

Bidvest Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1946/021180/06)
Share code: BVT
ISIN: ZAE000117321
("Bidvest" or "the Company" or "the Group")

Announcement relating to:

- **the proposed unbundling by Bidvest;**
 - **the listing of Bid Corporation Limited ("BidCorp") on the JSE; and**
 - **withdrawal of cautionary announcement.**
-

1. Introduction

Shareholders of Bidvest ("Shareholders") are referred to the announcement released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on February 8 2016 regarding the proposed listing ("the Listing") and subsequent unbundling of its foodservices business on the main board of the JSE ("the Unbundling").

The Unbundling is presumed, without confirmation, to constitute a section 112 disposal in terms of the South African Companies Act, 71 of 2008, as amended ("the Companies Act") and as such Bidvest is required to consider the provisions of the Companies Act and the Takeover Regulations in implementing the Unbundling. The Unbundling will result in Shareholders holding a direct interest in BidCorp rather than holding that interest through Bidvest.

2. Background to and rationale for the Unbundling

The Bidvest Group is an international services, trading and distribution company listed on the JSE and operating on five continents. We are proud of our South African roots and our place on the JSE. At the same time, we have become a global business with further international growth on the horizon both within our food and industrial businesses. The evolution of Bidvest into two distinct businesses comprising Bidvest Industrial, a major diversified industrial group operating in southern Africa employing c.117,000 people and generating turnover and trading profit of c.R93 billion and R5.7 billion respectively for the year ended June 30 2015 and Bidvest Foodservice, a global foodservice business operating in multiple geographies, has been a natural progression over many years. Both businesses have divergent strategic focuses and require different management skills.

A clear separation of interests will provide for greater management focus and enable management to identify opportunities both locally and abroad thereby increasing the scope for entrepreneurial flair. Consequently, the board of directors of Bidvest ("the Board") had decided to separately list and unbundle the foodservice business from Bidvest thus creating two fit for purpose businesses managed by focused teams that are better equipped to sustain and grow their respective businesses.

The Board believes that the separation of BidCorp from the Bidvest Group will enable the following:

- streamline the activities and operations of the Bidvest Group which will ensure an improved platform from which to pursue continued growth;
- greater transparency with regard to the nature of the activities and geographies in which each of BidCorp and the remainder of the Bidvest Group operate and their respective potential values;

- improve management focus to assist in identifying acquisition opportunities both locally and abroad and to enable management to mitigate and manage specific risks and challenges faced by each individual business;
- enable the respective management teams of BidCorp and Bidvest to express their entrepreneurial flair and take direct responsibility and accountability for the performance and growth of the respective companies;
- enable smooth and transparent management succession, planning and implementation; and
- provide flexibility to anticipate and react to changes within the specific market segments and economic landscapes within which each company operates.

3. The Listing and the Unbundling

In order to give effect to the Listing and Unbundling, Bidvest will, prior to the Listing and Unbundling:

- dispose of the all of the shares in Bidvest Food Africa Proprietary Limited ("Bidvest Food Africa"), Bidvest Food Properties Proprietary Limited ("Bidvest Food Properties") and the Bidvest treasury shares ("the Transferring Assets") to its wholly-owned subsidiary, BidCorp, prior to the Listing, in terms of asset-for-share transactions and unbundling transactions in accordance with the provisions of sections 42 and 46 of the Income Tax Act 58 of 1962, as amended (the "Income Tax Act") ("the Disposal"); and
- acquire EAS Zimbabwe (Pvt) Limited, EAS Zambia Limited and Bidvest Zambia Limited ("the Excluded Assets") from BidCorp in terms of an unbundling transaction in accordance with the provisions of section 46 of the Income Tax Act (collectively, "the Internal Restructuring").

The net book value of the Transferring Assets being disposed of by Bidvest is approximately R2.8 billion and the net book value of the Excluded Assets being acquired by Bidvest is approximately R6.2 million.

Subject to the fulfilment of the suspensive conditions as set out in paragraph 4 below, Bidvest will distribute all of the BidCorp shares held by the Company to all of its Shareholders recorded in the register at the close of business on Friday, June 3 2016 ("the Record Date") by way of the Unbundling, which shares will be listed on the JSE in the "Food Retailers and Wholesalers" sector of the Main Board of the JSE.

Shareholders will indicatively receive 1 BidCorp share for every 1 Bidvest share held on the Record Date (subject to the rounding convention applied by the JSE).

The general meeting of Shareholders to consider and, if deemed fit, pass the resolutions necessary to give effect to the Unbundling will be held on or about Monday, May 16 2016 ("the General Meeting").

In terms of the Companies Act, the resolution to approve the Unbundling requires the approval of at least a 75% majority of Shareholders present or represented by proxy at the General Meeting and entitled to vote.

