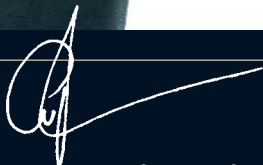


Chairman's statement

A stylized white signature of Cyril Ramaphosa on a dark blue background.

Cyril Ramaphosa
Non-executive chairman

Highlights

- › Proudly Bidvest has taken on an Asian dimension
- › Headline earnings per share rise 20,6% to 970,0 cents per share
- › Our staff complement has topped 104 000 for the first time, underlining Bidvest's position as a major job creator
- › The refinancing of Dinatla's investment has entrenched our empowerment partnership for a further five years
- › Corporate brand-building has built strong impetus, underpinned by our people's propensity for extraordinary achievement
- › We have established the basis for a Group-wide sustainability strategy

Introduction

Bidvest continues to innovate and reinvent the way in which it does business. The dynamic Bidvest environment fosters an entrepreneurial spirit that permeates the Group.

Being Proudly Bidvest was showcased as never before in 2007 as we expanded into Asia via the acquisition of Angliss with operations in Singapore, Hong Kong and China. At the same time, growth was again achieved by our international and South African operations. Asian workers join a Bidvest family of businesses that stretch from Beijing to Belgium and from Dubai to Durban.

For the first time, our staff complement has topped the 104 000-mark, moving from 93 325 to 104 184; (78 029 to 87 833 in South Africa) a reflection of our continued growth and the strength of our commitment to South Africa's national strategy of sharing the benefits of improved economic performance through job creation and the delivery of new opportunities to working people.

Headline earnings per share rose by 20,6% to 970,0 cents per share while diluted headline earnings per share increased by 23,2% to 947,2 cents per share. At 446,4 cents per share, distributions per share are up by 21,0%.

Broader contributions

Our commitment to our shareholders is well known. In addition, we strive to make positive contributions to all our other stakeholders – customers, suppliers, workers and communities.

We are one of 49 companies in the JSE's Socially Responsible Investment Index, and one of only four South African companies listed on the Dow Jones Sustainability Index; a series of global sustainability benchmarks.

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Financial results and pure numbers cannot on their own reflect the impact made by the Group. The sheer size of Bidvest within the South African context means that even small percentages have huge impacts on lives and prospects.

Last year, employee numbers rose 10,0% while developmental programmes ensured the qualitative growth of our human capital. Everyday people continue to achieve extraordinary things at Bidvest. They shape every aspect of our performance. The key figures behind our numbers are those of our employees.

Directors and management applaud the commitment of our teams and their contribution to another year of sustained growth.

Succession generation

In operations across the Group, younger managers are moving into positions of real responsibility, adding impetus to transformation, making themselves accountable and illustrating the progress of Bidvest's "succession generation". They benefit from substantially increased training investment and a consistent strategy of early identification and incubation of managerial talent.

A key resource in this context is The Bidvest Academy. This highly regarded instrument for developing the Bidvest leaders of tomorrow has been strengthened by the creation of a graduate academy to ensure continuing support for the succession generation. A separate sales programme has also been added to the national training effort.

Social investment

Our black economic empowered preferential procurement spend reached R4,6 billion while our investment in people development in South Africa was R118,1 million. The size of our workforce makes Bidvest one of South Africa's largest engines of transformation.

Corporate social investment totalled R38,5 million – a contribution that defies simple rands-and-cents measurement as the process increases the self-worth and dignity of so many families. Social investment is not only a corporate commitment; it involves the time, effort and manpower of thousands of Bidvest people.

The macro environment

Global demand for commodities has benefited many countries in our region. We see renewed investment in neighbouring states in the wake of debt forgiveness and economic reform. We welcome these developments and the positive effect on the performance of our logistics operations in several African jurisdictions. Zimbabwe remains a tragic disappointment, reversing positive progress elsewhere in Africa.

The year witnessed a strategic shift within South Africa – from consumer- to infrastructure-led growth with higher interest rates applying a brake to consumer spending.

Sustained GDP growth has drawn attention to key constraints, including skills shortages and pressure on all infrastructural elements, notably transport infrastructure and power supplies. Substantial investment by government in major infrastructure projects is under way and welcomed.

New imperatives

Climate change and the environment are becoming crucial issues – for companies as well as countries. The key to success will be the ability of far-sighted leaders to inspire their people by setting out a new vision.

Flexible employment practice is often a prerequisite for job growth, but companies that hire and fire don't do nearly as well as companies that hire and inspire. Honest, fair-minded and courageous managers who articulate an inspiring vision get more out of their employees than short-sighted and self-interested executives.

A decentralised Group such as Bidvest faces special challenges when building shared purpose. Thankfully, our corporate DNA produces similar leadership styles across the Group. Our managers are hands-on operators who work with their teams rather than stand over them.

Brand development

Bidvest touches the lives of millions of South Africans through our comprehensive range of services and products. Our operational brands – from McCarthy to Steiner; from Sea World to Waltons – are known to millions. Yet Bidvest as a corporate brand enjoys relatively low awareness at consumer level. The opposite is true in the financial and investment communities. Bidvest, the corporate brand, enjoys positive recognition in both domestic and international jurisdictions. But individual analysts may fail to appreciate the strength of the divisional brand bouquet.

To ensure consistently high recognition across all audiences, we have begun a programme of brand development encompassing all corporate identity elements, sponsorship and advertising. A consistent message is being communicated. Proudly Bidvest is the unifying theme while the inspiration is drawn from the ability of our people to achieve extraordinary results and open up infinite possibilities.

Sustainability

In future, we will need to communicate a unifying vision with even greater clarity. Fortunately, strong central themes are already in place, including our commitment to sustainable business practices and the empowerment of individuals and teams to become the best that they can be.

