Results for the half year ended December 31 2009

infinite possibilities … with one vision

BIDVest

Revenue
R56,1bn
-6,5%

Trading profit
R2,6bn
+0,1%

Headline earnings per share
495,0 cents
+9,0%

Cash generated by operations
R3,0bn
+229,7%

Distribution per share
207,0 cents
+9,0%

Basis of presentation of condensed financial statements

The condensed financial statements have been prepared on the historical cost basis, except for financial instruments which are stated at fair value, in accordance with International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS 34 – Interim Reporting.

The accounting policies are consistent with those used in the preparation of the June 30 2009 financial statements, with exception of the adoption of the following new and modified standards and interpretations, in response to changes to IFRS.

- IFRS 2 – Amendments to IFRS 2 Share-based Payment – vesting conditions and cancellations
- IFRS 3, IAS 27, IAS 28 and IAS 31 – Comprehensive revision on applying the acquisition method affecting the standards: Business Combinations; Consolidated and Separate Financial Statements; Investments in Associates; Interests in Joint Ventures
- IFRS 7 – Financial instruments: Disclosure
- IFRS 8 – Operating Segments
- IAS 1 – Presentation of financial statements
- IAS 23 – Borrowing Costs
- IAS 32 – Financial Instruments: Presentation
- IAS 39 – Financial Instruments: Recognition and Measurement
- IFRIC 16 – Hedges of a net investment in a foreign operation

The adoption of the amendments to IFRS 3 has resulted in costs relating to acquisitions of R53,4 million being charged to profit during the period as compared to prior periods, where these costs were included as part of the cost of the acquisition. Changes to IAS 27 have resulted in a surplus of R86,0 million resulting from a change in shareholding in a subsidiary being recognised directly in equity as opposed to being included in profit for the period.

The change in accounting policies in respect of IFRS 3 and IAS 27 has resulted in a reduction to profit attributable to shareholders of the Company of R139,4 million. Had this change not taken place basic earnings per share for the half year would have been 539,0 cents an increase of 1,6% and headline earnings per share would have been 512,1 cents an increase of 12,8%.

Results for the comparative periods have not been restated as the transitional arrangements for both IFRS 3 and IAS 27 provide exemptions from retrospective application.

Other than the above, the adoption of the new and modified standards and interpretations, has had no effect on the results of the Group.

The results, as reported, for the half year ended December 31 2007 have been included in the condensed financial statements for information purposes.

***Distribution per share**

Includes distributions from share premium and capitalisation shares at market value.

Analyst presentation

The investor presentation will be available on the Bidvest website from 11:00 on March 1 2010.

