BIDVEST REPORTS 11,1% RISE IN HEPS TO 1 733,9 CENTS FOR YEAR TO JUNE 2014

HIGHLIGHTS

- **Turnover up 19,7% to R183,6 billion (2013: R153,4 billion)**
- **Trading profit rises 16,6% to R8,9 billion (2013: R7,7 billion)**
- **Acquisitions account for R7,2 billion of revenue growth**
- **HEPS rise 11,1% to 1 733,9 cents**
- **Basic earnings per share dip 4,2% to 1 462,0 cents**
- **Issue of fully paid ordinary shares of 5 cents each as scrip distribution**
- **Cash from operations before working capital changes rises 16,0% to R10,7 billion**
- **Board resolves to evaluate the benefits of listing of the international foodservice operations on the LSE**

Bidvest CE Brian Joffe today (Monday Sept 1) reported satisfactory trading results for the year to June 30. He said last quarter trading conditions in South Africa became increasingly disruptive, compounded by prolonged labour unrest and declining consumer demand.

Headline earnings per share (HEPS) rose 11,1% to 1 733,9 cents. Basic earnings per share fell 4,2% to 1 462,0 cents, impacted by capital items, which included a R1,056 billion impairment of the investment in Adcock Ingram Holdings (Adcock).

Joffe noted: "Bidvest South Africa delivered improved trading results in most divisions, assisted by the acquisitions of Home of Living Brands (HoLB) and Mvelaserve."

Bidvest Namibia's trading profit declined as lower fishing performance negated improved Commercial results.

Bidvest Foodservice results reflected improved performances and real growth in home currencies.

"The core Australian and New Zealand markets remain resilient, driven by expansion and innovation into new segments of the food market," said Joffe. "The UK businesses did well, particularly the specialist fresh businesses. In Europe, signs of recovery were evident across some markets, though improvement was subdued in the Netherlands and Belgium."

FINANCIAL OVERVIEW

Turnover rose 19,7% to R183,6 billion (2013: R153,4 billion). Major increases occurred in Bidvest Asia Pacific (R4,8 billion) and Bidvest Europe (R14,0 billion), reflecting organic growth and currency effects. Acquisitions accounted for R7,2 billion of revenue growth.

Gross profit rose 23,1% off a revenue increase of 22,0%. Operating expenses increased by 24,6%. Excluding foreign currency movements, the rise was 14,9%. Excluding acquisition effects, like-for-like costs rose 10,2%.

Share-based payments rose by R67,5 million, reflecting increased staff incentivisation costs and the higher Bidvest share price. Once-off acquisition costs related to investment activity rose by R59,9 million (about 1,1% of HEPS).

The Group grew trading profit by 16,6% to R8,9 billion (2013: R7,7 billion). Gross trading margin dipped to 4,9% (2013: 5,0%).

The average rand exchange rate weakened against major Group currencies and net finance charges rose R283,7 million to R1 048,3 million (2013: R764,5 million), a function of investments and acquisitions, greater working capital utilisation, higher South African interest rates and larger foreign finance charges at higher average exchange rates.

Associate earnings dropped as Mvelaserve and HoLB became subsidiaries. Comair showed improvement.

Joffe said Bidvest's financial position remains robust and its attitude to gearing prudent "while retaining adequate headroom to accommodate expansion opportunities".

Net debt rose to R7,9 billion (2013: R4,5 billion), largely driven by cash utilised for investments and acquisitions of R5,3 billion. Normalised interest cover (excluding the cost of associate investments) declined to 9,4 times (2013: 10,0 times).

Cash generated by operations before working capital changes rose 16,0% to R10,7 billion (2013: R9,3 billion). The Group absorbed R0,5 billion (2013: R1,9 billion) of working capital. Average monthly ROFE fell from 30,1% to 27,6%, impacted by the Adcock investment. Net working capital days fell to 11 (2013: 12).

Fitch affirmed the Group's national long-term rating at AA(zaf) in January 2014. Moody's continue to rate the Group at A1.za with a stable outlook.

ACQUISITIONS

Bidvest acquired the remaining 71,7% of HoLB for R538,0 million, effective July 1 2013. Bidvest also purchased the majority shareholding of outsourcing firm Mvelaserve. Bidvest already owned just under 35%. The R846,6 million cash transaction became effective from November 1 2013.

A 60% stake in Brazil's Distribuidora E Importadora Irmãos Avelino was acquired with effect from January 1 2014 for R$48,6 million (R229,7 million) – part of Bidvest's expansion into South American foodservice markets.

In January and February 2014, Bidvest acquired another 44,5 million Adcock shares for R3,9 billion, bringing its total voting interest to approximately 30,0%. The Group has accounted for Adcock as an associate with effect from March 1 2014.

