

BIDVest

Audited results for the year ended June 30 2008

Infinite possibilities . . .



Revenue up

15,5%
to R110,5 billion

Operating profit up

18,8%
to R5,3 billion

Headline earnings
per share up

10,1%
to 1 068,0 cents

Basic earnings per share up

19,3%
to 1 073,0 cents

Distributions per share up

10,9%
to 495,0 cents

Consolidated income statement

for the year ended June 30

RO00s	2008	2007	Percentage change
Revenue	110 477 551	95 655 509	15,5
Cost of revenue	(88 785 765)	(77 330 818)	
Gross income	21 691 786	18 324 691	18,4
Other income	267 357	419 408	
Operating expenses	(16 624 277)	(14 197 315)	
Sales and distribution expenses	(11 201 947)	(9 432 053)	
Administration expenses	(4 234 615)	(3 940 085)	
Other expenses	(1 187 715)	(825 177)	
Net capital items	9 041	(50 214)	
Operating profit	5 343 907	4 496 570	18,8
Net finance charges	(931 040)	(566 181)	
Finance income	88 396	79 521	
Finance charges	(1 019 436)	(645 702)	
Share of profit of associates	121 962	68 354	
Dividends received	25 526	9 083	
Share of current year earnings	96 436	59 271	
Impairment of associates	—	(178 339)	
Profit before taxation	4 534 829	3 820 404	18,7
Taxation	(1 199 960)	(1 033 248)	
Profit for the year	3 334 869	2 787 156	19,7
Attributable to:			
Shareholders of the Company	3 252 884	2 700 054	20,5
Minority shareholders	81 985	87 102	
	3 334 869	2 787 156	19,7
Shares in issue			
Weighted ('000)	303 159	300 206	
Diluted weighted ('000)	308 075	307 421	
Basic earnings per share (cents)	1 073,0	899,4	19,3
Headline earnings per share (cents)	1 068,0	970,0	10,1
Diluted basic earnings per share (cents)	1 055,9	878,3	20,2
Diluted headline earnings per share (cents)	1 051,0	947,2	11,0
Distributions per share (cents)*	495,0	446,4	10,9
*Includes distributions from share premium.			
HEADLINE EARNINGS			
The following adjustments to profit attributable to shareholders of the Company were taken into account in the calculation of headline earnings:			
Income attributable to shareholders of the Company	3 252 884	2 700 054	20,5
Impairments of property, plant and equipment; goodwill and intangibles	59 639	65 707	
Property, plant and equipment and intangible assets	46 969	585	
Goodwill	16 753	65 122	
Tax relief	(4 083)	—	
Net loss on disposal of investments in subsidiaries and associates, and disposal and closure of businesses	54 163	595	
Loss (profit) on disposal and closure	60 480	(84)	
Tax charge (relief)	(6 317)	679	
Net profit on disposal of property, plant and equipment and intangible assets	(42 419)	(12 835)	
Property, plant and equipment	(46 789)	(15 409)	
Intangible assets	42	—	
Tax charge	4 328	1 984	
Minority shareholders	—	590	
Negative goodwill	(86 463)	—	
Arising on acquisition of subsidiaries	(86 496)	—	
Minority shareholders	33	—	
Impairment of investment in associate	—	178 339	
Share of capital items in associates	—	(19 874)	
Headline earnings	3 237 804	2 911 986	11,2
Rand/Sterling exchange rates			
Opening rate	14,18	13,20	
Closing rate	15,89	14,18	
Average rate	14,64	13,95	

Segmental analysis

for the year ended June 30

RO00s	2008	2007	Percentage change
REVENUE			
Bidfreight	21 992 703	18 772 454	17,2
Bidserv	6 424 538	5 243 193	22,5
Bidvest Europe	33 683 788	29 962 516	12,4
Bidvest Asia Pacific	14 467 388	8 863 650	63,2
Bidfood	4 418 919	3 733 227	18,4
Caterplus and Speciality	2 925 383	2 480 649	17,9
Bidfood Ingredients	1 493 536	1 252 578	19,2
Bid Industrial and Commercial Products	9 403 025	8 369 157	12,4
Bidpaper Plus	1 937 393	1 823 822	6,2
Bid Auto	18 467 468	18 656 265	(1,0)
Corporate	2 370 828	2 191 329	8,2
Bidvest Namibia	1 377 829	1 183 940	16,3
Ontime Automotive	973 259	986 566	(1,3)
Investment and other income	20 242	20 823	(2,8)
	113 166 051	97 615 613	15,9
Inter-group eliminations	(2 688 500)	(1 960 104)	
	110 477 551	95 655 509	15,5
TRADING PROFIT			
Bidfreight	690 813	585 610	18,0
Bidserv	838 659	660 046	27,1
Bidvest Europe	879 844	757 551	16,1
Bidvest Asia Pacific	551 403	346 554	59,1
Bidfood	358 792	273 086	31,4
Caterplus and Speciality	214 240	174 505	22,8
Bidfood Ingredients	144 552	98 581	46,6
Bid Industrial and Commercial Products	790 140	728 335	8,5
Bidpaper Plus	220 192	226 899	(3,0)
Bid Auto	742 994	724 473	2,6
Corporate	262 029	244 230	7,3
Bidvest Namibia	164 002	125 245	30,9
Bidprop	98 650	78 304	26,0
Ontime Automotive	(21 591)	(3 348)	
Investment, other income and corporate costs	20 968	44 030	(52,4)
Trading profit	5 334 866	4 546 784	17,3
Net capital items	9 041	(50 214)	
Operating profit	5 343 907	4 496 570	18,8

Consolidated cash flow statement

for the year ended June 30

RO00s	2008	2007
Cash flows from operating activities		
Operating profit (including dividends from associates)	5 369 433	4 505 653
Depreciation and other non-cash items	1 447 560	1 098 638
Cash generated by operations before changes in working capital	6 816 993	5 604 291
Changes in working capital	(730 298)	(1 367 396)
Cash generated by operations	6 086 695	4 236 895
Net finance charges paid	(1 237 784)	(472 697)
Taxation paid	(1 166 305)	(1 152 174)
Distribution of share premium by Company	(761 148)	(1 205 633)
Dividends to minorities	(22 995)	(27 786)
	2 898 463	1 378 605
Cash flows from investment activities		
Net additions to vehicle rental fleet	(215 948)	(134 050)
Net additions to property, plant and equipment	(2 341 458)	(1 723 174)
Net additions to intangible assets	(228 525)	(121 552)
Net acquisition of subsidiaries, businesses, associates and investments	(1 290 245)	(1 125 027)
	(4 076 176)	(3 103 803)
Cash flows from financing activities		
Proceeds from shares issued	47 972	494 094
Net purchase of treasury shares	(560 435)	(699 593)
Net borrowings raised (repaid)	1 180 666	(129 751)
	668 203	(335 250)
Net decrease in cash and cash equivalents	(509 510)	(2 060 448)
Net cash and cash equivalents at the beginning of the year	616 465	2 546 995
Currency adjustments	201 599	129 918
Net cash and cash equivalents at the end of the year	308 554	616 465
Net cash and cash equivalents are made up as follows:		
Cash on hand and in the bank	3 038 618	2 374 442
Bank overdrafts included in short-term portion of borrowings	(2 730 064)	(1 757 977)
	308 554	616 465

Consolidated balance sheet

at June 30

RO00s	2008	2007
ASSETS		
Non-current assets		
Property, plant and equipment	9 556 529	6 732 602
Intangible assets	486 471	388 145
Goodwill	4 556 137	3 772 297
Deferred tax asset	397 297	431 525
Defined benefit pension surplus	120 983	4 081
Interest in associates	972 039	454 865
Investments and advances	782 371	1 031 670
Banking and other advances	378 233	226 723
Current assets	24 611 325	19 806 022
Vehicle rental fleet	654 252	527 524
Inventories	8 389 646	6 813 187
Short-term portion of banking and other advances	244 688	183 983
Trade and other receivables	12 284 121	9 906 886
Cash and cash equivalents	3 038 618	2 374 442
Total assets	41 861 385	32 847 930
EQUITY AND LIABILITIES		
Capital and reserves		
Attributable to shareholders of the Company	13 467 629	10 626 509
Minority shareholders	310 456	198 457
Non-current liabilities	4 680 474	3 338 346
Deferred taxation liability	220 993	265 323
Life assurance fund	33 478	50 457
Long-term portion of borrowings	3 546 908	2 229 892
Post-retirement obligations	477 286	380 748
Long-term portion of banking liabilities	—	73
Long-term portion of provisions	218 152	245 757
Long-term portion of operating lease liabilities	183 657	166 096
Current liabilities	23 402 826	18 684 618
Trade and other payables	17 200 173	13 972 421
Short-term portion of provisions	290 397	200 375
Vendors for acquisition	6 127	27 007
Taxation	511 427	372 789
Short-term portion of banking liabilities	356 130	203 025
Short-term portion of borrowings	5 038 572	3 909 001
Total equity and liabilities	41 861 385	32 847 930
Number of shares in issue (net of treasury)	300 575	302 852
Net tangible asset value per share (cents)	2 803	2 135

Consolidated statement of changes in equity

for the year ended June 30

RO00s	2008	2007
Capital and reserves attributable to shareholders of the Company		
Issued share capital	15 029	15 143
– balance at the beginning of the year	15 143	14 958
– in terms of the share incentive scheme	54	279
– net movement in treasury shares	(168)	(94)
Share premium	(1 456 154)	(182 657)
– balance at the beginning of the year	(182 657)	1 228 660
– in terms of the share incentive scheme	47 918	493 815
– refund of share premium to shareholders in lieu of dividends	(761 148)	(1 205 633)
– net movement in treasury shares	(560 267)	(699 499)
Foreign currency translation reserve	1 968 975	1 158 151
– balance at the beginning of the year	1 158 151	807 033
– realised on disposal of subsidiary	25	—
– arising during the year	810 799	351 118
Statutory reserves	13 049	16 691
– balance at the beginning of the year	16 691	10 013
– transfer from (to) retained income	(3 642)	6 678
Equity-settled share-based payment reserve	220 559	165 664
– balance at the beginning of the year	165 664	107 724
– arising during the year	54 895	57 940
Retained earnings	12 706 171	9 453 517
– balance at the beginning of the year	9 453 517	6 760 607
– profit attributable to shareholders of the Company	3 252 884	2 700 054
– change in fair value of available-for-sale financial assets	(3 872)	(466)
– transfer from (to) statutory reserves	3 642	(6 678)
Attributable to shareholders of the Company	13 467 629	10 626 509

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS 34 – Interim Reporting. In the current year, the group adopted IFRS 7 Financial Instruments: Disclosures and the consequential amendments to IAS 1 Presentation of Financial Statements. These disclosures have not had an impact on the results as reported. The accounting policies are consistent with those of the prior year.

Reclassification

The unfunded defined benefit early retirement plan obligation of R220,1 million, previously disclosed in 2007 under trade and other payables, has been included in post-retirement obligations. Defined benefit pension fund surpluses and post-retirement obligations have been separately disclosed in the balance sheet. Certain operations have been transferred to other segments. Comparatives within the segmental analysis have been restated.

Audit report

The consolidated results for the year have been audited by Deloitte & Touche. Their unqualified audit report is available for inspection at the Company's registered office.

Analyst presentation

The presentation to investors will be available on the Bidvest website from 10:00 on Monday, September 1 2008.

COMMENT

Satisfactory trading results were produced for the year to June 30 2008. Headline earnings per share rose by 10,1% while trading profit increased by 17,3%. For 19 years, annual compound growth in headline earnings per share has been 24%.

Earnings reflect good contributions from Bidserv, Bidvest Asia Pacific and the South African food businesses. Areas of underperformance reside principally in Bidpaper Plus and Bid Auto, impacted by the effects of a retail market under pressure.

A more challenging business environment showcased the advantages of Bidvest's decentralised business model as our divisions optimised opportunities across various geographies and industries.

High interest rates, spiralling inflation and lower consumer confidence had only limited impact on most Bidvest operations until late in the year. Though South Africa's GDP growth slowed, continuing infrastructure spending by government provided a degree of support for the economy.

Working capital management was identified as a critical issue early in the year. The Group is tightening internal controls to improve returns on funds employed.

FINANCIAL OVERVIEW

Revenue grew 15,5% to R110,5 billion (2007: R95,7 billion), driven by market share growth and benefits from inflationary pressures.

The trading margin was slightly improved at 4,8% (2007: 4,7%). Rand weakness had a positive effect on the translation of offshore earnings, particularly in Bidvest Asia Pacific. The rand traded at an average of R14,64 (2007: R13,95) against sterling. Basic earnings per share growth of 19,3% was achieved.

Bidvest continued to trade off a growth platform and our balance sheet remains strong. Substantial returns on recent infrastructure investments were not anticipated in 2008, but we expect incremental returns to grow.

Net debt rose to R5,5 billion, though interest cover at 5,7 times reflects ample borrowing capacity. Net finance charges increased from R566,2 million to R931,0 million. Hardening interest rates and the effects of the global credit crisis highlighted the appropriateness of Bidvest's conservative attitude to debt.

In April, Fitch affirmed Bidvest's national long-term rating of AA- and a short-term rating of F1. However, the outlook was changed from stable to negative.

Higher debt was driven by capital expansion, the acquisition of Angliss Asia and increased working capital demands. The first full-year performance by Angliss was ahead of expectations while Viamax became a major contributor to Bid Auto. Many operations have found it necessary to carry strategic inventories in view of stock shortages, increased volumes and product inflation.

HUMAN CAPITAL

Staff numbers rose from 104 814 to 106 225 while training investment continued to increase. The Bidvest Academy continues to develop future leaders and completion of the first graduate programme is imminent.

SUSTAINABILITY

Bidvest has stepped up its focus on sustainability. Businesses will strive to turn 'green' into 'gold' in a manner that delivers profit, efficiency and quality while integrating evolving financial, social and environmental needs and expectations. Our businesses are united by a positive attitude to sustainability that looks beyond today's obligations to tomorrow's opportunities.

ACQUISITIONS AND DISPOSALS

Bidvest remains an acquisitive company. A more challenging trading environment in domestic and international jurisdictions will create opportunities. With effect from July 1 2007, Bidvest acquired 100% of the Viamax Group, a vehicle management and leasing business, consisting mainly of a vehicle rental fleet, for R961,1 million. Viamax contributed R544,4 million to revenue and R203,8 million to the Group's trading profit.

Subsequent to year-end, Bidvest has agreed to dispose of its interest in Enviroserv Holdings Limited subject to the successful implementation of a scheme of arrangement between Enviroserv and its shareholders.

DIVISIONAL REVIEW

Bidfreight

Revenue of R22,0 billion (2007: R18,8 billion) was up 17,2% while trading profit rose 18,0% to R690,8 million (2007: R585,6 million). Results were mainly driven by high volumes of cargo across our strategic port-based assets.

Utilisation levels were sustained by large import volumes and buoyant commodity exports. High interest rates were positive for Marine Services and freight forwarding. Cyclical factors lifted agricultural volumes.

Island View Storage was buoyed by strong demand for bulk storage. Despite fire damage at the Durban site, performance was ahead of expectations. Efforts to increase capacity at Durban and Richards Bay continue.

Bulk Connections achieved a 40,0% increase in throughput, with strong demand from manganese exporters. Continued growth is anticipated as management pursues opportunities to handle a wider range of products.

Bidfreight Port Operations grew on the back of higher ferrochrome exports and increased volumes of cement clinker and soya. BPO's diversification strategy proved timely as steel and pulp exports continued to decline.

Results at Rennies Distribution Services were disappointing. Volumes in support of certain retailers fell and paper product volumes came under pressure. Warehousing was downscaled in some centres.

SACD Freight's container depot operations had a good year despite the slowdown in imports from Asia. Replacement business was secured and many facilities operated near capacity.

South African Bulk Terminals witnessed exceptional grain handling volumes, notching up a series of vessel unloading records, following major capital investment. Agricultural volumes eased in the final quarter.

Naval's coal and bagged cereal cargo volumes fell as competitive pressure mounted. Manica Africa was impacted by lower volumes from the DRC and Zimbabwe.

Safor Panalpina achieved improved operating results.

Marine Services did well to maintain last year's momentum.

Bidfreight expects strong freight and commodity volumes to continue in 2009, albeit at a lower growth rate than in 2008.

Bidserv

Businesses across Bidserv recorded pleasing results with a 22,5% increase in revenue – up from R5,2 billion to R6,4 billion. Trading profit of R838,7 million (2007: R660,0 million) was up 27,1%.

All areas of major operational focus performed well. National infrastructure expansion was positive as increased service support is required.

Prestige consolidated its position as a cleaning industry leader thanks to consistent levels of service and successful tenders. TMS Group Industrial Services grew on continued equipment and infrastructure investment. Several small acquisitions widened the offering.

Laundry Services benefited from high hotel occupancy and bigger garment rental volumes as companies respond to demands for better health and hygiene standards. However, escalating energy costs create a strategic challenge.

Steiner's flagship brand, Steiner Hygiene, achieved an acceptable performance. Infrastructure spending rose as they expanded their footprint.

Range extension underpinned growth at Bidserv Industrial Products as the transformation of G.Fox into a national brand continued to pay off. Giant Workwear and Clockwork Clothing performed well. Hotel Amenities and Accessories secured several new contracts while Bidprocure continued to deliver cost savings and efficiencies.

Top Turf had a good year, completing one major golf course built in Mauritius and one in Limpopo. A specialised golf course unit has been set up.

Bidair achieved pleasing results. Expanded services have bedded down following the award of a 'super licence' for ground handling services at ACSA airports. Good service levels are being achieved and 2 000 new jobs have been created.

Within the Security division, the Magnum Shield guarding operation completed a significant turnaround. Vericon performed well but Provicon did not meet expectations. Global Payment Technologies reached its targets.

Office Automation performed extremely well. Konica Minolta benefited from high demand for multi-functional devices and the marketplace success of the bizhub format. Strong demand was evident for Océ printing services.

Bidtravel optimised buoyant conditions in travel and hospitality. The online booking engine previously housed at mymarket Business Solutions has been integrated into Bidtravel.

Bidvest Bank and Master Currency traded exceptionally well. Strong growth was achieved in Bidvest Bank following new product launches in the foreign exchange field.

Bidserv plans continued niche diversification and will seek growth across the board with particular emphasis on opportunities in travel and hospitality.

Bidvest Europe

The division recorded steady results with 12,4% revenue growth, up from R30,0 billion to R33,7 billion. Trading profit rose 16,1% to R879,8 million (2007: R757,6 million). Gains were achieved despite a rapidly slowing British economy, though economic headwinds took longer to reach Deli XL in the Netherlands and Belgium.

In the UK, 3663 First for Foodservice focused on cost control, synergies and range extension. The most significant new account gain was that of the Gondola Group which operates over 500 UK restaurants.

Consolidation of frozen, fresh, chilled and multi-temperature operations reduced headcount by 300 while opening the way for service improvements.

Food inflation rose and extension of a public smoking ban from Scotland and Wales to England impacted the pub market. Customers remained resistant to rising foodservice prices, despite spiralling inflation. Margin management became a focus area.

The Whites aspirational brand was further extended and a successful entry into the wine market achieved.

Operations in the Netherlands expanded following two bolt-on acquisitions in the foodservice business and investment in two localised fresh produce suppliers. The chilled foods distribution warehouse at Ede was enlarged.

The market in the Netherlands remains highly competitive, with aggressive use of e-tenders, e-auctions and buying consortia. However, our operations are establishing themselves as efficient suppliers and are market leaders.

In Belgium, last year's acquisition of Flanders-based Kruidenier bedded down well. A strong platform in the north now complements Deli XL's established hub in the south.

A wider offering across the fresh, ambient and frozen categories was well received. Range extension was developed further through the introduction of the Whites brand.

In Dubai, Horeca Trade doubled the size of its business. The strategy of complementing dry goods with a multi-temperature offering is a resounding success.

Bidvest Europe will seek revenue and profit growth while remaining alert for growth opportunities.

Bidvest Asia Pacific

Exceptional results saw a 63,2% revenue increase to R14,5 billion while trading profit rose 59,1% to R551,4 million. Results reflect the first full-year contribution of Angliss Hong Kong and Singapore. Rand depreciation against Asian Pacific currencies was beneficial. All jurisdictions saw strong growth despite tougher economic conditions, particularly in New Zealand. Substantial food price inflation was well managed to achieve a positive outcome for the division.

The Australia and New Zealand businesses benefit from an increasing eating-out trend. Angliss units are major beneficiaries of the Asian trend toward greater variety in meal choices and a preference for some Western foods, which grow in popularity.

Revenue at Bidvest Australia rose 17,5% to A\$1,4 billion while trading profit moved 24,6% higher to A\$55,7 million (2007: A\$44,7 million). Growth across all divisions was achieved by continued focus on range extension, development of the customer base and geographic expansion. The business has a solid foundation from which growth will be achieved through increased sales, margin enhancement and operational efficiencies.

Bidvest New Zealand's trading profit rose 17,0% to NZ\$16,8 million on revenue of NZ\$383,9 million. All businesses (foodservice, fresh produce and logistics) performed ahead of budget. The ability to back an extensive foodservice range with high-quality fresh produce drove market gains in an economy that appears to be in recession.

Angliss businesses with their trading bias were well positioned to protect margins by strategic buying. Management in Hong Kong and Singapore have embraced Bidvest's entrepreneurial culture in a seamless transition of ownership, and results exceeded our expectations in the first full year of ownership.

Angliss Hong Kong achieved trading profit of HK\$45,5 million on revenue of HK\$1,4 billion and more than doubled budgeted profits. Trading opportunities and operational efficiencies contributed to the excellent results.

Angliss Singapore achieved trading profit of S\$10,7 million off revenue of S\$315,6 million. Results benefited from foreign currency gains. Operational efficiencies and regional expansion remain a focus area with the opening of a Malaysian office in July 2008.

Bidvest Asia Pacific will seek continued growth in all markets.

Bidfood

The division's autonomous units, Caterplus, Speciality and Bidfood Ingredients together achieved a 18,4% increase in revenue to R4,4 billion while trading profit rose 31,4% to R358,8 million.

Pressure on consumers was negative for out-of-home eating, impacting Caterplus and its restaurant customers. More in-home eating and emphasis on affordable meal options were beneficial for Bidfood Ingredients and Speciality.

Despite a post-Christmas crisis in the over-traded restaurant sector, Caterplus still increased trading profit by 19,4%. Management grew value per drop while broadening the basket of goods. Improved inventory management and timely stock buy-in protected margins. The Gauteng Chipkins and Sea World operations were successfully relocated to a single site.

Speciality turned in a solid performance. Revenue was up 22,1% while trading profit rose 28,6%. Relocation to larger premises at Crown Mines enabled Johannesburg operations to cope with rising demand while achieving new efficiencies. Deployment of field marketers to complement sales representatives at selected supermarkets drove higher sales.

Bidfood Ingredients achieved a major turnaround and Crown Foods had an exceptional year. The business benefited from the full-year effect of the 2007 restructure whereby Bidbake was split in two to give dedicated focus to yeast manufacture and bakery ingredient supplies.

All businesses adopted a back-to-basics approach, focusing on efficiencies and controls. Trading profit rose 46,6%. Priority was given to solutions that helped customers assist cash-strapped consumers. Solution-finding and trend-spotting became major sources of competitive advantage.

Pressure on consumers will persist in the short term, but Bidfood will pursue competitive advantage and continued growth.

Bid Industrial and Commercial Products

A generally pleasing performance cemented previous gains. In a less benign operating environment, revenue grew 12,4% off a high base to R9,4 billion (R8,4 billion). Trading profit increased by 8,5% to R790,1 million (2007: R728,3 million).

Results reflect prompt response to a more challenging environment. Divisional diversification cushioned some effects of a slowing economy, though margins came under increasing pressure. Rising interest rates sharpened the asset management and cash utilisation challenge – areas of intense management focus.

High infrastructure spending provided a strategic underpin for electrical supply activities, though activity fell in the residential sector. Lower copper and steel prices initially impacted negatively, but prices rebounded.

Voltex teams put in a solid performance, registering good results in all centres. Voltex Lighting continues to benefit from demand for energy-efficient solutions.

Waltons continued its ongoing programme of upgrades and relocations. New-look stores maintained momentum to counteract the effects of the economic slowdown. Results were bolstered by a successful back-to-school season.

Kolok was impacted by intense margin pressures and a resilient rand yet improvement was achieved in the latter part of the year.

Dauphin was buoyed by high levels of corporate project activity while the rebranding of CN Business Furniture (formerly Cecil Nurse) delivered continued benefits.

Afcom GE Hudson and Seating responded to competitive pressures in their respective markets by increasing their level of imports. Buffalo Executape entrenched its leadership position.

Vulcan had a disappointing year, but is poised to benefit from anticipated hospitality industry expansion.

The division expects to maintain current levels of revenue and trading profit growth, benefiting from the non-discretionary nature of many of its products.

Bidpaper Plus

Trading profit fell to R220,2 million (2007: R226,9 million) while revenue grew by 6,2% to R1,9 billion. Bidpaper Plus was impacted primarily by an absence of major cross-border contracts. A slowing domestic economy affected volumes and material cost increases impacted margins. Consumer pressures across most retail sectors reduced demand for print, labels and packaging.

The acquisition of Rotolabel, a producer of self-adhesive labels, supported a growing presence in the labels and packaging industry. The operations of Lithotech Labels and Lithotech Manufacturing were consolidated in Spartan. Growing marketplace acceptance of electronic document presentation drove continued growth at Email Connection.

The capital expenditure programme has peaked and operations focus increasingly on deriving optimum advantage from industry-leading technology while imposing stringent working capital controls. Bidpaper Plus will seek growth on the back of new contracts and more favourable cyclical factors. Growing stimulus is expected from preparations for the 2010 World Cup, though industry pressures will persist.

Bid Auto

Bid Auto comprises the McCarthy group of companies. The impact of declining business confidence, consumer distress and the implementation of the National Credit Act (NCA) was material. Trading profit was 2,6% up at R743,0 million (2007: R724,5 million), though revenue of R18,5 billion (R18,7 billion) was below expectation. The Viamax acquisition was successfully bedded down and enabled the scaling-up of McCarthy Fleet Services, which emerged as the major profit contributor.

New vehicle sales fell 12,2% to 44 434 units. Most of the smaller franchises incurred losses, unable to sustain unacceptably high levels of overheads on current volumes and depressed margins. As a result of lower volumes, the drop in the equity market and the impact of the NCA, the insurance division failed to match previous performance. The major franchises delivered good returns despite lower retail activity.

Used vehicle volumes of 42 182 units were at a record high. Burchmores wholesale-to-the-public proposition proved a major success. By year-end Burchmores was the country's largest seller of used vehicles. Auction business was brisk following a flood of repossessions by the major financial institutions.

The vehicle import and distribution business and the Value Centre/Value Serv networks incurred substantial losses. Initial response to the launch of the light commercial vehicles sourced from China was disappointing. In May 2008, Bid Auto successfully introduced the Chery range of vehicles which boasts the most affordable cars in each of their market segments.

McCarthy Heavy Equipment increased its market share and also opened a Cape Town branch. Yamaha Distributors delivered good returns at much lower activity levels, impacted by reduced consumer demand for leisure products and intense, price-based competition. Budget Car and Van Rental had a disappointing year as a result of high funding costs, the continuation of the rate war and a sharp escalation in vehicle thefts and accidents.

An increasingly difficult trading environment is anticipated. Dealer network rationalisation, expense savings and working capital management will receive priority. Further growth in parts and service business will be pursued while seeking continued expansion in the used-vehicle market. Further synergies will be exploited by McCarthy Fleet Solutions and corrective action will be taken at loss-makers.

Corporate

2010 World Cup commercialisation planning was stepped up and a minority interest acquired in MATCH Hospitality AG, a FIFA-appointed hospitality services company.

The intrinsic value of the Bid Property Holdings strategic portfolio continued to rise. New developments for Bid Auto were completed and work began on new premises for Bidpaper Plus and Caterplus.

Bidvest Namibia, established to consolidate the Group's Namibian interests, is well positioned ahead of a listing on the Namibian Stock Exchange. Namsov, part of Bidfish, performed strongly, reversing first-half losses thanks to better catches and firmer prices. Solid contributions came from the previous assets of Bid Industrial and Commercial Products and Bidserv.

UK-based Ontime Automotive was impacted by fuel hikes and the termination of volume distribution loss-making contracts. Ontime Parking Solutions won a major tender and Prestige Vehicle Distribution exceeded target.

PROSPECTS

Economic conditions remain challenging in most industries in which we operate and may worsen in 2009. Tougher times create greater opportunities for those who manage well. Bidvest has a record of growth in adverse conditions and strong performance in times of high inflation.

Our balance sheet remains strong and we will look to leverage our position to fund strategic acquisitions. We seek to unlock growth opportunities; South Africa, Africa, Europe, Australasia and East Asia.

Our South African businesses will benefit from the 'World Cup effect' as we move closer to 2010 while high levels of infrastructure spending should sustain growth. The anticipated listing of our Namibian assets provides a model for the future development of our interests in various African regions.

Our businesses in the UK and Europe will have to contend with macro-challenges, but are strongly placed to leverage competitive advantage in tougher markets.

In Asia Pacific, we see growth opportunities for our market leaders in Australia and New Zealand. We are particularly excited about prospects in the greater Asian region.

Internally, we will focus on incremental returns from recent investments while optimising the management of working capital. Retention of skills and human capital development remain areas of management focus.

We maintain our commitment to sustained shareholder value creation. We are well on track to achieve our 2005 goal of doubling the size of Bidvest by 2010.

MC Ramaphosa

Chairman

B Joffe

Chief executive

DISTRIBUTION OUT OF SHARE PREMIUM

Notice is hereby given that a final cash distribution out of share premium of 275,0 (2007: 248,4) cents per share, in lieu of dividend, has been awarded to members recorded in the register of the Company at the close of business on Friday, October 10 2008.

Shareholders are advised that the last day to trade 'cum' the distribution will be Friday, October 10 2008. The shares will trade 'ex' the distribution as from Monday, October 13 2008 and the record date will be Friday, October 17 2008. Share certificates may not be rematerialised or dematerialised during the period Monday, October 13 2008 to Friday, October 17 2008, both days inclusive. Payment will be made on Monday, October 20 2008.

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.

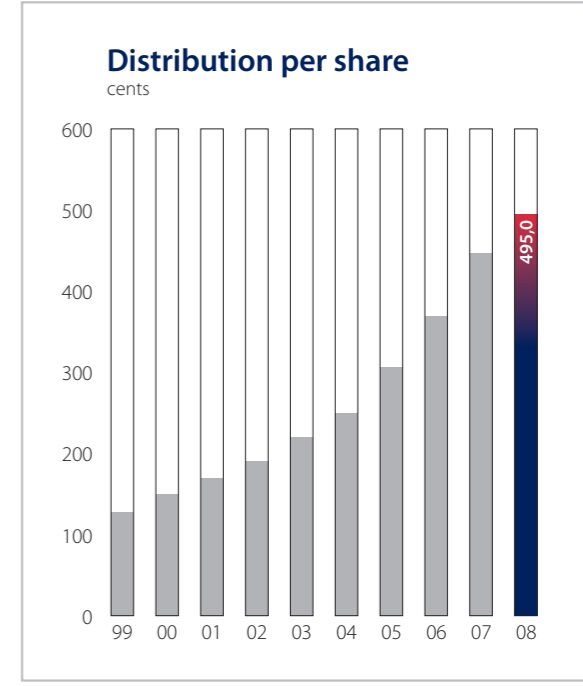
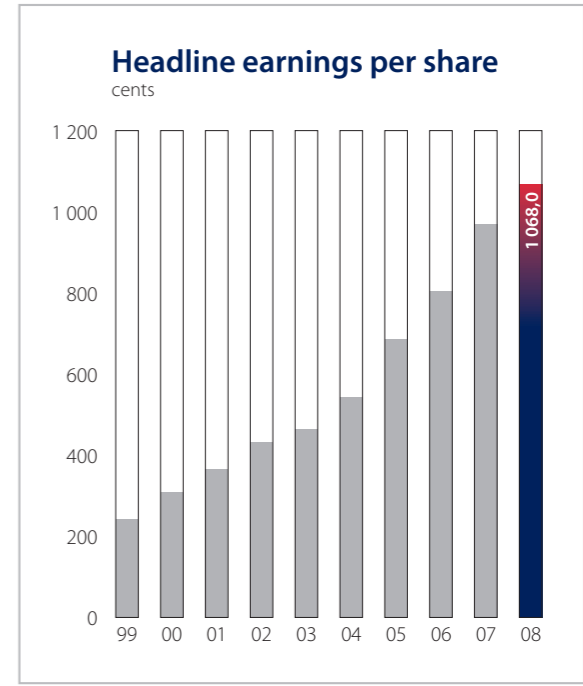
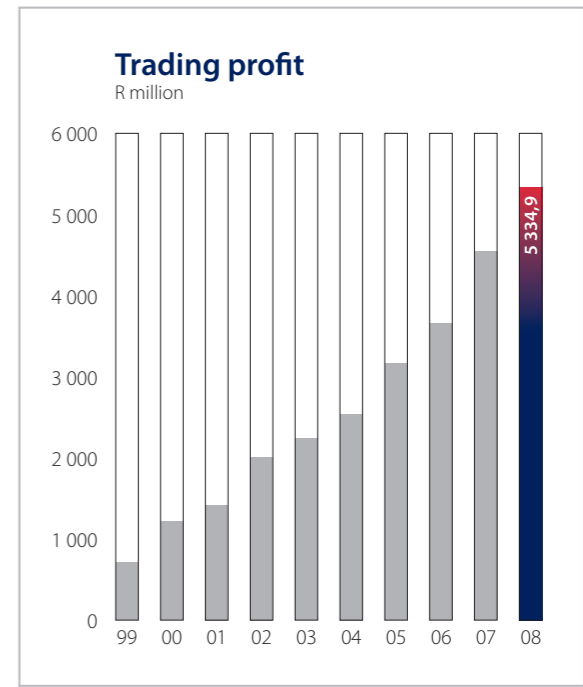
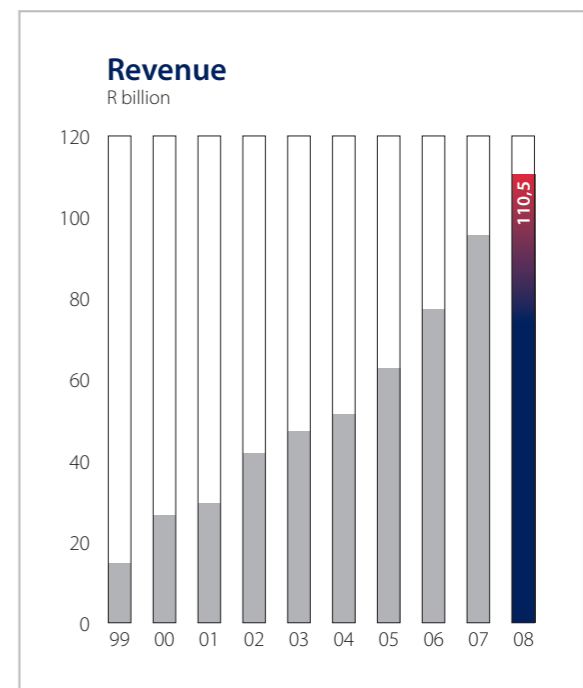
For and on behalf of the board

MA David

Company secretary

Johannesburg

August 29 2008



The Bidvest Group Limited

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

Directors

Chairman: MC Ramaphosa

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

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

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

(*British **Australian)

Company secretary

MA David

Transfer secretaries

Link Market Services South Africa (Pty) Limited, 11 Diagonal Street, Johannesburg 2001, South Africa.

PO Box 4844, Johannesburg 2000, South Africa.

Registered office

Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg 2196, South Africa.

PO Box 87274, Houghton, Johannesburg 2041, South Africa.

Registration number

1946/021180/06

Share code:

BVT

ISIN:

ZAE000117321

Further information regarding our financial results can be found on the Bidvest website: www.bidvest.com



... when Bidvest people take on a challenge