Bidvest

Going Beyond

THE BIDVEST GROUP LIMITED
NOTICE OF ANNUAL GENERAL MEETING 2017

The Bidvest Group Limited
Registration number 1946/021180/06

Bidvest annual reports 2017

Available on the Bidvest website, www.bidvest.com.
Hard copies of the reports available on request from info@bidvest.co.za.
Copies of the report are also available at Bidvest House, 18 Crescent Drive, Melrose Arch, during office hours.

This document is important and requires your immediate attention

Please read this document immediately. If you have any doubts about what action you should take, contact your independent financial adviser.

If you have sold or transferred all of your shares in The Bidvest Group Limited you should pass on this document, and the associated proxy form, to the person through whom you made the sale or transfer, for transmission to the purchaser or transferee.

The Bidvest Group Limited

Notice of annual general meeting 2017

Notice is hereby given in terms of section 62(1) of the Companies Act, No 71 of 2008, as amended (the Companies Act) that the 71st annual general meeting (AGM) of shareholders of The Bidvest Group Limited will be held in the boardroom, Bidvest House, 18 Crescent Drive, Melrose Arch, Johannesburg at 10:00 on Monday, 27 November 2017 to consider and, if approved, pass the necessary resolutions with or without modification.

In terms of section 59(1) of the Companies Act, this notice has been sent to shareholders of the Company who were recorded as such in the Company's securities register on Friday, 20 October 2017, being the record date as set by the board in terms of the Companies Act for determining which shareholders are entitled to receive a notice of AGM. Accordingly, the last date to trade to be registered in the register of members of the Company and therefore be eligible to participate in and vote at the AGM is Tuesday, 14 November 2017. Accordingly, only shareholders who are registered in the register of members of the Company on Friday, 17 November 2017 will be entitled to participate in and vote at the AGM.

In terms of section 61(10) of the Companies Act, shareholders or their proxies may participate in the AGM by way of telephone conference call, and if they wish to do so they:

- must contact the Group company secretary by email at craig@bidvest.co.za or by telephone at+27 (11) 772 8732 by no later than 14:00 on Tuesday, 14 November 2017, to obtain a pin number and dial-in details for the conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their own telephone service providers for the telephone call to participate in the meeting; and
- must submit their voting proxies to the transfer secretaries in accordance with the instructions per the paragraph below.

Shareholders who choose this form of attendance may not vote telephonically at the AGM.

WHO MAY ATTEND

1. If you hold dematerialised shares which are registered in your name or if you are the registered holder of certified shares:
   (a) you may attend the AGM in person; or
   (b) you may appoint a proxy to represent you at the AGM by completing the attached form of proxy in accordance with the instructions contained therein and by returning it to the transfer secretaries to be received no later than 08:30 on Friday, 24 November 2017 for administrative purposes.

      A proxy need not be a shareholder of the Company.

   Proxy forms must be forwarded to reach the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them by no later than 08:30 on

Friday, 24 November 2017. Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares and registered them in their own name.

2. If you hold dematerialised shares which are not registered in your name:
   (a) and you wish to attend the AGM in person, you must obtain the necessary letter of representation from your Central Securities Depository Participant (CSDP) or broker or nominee (as the case may be); or
   (b) if you do not wish to attend the AGM but would like your vote to be recorded at the meeting, you should contact your CSDP or broker or nominee (as the case may be) and furnish them with your voting instructions; and
   (c) you must not complete the attached proxy form.

PURPOSE OF THE MEETING

The purpose of the meeting is to present to the shareholders of the Company the following:

- ▷ the directors' report. Please refer to page 5 of the Annual Governance report;
- ▷ the audited annual financial statements of The Bidvest Group Limited and its subsidiaries (the Group) for the year ended 30 June 2017;
- ▷ the report of the audit committee. Please refer to page 11 of the Annual Governance report; and
- ▷ to deal with any other business as may be lawfully dealt with at the AGM, and to consider, if deemed fit, to pass, with or without modification, the resolutions as set out below.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited annual financial statements, including the directors' report, auditors' report and report of the audit committee of the Group for the year ended 30 June 2017 will be presented to shareholders at the AGM.

