



The Bidvest Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1946/021180/06)

Share code: BVT ISIN ZAE000050449

Circular to Bidvest shareholders

regarding

- **the specific repurchase in terms of section 85 of the Companies Act 61 of 1973, as amended, by Bidvest of its own ordinary shares held as treasury shares by BB Investment Company (Proprietary) Limited, a wholly owned subsidiary of Bidvest (“the specific repurchase”)**

and incorporating, in the annual report of which this circular forms part:

- **a special resolution, relating to the specific repurchase, contained in the notice of annual general meeting; and**
- **a form of proxy for the annual general meeting (*blue*) (for certificated Bidvest shareholders or Bidvest dematerialised shareholders with “own name” registration only).**

25 October 2010

Advisor and transaction sponsor



A division of FirstRand Bank Limited

Attorneys



Sponsor



Investec Bank Limited
(Registration number 1969/004763/06)

Corporate information

Company secretary and registered office

CA Brighten
Bidvest House
18 Crescent Drive
Melrose Arch
Melrose
Johannesburg
2196
(PO Box 87274, Houghton, Johannesburg, 2041)
South Africa

Legal adviser

Edward Nathan Sonnenbergs
150 West Street
Sandton
Johannesburg
2196
(PO Box 783347, Sandton, 2146)
South Africa

Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited
(Registration Number 2000/007239/07)
11 Diagonal Street
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)
South Africa

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive, Sandown,
Sandton, 2196
(PO Box 785700, Sandton, 2146)
South Africa

Advisor and transaction sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton
2196
(PO Box 786273, Sandton, 2146)
South Africa

This circular is available in English. Copies may be obtained from the registered office of the company and the transfer secretaries at the addresses set out above.

Table of contents

	<i>Page</i>
Corporate information	2
Action required by Bidvest shareholders	4
If you have dematerialised your Bidvest shares without “own name” registration:	4
If you have not dematerialised your Bidvest shares or you have dematerialised your Bidvest shares with “own name” registration:	4
Salient dates and times	5
Interpretation and definitions	6
Circular to Bidvest shareholders	
1. Introduction	8
2. Rationale for the specific repurchase	8
3. The specific repurchase	9
4. Adequacy of capital	9
5. Major beneficial shareholders	9
6. Material change	9
7. Directors’ interests in Bidvest shares	9
8. Share capital of Bidvest	9
9. Litigation statement	10
10. Directors’ responsibility statement	10
11. Consents	10
12. Documents available for inspection	10
Notice of annual general meeting forming part of the annual report	
Form of proxy (<i>blue</i>) forming part of the annual report	

Action required by Bidvest shareholders

This circular is important and requires your immediate attention. The action you need to take is set out below. The definitions commencing on page 6 of this circular have been used in this section.

If you are in any doubt as to what action to take, consult your broker, attorney or other professional advisor immediately.

If you have dematerialised your Bidvest shares without “own name” registration:

- (a) Voting at the annual general meeting
 - (i) Your CSDP/broker should contact you in the manner stipulated in the agreement concluded between you and your CSDP/broker to ascertain how you wish to cast your vote at the annual general meeting and thereafter to cast your vote in accordance with your instructions.
 - (ii) If you have not been contacted, it would be advisable for you to contact your CSDP/broker and furnish it with your voting instructions.
 - (iii) If your CSDP/broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/broker.
 - (iv) You should NOT complete the form of proxy (*blue*) attached to the annual report.
- (b) Attendance and representation at the annual general meeting

In accordance with the agreement between you and your CSDP/broker, you must advise your CSDP/broker if you wish to attend the annual general meeting in person or if you wish to send a proxy to represent you at the annual general meeting and your CSDP/broker will issue the necessary letter of representation for you or your proxy to attend the annual general meeting.

If you have not dematerialised your Bidvest shares or you have dematerialised your Bidvest shares with “own name” registration:

- (a) Voting, attendance and representation at the annual general meeting
 - (i) You may attend and vote at the annual general meeting in person.
 - (ii) Alternatively, you may appoint a proxy to represent you at the annual general meeting by completing the form of proxy (*blue*) attached to the annual report in accordance with the instructions it contains and returning it to the registered office of the company or the transfer secretaries to be received by no later than 09:00 on Thursday, November 12 2010.

If you wish to dematerialise your Bidvest shares, please contact your broker. If you have disposed of your Bidvest shares, this circular, together with the form of proxy (*blue*) attached to the annual report, should be handed to the purchaser of such Bidvest shares or the broker or other agent who disposed of your Bidvest shares for you.