PROUDLY BIDVest

Further information regarding our Group can be found on the Bidvest website

www.bidvest.com

Consolidated income statement

for the R'000	Half year ended December 31 2009 Unaudited	2008 Unaudited	Percentage change	2007 Unaudited	Year ended June 30 2009 Audited
Revenue	**56 113 097**	59 990 887	(6,5)	53 884 531	112 427 831
Cost of revenue	**(44 610 298)**	(48 238 631)		(43 711 260)	(89 482 780)
Gross income	**11 502 799**	11 752 256	(2,1)	10 173 271	22 945 051
Other income	**180 418**	181 066		197 842	198 815
Operating expenses	**(9 066 804)**	(9 318 599)		(7 913 027)	(18 007 297)
Sales and distribution costs	**(6 182 358)**	(6 205 722)		(5 223 674)	(12 726 832)
Administration expenses	**(2 043 773)**	(2 237 292)		(1 993 116)	(3 955 068)
Other costs	**(840 673)**	(875 585)		(696 237)	(1 325 397)
Trading profit	**2 616 413**	2 614 723	0,1	2 458 086	5 136 569
Acquisition costs	**(53 416)**	–		–	–
Non-trading items	**–**	(165 338)		–	(164 240)
Net capital items	**(10 450)**	209 357		(46 544)	(37 701)
Operating profit	**2 552 547**	2 658 742	(4,0)	2 411 542	4 934 628
Net finance charges	**(385 599)**	(562 891)		(445 468)	(1 029 243)
Finance income	**36 323**	58 222		49 311	40 982
Finance charges	**(421 922)**	(621 113)		(494 779)	(1 070 225)
Share of profit of associates	**26 383**	29 320		59 081	49 238
Dividends received	**16 697**	26 238		24 388	29 298
Share of current year earnings	**9 686**	3 082		34 693	19 940
Profit before taxation	**2 193 331**	2 125 171	3,2	2 025 155	3 954 623
Taxation	**(597 135)**	(477 456)		(525 576)	(1 046 344)
Profit for the period	**1 596 196**	1 647 715	(3,1)	1 499 579	2 908 279
Attributable to:					
Shareholders of the Company	**1 543 407**	1 594 074	(3,2)	1 480 024	2 802 386
Minority shareholders	**52 789**	53 641		19 555	105 893
	1 596 196	1 647 715	(3,1)	1 499 579	2 908 279
Shares in issue					
Weighted ('000)	**312 213**	300 514		303 283	301 462
Diluted weighted ('000)	**314 675**	302 932		310 195	303 109
Basic earnings per share (cents)	**494,3**	530,4	(6,8)	488,0	929,6
Diluted basic earnings per share (cents)	**490,5**	526,2	(6,8)	477,1	924,5
Headline earnings per share (cents)	**495,0**	454,0	9,0	498,1	930,0
Diluted headline earnings per share (cents)	**491,1**	450,3	9,0	487,0	924,9
Distribution per share (cents)*	**207,0**	190,0	9,0	220,0	380,0
HEADLINE EARNINGS The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:					
Profit attributable to shareholders of the Company	**1 543 407**	1 594 074	(3,2)	1 480 024	2 802 386
Impairment of property, plant and equipment, goodwill and intangibles	**7 009**	61 989		–	34 952
Property, plant and equipment	**9 304**	73 901		–	16 361
Goodwill	**–**	6 204		–	19 910
Intangible assets	**310**	–		–	–
Tax relief	**(2 605)**	(18 116)		–	(1 319)
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**5 636**	70 616		50 829	110 770
Loss on disposal and closure	**5 636**	98 079		73 327	138 272
Tax relief	**–**	(27 463)		(22 498)	(27 502)
Profit on disposal, and impairment of investments in associates	**(25 900)**	(366 633)		(16 782)	(181 709)
Impairment (reversal of impairment) of investments in associate	**(25 900)**	–		–	200 000
Net profit on disposal of associates	**–**	(391 751)		(23 308)	(391 138)
Tax charge	**–**	25 118		6 526	9 429
Net loss (profit) on disposal of property, plant and equipment and intangibles	**15 192**	4 227		(3 475)	37 561
Property, plant and equipment	**21 100**	4 227		(3 475)	54 685
Tax relief	**(5 908)**	–		–	(17 124)
Negative goodwill recognised in profit	**–**	(17)		–	(389)
Headline earnings	**1 545 344**	1 364 256	13,3	1 510 596	2 803 571
Exchange rates The following exchange rates were used in the conversion of foreign interests and foreign transactions during the periods:					
Rand/Sterling					
Closing rate	**11,81**	13,70		13,69	15,89
Average rate	**12,57**	15,21		14,14	14,64
Rand/Euro					
Closing rate	**10,62**	13,33		10,04	11,05
Average rate	**11,15**	12,42		9,80	12,35
Rand/Australian dollar					
Closing rate	**6,62**	6,54		6,01	6,34
Average rate	**6,67**	6,81		6,04	6,67

Consolidated statement of recognised income and expenses

for the R'000	Half year ended December 31 2009 Unaudited	2008 Unaudited	2007 Unaudited	Year ended June 30 2009 Audited
Profit for the period	**1 596 196**	1 647 715	1 499 579	2 908 279
Net expense recognised directly in equity	**(369 256)**	(1 037 527)	(150 125)	(1 279 408)
Decrease in foreign currency translation reserve	**(371 375)**	(1 041 837)	(149 888)	(1 281 836)
Increase (decrease) in fair value of available-for-sale financial assets	**2 119**	4 310	(237)	2 428
Total recognised income and expenses for the period	**1 226 940**	610 188	1 349 454	1 628 871
Attributable to:				
Shareholders of the Company	**1 180 394**	554 073	1 328 767	1 527 585
Minority shareholders	**46 546**	56 115	20 687	101 286
	1 226 940	607 714	1 349 454	**1 628 871**