Joffe pointed out: "Adcock performance has been negative, below expectation and at complete variance to what was portrayed in publicly published information prior to and at the time of our investment.

"Given uncertainty around current trading performance, Bidvest continues to evaluate its position and has not determined whether to take steps to achieve control.

"The Group also made a number of smaller acquisitions. Integration is progressing well."

Total net investments reached R5,3 billion.

With effect from July 1 2014, the Group acquired 60% of Gruppo Dac S.p.A., a leading Italian foodservice provider, and control of PCL 24/7, a British chilled products storage and distribution business. The aggregate purchase consideration was approximately R1,7 billion (£95 million).

DISTRIBUTION

For the year ended June 30 2014, the board declared a final distribution by way of fully paid ordinary shares of 5 cents each as a scrip distribution payable to ordinary shareholders, who will be entitled to elect to receive a gross cash dividend of 432,0 cents per ordinary share in lieu of scrip. At the closing price of R281,32 on August 29 2014, the scrip dividend equates to 436,0 cents per share based on 1,55 shares for every 100 held.

PROSPECTS

Group prospects remain positive, supported by anticipated benefits from recent acquisitions and investments.

Joffe commented: "In South Africa, trading conditions are expected to remain tough, compounded by the impacts of a rising interest rate climate, its impact on consumer demand and low economic grow. Divisional teams continue to focus on delivering real organic growth and unlocking synergies while seeking acquisitive opportunities."

Further opportunities will be sought in consumer products while in products-related businesses "progress continues to be made as we implement our Africa strategy".

In Asia Pacific, opportunities for expansion of the wholesale model will be explored, particularly to independent foodservice customers while growing the Fresh footprint. Broader exposure to mainland China was being achieved along with South American expansion.

Joffe added: "In Europe, work focuses on the independent wholesale foodservice segment. Opportunities to add new product ranges and expand local footprints will be pursued while the post-year-end acquisitions of DAC and PCL create exciting potential for the whole foodservice group."

The Adcock board has reported that reorganisation and corrective action are expected to stabilise the business.

Brian Joffe added: "Bidvest remains conscious of the need to ensure the relevance of our business models and structure in a rapidly and ever-changing global environment. In view of strategic considerations for Bidvest and prevailing international equity market conditions, the board has resolved to evaluate the benefits of listing the international foodservice operations on the London Stock Exchange.

"Management will focus on improving asset management to increase returns in our existing businesses while extracting value from the many acquisitions that have been concluded. Management is confident Bidvest's 143 828 extraordinary people will deliver improved performance in the year ahead."

DIVISIONAL REVIEW

Bidvest South Africa

Highly creditable results reflect meaningful contributions by all operations, with turnover up 15,7% at R80,2 billion (2013: R69,3 billion). Trading profit rose 17,0% in challenging business conditions to R4,9 billion (2013: R4,2 billion). Former Mvelaserve businesses were responsible for 6,3% of the overall profit growth while Consumer Products contributed 2,4%. Academy Brushware contributed 0,7%.

Automotive trading profit dipped 3,6% to R618,0 million (2013: R641,0 million) in a significant market slowdown. At R21,9 billion (2013: R20,7 billion) turnover was up 5,7%, largely the result of new vehicle price inflation. New vehicle sales dropped on the exit of certain low-selling brands. Used vehicle sales rose 14,6%. The market was characterised by fierce discounting and margin erosion. Mercedes, Land Rover and Jaguar made good contributions. A refocused Burchmore's did well.

Consumer Products (Home of Living Brands) achieved pleasing turnover of R1,3 billion with trading profit of R102,1 million. Exchange rate volatility, competitor brands and house brands impacted margins. A sales division restructure contributed to rigorous cost management. Promotional activity helped drive sales.

Electrical achieved satisfactory results, with turnover up 8,6% to R4,9 billion (2013: R4,5 billion), while trading profit rose 14,9% to R258,2 million (2013: R224,6 million). Launch of the Voltex MVLV joint venture drove growth in the high-tech transformer, generator and substation space, while the Invirohub rollout spearheaded growth into smart metering and energy management. Expenses were up 15,9%, largely due to once-off costs to re-engineer and expand the business.

Financial Services put in a satisfactory performance, achieving trading profit of R616,7 million (2013: R594,9 million). Turnover was up 14,1% to R1,7 billion (2013: R1,5 billion). At Bidvest Bank, profit before tax fell 4,5% to R346,5 million (2013: R362,9 million), as a major leasing contract winds down. Operating income rose 0,7% to R903,3 million (2013: R896,7 million). Continued growth was achieved in transactional banking and treasury volumes. Cash and cash equivalents rose 17,4% to R2,1 billion. Moody's reaffirmed the bank's rating as A3.za/P-2.za with a stable outlook. The acquisition of Grindrod Bank and Grindrod Financial Services is progressing through due diligence. Bidvest Insurance increased pre-tax profit by 19,3% to R266,8 million. Gross written premiums rose 42,8% to R317,3 million. Total investment income rose 46,9% to R206,7 million. Total assets under management reached R1,4 billion.