4. Suspensive conditions

The implementation of the Unbundling is subject to the fulfilment or waiver (by Bidvest, to the extent permitted) of the following suspensive conditions on or before Tuesday, May 17 2016:

- the resolutions authorising the Unbundling shall have been passed by the requisite majority of the votes of Shareholders at the General Meeting;
- Bidvest shall have obtained a 'binding class tax ruling' and a binding private tax ruling in terms of sections 78 and 79 of the Tax Administration Act, 2011, in regard to the Disposal and the Unbundling on terms satisfactory to the Board; and

- the Takeover Regulation Panel shall have issued a certificate of compliance in respect of the Unbundling in terms of section 115 of the Companies Act.

5. Pro forma financial effects of the Unbundling

The table below sets out the pro forma financial effects of the Unbundling.

Based on Bidvest's consolidated interim results for the period ended December 31 2015, the pro forma financial effects of the Unbundling on the earnings per share ("EPS"), diluted EPS, headline earnings per share ("HEPS"), diluted HEPS, normalised HEPS, net asset value ("NAV") and tangible NAV ("TNAV") of the Bidvest Group are set out below.

These financial effects are prepared for illustrative purposes only in order to assist Shareholders to assess the impact of the Unbundling and, because of their nature, may not give a fair presentation of Bidvest's financial position, changes in equity, results of operations or cash flows after the Internal Restructuring and Listing nor the effect of the Unbundling on Bidvest's results of operations.

The summarised pro forma financial effects have been prepared in a manner consistent in all respects with International Financial Reporting Standards ("IFRS"), the accounting policies adopted by Bidvest as at June 30 2015 and the Revised SAICA Guide on Pro Forma Financial Information and the Listings Requirements of the JSE.

The pro forma financial effects are the responsibility of the Board. The material assumptions used in the preparation of the pro forma financial effects are set out in the notes following the table below.

	6 months ended December 31 2015	6 months ended December 31 2015
Per Bidvest share	Before the Unbundling	After the Unbundling
	Unaudited	Pro forma
EPS (cents)	930.9	414.3
Diluted EPS (cents)	925.8	412.1
HEPS (cents)	1 001.5	482.2
Diluted HEPS (cents)	996.0	479.7
Normalised HEPS (cents)	1 001.5	493.3
NAV (cents)	12 897	5 681
TNAV (cents)	7 147	4 599
Number of Bidvest shares in issue (thousands)	335 404	335 404
Number of Bidvest shares in issue net of treasury shares (thousands)	326 837	330 955
Weighted average number of Bidvest shares in issue (thousands)	325 399	329 517

Notes to the pro forma financial effects:

1. The "Before the Unbundling" column sets out the EPS, diluted EPS, HEPS, normalised HEPS, diluted HEPS, NAV, TNAV, per Bidvest Group share prior to the Unbundling.
2. The "After the Unbundling" column sets out the EPS, diluted EPS, HEPS, normalised HEPS and diluted HEPS, per Bidvest Group share assuming that the Unbundling took place with effect from July 1 2015 for pro forma statement of comprehensive income purposes and takes into account the following adjustments:
 - a. inclusion of the income, expenditure and taxes relating to the excluded assets which will be transferred to the Bidvest Group in terms of the Internal Restructuring. These adjustments will have a continuing effect on Bidvest's statement of comprehensive income;
 - b. exclusion of the income, expenditure and taxes relating to Bidvest Food Africa, Bidvest Food Properties and the Transferring Assets which will be transferred to BidCorp in terms of the Internal Restructuring;

- c. exclusion of head office costs of R23.4 million and the related taxation adjustment which relate to the costs of executives currently employed by Bidvest but who will be transferred to the BidCorp subsequent to the Listing and Unbundling. These adjustments will have a continuing effect on the Bidvest Group's statement of comprehensive income;
- d. reversal of the administrative fee expense incurred by subsidiaries of BidCorp of R19.7 million and the related taxation adjustment which will no longer be receivable by Bidvest subsequent to the Listing and the Unbundling. These adjustments will have a continuing effect on Bidvest Group's statement of comprehensive income;
- e. share based payment (IFRS 2) relief of R12.4 million, and the related taxation adjustment, which relates to the executives who are currently employed by Bidvest but will be employed by the BidCorp subsequent to the Listing and Unbundling. This adjustment will have a continuing effect on the Bidvest Group's statement of comprehensive income. An additional IFRS 2 charge of R25.7 million and the related taxation adjustment, resulting from the early vesting of the existing CSP scheme will be expensed in Bidvest and will not have a continuing effect on Bidvest's statement of comprehensive income. R19.9 million of this charge relates to BidCorp executives;
- f. expensing of transaction costs, amounting to R18 million, which relate directly to the Listing and which have been expensed in terms of IAS 32: Financial Instruments. These adjustments will not have a continuing effect on Bidvest's statement of comprehensive income; and
- g. interest adjustment has been made in relation to the above items where it is deemed material.

6. Salient dates and times

The salient dates and times in relation to the Listing and the Unbundling are as follows:

	2016
Circular posted to Shareholders	Thursday, April 14
Distribution of BidCorp Pre-listing Statement to Shareholders	Thursday, April 14
Last day to trade in order to be eligible to participate and vote at the General Meeting	Thursday, April 28
Record date in order to participate and vote at the General Meeting	Friday, May 6
Form of proxy (<i>yellow</i>) for General Meeting to be received by 10h00	Thursday, May 12
General Meeting held at Bidvest, the boardroom, Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg at 10h00	Monday, May 16
Results of General Meeting and finalisation information in relation to the the Listing and the Unbundling announced on SENS	Tuesday, May 17
Results of General Meeting and finalisation information in relation to the the Listing and the Unbundling published in South African press	Wednesday, May 18
Last day to trade in Bidvest shares on the JSE to participate in Unbundling	Friday, May 27
Listing of BidCorp from the commencement of business (JSE share code: BID and ISIN: ZAE000216537)	Monday, May 30
Bidvest shares trade ex entitlement to BidCorp distribution shares	Monday, May 30
Announcement of specified ratio in respect of apportionment of costs/base costs of BidCorp for taxation/CGT purposes released on SENS	Tuesday, May 31
Announcement of specified ratio in respect of apportionment of costs/base costs of BidCorp for taxation/CGT purposes released	

published in the press

Wednesday, June 1

BidCorp distribution shares unbundled to Shareholders

Monday, June 6

Shareholder's account with CSDP or broker updated

Monday, June 6

Note:

1. All times shown in this announcement are South African times unless otherwise stated.
2. The above dates and times are subject to amendment. Any material amendment will be announced on SENS and published in the South African press.

7. Board opinion and recommendation

The Board is of the opinion that the terms and conditions of the Listing and Unbundling are fair and that the implementation of the Listing and Unbundling will be to the benefit of Shareholders. Accordingly, the Board recommends that Shareholders vote in favour of the special and ordinary resolutions to be proposed at the General Meeting, a copy of which resolutions are embodied in the Notice of General Meeting forming part of the Circular.

8. Circular to Shareholders

The Circular, including the Notice convening the General Meeting, together with the BidCorp pre-listing statement, which documents contain full details of the Listing and the Unbundling, is being posted to shareholders today. Copies of these documents may be obtained during normal business hours from Thursday, April 14 2016 to Monday, May 16 2016 at the registered office of Bidvest at Bidvest House, 18 Crescent Drive, Melrose Arch, Johannesburg, 2196. Both documents are furthermore available on Bidvest's website being www.bidvest.co.za.

9. General Meeting

Notice is hereby given of the General Meeting of Shareholders to be held at 10h00 on Monday, May 16 2016 at the boardroom, Bidvest House, 18 Crescent Drive, Melrose Arch, Johannesburg, for the purpose of considering and, if deemed fit, passing with or without modification, the special and ordinary resolutions set out in the Notice of General Meeting.

The record date established by the directors in terms of section 59 of the Companies Act for the purpose of determining which Shareholders are entitled to receive notice of the General Meeting is Friday, April 8 2016 and for determining which Shareholders are entitled to participate and vote at the General Meeting is Friday, May 6 2016.

10. Foreign Shareholders

It is the responsibility of any foreign Shareholder (including, without limitation, nominees, agents and trustees for such persons) receiving the Circular and wishing to take up their entitlement to unbundled BidCorp ordinary shares to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Foreign Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions. The Unbundling is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the exchange control regulations. Any Shareholder who is in doubt as to his position with respect to the Unbundling in any jurisdiction, including, without limitation, his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Foreign Shareholders are reminded that they may dispose of their Bidvest shares prior to the last date to trade in which case they will not participate in the Unbundling.

11. Withdrawal of cautionary announcement

Shareholders are referred to the cautionary announcements dated February 8 2016 and February 29 2016. As full details of the Listing and the Unbundling are set out in this announcement, Shareholders are advised that they no longer need to exercise caution when dealing in their Bidvest shares.

Melrose Arch
April 14 2016

Investment bank and transaction sponsor
The Standard Bank of South Africa Limited

Legal advisers
Edward Nathan Sonnenbergs Inc

Independent reporting accountants and auditors to Bidvest
Deloitte & Touche

Transaction tax advisers
Cliffe Dekker Hofmeyr Inc

Reporting accountants and auditors to BidCorp
KPMG Inc.