Salient dates and times

2010

Last day to receive forms of proxy on	Thursday, November 12
Annual general meeting to be held at 08:30 on	Monday, November 15
Results of the annual general meeting published on SENS	Monday, November 15
Results of the annual general meeting published in the press	Tuesday, November 16

Interpretation and definitions

In this circular and the annexures hereto, unless the context indicates otherwise, the words in the first column shall have the meanings assigned to them in the second column, the singular includes the plural and vice versa, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and vice versa, and cognate expressions shall bear corresponding meanings.

“the Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“annual general meeting”	the annual general meeting to be held at 08:30 on Monday, November 15 2010, at Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg, 2196;
“annual report”	the annual report of Bidvest for the financial year ended 30 June 2010 of which this circular forms part, incorporating the notice of annual general meeting and form of proxy;
“BB Investment Company (Proprietary) Limited”	BB Investment Company (Pty) Ltd (registration number 1988/005982/07), a private company registered and incorporated in South Africa and a wholly owned subsidiary of Bidvest;
“Bidvest” or “the Company”	The Bidvest Group Limited (registration number 1946/021180/06), a public company registered and incorporated in South Africa, all of the issued ordinary shares of which are listed on the JSE;
“Bidvest shareholders” or “shareholders”	the holders of Bidvest shares;
“Bidvest shares”	ordinary shares of 5 cents each in the issued share capital of Bidvest;
“business day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“certificated shareholders”	shareholders who hold Bidvest shares, represented by a share certificate, which Bidvest shares have not been dematerialised in terms of the requirements of Strate;
“circular”	this circular to Bidvest shareholders dated Monday, October 25 2010, regarding the specific repurchase, including the annexures hereto, which circular forms part of the annual report;
“CSDP”	Central Securities Depository Participant;
“dematerialise” or “dematerialisation”	the process by which securities held by certificated shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or broker;
“dematerialised shareholders”	shareholders who hold Bidvest shares which have been dematerialised in terms of the requirements of Strate;
“directors” or “the board”	the board of directors of Bidvest from time to time;
“the Group”	Bidvest and all of its subsidiaries;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa, which is licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004);
“last practicable date”	Thursday, October 21 2010, being the last practicable date prior to the printing of this circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“the New Act”	the Companies Act, 2008;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;

“specific repurchase”	the repurchase and cancellation by Bidvest of the treasury shares in terms of section 85 of the Act;
“Strate”	Strate Limited (registration number 1998/022242/06), a public company incorporated under the laws of South Africa a registered central securities depository in terms of the Security Services Act, 2004 (Act 36 of 2004);
“transfer secretaries”	Link Market Services South Africa (Proprietary) Limited (registration number 2000/007239/07), a private company incorporated in South Africa and the transfer secretary of Bidvest in South Africa; and
“treasury shares”	the 27 745 230 Bidvest shares, representing 7,92% of the issued share capital of Bidvest as at the last practicable date, held by BB Investment Company (Proprietary) Limited.



The Bidvest Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1946/021180/06)

Share code: BVT ISIN ZAE000050449

Chairman:

MC Ramaphosa

Independent non-executive directors:

DDB Band
MBN Dube
LG Boyle
S Koseff
NP Mageza
D Masson
JL Pamensky
NG Payne
FDP Tlakula

Executive

BL Berson
MC Berzack
DE Cleasby (Financial Director)
AW Dawe
LI Jacobs
B Joffe (Chief Executive)
P Nyman
SG Pretorius
LP Ralphs
AC Salomon

Non-executive directors

FJ Barnes
AA da Costa
RM Kunene
T Slabbert

Alternate

LJ Mokoena (AA da Costa)

Business address of directors:

Bidvest House, 18 Crescent Drive,
Melrose Arch, Melrose. Johannesburg, 2196

Further details on the directors can be found on pages 18
to 22 in the annual report

Circular to Bidvest shareholders

1. Introduction

The purpose of this circular is to provide Bidvest shareholders with information on the specific repurchase as set out in the notice of annual general meeting at which general meeting shareholders can vote on the special resolution required to implement the specific repurchase.

2. Rationale for the specific repurchase

Bidvest has been purchasing its own shares through its subsidiary, BB Investment Company (Proprietary) Limited which shares were then held as treasury shares. The purchases were conducted in terms of general authorities granted annually to Bidvest and the subsidiary by their respective shareholders.

As at the last practicable date the treasury shares constituted 7,92% of the listed ordinary share capital of Bidvest. In terms of the Act and the New Act (which is likely to become effective in April 2011), a company may only hold up to a maximum of 10% of that class of share of the holding company. Bidvest's ability to continue to purchase its own shares through its subsidiary is therefore limited. In order to create new capacity for Bidvest to purchase further Bidvest shares through its subsidiary, the board has resolved that Bidvest should purchase the treasury shares from the subsidiary. The treasury shares will, following their repurchase, be cancelled as issued shares and restored to the status of authorised shares.

3. The specific repurchase

The specific repurchase will be performed at a price of R151.51 per Bidvest ordinary share, being the closing share price for Bidvest on the JSE on the last practicable date. The specific repurchase will have no financial effect on Bidvest or its shareholders, other than in respect of transaction costs that are normally incurred in transactions of this nature, namely securities transfer tax (R10,509,199.49) and the RMB advisor and sponsor fee (R2 000 000) which in total amounts to approximately R12,5 million and represents 0.000248177% of the Bidvest market cap of R53 billion, as at the last practicable date. As this repurchase is intra group no significant cash will be utilised and the financial effects have therefore not been disclosed. Application will be made to the JSE for the delisting of the treasury shares once they have been repurchased.

The repurchase will be effected in one transaction or in a series of transactions in aggregate of no more than 27 745 230 shares. All repurchases pursuant to this specific authority which will be completed by no later than Friday, December 31 2010.

In terms of the Listings Requirements and the provisions of the Act, BB Investment Company (Proprietary) Limited will be excluded from voting on the special resolution of shareholders required to authorise the specific repurchase.

4. Adequacy of capital

The directors of Bidvest have considered the impact of the specific repurchase and are of the opinion that the:

- Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of approval of the circular; and
- assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of approval of the circular. For this purpose the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the company; and
- share capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular; and
- working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular.

5. Major beneficial shareholders

The major beneficial shareholders as at 30 June 2010 (and which have not changed as at the last practicable date) are disclosed on page 212 of the annual report.

6. Material change

There has been no known material changes in the financial or trading position of Bidvest since the end of the last financial period being 30 June 2010 up to and including the last practicable date.

7. Directors' interests in Bidvest shares

The directors' interests in Bidvest shares, as at 30 June 2010, are set out on page 132 of the annual report.

There has been no change in the directors' interests in Bidvest shares since 30 June 2010.

8. Share capital of Bidvest

The table below set out the authorised and issued share capital of Bidvest **before** the specific repurchase:

Share capital	R'000 2010
Authorised share capital	
540 000 000 (2009: 540 000 000) ordinary shares of 5 cents each	27 000
Issued share capital	
350 144 745 (2009: 336 284 567) ordinary shares of 5 cents each	17 507
Share premium	81 258
31 040 351 Treasury shares	1 552

The table below set out the authorised and issued share capital of Bidvest **after** the specific repurchase:

Share capital	R'000 2010
<i>Authorised share capital</i>	
540 000 000 (2009: 540 000 000) ordinary shares of 5 cents each	27 000
<i>Issued share capital</i>	
322 399 515 (2009: 336 284 567) ordinary shares of 5 cents each	16 120
Share premium	81 258
3 295 121 Treasury shares (remaining in The Bidvest Share Incentive Scheme)	165

9. Litigation statement

There are no legal or arbitration proceedings, including proceedings that are pending or threatened, of which Bidvest is aware, that may have or have had, in the twelve month period preceding the date of this circular, a material effect on the financial position of Bidvest.

10. Directors' responsibility statement

The directors, whose names are set out on page 8 of this circular, collectively and individually accept full responsibility for the accuracy of the information given in this circular in relation to Bidvest and certify that, to the best of their knowledge and belief, no material facts have been omitted which would make any statement in this circular false or misleading; that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the Listing Requirements.

11. Consents

The advisor and transaction sponsor, attorney and JSE sponsor have all provided their written consents to act in the capacity stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular.

12. Documents available for inspection

The following documents will be available for inspection at the registered office of Bidvest from Monday, October 25 2010 to Monday, November 15 2010:

- the memorandum and articles of association of Bidvest;
- the audited annual financial statements of Bidvest for the year ended 30 June 2010, 30 June 2009 and on June 2008; the unaudited interim financial statements of Bidvest for the period ended 31 December 2009;
- the signed consent letters of the advisor and transaction sponsor, attorney and JSE sponsor; and
- a signed copy of this circular.

By order of the Board

The Bidvest Group Limited

C Brighten

Company Secretary

Friday, October 22 2010