Proudly Bidvest is the foundation on which the Group's sustainability strategy is based. A priority for Bidvest was to establish the groundwork that would move us beyond sustainability reporting to the job of living the

sustainability challenge every day in every business. The process has to be driven by a clear understanding of what sustainability means for Bidvest as a whole while respecting operational diversity and recognising that emphasis may vary from one business to another.

Leadership challenges

Bidvest's record for uninterrupted growth is unprecedented. Ever stronger commitments to sustainability will ensure the record continues. In this context, the leadership challenge will be to go beyond change implementation to change anticipation.

For example, climate change is currently low on the list of risk factors facing business, but priorities may soon be re-ordered. Certainly, a forward-looking Group such as Bidvest is becoming increasingly aware of likely impacts.

Our freight-management business has always been sensitive to changes in the volume of agricultural products for delivery. This sensitivity is likely to grow as climate change potentially increases the frequency and severity of droughts across Africa.

Our UK foodservice business reports that "food mile" efficiency and a company's "carbon footprint" are becoming critical issues when tenders are awarded. Here in South Africa, there is a growing sense that "clean development" and energy efficiency may become focus areas for legislators.

Soon I expect investment decisions – by countries and companies – to be governed or at least influenced by climate change strategies. Bidvest is beginning to address the issue.

Broad-based black economic empowerment

Our programmes for BEE are a good example of successful anticipation of developments. We took a proactive approach from an early date. We did not wait for the publication of the codes of good practice. We

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drafted our own empowerment charter and created our own BEE scorecard, giving us a head-start. The Bidvest scorecard has now been realigned with the new codes.

A key feature of the codes is continued recognition for BEE businesses under the "once-empowered-always-empowered" provision. This provision applies to Bidvest itself and will encourage companies to set joint ventures free after a nurturing period. Activities high on people-involvement but low on technology may be well suited to this approach.

In 2007, perhaps the single most significant BEE event at Bidvest was the refinancing of the Dinatla consortium's empowerment investment, cementing the successful Dinatla-Bidvest partnership for a further five years.

Bidvest, a level five contributor with an unconstrained operational capacity, has a "BBB" empowerment rating from Empowerdex. Our BEE ownership in terms of the recently gazetted codes is 26,7%.

Bidvest is an empowerment leader, coming 10th overall in the 2007 *Top Empowerment Companies Survey*. In addition, we were an award-winner in the inaugural Unity Awards, an initiative backed by major trade unions.

Governance

Bidvest is committed to sustainable business practice, triple bottom line reporting and the principles of good corporate governance. Policies, committees and reporting protocols are important, but a culture of honesty is fundamental to long-term success; in business and in life.

Fraud, corruption, intimidation and dishonesty are an increasing challenge. To address and cater for the concerns of all shareholders both internal and external a free and anonymous ethics line, was relaunched.

We constantly stress our company values of respect, honesty, integrity and accountability, and are thankful that our officers and employees have such a high reputation for ethical practice. Even so, crime is becoming a major risk area.

HIV/Aids

The ability to affect lives cannot be taken lightly by an organisation that employs more than 87 000 South Africans. Perhaps only government touches more staff members and families with workplace initiatives.

For over a decade, our businesses have reached innumerable workers through HIV/Aids education, counselling and other forms of help. These actions have been undertaken on a decentralised basis, but have many common themes. Decentralised initiatives have a major role to play, but it may be possible to add value by applying lessons from all our businesses and leveraging Group resources.

Training and development

Our efforts to support personal development confirm the linkage between economic growth and broader access to opportunity, the central premise of government's Accelerated and Shared Growth Initiative for South Africa strategy.

One growth area is South Africa's expanded car market and one knock-on effect is higher demand for vehicle maintenance skills. Bidvest has responded by employing and training a new wave of service technicians – just one example of economic expansion unlocking opportunities for personal growth.

Those who show managerial and executive promise soon find that The Bidvest Academy and The Bidvest Graduate Academy are highly effective vehicles for continued development at executive management level.

A major employer such as Bidvest accepts that to a certain extent we train for the nation while training for ourselves. However, talent retention has become a priority. Our businesses are adopting shadow management programmes, mentorship, coaching and succession planning to improve retention of our high potential staff.

Education

In order to address the huge shortfall in mathematics, science and technology education in many South African schools, Bidvest, in partnership with the public benefit organisation ORT SA, has launched a four-year R3,7 million programme to improve MST education in Alexandra.

Our CSI strategy has always had an educational bias. Many projects have run for years; notably Rally to READ, the continuing effort to take educational materials to under-resourced rural communities.

Board changes

Several changes to the composition of the board have occurred.

Gill Marcus and Bernadette Moffat have resigned. Tania Slabbert has become a full director. A long-standing executive member of the board, Colin Kretzmann, has retired. David Cleasby, Peter Nyman's successor as financial director, has become a full director. Peter Nyman remains an executive director responsible for special projects. The board expresses its thanks to the outgoing directors for their contributions.

It is my privilege to head a knowledgeable and energetic boardroom team. I thank them for their support over the last year.

The future

Bidvest is positive about prospects for continued growth. South Africa's economic fundamentals remain sound. Competition is intense, but we foresee opportunities for growth in our home markets across all divisions.

Our Australia, European, New Zealand and UK foodservice businesses are well positioned, while new strategic opportunities beckon in Asia.

Opportunities in Africa will not be neglected. We see strong potential in Namibia and are consolidating our Namibian assets into Bidvest Namibia ahead of a listing that will be domiciled in Namibia and managed by Namibians.