.78	1.86

Features

- UK – Wholesale grew sales 9% with volumes growing 5% and freetrade alone up 9%
- Netherlands – sales slightly down, margin squeeze continues
- Belgium – 19% rise in sales, predominantly from small acquisitions
- Czech/Slovakia – Frost (ice cream) acquisition in Slovakia boosted sales
- Poland – a 5% rise in sales did not translate into an improved return
- UAE/Saudi – a strong sales performance at good margin
- Baltics – integrating into the Bidvest organisation
- **Objectives**
- Continued momentum in UK businesses, Bidvest Fresh (Seafood and Oliver Kay) progressing well
- Netherlands and Belgium expense focus
- Poland has scope to do better
- New game meat initiative in Czech

Food Europe – keeping focused in a difficult environment

Trading

- **3663 Wholesale:** sales up 9% to £590,3m; profit of £17,8m; ROS 3.0%; freetrade mix has risen; new category opportunities being investigated
- **Bidvest Logistics:** sales up 6% to £484,2m; volumes positive; margin per case above budget; expenses well controlled
- **Seafood Holdings:** net sales at £51,3m, up 12.9%; profitability has improved; Oliver Kay acquisition (fruit and vegetables) incorporated effective 1 November 2012
- **Deli XL Netherlands:** revenue €356,3m (-1%), small loss (business complicated by IT implementation issues)
- **Deli XL Belgium:** Revenue €177,7m (+19.4% or +1.6% excluding horeca wholesale acquisitions); profit €1,72m; gross margins assisted by frozen and private label
- **Horeca UAE:** UAE turnover up 13% in AED with Saudi Al Diyafa JV sales up 38% in SAR; range of products on offer expanding
- **Bidvest Czech & Slovakia:** sales up 4% to CZK4,0bn, profits of CZK284,7m (+8.5%), margin of 7.1% (6.8%); horeca trade growth; good summer ice cream sales; new game meat brand has ambitious objective
- **Poland:** sales of PLN222,8m but profit flat at PLN2,5m, infrastructure expenses outpaced an improved gross margin; outlook for the Polish market though is positive

Food Southern Africa – developing the model

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
3.00	2.96	1.3	182.7	189.9	(3.8)	6.09	6.41

Features

- Cost of doing business in Foodservice reduced in an inflationary environment
- Patleys remedial measures realise results
- Crown Foods gains market share in supermarkets and independent accounts
- Investment in multi-temp foodservice infrastructure
- Crown Foods Innovation, Design and Technology centre completed
- Foodservice private label
- Encouraging trading result from Bidvest Bakery Solutions
- **Objectives**
- Efficiency objectives are being realised
- Modernisation of offering on track
- Foodservice ecommerce gains momentum
- Growing Patleys own brand and adding new strategic principals

Trading

- **Bidvest Foodservice South Africa:** revenue marginally up but profits down on pressure in national and industrial accounts and reduced margin on business gains in hotels and restaurants; competition has intensified in the industrial channel; private and exclusive labels making good gains; Bidvest Foodservice branding rolling out well
- **Crown Foods:** growth across all regions, particularly in independent butcheries, with market share gains evident; focus on core ranges and own manufactured products; input cost pressures via weaker currency; new sauce plant and new liquids plant in Cape Town successfully commissioned; investment in innovation is yielding results
- **Bidvest Bakery Solutions:** pleasing gains in a number of channels and categories; yeast business rationalised and successfully integrated. Positive outlook for H2
- **Patleys:** substantial rationalisation of SKUs; focus on service levels and relationships; operating expenses reduced in nominal and percentage terms this assisting margin, profitability restored

Appendix 3
Segmental results analysis – Bidvest Namibia

Financial results for the six months ended December 31 2012

Namibia – clobbered by quotas

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
1.68	1.25	34.0	249.3	314.4	(20.7)	14.82	25.06

Features

- Fishing negatively impacted by a new basis of allocation of quotas; bought in quota costs rise as the demise of other fishing grounds has resulted in many foreign fishing operators into Namibian waters
- Commercial & Industrial operations revenue and profit boosted by the acquisition of Taeuber & Corssen effective 1 December 2011
- Financial position remains sound
- **Objectives**
- Fishing result will continue to be influenced by quota situation – engagement with affected parties in the horse mackerel industry, investigating redeployment of vessels to other fishing grounds
- Continued investment in human resources is needed to get the Commercial and Industrial businesses earning acceptable returns

Namibia – clobbered by quotas

Trading

- Fisheries
 - Revenue decreased 4% to NAD696m and trading profit by 25% to NAD211m
 - Horse mackerel: good catches but operating efficiencies were impaired; direct quota fell by 25%
 - Exchange rate to the USD averaged NAD8,45 (NAD7,60)
 - Horse mackerel total allowable catch 350 000 tons in 2013 but 84 000 tons has been held in reserve for future allocation
 - Pesca Fresca investment in Angola underperformed due to environmental factors
 - Pelagic operations did well; the pilchard quota for 2013 falls to 25 000 mt from 31000mt due to resource constraints
- Commercial & Industrial
 - Freight is benefitting from oil & gas activity but margins in other activities fell
 - Food & Distribution result boosted by Taeuber & Corssen but margins are low in this business (retail distribution); T&C acquired a distributor of non-food products effective March 2013
 - Stationery and business furniture performed better but foodservice underperformed

Proudly



Bidvest

Appendix 4

Segmental results analysis – Bidvest Corporate

Financial results for the six months ended December 31 2012

www.bidvest.com

Revenue			Trading Profit			Trading Margin	
H1 F13 R bn	H1 F12 R bn	Δ %	H1 F13 R m	H1 F12 R m	Δ %	H1 F13 %	H1 F12 %
0.49	0.38	27.0	118.4	109.9	7.8	24.4	28.7

Features

- Bidvest's strategic property holdings contributed R157m in income (R136m)
- Investment, other income, corporate costs and Ontime Automotive -R39m (-R26m)
- Ongoing property developments for internal purposes but strictly at arms length



Appendix 5

Bidvest Financial Analysis

Financial results for the six months ended December 31 2012

www.bidvest.com

Consolidated Income Statement

Six months ended December 31 2012	December 31 2012 Avg R/£ 13,52		December 31 2011 Avg R/£ 12,13	2012 Currency effects @ R/£ 12,13	
Revenue	75 375,8	+11,9%	67 344,9	71 971,9	+6,9%

- R3,4 billion exchange rate impact on revenue just in translation
- Major translation impacts arise in Bidvest Europe and Asia Pacific
- 53/47 split between Foodservice and Rest of the Group
- Improvements at Freight and Rental and Products

Consolidated Income Statement

Six months ended December 31 2012	December 31 2012 Avg R/£ 13,52		December 31 2011 Avg R/£ 12,13	2012 Currency effects @ R/£ 12,13	
Revenue	75 375,8	+11,9%	67 344,9	71 971,9	+6,9%
Trading profit	3 562,4	+8,3%	3 288,4	3 472,5	+5,6%

Trading margins	December 31 2012	December 31 2011	Comment
Local	6,4%	5,9%	Improvement in Automotive, Travel and Office
Foreign	3,3%	3,9%	Declines at DeliXL NL, Angliss Singapore and Namibia Fishing
Group	4,7%	4,9%	

- Margin held up well despite impact of mix change and acquisitions
- Costs generally well managed
- Foreign contribution to trading profit 37,4% vs. 40.3% in 2011

Consolidated Income Statement

Six months ended December 31 2012	December 31 2012 Avg R/£ 13,52		December 31 2011 Avg R/£ 12,13	2012 Currency effects @ R/£ 12,13	
Revenue	75 375,8	+11,9%	67 344,9	71 971,9	+6,9%
Trading profit	3 562,4	+8,3%	3 288,4	3 472,5	+5,6%
Net finance expense	(352,9)	-4,2%	(368,5)	(350,0)	-3,8%


- Benefit of exposure to the short end of the funding cycle in South Africa but locked in 5 year rates
- Competitive funding available internationally
- Offshore finance expense R48,3 million vs. R69,4 million in 2011
- Net foreign debt R490,9 million vs. R364,3 million (2011)
- Group net borrowings increased 11% from R5,6 billion in 2011 to R6,2 billion

Consolidated Income Statement

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Net finance expense	(352,9)	-4,2%	(368,5)	(350,0)	-3,8%
Associate Income	88,5	+276,5%	23,5	88,4	+275,9%

Associates

Comair  R30 million

Other  Contributions from Bidvest Freight JV's, Amalgamated Appliances and Mvelaserve (first contribution)

Consolidated Income Statement

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Associate Income	88,5	+276,5%	23,5	88,4	+275,9%
Taxation	(853,3)	+0,8%	(846,8)	(830,4)	-1,9%

Effective tax rates (ex MIAL & capital items)	December 31 2012	December 31 2011	Comment
Local	28,2%	32,9%	Incl. STC of R79,0m in 2011
Offshore	25,7%	25,2%	
Group	27,2%	29,8%	Sustainable rate of $\pm 27\%$

Consolidated Income Statement

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Minority interests	(116,1)	-23,4%	(151,6)	(115,6)	-23,8%

	December 31 2012	December 31 2011
Bidvest Namibia	100,7m	132,1m
Other	15,4m	19,5m

Consolidated Income Statement

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Normalised Headline earnings	2 263,9	+19,3%	1 898,1	2 201,2	+16,0%

Consolidated Income Statement

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Normalised Headline earnings	2 263,9	+19,3%	1 898,1	2 201,2	+16,0%
Normalised HEPS (cps)	725,1	+18,2%	613,4	705,0	+14,9%

Headline earnings per share impacted by:

- Currency effects + 3,3% on HEPS

Consolidated Income Statement

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Normalised HEPS (cps)	725,1	+18,2%	613,4	705,0	+14,9%
Normalised Diluted HEPS (cps)	719,7	+17,8%	610,9	699,8	+14,6%

315m vs. 311m diluted weighted average shares
 Total ordinary shares (net of treasury) 313m vs. 311m

Consolidated Income Statement

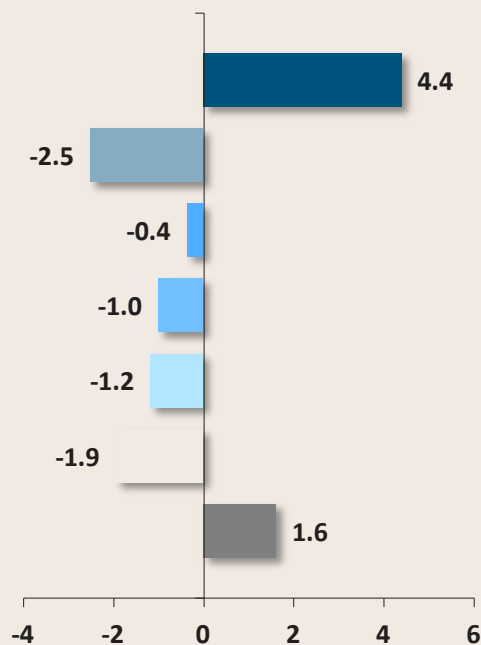
Six months ended December 31 2012	December 31 2012 Avg R/£ 13,52		December 31 2011 Avg R/£ 12,13	2012 Currency effects @ R/£ 12,13	
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Normalised Diluted HEPS (cps)	719,7	+17,8%	610,9	699,8	+14,6%
Distribution (cps)	324,0	+15,7%	280,0	324,0	+15,7%

Dividend cover of approximately 2,25x (policy)
maintained

Consolidated cash flow statement – Rm's

Half year ended December 31 2012

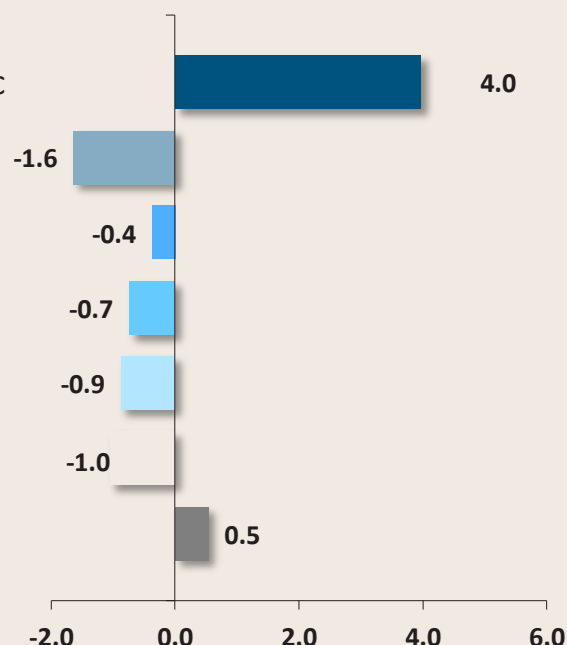
R bn



■ Cash generated from ops pre wc
 ■ Working capital utilised
 ■ Net Finance charges
 ■ Taxation
 ■ Distributions
 ■ Cash effects of investment act's
 ■ Cash effects of financing act's

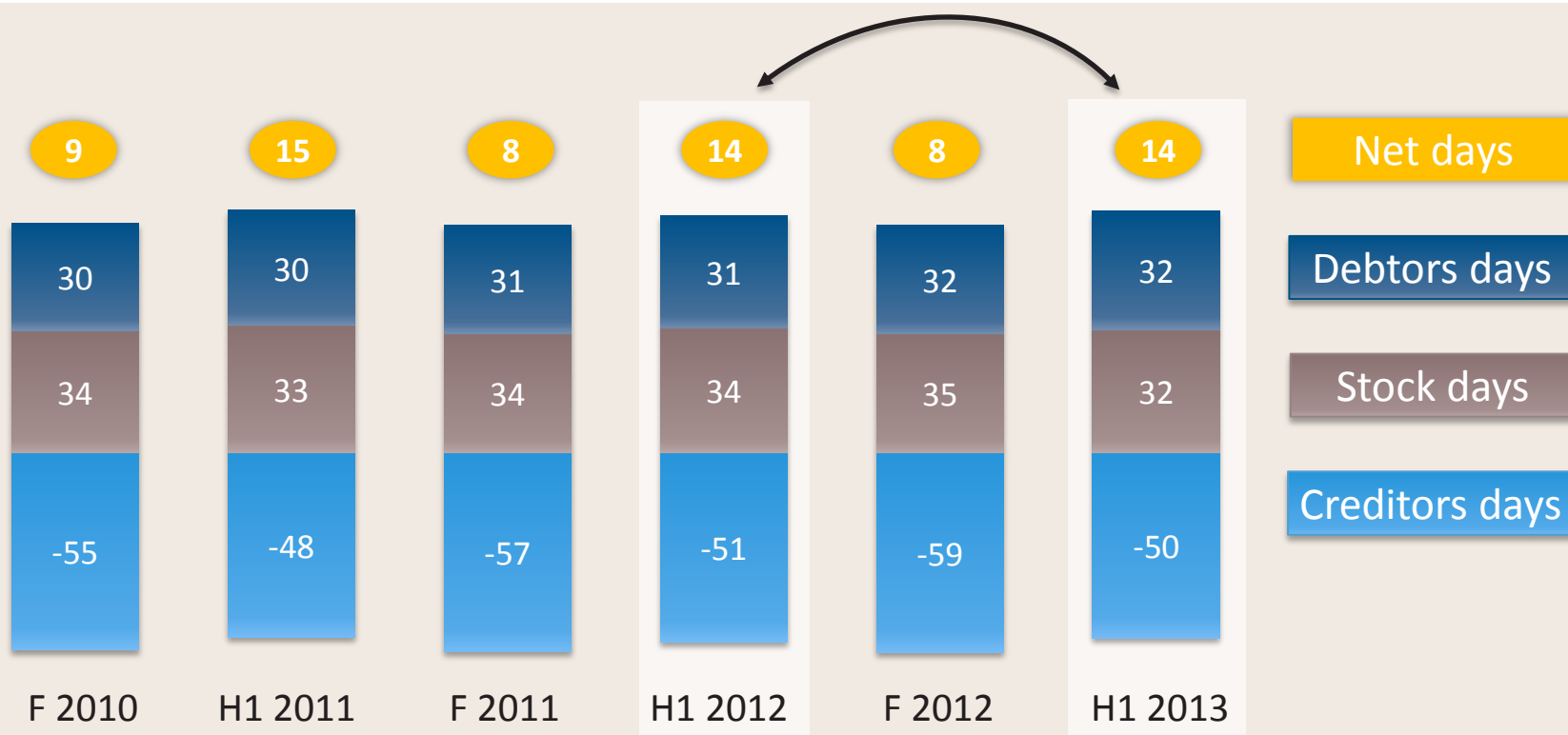
Half year ended December 31 2011

R bn



- Working capital absorption up from R1,6bn (2011) to R2,5bn in 2012
- Investment activities
 - Net capex on PPE and intangibles of R1,2bn vs. R1,3bn in 2011
 - Net acquisitions of R0,5bn vs net proceeds of R0,5bn (inc MIAL) in 2011
 - Debtors book well managed and conservatively provided