Segmental analysis

for the R'000	Half year ended December 31 2009 Unaudited	2008 Unaudited	Percentage change	2007 Unaudited	Year ended June 30 2009 Audited
REVENUE					
Bidfreight	**8 005 679**	10 729 253	(25,4)	10 580 870	18 647 915
Bidserv	**3 518 872**	3 644 707	(3,5)	2 955 021	7 267 867
Bidvest Europe	**18 860 467**	19 329 869	(2,4)	16 007 122	36 984 511
Bidvest Asia Pacific	**8 912 682**	8 790 206	1,4	6 575 119	17 067 597
Bidfood	**2 588 821**	2 650 759	(2,3)	2 195 275	4 952 905
Caterplus and Speciality	**1 671 474**	1 705 122	(2,0)	1 478 667	3 237 101
Bidfood Ingredients	**917 347**	945 637	(3,0)	716 608	1 715 804
Bid Industrial and Commercial Products	**4 334 998**	4 969 103	(12,8)	4 594 101	9 290 941
Bidpaper Plus	**1 131 108**	1 167 584	(3,1)	1 020 377	1 933 415
Bid Auto	**8 709 934**	8 822 511	(1,3)	9 989 525	16 464 297
Bidvest Namibia	**949 384**	860 399	10,3	568 952	1 616 381
Corporate	**223 268**	458 587	(51,3)	494 483	727 033
Ontime Automotive	**214 942**	450 397	(52,3)	489 923	703 855
Investment and other income	**8 326**	8 190	1,7	4 560	23 178
	57 235 213	61 422 978	(6,8)	54 980 845	114 952 862
Intergroup eliminations	**(1 122 116)**	(1 432 091)		(1 096 314)	(2 525 031)
	56 113 097	59 990 887	(6,5)	53 884 531	112 427 831
TRADING PROFIT					
Bidfreight	**375 651**	365 456	2,8	330 874	768 052
Bidserv	**385 270**	489 401	(21,3)	384 816	933 882
Bidvest Europe	**447 123**	396 262	12,8	410 379	769 997
Bidvest Asia Pacific	**370 915**	285 729	29,8	251 300	602 533
Bidfood	**214 142**	217 634	(1,6)	186 138	384 254
Caterplus and Speciality	**112 787**	128 594	(12,3)	110 296	232 151
Bidfood Ingredients	**101 355**	89 040	13,8	75 842	152 103
Bid Industrial and Commercial Products	**170 194**	324 912	(47,6)	329 500	592 702
Bidpaper Plus	**135 913**	130 305	4,3	126 591	222 846
Bid Auto	**278 423**	214 382	29,9	353 617	502 926
Bidvest Namibia	**150 015**	126 013	19,0	30 009	294 341
Corporate	**88 767**	64 629	37,3	54 862	65 036
Bidprop	**90 072**	69 491	29,6	54 190	144 602
Ontime Automotive	**(4 154)**	(19 967)	–	(10 913)	(49 816)
Investment, other income and corporate costs	**2 849**	15 105	(81,1)	11 585	(29 750)
	2 616 413	2 614 723	0,1	2 458 086	5 136 569

Consolidated cash flow statement

for the R'000	Half year ended December 31 2009 Unaudited	2008 Unaudited	2007 Unaudited	Year ended June 30 2009 Audited
Cash flows from operating activities	**1 627 867**	(1 149 360)	(1 178 167)	3 322 584
Operating profit (including dividends from associates)	**2 569 244**	2 684 980	2 435 930	4 963 926
Depreciation and amortisation	**941 028**	745 314	703 767	1 744 350
Other non-cash items	**(54 998)**	(107 985)	39 662	171 384
Cash generated by operations before changes in working capital	**3 455 274**	3 322 309	3 179 359	6 879 660
Changes in working capital	**(431 553)**	(2 405 069)	(2 527 161)	(130 792)
Cash generated by operations	**3 023 721**	917 240	652 198	6 748 868
Net finance charges paid	**(379 615)**	(562 892)	(367 145)	(1 024 829)
Taxation paid	**(405 681)**	(650 677)	(691 432)	(1 223 496)
Distributions by – Company	**(598 337)**	(833 646)	(761 148)	(1 144 096)
– subsidiaries	**(12 221)**	(19 385)	(10 640)	(33 863)
Cash effects of investment activities	**(3 344 728)**	(906 487)	(2 322 441)	(1 862 306)
Net additions to vehicle rental fleet	**(250 982)**	(24 806)	(124 055)	(157 177)
Net additions to property, plant and equipment	**(1 378 628)**	(1 058 677)	(976 278)	(1 960 676)
Net additions to intangible assets	**(49 764)**	(70 378)	(179 652)	(182 635)
Net disposal (acquisition) of subsidiaries, businesses, associates and investments	**(1 665 354)**	247 374	(1 042 456)	438 182
Cash effects of financing activities	**2 134 237**	1 611 329	3 427 358	(1 035 300)
Proceeds from shares issued – Company	**1 084 013**	36 131	–	51 116
– subsidiaries	**305 480**	–	–	–
Net issue (purchase) of treasury shares	**(6 173)**	(49 384)	63 783	(6 371)
Net borrowings raised (repaid)	**951 998**	182 484	1 713 393	(322 868)
Net increase (decrease) in bank overdrafts	**(201 081)**	1 442 098	1 650 182	(757 177)
Net increase (decrease) in cash and cash equivalents	**417 376**	(444 518)	(73 250)	424 978
Net cash and cash equivalents at the beginning of the period	**3 212 425**	3 038 618	2 374 442	3 038 618
Exchange rate adjustment	**(165 026)**	(105 504)	(10 603)	(251 171)
Net cash and cash equivalents at end of period	**3 464 775**	2 488 596	2 290 589	3 212 425