ORDINARY RESOLUTIONS

1. Re-appointment of external auditors

Ordinary resolution number 1

Resolved that the re-appointment of Deloitte & Touche, as nominated by the Group's audit committee, as the independent external auditor of the Group. It is noted that Mr Mark Holme is the individual registered auditor who will undertake the audit for the financial year ending 30 June 2018, being the designated auditor.

2. Directorate

Ordinary resolutions numbered 2.1 to 2.5

Director appointed during the year

2.1 Resolved that Ms Carol Winfred Nosipho Molope who was appointed by the board as an independent non-executive director of the Group from 1 August 2017, in accordance with the provisions of the JSE Listings Requirements and in terms of the Company's Memorandum of Incorporation and who is eligible and available for election, be and hereby appointed as an independent executive director of the Group.

Directors retiring by rotation

2.2 Resolved that Mr LP Ralphs, who was appointed by the board as an executive director of the Group from 10 May 1992, and retires in terms of the Company's Memorandum of Incorporation and who, being eligible, offers himself for re-election be hereby re-elected as an executive director of the Group.

2.3 Resolved that Mrs GC McMahon, who was appointed by the board as an executive director of the Group from 27 May 2015, and retires in terms of the Company's Memorandum of Incorporation and who, being eligible, offers herself for re-election be hereby re-elected as an executive director of the Group.

2.4 Resolved that Ms T Slabbert*, who was appointed by the board as an independent non-executive director of the Group from 20 August 2007, and retires in terms of the Company's Memorandum of Incorporation and who, being eligible, offers herself for re-election be hereby re-elected as an independent executive director of the Group.

2.5 Resolved that Mr DDB Band*, who was appointed by the board as an independent non-executive director of the Group from 27 October 2003, and retires in terms of the Company's Memorandum of Incorporation and who, being eligible, offers himself for re-election be hereby re-elected as an independent non-executive director of the Group.

The board has reviewed its composition and has recommended the re-election of the directors listed above who have offered themselves as available for re-election. It is the view of the board that the re-election of the nominees referred to above, will enable the Group to:

- responsibly maintain a mix of business skills and experience relevant to the Group and balance the requirements of transformation, continuity and succession planning; and
- comply with corporate governance requirements in respect of matters such as the balance of executive and independent non-executive directors on the board.

**The board of directors has assessed the independence of all independent non-executive directors and considers same to be independent.*

Each director will be considered and voted on separately and, for each such resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at this meeting is required.

Brief CVs of these directors nominated for re-election in terms of ordinary resolutions 2.1 to 2.5 above appear on pages 13 and 14 of the Annual Governance report, together with the CVs of the other board members.

3. Election of audit committee members

Ordinary resolution number 3

Resolved that in terms of section 94(2) of the Companies Act, the audit committee is elected by the shareholders at each AGM. The following independent non-executive directors of the Group who fulfil the requirements of section 94(4) of the Companies Act, be and are hereby elected as the members of the Company's audit committee for the financial year ending 30 June 2018 until the conclusion of the next AGM:

3.1 Resolved that Mr EK Diack is elected as a member of the Group's audit committee.

3.2 Resolved that Mrs S Masinga is elected as a member of the Group's audit committee.

3.3 Resolved that Mrs CWN Molope is elected as a member of the Group's audit committee, subject to her appointment in accordance with ordinary resolution 2.1 above.

3.4 Resolved that Mr NG Payne (chairman) is elected as a member of the Group's audit committee.

Each member will be considered and voted on separately and, for each such resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at this meeting is required.

Brief CVs of these members nominated in terms of ordinary resolutions 3.1 to 3.4 above appear on pages 13 and 14 of the Annual Governance report. The board is of the view that the committee members have the required qualifications or experience to fulfil their duties.

4. Endorsement of Bidvest remuneration policy and implementation

King IV as well as the amended JSE Listings Requirements (Listings Requirements) requires the board (with the assistance of the remuneration committee) to present the Group's remuneration policy and implementation to the shareholders. In accordance with the recommendations of King IV and the Listings Requirements, the Company should give the shareholders the right to express their views on the remuneration policy and on the implementation of the Group's remuneration policy by casting advisory votes in the manner set out below.