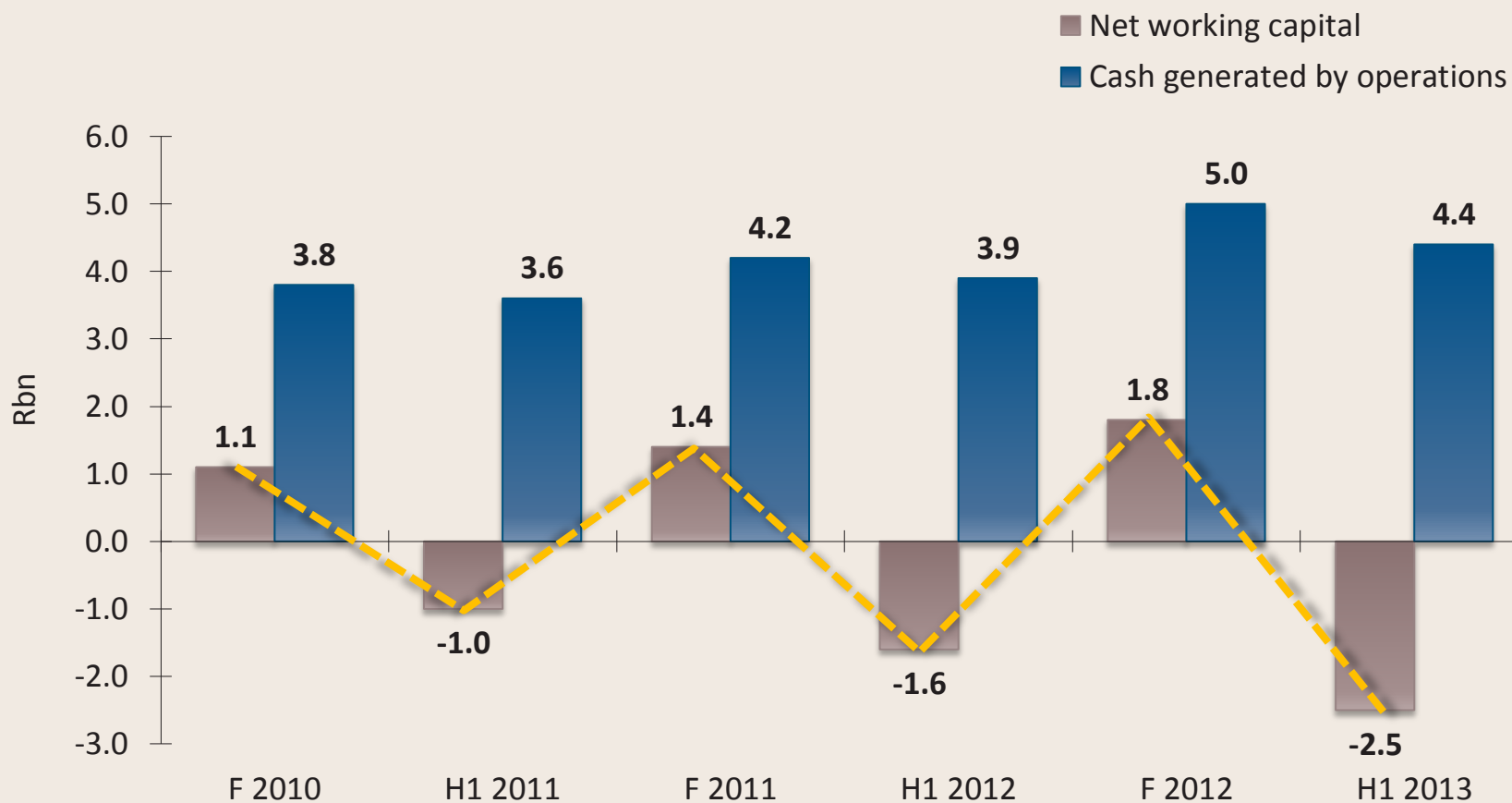
Net working capital days



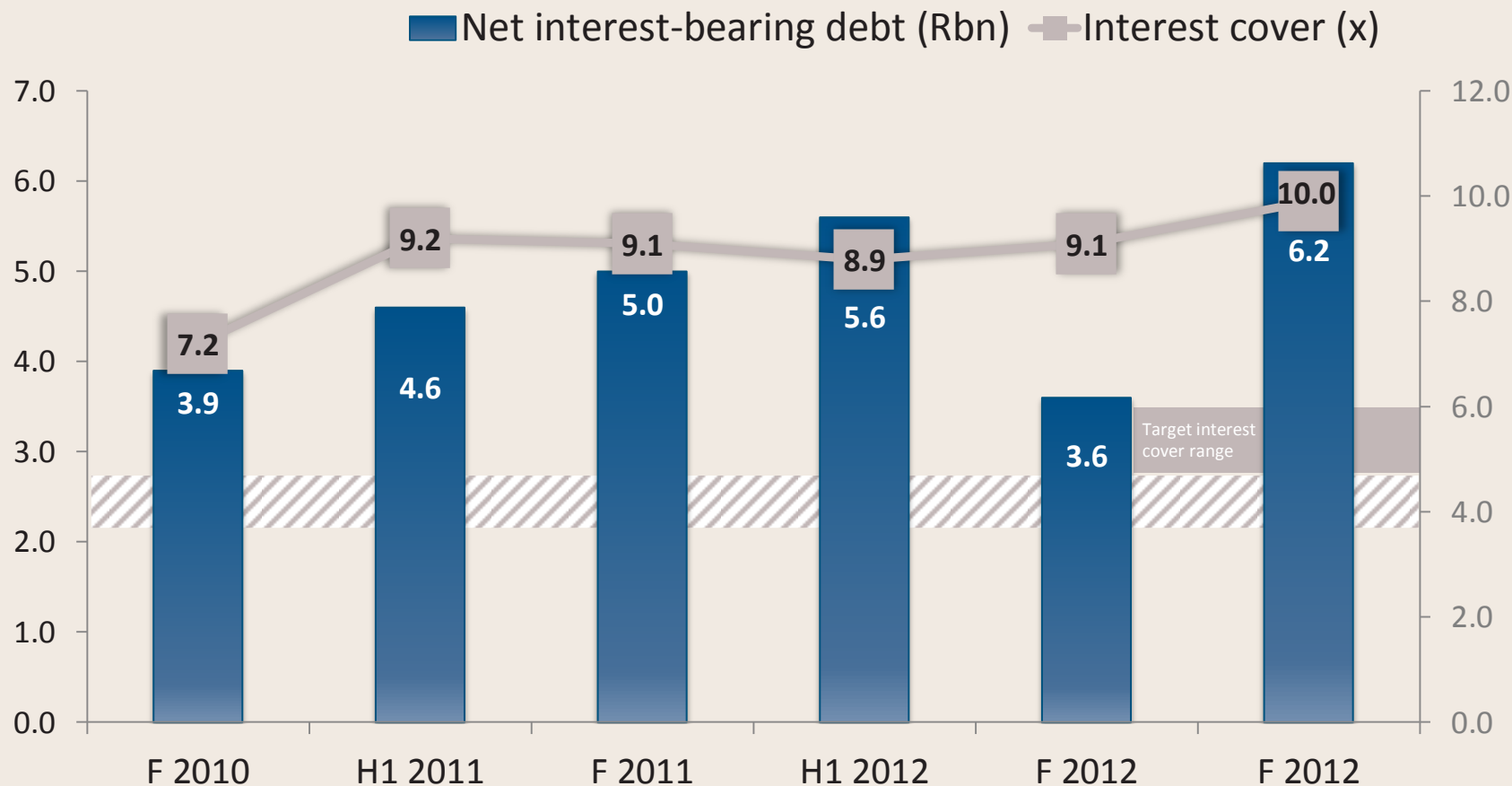
Net working capital days at H1 2013 inline with H1 2012

- Inventory - in line with prior years due to ongoing focus by management
- Debtors - receivables higher than past year, delinquencies remain well controlled
- Creditors - similar terms to H1 2012

Net working capital flows vs cash generated



- Seasonal absorption of working capital higher, WC cycle follows same pattern as F2012
- Cash generation by operations before WC 13% higher than H1 2012



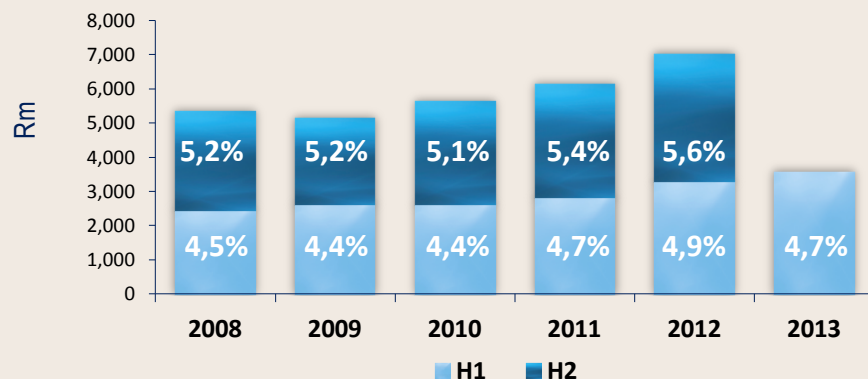
- Net interest cover of 10,0x exceeds Group benchmark of 5 - 6x
- Ample headroom to fund organic or acquisitive expansion

Appendix 6
Bidvest Historical Results

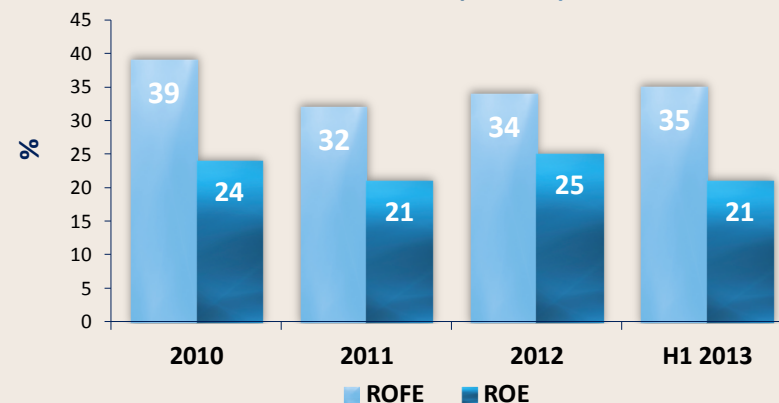
Financial results for the six months ended December 31 2012

Historic Performance – Six months to December

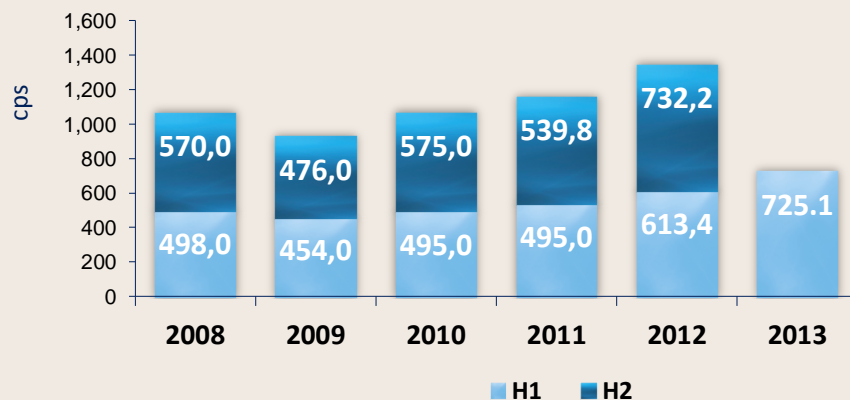
Trading Profit and Trading Margin



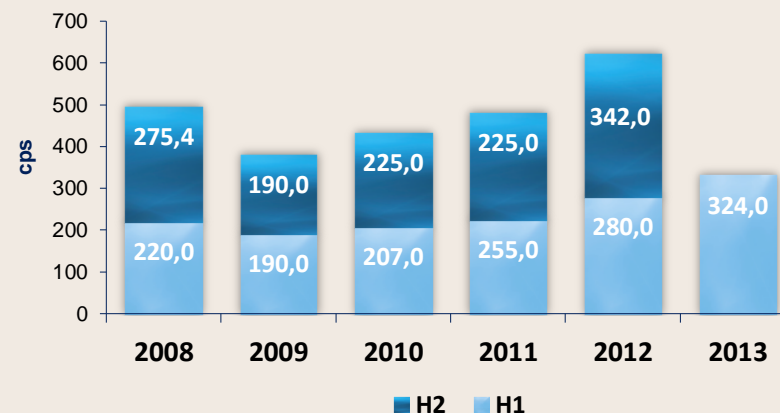
Returns (annual)



Headline earnings per share



Dividend per share



12% CAGR over 10 fiscal years

12% CAGR over 10 fiscal years