Consolidated statement of financial position

as at R'000	December 31 2009 Unaudited	2008 Unaudited	2007 Unaudited	June 30 2009 Audited
ASSETS				
Non-current assets	**19 367 912**	17 017 052	14 613 196	16 119 562
Property, plant and equipment	**10 465 714**	9 632 011	8 175 995	9 409 702
Intangible assets	**656 493**	529 638	404 857	512 286
Goodwill	**5 673 794**	3 996 419	3 912 432	3 966 950
Deferred tax asset	**309 094**	412 199	396 104	378 603
Defined benefit pension surplus	**115 392**	120 200	–	120 985
Interest in associates	**579 242**	640 862	664 517	449 889
Investments	**1 069 888**	1 252 468	712 766	908 884
Banking and other advances	**498 295**	433 255	346 525	372 263
Current assets	**23 044 858**	24 754 750	22 234 444	22 364 822
Vehicle rental fleet	**858 987**	679 058	613 049	684 205
Inventories	**7 860 914**	8 731 101	7 876 548	7 443 252
Short-term portion of banking and other advances	**227 384**	438 103	277 764	279 862
Trade and other receivables	**10 632 798**	12 417 892	11 176 494	10 745 078
Cash and cash equivalents	**3 464 775**	2 488 596	2 290 589	3 212 425
Total assets	**42 412 770**	41 771 802	36 847 640	38 484 384
EQUITY AND LIABILITIES				
Capital and reserves	**16 356 030**	13 538 700	11 538 793	14 297 627
Attributable to shareholders of the Company	**15 733 685**	13 192 736	11 287 679	13 929 132
Minority shareholders	**622 345**	345 964	251 114	368 495
Non-current liabilities	**5 712 260**	5 770 660	4 975 618	4 155 520
Deferred tax liability	**220 665**	204 555	324 263	255 402
Life assurance fund	**16 916**	26 491	41 127	20 672
Long-term portion of borrowings	**4 609 758**	4 493 441	3 824 403	2 990 232
Post-retirement obligations	**439 581**	496 697	383 574	460 803
Long-term portion of banking liabilities	**–**	222	6 450	–
Long-term portion of provisions	**211 145**	361 377	244 705	218 972
Long-term portion of operating lease liabilities	**214 195**	187 877	151 096	209 439
Current liabilities	**20 344 480**	22 462 442	20 333 229	20 031 237
Trade and other payables	**14 049 947**	15 233 696	13 787 079	14 570 716
Short-term portion of provisions	**286 461**	437 001	236 917	297 080
Vendors for acquisition	**–**	–	7 049	15 629
Taxation	**449 310**	302 269	218 249	262 080
Short-term portion of banking liabilities	**848 548**	590 570	275 013	591 200
Short-term portion of borrowings	**4 710 214**	5 898 906	5 808 922	4 294 532
Total equity and liabilities	**42 412 770**	41 771 802	36 847 640	38 484 384
Number of shares in issue	**317 196**	300 887	304 171	304 995
Net tangible asset value per share (cents)	**2 965**	2 880	2 292	3 098
Net asset value per share (cents)	**4 960**	4 385	3 711	4 567

Consolidated statement of changes in equity

for the R'000	Half year ended December 31 2009 Unaudited	2008 Unaudited	2007 Unaudited	Year ended June 30 2009 Audited
Capital and reserves attributable to shareholders of the Company				
Issued share capital	**15 855**	15 044	15 209	15 249
balance at beginning of period	**15 249**	15 029	15 143	15 029
shares issued during the period	**609**	40	–	56
capitalisation issue	**–**	–	–	166
net movement in treasury shares	**(3)**	(25)	66	(2)
Share premium arising on shares issued	**(1 722 642)**	(2 303 068)	(880 088)	(2 251 264)
balance at beginning of the period	**(2 251 264)**	(1 456 154)	(182 657)	(1 456 154)
shares issued during the period	**1 137 071**	36 091	–	51 060
capitalisation issue	**–**	–	–	(166)
refund of share premium to shareholders	**(598 337)**	(833 646)	(761 148)	(839 525)
net movement in treasury shares	**(6 170)**	(49 359)	63 717	(6 371)
share issue costs	**(3 942)**	–	–	(108)
Foreign currency translation reserve	**326 614**	924 664	1 007 131	691 746
balance at beginning of period	**691 746**	1 968 975	1 158 151	1 968 975
arising during the current period	**(365 132)**	(1 044 311)	(151 020)	(1 277 229)
Statutory reserves	**10 093**	7 984	13 398	13 033
balance at beginning of period	**13 033**	13 049	16 691	13 049
transfer from (to) retained earnings	**(2 940)**	(5 065)	(3 293)	(16)
Equity-settled share-based payment reserve	**262 838**	238 492	195 432	253 936
balance at beginning of period	**253 936**	220 559	165 664	220 559
arising during the current period	**8 902**	17 933	29 768	33 377
Movement in retained earnings	**16 840 927**	14 309 620	10 936 597	15 206 432
balance at the beginning of the period	**15 206 432**	12 706 171	9 453 517	12 706 171
attributable profit	**1 543 407**	1 594 074	1 480 024	2 802 386
change in fair value of available-for-sale financial assets	**2 119**	4 310	(237)	2 428
dividends paid	**–**	–	–	(304 569)
transfer of reserves as a result of changes in shareholding of subsidiaries	**86 029**	–	–	–
transfer from statutory reserves	**2 940**	5 065	3 293	16
	15 733 685	13 192 736	11 287 679	13 929 132
Capital and reserves attributable to minority shareholders				
balance at beginning of period	**368 495**	310 456	198 457	310 456
attributable profit	**52 789**	53 641	19 555	105 893
dividends paid	**(12 221)**	(19 385)	(10 640)	(33 863)
movement in foreign currency translation reserve	**(6 243)**	2 474	1 132	(4 607)
movement in equity-settled share-based payment reserve	**74**	34	73	60
issue of shares in subsidiaries	**305 480**	–	–	–
transfer of reserves as a result of changes in shareholding of subsidiaries	**(86 029)**	(1 256)	42 537	(9 444)
	622 345	345 964	251 114	368 495
Total equity	**16 356 030**	13 538 700	11 538 793	14 297 627