Ordinary resolution number 4.1

Resolved that in terms of the recommendations of King IV and the Listings Requirements, the remuneration policy of the Group be and is hereby presented and:

4.1 Resolved "Part 1 – Remuneration policy" is hereby adopted.

Ordinary resolution number 4.2

Resolved that in terms of the recommendations of King IV and the Listings Requirements, the remuneration implementation report of the Group be and is hereby presented and:

4.2 Resolved "Part 2 – Implementation of remuneration policy" is hereby adopted.

The complete remuneration policy and implementation report appears on page 15 of the Annual Governance report.

As this is not a matter that is required to be resolved or approved by shareholders at the AGM, no minimum voting threshold is required. Nevertheless, for record purposes, ordinary resolution numbers 4.1 and 4.2 require the approval of more than 50% of the votes cast for it to be adopted as a non-binding advisory vote.

5. General authority to directors to allot and issue authorised but unissued ordinary shares

Ordinary resolution number 5

Resolved to place 30 (thirty) million of the unissued ordinary shares of the Company under the control of the directors, who shall be authorised, subject to the Memorandum of Incorporation, the requirements of the Companies Act and the Listings Requirements, to allot and issue up to 30 (thirty) million shares in the authorised, but unissued share capital of the Company at such times, at such prices and for such purposes as they may determine, at their discretion, after setting aside so many shares as may be required to be allotted and issued pursuant to the Company's share incentive schemes or acquisitions utilising such shares as currency to discharge the purchase consideration.

6. General authority to issue shares for cash

Ordinary resolution number 6

Resolved that subject to the passing of ordinary resolution number 6 and in terms of the Listings Requirements, the directors are hereby authorised to issue up to 30 (thirty) million ordinary shares for cash, representing a class of share already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue as and when suitable opportunities arise, subject to the following conditions, inter alia:

- that this authority shall not extend beyond the next AGM or 15 (fifteen) months from the date of this AGM, whichever date is the earliest;
- that a press announcement giving full details will be published at the time of any issue representing, on a cumulative basis 5% or more of the number of shares in issue prior to the issue/s from the date of this AGM until the date of the next AGM or 15 (fifteen) months from the date of this AGM, whichever date is the earliest;
- that the shares must be issued to public shareholders and not to related parties;
- that any issue in the aggregate in any one year shall not exceed 30 (thirty) million shares of the Company's issued ordinary share capital; and
- that in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue is determined or agreed to by the directors. In the event that shares have not traded in the said 30 (thirty) day period a ruling will be obtained from the committee of the JSE Limited.

Subject to the approval of the general authority proposed in terms of this ordinary resolution number 6, and in terms of the Listings Requirements, shareholders, by their approval of this resolution, grant a waiver of any pre-emptive rights to which ordinary shareholders may be entitled in favour of the directors for the allotment and issue of ordinary shares in the share capital of the Company for cash other than in the normal course by way of a rights offer or a claw-back offer or pursuant to the Company's share incentive schemes or acquisitions utilising such shares as currency to discharge the purchase consideration.

The proposed resolution to issue up to 30 (thirty) million ordinary shares represents approximately 9% (nine percent) of the issued share capital of the Company at the date of this notice.

7. Payment of dividend by way of pro rata reduction of share capital or share premium

Ordinary resolution number 7

Resolved that the directors of the Company shall be entitled to pay, by way of a pro rata reduction of share capital or share premium, in lieu of a dividend, an amount equal to the amount which the directors of the Company would have declared and paid out of profits in respect of the Company's interim and final dividends for the financial year ending 30 June 2018.

This general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this ordinary resolution number 7.

8. Creation and issue of convertible debentures

Ordinary resolution number 8

Resolved that the directors of the Company be and are hereby authorised to create and issue convertible debentures or other convertible instruments in respect of 30 (thirty) million ordinary shares of 5 cents (five cents) each in the capital of the Company, subject to a conversion premium of not less than 20% (twenty percent) above the volume-weighted traded price of the shares in the Company for the three trading days prior to pricing and to such conversion and other terms as they may determine in their sole and absolute discretion, but subject at all times to the Listings Requirements.

The proposed resolution for the creation and issue of up to 30 (thirty) million convertible debentures or other convertible instruments that represents approximately 9,0% (nine comma zero percent) of the issued share capital of the Company at the date of this notice.

For the sake of clarity, the aggregate number of shares issued in ordinary resolutions numbered 5, 6 and 8 will not exceed 30 (thirty) million ordinary shares in the issued share capital of the Company.

9. