

BID 201705170038A
Management update on general trading conditions

Bid Corporation Limited
(Incorporated in the Republic of South Africa)
Registration number: 1995/008615/06
Share code: BID
ISIN ZAE 000216537
("Bidcorp" or "the Company" or "group")

Capital Markets Day - May 17 2017

Management update on general trading conditions

Shareholders are advised that the executive management of the group are meeting with members of the financial community, today May 17 2017, including shareholders and financial analysts, for an update on current market conditions and the trading environment across its international operations.

Management comments as follows:

1. Current trading performance and overall market conditions

- Trading within Bidcorp for the first 9 months of the financial year 2017 has been positive and the momentum achieved in the 6 months to December 2016 (measured in home currencies) has continued. Currency volatility continues to impact Bidcorp's rand results, with the rand having appreciated against both the euro and sterling.
- Overall, fundamentals within the global foodservice industry remain positive and continued organic growth opportunities remain in all our operating geographies.
- Our performance has been achieved against a backdrop of very low food inflation in most operating geographies.
- Our focus on executing on the strategic plan to rebalance customer portfolios by focusing on the correct segments of the markets, and on adding value to their customer offering through innovation and service delivery, is yielding the desired results.

1.1 United Kingdom ("UK")

- Overall the economy in the UK is growing and the sterling devaluation following the referendum to leave the EU (Brexit) has increased activity levels in the foodservice market, benefitting from more tourists and local consumer spending. Inflation has started to tick up which should be positive for our UK businesses.

- The foodservice business continues to perform very well benefitting from targeting the correct customer base and its internal business transformation process. Additional investment into further capacity is being considered to capture anticipated growth opportunities ahead. To date the effects of Brexit haven't had any negative impact on the business.
- The Fresh business has been impacted by price volatility, particularly in seafood products, which has dampened its growth trajectory in the short term. The strategy of building out a national presence across Meat, Produce and Seafood continues. A meat business was acquired in the 3rd quarter to continue to expand our presence.
- The Logistics business performance, a marginal profit contributor to the aggregated UK results, remains disappointing. Management are making progress in improving underlying results. The future strategic options for the business remain under consideration.

1.2 Europe

- Eastern Europe is experiencing good growth, significantly higher than western European growth, which is benefiting our Czech, Slovakian and Polish businesses.
- Our Netherlands business continues to make steady progress in transitioning its focus to the core horeca customer segment. Significant focus is being directed at matching the infrastructure and cost base with the revenue opportunity, however this remains a medium-term outcome.
- The Belgium business is performing well, delivering good growth in its horeca market while maintaining an even keel in its institutional exposure. Special management attention is being directed at bedding down the recent Bestfoods bolt-on acquisition.
- Czech and Slovakia have continued to performed exceptionally well driven by solid growth across all segments of their foodservice business. Further infrastructure investment is planned to bolster capacity. Good organic growth has continued in Poland as the benefits of their infrastructural investment manifest in productive capacity.
- DAC Italy has delivered a solid performance in the 9 months to date driven by strong growth in the independent sector of the market. The integration of Quartiglia, a bolt-on acquisition made in July 2017, continues. Growth in

global procurement benefits in Italian product (sourced from DAC) are being

achieved across the group.

- To date, the contribution from our Spanish business has been small. The

recent acquisition of Guzman will bolster our opportunities in this attractive foodservice market.

- Further expansion into the European region, both in terms of in-country bolt-

on acquisitions and strategic entry into new geographies, will be explored as

we are not represented or underrepresented in many countries.

1.3 Australasia

- In Australia, both the broadline foodservice business and fresh and meat

operations have maintained their growth momentum in the first

three

quarters of F2017. The exit of those targeted low margin

contracts is

substantially complete. Our major metro-expansion project

continues to gain

traction.

- New Zealand has again delivered very solid results, with all segments of the

business performing well, despite capacity constrained

economic activity

levels.

- Further bolt-on acquisitions are being explored in both countries to sustain

growth.

1.4 Emerging markets

- South Africa has produced excellent results, contrary to the generally tough

operating conditions, low GDP growth and negative political

sentiment.

Innovation, new contract gains and energised teams have all

contributed to

the improved result. Our focus on Africa is now being driven

from within each

business segment.

- Within Greater China, Hong Kong is slowly improving as tourism activity picks

up. Our business is doing well despite inefficiencies due to

duplicate

warehousing costs. Our move to a new facility in June will

alleviate these

issues. In mainland China, our business continues to show

strong growth as

our geographic expansion continues. The focus on selling

branded products

to western styled food outlets continues. The region remains a

good growth

opportunity with a middle-class population driving 'eating out

of home'

demand.

- In Singapore, steady improvement continues as we develop our foodservice model. New management have settled in well. A small acquisition is being concluded in Malaysia to bulk up our presence there.
- Further expansion into Asia remains an opportunity as investment conditions become more user friendly.
- In South America, despite challenging political and economic conditions, management continue to build a strong growth platform in a region with significant opportunities. In Brazil, our business has weathered the crisis and is performing much better. Bolt-on opportunities continue to be pursued, both in Sao Paulo and the Rio de Janeiro regions. Chile is delivering very solid growth, benefitting from its foodservice focus and expanded national platform.
- Middle East is showing pleasing results despite the geopolitical challenges, lower oil prices and higher taxes in the region. Focused management attention on its larger businesses in UAE and Saudi are delivering desired results.

2. General

- Bidcorp's global rebranding exercise as 'Bidfood' should be substantially complete by June. It has brought a lot of energy and passion to the group and enabled us to promote our image as 'value add foodie people' It has also promoted more collaboration between our businesses in terms of marketing strategy.
- To December 2016, we had invested R496 million on bolt-on acquisitions, in Q3 we have acquired the following bolt-on's, costing in aggregate R134 million:
 - o In Fresh UK, we acquired 100% of a meat distributor
 - o In Australia, we acquired 100% of a distributor in Cairns.
- Assuming they both perform as planned, the approximate annualised financial impact of these transactions (converting at current forex rates) would be EBITDA of R23,4 million.
- 50% of our Bakery business in South Africa was sold to Puratos NV with effect from April, the business will be equity accounted in Bidcorp going forward.
- 90% of Guzman in Spain was acquired with effect from early April.
- Further geographies are also under consideration.
- Management remains highly motivated and alert to all acquisition opportunities that present themselves both in current markets and in new territories.

The full presentation is being recorded and a playback recording is available on the group's website www.bidcorpgroup.com

This management update has not been reviewed or reported on by the Company's independent auditors.

May 17 2017
Johannesburg

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