

BID 201611240032A

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")

Divisional Day - November 24 2016 - Management update on general trading conditions

Shareholders are advised that the executive management of the group met with members of the financial community on November 24 2016, including shareholders and financial analysts, for an update on current market conditions and the trading environment across the international operations.

Management commented as follows:

1. Current market conditions and trading

- Overall conditions within the global foodservice industry remain positive and continued growth opportunities remain in all our trading geographies. Many of Bidcorp's international foodservice peers have reported improved results benefitting from positive underlying market conditions.
- Overall trading within Bidcorp for the first 4 months of the financial year 2017 has been good and the positive momentum achieved in the financial year 2016 has continued. Currency volatility continues to positively impact Bidcorp's rand reported results with the depreciation of the rand against the euro and Australian dollar more than offsetting the appreciation of the rand against sterling following the UK referendum to leave the EU in June 2016 (Brexit).
- This performance has been achieved against a backdrop of zero food inflation in most operational geographies (bar South Africa and Brazil), in relatively benign economic conditions globally.
- Management remains focused on executing on the strategic plan to rebalance their customer portfolios by focusing on the correct segments and on adding value to their customer offering through innovation and service delivery.

United Kingdom ("UK")

- Following Brexit, one of the potential impacts of sterling's devaluation will be inflation and the impact of inflation on our UK businesses is positive. Overall the economy in the United Kingdom is growing and the sterling devaluation should further propel activity levels forward, benefitting from more tourists and local consumer spending.
- The foodservice business continues to perform well and the business transformation process continues. We have retained our second largest customer for a further period of 5 years and the sales pipeline is looking encouraging. The highly fragmented

foodservice market remains a growth opportunity.

- The fresh business has been impacted by inflation over the period, particularly in seafood and mainly in fresh salmon products. The strategy of building out a national presence across all product

types

continues.

- Logistics, a small contributor to the aggregated UK results, has been disappointing and remains a tough business. Current performance is under the microscope and the future strategic options for the business are under consideration.

Europe

- Western European growth remains low however Eastern Europe is experiencing significantly higher growth, which is benefiting our businesses.
- The Netherlands business is delivering positive growth as management transitions its focus to the 'core' street / independent customer segment, moving away from the previous institutionally focused customer model.
- The Belgium business is delivering good growth in its foodservice market while maintaining an even keel in its institutional exposure, despite low confidence following the terror attacks earlier in the calendar year.
- Czech and Slovakia have performed exceptionally well driven by solid growth in the core foodservice business. Good growth has continued in Poland as the benefits of recent infrastructural investment manifest in productive capacity.
- DAC Italy has performed well in the first quarter of F2017 buoyed by the bolt on Quartiglia acquisition. The core focus of the

business

on the independent market segment bodes well for further growth. Global procurement benefits in Italian product are being achieved across the group.

- Spain remains an attractive market and we are committed to accessing the right opportunity.
- 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.

Australasia

- In Australia, the exit of low margin contracts is substantially complete. Both the broadline foodservice business and fresh and meat operations have contributed to solid growth in the first

quarter

of F2017.

- New Zealand continues to produce solid results, with all segments of the business performing well, despite modest economic activity levels.
- A number of bolt on acquisitions are being explored in both countries which will sustain growth in the region.

Emerging markets

- South Africa is producing excellent results, contrary to the generally tough operating conditions and low GDP growth. Energised management, rebalancing the product portfolio and innovation have

all contributed to the improved result. Exposure to Africa is being hampered by a lack of credit and our resources are being refocused within each segment of the division.

- Within Greater China, Hong Kong continues to experience subdued trading off lower tourism activity. Our business remains stable however real growth is difficult to achieve. In mainland China, the business continues to power along however a number of trading challenges are being encountered. The region remains a huge growth opportunity with a growing middle class population and increasing demand for Western styled food products.
- In Singapore, the benefits of the transition to a foodservice model over the past few years is reflecting in an improved performance.
- Further expansion into Asia remains an opportunity as investment conditions become more user friendly.
- In South America, despite challenging political and economic conditions, management remain optimistic that significant opportunities exist in the region to consolidate markets to build a strong growth platform over time. In Brazil, our business is performing much better. Bolt on opportunities continue to be pursued however transaction conversion generally takes longer than anticipated. Chile is benefitting from its foodservice focus and national exposure provides a great platform for further organic expansion.
- Middle East has produced respectable results in spite of the geopolitical challenges in the region. Our small investment in Lebanon was exited in July. Focused management attention on its larger businesses in UAE and Saudi are delivering desired results.

2. General

- Management is highly motivated and enthused by the opportunity in each of the geographic regions within which the group operates.
- Bidcorp will be undertaking a global rebranding exercise within the next short while, which will be used to promote our image as 'value add food people' rather than box movers, as we transition to the new "Bidfood" brand.
- We have made 8 acquisitions (bolt-on's) in the first 5 months of this financial year:
 - o In Fresh UK we acquired 80% of a produce supplier.
 - o In Belgium, we bought 100% of a regional Horeca distributor.
 - o Italy has acquired 60% of a central Italian distributor.
 - o In New Zealand, we acquired a sous vide meat producer to supply their foodservice needs with value add sous vide and cooked product
 - o In Brazil, we have acquired another distributor in Sao Paulo.
 - o In Australia, we have acquired 3 businesses, a meat processor / distributor in Canberra, and foodservice wholesalers in Launceston, Tasmania and Port Macquarie, NSW to fill in geographic gaps.
 - o In aggregate (assuming they all perform as planned), the approximate annualised financial impact of these

transactions (converting at current forex rates) would be Revenue of R1.9 billion, EBITDA of R100 million, and a purchase consideration of R530 million (including property acquired in Belgium of R115 million).

- Some new geographies are also under consideration.
- Management remain alert to all acquisition opportunities that present themselves both in current markets and in new territories.

The full presentation was 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.

Johannesburg
November 24 2016

Sponsor
The Standard Bank of South Africa Limited