Comment

Commendable results were delivered for the half year ended December 31 2009 in generally tough economic conditions. Headline earnings per share (HEPS) increased by 9,0% to 495,0 cents per share. However, basic earnings per share declined by 6,8% to 494,3 cents per share as a result of the inclusion of net capital profits of R209,4 million in the comparative interim period. The results includes those of the acquired Nowaco group with effect from July 1 2009.

Trading conditions in southern Africa, with the exception of Namibia, were challenging. Bidvest Asia Pacific returned a strong result. Bidvest Europe held up relatively well in difficult economic conditions.

The group's balance sheet remains strong, enhanced by a R2,0 billion reduction in seasonal working capital absorption. As a result, finance charges are materially lower. Exposure to the short end of the funding market in South Africa's falling interest rate environment was also beneficial. Working capital management improved across the Group following concerted efforts by management assisted by lower trading volumes. The risk of debtor delinquencies remains an area of critical focus.

The average rand exchange rate was stronger versus sterling and the euro. This had a negative impact on translation of foreign operations equivalent to 2,9% of HEPS.

Financial overview

Revenue fell 6,5% to R56,1 billion (2008: R59,9 billion). Significantly lower import demand constrained performance in Safcor Panalpina, while the strong rand negatively impacted the translation of the international operations. Deflation in South Africa as a consequence of the strong currency was well managed but impacted trading margins. Many operations achieved market-share gains, particularly those in Asia Pacific. Operating expenses were well controlled across the group, reflecting a decline on the prior year. The overall trading margin improved to 4,7% (2008: 4,4%).

Headline earnings were impacted by abnormal charges of R53,4 million relating to the acquisition costs of our new eastern European businesses, Nowaco and Farutex. Previously, these once off acquisition costs would have been capitalised to the cost of the investment, but under the revised IFRS 3 accounting standard are now included as an expense in headline earnings. If HEPS were to be adjusted for the impact of these once off acquisition costs, HEPS would have been up 12,8%.

Our balance sheet remains appropriately capitalised. Net debt declined to R5,8 billion (2008: R7,9 billion), driven by lower seasonal working capital absorption, despite debt funding of R1,7 billion assumed for the Nowaco Group acquisition. Interest cover at 6,8 times reflects an improvement over 2008 with adequate borrowing capacity. Net debt to equity at 37,2% reflects significant improvement (2008: 56,7%). Net finance charges declined 31,5% to R385,6 million. Bidvest's conservative attitude to gearing remains appropriate in the current climate. Fitch Ratings affirmed the Group rating at A+ with a stable outlook while Moody's rated the Group at A1.za with a stable outlook.

Acquisition of Nowaco Group

The Nowaco Group is the number one delivered wholesaler to the foodservice and independent retail markets in central and eastern Europe. Nowaco focuses on the Czech Republic and Slovakia while Farutex serves the Polish market. The allocation of intangibles post the €250,0 million acquisition, have not been audited and accounting for the acquisition has been determined on a provisional basis in terms of IFRS 3. The Nowaco Group contributed R2,1 billion to revenue and R31,8 million to profit, after expensing R53,4 million of acquisition costs.

Nowaco Group management have integrated themselves seamlessly into the Group and results are in line with pre-acquisition expectations despite tougher economic conditions in eastern Europe.

Divisional review

Bidfreight

Bidfreight generated revenue of R8,0 billion (2008: R10,7 billion), significantly lower than the prior year. Trading profit of R375,6 million (2008: R365,5 million) was 2,8% above the prior year, a commendable result considering the revenue decline.

The terminals business did well. Depressed billings in international forwarding and clearing arising out of lower import volumes and depressed automotive activity and an operational loss at Manica held back overall performance. Corrective action has been taken at Manica. A retrenchment programme has been concluded at Safcor Panalpina and associated costs fully expensed.

Trading profit was up on prior year at Island View Storage. Chemical imports softened and petroleum throughput weakened, however exports rose. SA Bulk Terminals performed well despite increased competitor activity. Depressed demand hit revenue and trading profit at SACD Freight. Marine did well in a very challenging shipping environment. Bidfreight Port Operations put in an exceptional performance, with steel, forest products and bulk volumes all showing healthy improvements. Both trading profit and volumes were well up at Bulk Connections due to increased exports of sized coal and manganese. Though activity levels were low, Rennies Distribution Services performed well achieving cost savings. Naval performed well in a difficult environment in Mozambique.

Bidserv

Bidserv's results were below expectation and reflect the impact and extent of the recession in South Africa. Trading profit fell 21,3% to R385,3 million (2008: R489,4 million) while revenue dipped by 3,5% to R3,5 billion (2008: R3,6 billion). Banking, Travel, Aviation Services and product-related businesses were most impacted. Cash flow and debtor's collections improved across all businesses.

Prestige produced pleasing results in difficult markets. Good expense management contributed to a small rise in profits. New management at Steiner Group achieved excellent results. Trading profit fell in the laundry business as a result of lower hotel occupancies. Security operations performed well overall. The newly acquired vehicle tracking business met expectations.

Bid Travel Services was affected by the corporate travel slowdown and low hotel occupancies. Trading profit at TMS declined on the back of certain rationalisation costs. New management has refocused the business. Market share gains continued. The Industrial Products division was hit by falling demand for workwear and equipment. Expenses were well managed. The Office Automation division produced reasonably good results, with a noticeable pickup in product demand.

Results at Global Payment Technologies were behind last year, but improved demand from its banking customers is anticipated. Bidair was heavily impacted by the scaling back of airline operations and loss of contracts. Trading profit at Green Services was up on prior year, despite declining revenue.

Transaction values fell steeply at Bidvest Bank and Master Currency, as lower interest rates and rand stability impacted results. Improved demand is expected into the second half.

Bidvest Europe

Trading profit rose 12,8% to R447,1 million (2008: R396,3 million). Revenue was down 2,4% to R18,9 billion (2008: R19,3 billion), principally due to the 17,4% appreciation of the average rand versus sterling. In spite of the barrage of negative economic data, results at the Benelux businesses were in line with expectation. Performance in the Middle East was flat. UK operations showed resilience despite strong margin pressure. Newly acquired Nowaco in Czech Republic and Slovakia and Farutex in Poland lived up to expectations.

Trading profit at 3663 First for Foodservice in the UK was slightly ahead of budget while sales were 3% ahead of forecast. Logistics achieved significant productivity improvements in some areas. Overall protection of gross margin remains a focus area as food inflation ticks higher. Another focus area is management of debtors following six successive quarters of recession. Working capital is well controlled and inventory tightly managed.

At Deli XL Netherlands trading profit was well down as recession hit the hospitality sector hard. The Netherlands business has bought 60% of fresh produce supplier Stavasius. In Belgium, trading profit was up on last year. Cash generation improved. Both sales and trading profit have reduced slightly at Horeca Trade. Hotel occupancy is soft, so is confidence following Dubai's debt restructure. Despite being in the start-up phase, sales and profits were reasonably in line with budget at the Al Diyafa JV in Saudi Arabia.

Nowaco's revenue and trading profit exceeded target. Loss of a major quasi-logistics contract impacted revenue at Farutex, though replacement sales are being secured as trade to hotels and restaurants picks up.

Bidvest Asia Pacific

The division put in an exceptional performance as strong results from Australia and New Zealand were supported by the businesses performance in greater China and Singapore. Revenue was up 1,4% to R8,9 billion (2008: R8,8 billion). Trading profit increased by 29,8% to R370,9 million (2008: R285,7 million).

The Australian economy has held up well and Bidvest Australia continued its run of pleasing results. Most sales gains were driven by growth in market share. The flagship foodservice division put in a particularly pleasing performance. Expense control was rigorous by all divisions. As the period progressed, trading conditions toughened and food deflation became evident. A Sydney produce and meat wholesaler has been acquired, which will be a platform for entry into the Fresh market. Some items of capital expenditure were accelerated to take advantage of government's tax stimulus package.

Bidvest New Zealand achieved very good results in a poor economic environment. Trading profit rose, driven by growth in a declining market and improved trading terms. Logistics put in a strong showing as did Foodservice, which achieved record results. The Fresh business performed well and national roll-out is substantially complete. The business's largest tender ever was secured for the supply of a wide range of products to the Defence Forces and the Corrections Department.

Angliss Greater China benefited from the rebounding Asian economies. The core Hong Kong business put in an especially pleasing performance, achieving market share gains. Mainland China operations are all profitable and looking to expand.

Sales and trading profit exceeded expectations at Angliss Singapore. Performance was assisted by recovery in the poultry market while a restructured foodservice division took advantage of improved pricing and an improved regional economic outlook.

Bidfood

Overall results were flat. Revenue was 2,3% lower at R2,6 billion (2008: R2,7 billion). Trading profit at R214,1 million was 1,6% lower (2008: R217,6 million).

Caterplus was impacted by intense pressure on restaurants, hotels and conferencing. Industrial catering volumes also fell, though the rate of decline is easing. Management remains strongly focused on debtor's risk and expense control while competing aggressively for growth. Margins have stabilised, though pressure remains intense. The FIFA draw in Cape Town provided a snapshot of the 2010 FIFA World Cup™ effect at work. Hotel occupancy for the week approached 100% with many restaurants full. This gives rise to cautious optimism that a turning point is close.

Comprehensive planning enabled Speciality to maximise trading opportunities during the festive period. A firmer rand was helpful from a margin management perspective, but contributed to deflation. Stockholding was reduced as inventory control was rigorous. The strategy of growing Speciality's distribution to small convenience outlets is on track.

Bidfood Ingredients recorded pleasing results. Revenue was impacted by lower sales of commodity products. Trading profit moved materially higher. The Crown National Group's results were adversely impacted by deflation. The Chipkins Bakery Group continued the upward momentum of the previous year, while NCP Yeast performed well.

Bid Industrial and Commercial Products

Disappointing results were recorded as trading conditions deteriorated. Trading profit fell 47,6% to R170,2 million while revenue contracted by 12,8% to R4,3 billion.

Electrical Wholesaling had a tough six months, with trading profit down, though margins were maintained. Expenses and stockholdings were cut. Cash flows stayed positive. Voltex was impacted by the tailing off of large projects, including 2010 FIFA World Cup™-related contracts. Voltex Solutions is still building momentum. Significant income flow from smart energy solutions is not expected until the third quarter of 2010. Copper prices are higher, but volatility is expected.

Stationery and furniture experienced a big fall in trading profit, flat revenue, margin squeeze and expenses pressure. Waltons is in the process of implementing changes to its distribution model to align costs with international norms. Waltons new filing division – launched after the Optiplan acquisition – met expectations. Expenses were well managed at Contract Office Products. Kolok achieved revenue growth despite tough trading conditions. Expenses were contained and trading profit rose. CN Business Furniture, Seating and Dauphin were hit badly by market conditions and recorded operating losses.

Packaging and Catering equipment suffered only a small dip in trading profit off slightly lower revenue. Afcom GE Hudson faced volatile trading conditions, but trading improved in the second quarter. Buffalo Executape was under pressure but will improve going forward. At Vulcan an encouraging second quarter resulted in improved trading profit.

Bidpaper Plus

Results were generally satisfactory and were bolstered by a strong, but late rush for product over the festive season. Revenue of R1,1 billion was flat (2008: R1,0 billion) on prior year. Trading profit of R135,1 million (2008: R130,3 million) was up 4,3%.

The business built up inventory ahead of the festive season and back-to-school campaign which assisted in meeting demand. Cash generation was pleasing, but expenses moved higher in relation to inflation and cost of power. Product mix changes influenced overall margin.

Demand for manufactured print products was sluggish. Excess capacity in the market resulted in margin squeeze, though cost increases were well contained. Stationery distribution recovered well after a slow start. Personalisation and mail continued to perform well. Print sales and distribution benefited from export project success. Labels and packaging achieved a modest profit, with Rotolabel performing strongly. Alternative products achieved strong growth off a relatively small base.

Bid Auto

The encouraging recovery by Bid Auto reflects restructuring efficiencies at the core McCarthy motor retail business. Revenue of R8,7 billion was marginally below expectation. Trading profit of R278,4 million was up 29,9% on prior year (2008 R214,4 million).

Though new unit volumes were below those of the prior year, demand for used vehicles improved. Margins on both new and used vehicles were better than expected, resulting in improved returns, particularly in the used vehicle department. Parts and service revenue remained solid. Motor retail produced encouraging trading results significantly above prior year. Profit at most dealerships rose while the number of loss-makers fell. The underlying trend in new vehicle sales reflects modest growth, though challenging trading conditions are expected to persist.

Car and van rental revenue remained under pressure as a result of reduced rates and lower volumes. Average daily revenue and fleet utilisation were below expectations. An improvement in profitability is expected arising out the anticipated activity surrounding the 2010 FIFA World Cup™.

Financial Services revenue fell as a result of the decline in vehicle volumes, though penetration levels were at record levels which resulted in pleasing trading results. The equity portfolio performed well and reflects a significant turnaround from the losses reported in the previous year. In December, the McCarthy Finance joint venture with Wesbank recorded its highest monthly revenue since October 2007, signalling improved credit availability.