Freight put in a strong performance, increasing trading profit by 13,7% to R1,1 billion (2013: R979,4 million). Turnover rose 6,7% to R26,8 billion (2013: R25,1 billion). Bulk Connections continued its strong run with a record performance. The BC upgrade took annual terminal volumes to 4,5 million tonnes. Bidfreight Port Operations performed strongly, with an exceptional stevedoring contribution. South African Bulk Terminals volumes were under pressure, but the business ended the year strongly. Island View Storage's cost control and restructuring helped drive profit growth. Bidvest Panalpina Logistics put in a strong finish, with a good contribution by transport operations. Warehousing performance improved.

Industrial results were satisfactory, with trading profit rising 46,1% to R125,7 million (2013: R86,0 million), bolstered by the Academy Brushware acquisition. Turnover rose 30,8% to R2,0 billion (2013: R1,5 billion). Strong performances were put in by Vulcan, Afcom and Bidvest Materials Handling. Yamaha made an exceptional contribution. Management changes were made at Berzacks.

Office results were bolstered by the acquisition of Zonke Monitoring Systems, with turnover up 10,8% to R4,7 billion (2013: R4,2 billion). Trading profit rose 12,7% to R365,5 million (2013: R324,3 million). Stationery found the going tough and costs were cut. Furniture results were mixed. Technology produced good results, strengthened by Konica Minolta. Medical gained traction.

Paperplus turnover was up 21,1% at R4,9 billion (2013: R4,0 billion), reflecting good operational performance and the inclusion of Stamford Sales. Trading profit was 12,2% higher at R315,6 million (2013: R281,3 million). Restructuring unfortunately resulted in some job losses. Kolok performed strongly with a good Mozambican contribution. Lithotech did well, Data made a stronger contribution, Packaging developed critical mass and Silveray had a better year. Rotolabel faced challenges.

Rental and Products achieved turnover growth of 6,4% to R2,4 billion (2013: R2,2 billion) while trading profit rose 9,6% to R477,6 million (2013: R435,8 million). Bundled services remain a focus area. Newly acquired RoyalServe and Sanicorp performed to expectation. Integration went well. Steiner put in a good performance. G. Fox opened operations in Botswana, Swaziland, Zambia and Zimbabwe. Laundries introduced direct sales of corporate clothing. Hotel Amenities Suppliers had a better year.

Services was buoyed by Mvelaserve integration. Turnover rose 123,8% to R7,2 billion (2013: R3,2 billion), with trading profit up 90,8% to R527,5 million (2013: R276,5 million). The TFMC acquisition enabled energetic entry into facilities management and critical mass was achieved in the security cluster following the integration of Protea Coin Security and Magnum. Protea Coin provided a platform for entry into international markets. Integration of RoyalServe Cleaning and Prestige created one of SA's largest cleaning businesses. Results at a greatly enlarged TMS were pleasing. Khuseti (King Pie), RoyalMnandi, Velocity and SA Water have joined this division.

Travel and Aviation trading profit rose 10,9% to R421,4 million (2013: R379,9 million). Turnover rose 9,4% to R2,4 billion (2013: R2,2 billion). Ground-handling operations entrenched their position as industry leaders, Bidvest Premier Lounges performed strongly and Budget-Rent-a-Car achieved average rates growth. Webjet customisation facilitated entry into leisure travel. Budget-Rent-a-Car Namibia was acquired.

Bidvest Foodservice

General performance was highly satisfactory, with trading profit up 28,0% to R3,2 billion (2013: R2,5 billion). Turnover rose 23,6% to R102,3 billion (2013: R82,7 billion). Several small acquisitions were completed as was our first foray into Brazil.

Bidvest Asia Pacific continued its growth trajectory. Turnover was up 16,9% to R33,5 billion (2013: R28,6 billion) with trading profit up 23,8% at R1,5 billion (2013: R1,2 billion). Rand weakness was beneficial, though the Australian dollar was only 5% stronger on average.

Bidvest Australia achieved strong sales and trading profit growth after an exceptional fourth quarter. Growth was driven by new business gains as food inflation remained close to zero. The company exited low-margin accounts and continued the rebalancing of its customer portfolio. Growth was underpinned by a strong Foodservice result. Hospitality showed improvement. Logistics performance was disappointing. Fresh again performed well and presents opportunities for future growth following the enhancement of the fresh produce and meat offerings. Two small fresh produce businesses were acquired, plus a meat operation. Facilities investment continued.

Bidvest New Zealand performed strongly. Sales growth was above expectation. Trading profit was up significantly. Foodservice and Fresh did well. Logistics was in line with expectations. Auckland Foodservice moved into new premises, our largest investment to date in the New Zealand business. Processing (Meat and Produce) was under pressure. E-commerce gains continued.

Angliss Greater China performed well. Hong Kong business was marginally below expectation. Results were lifted by a strong mainland showing. Major Chinese branches in Beijing, Shanghai, Shenzen and Guangzhou did well.

At Angliss Singapore, sales fell on the planned exit from commodity trading, though profits were maintained. Foodservice grew in the hotel, club and restaurant segments. Focus on better margin business assisted penetration of key product segments. The business has been substantially and successfully restructured and refocused.

Bidvest Chile achieved strong growth on the acquisition of Comon, a business considerably larger than Deli Meals, the existing Chilean operation. The merged business, renamed Bidvest Chile, is Chile's second largest foodservice wholesaler. Bidvest Brazil (a 60% stake in Irmãos Avelino) achieved satisfactory growth.

Bidvest Procurement Company increased sales.

Europe

Signs of recovery were evident, though improvement was subdued in the Netherlands and Belgium. UK businesses did well. Rand translation was positive and underlying results pleasing. Turnover rose 29,1% to R62,2 billion (2013: R48,2 billion). Trading profit moved 40,4% higher to R1,3 billion (2013: R936,2 million).

In the UK, Bidvest 3663 achieved strong sales growth. Working capital was well controlled. Range rationalisation contributed to efficiencies. Two new depots opened. Bidvest Logistics performed in line with budget, with case volumes at record levels. Our PCL purchase will enable us to maximise the utilisation of Logistics assets. Bidvest Fresh UK again performed well. A London fish business was bought out of bankruptcy. A further acquisition enabled Fresh to enter the meat market and strengthen Scottish operations.

Netherlands delivered trading profit above prior year. Catering volumes grew, but decline accelerated in the institutional market. Belgium performed somewhat below expectation, though catering and Horeca sales held up.

At Bidvest Czech Republic and Slovakia, sales recovered on the back of stronger Foodservice performance and a new ordering system. Tourism bolstered hotel and restaurant sales. Retail pressure intensified. Demand for chilled products firmed. The first Nowaco/Bidvest retail store opened in Prague.

Farutex Poland grew sales and profit. Wholesale volumes rose. Food and wine sales assisted recovery.

Bidvest Baltics achieved good sales gains, driven by Foodservice growth. Trading losses narrowed to almost break-even.

Bidvest Middle East began expansion into Bahrain, Lebanon and Oman. Horeca Trade (UAE) grew profit and sales. Cherrypik achieved steady retail growth, but is still loss-making in its set-up phase. The Saudi Arabia business increased volumes. Turkish operations continued to expand.

Bidvest Spain recorded a small anticipated trading loss in its first six months.

DAC offers Italy-wide distribution and gives our global business greater access to Italian sourced product.

Southern Africa

Overall sales were in line with expectation. Some market-share growth was secured. Turnover was up 11,5% to R6,6 billion (2013: R5,9 billion). Trading profit rose 9,0% to R371,0 million (2013: R340,5 million). Net margin narrowed as trading conditions deteriorated. Bidvest Foodservice grew in the industrial catering segment. Crown grew across most categories, especially the independent and dairy channels. Bakery Solutions performed strongly in the independent craft market. Patley's acquired new brand principals. Exports grew and Crown Foods began Zambian operations.

Namibia

Bidvest Namibia remained under pressure on lower direct fishing quotas and weak fish prices. However, continued gains by commercial businesses underpinned a 10,7% rise in turnover to R4,0 billion (2013: R3,6 billion). Trading profit fell 16,6% to R493,7 million (2013: R592,2 million). A protracted legal dispute impacted performance at the Bidfish JV in Angola. The pilchard businesses performed well. Stronger contributions were made by Freight and Logistics and Commercial and Industrial Services.

Corporate

Bidvest Properties continued the development and refurbishment of premises for divisional operations. Cost-cutting continued at the UK-based Mansfield Group. At Ontime Automotive, the Lotus distribution contract was renewed while unit volumes rose on the BMW contract. Significant once-off costs relating to the Mvelaserve acquisition were incurred.

ISSUED ON BEHALF OF:	THE BIDVEST GROUP LIMITED
BY:	APRIO STRATEGIC COMMUNICATIONS
BIDVEST CONTACTS:	**Brian Joffe** (Chief Executive) Tel: (011) 772-8704 **David Cleasby** (Financial Director) Tel : (011) 772-8706 Mobile: 083 228 1810
CONSULTANCY CONTACT:	**Julian Gwillim** Mobile: 082 452 4389 Tel:(011) 880 0037