Trading conditions at Yamaha Distributors remained tough as the demand for leisure products remained weak. Relative stability of the Rand contributed to some margin restoration. Heavy equipment was impacted by a significant falloff in infrastructural demand. Restructuring of the business will now be aggressively pursued. Fleet services delivered lower results as the effects of the slowdown and higher impairment charges negatively impacted trading profit. Cash generation in the period was excellent.

Arresting the slide in new vehicle net profit is a priority along with plans to entrench Bid Auto's leadership in used vehicle retailing. Consolidation and multi-franchising will continue at poorly performing dealerships. Headcount has fallen as a result of rationalisation and implementation of a cost-reduction strategy, but in 2010 talent retention will receive greater attention.

Bidvest Namibia

The business, which in October was successfully listed on the Namibian Stock Exchange, achieved trading profit of R150,0 million (2008: R126,0 million), up 19,0% on prior year. Revenue moved 10,3% higher to R949,4 million (2008: R860,4 million). Performance was down in the commercial businesses as customers scaled back demand. Manica Namibia delivered good results on the back of strong demand for freight and agency services. Fishing operations in the Bidfish division performed well, despite the strength of the Namibian dollar against the US dollar. Excellent catch rates and a recovery in selling prices boosted trading profit.

Corporate

Corporate continued to explore acquisition opportunities. A strategic review is under consideration as to the positioning of the "Bidvest" brand.

Bidvest Property Holdings continued to successfully manage and grow its strategic portfolio. A number of Group opportunities are being pursued despite very challenging market conditions. The restructured Ontime Automotive in the UK delivered an improved result in a challenging automotive market.

Prospects

The adverse economic conditions created by the global financial crisis would appear to have abated somewhat, however, the return to previous levels of activity still appears to be some way off. Opportunity has been taken to reassess many businesses and their cost structures in view of the new economic reality and decisive action has been taken. The Group remains committed to its decentralised business model which has proven resilient over a sustained period of economic upheaval.

Our balance sheet remains strong with conservative gearing, the businesses are well resourced and we have the capacity and desire to seek out further strategic acquisition opportunities.

The hosting of a successful 2010 FIFA World Cup™ is an opportunity both for Bidvest and South Africa. Our exposure to the potential that will accrue to the hospitality industry should provide meaningful benefit to the Group. Much of the direct exposure has already been contracted.

We are excited by the potential that the acquisitions of Nowaco and Farutex businesses offer, not only in their home countries but as the springboard to growth in other geographies. The UK business is benefiting from the hard decisions taken previously, however, the economy remains flat with no significant recovery prospects evident. Our European businesses are holding their own but economic conditions remain soft.

Our businesses in the Asia Pacific region are confident of growth in the period ahead. Focus will be on increasing revenue, margin enhancement and improved operational efficiencies which will further their leading market positions. They are well placed for further expansion through acquisitions and market-share gains.

South Africa appears to be on the cusp of economic recovery however the rate thereof remains uncertain. Improved fundamentals of a lower interest rate environment and improved consumer demand will assist. Our businesses are well placed to benefit from the anticipated upturn.

Our focus remains on delivering acceptable returns from funds employed. Working capital management continues to receive the necessary attention, however, some absorption will be evident as trading volumes tick up. We remain confident of an improved trading performance in the current environment to ensure ongoing value creation.

For and on behalf of the Board

MC Ramaphosa	**B Joffe**
Chairman	*Chief Executive*

Distribution

Notice is hereby given that an interim cash distribution by way of capital reduction out of share premium of 207,0 (2009: 190,0) cents per share, in lieu of a dividend, has been awarded to members recorded in the register of the Company at the close of business on Friday, March 26 2010.

The salient dates applicable to the cash distribution are as follows:

Last day to trade cum distribution	Thursday, March 18 2010
Shares trade ex distribution	Friday, March 19 2010
Record date	Friday, March 26 2010
Payment date	Monday, March 29 2010

Share certificates may not be rematerialised or dematerialised during the period Friday, March 19 2010 to Friday, March 26 2010, both days inclusive.

In terms of the requirements of the Companies Act, the directors confirm that after the payment of the distribution, the Company will be able to pay its debts as they become due in the ordinary course of business and its consolidated assets, fairly valued, will exceed its consolidated liabilities.

The impact of the distribution on the Company as at December 31 2009, is a reduction of equity attributable to ordinary shareholders and cash and cash equivalents of R656,6 million and a reduction in the net asset value and tangible net asset value of 207,0 cents per share to 4 753 cents and 2 758 cents respectively.

For and on behalf of the board

CA Brighten

Company secretary

Johannesburg

March 1 2010

The Bidvest Group Limited

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

Directors

Chairman: MC Ramaphosa

Independent non-executive: DDB Band, LG Boyle*, S Koseff, NP Mageza, D Masson, JL Pamensky, NG Payne, Adv FDP Tlakula

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

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

Company Secretary

CA Brighten

Transfer secretaries

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Registration number 1946/021180/06

Share code: BVT ISIN: ZAE000117321

BASTION GRAPHICS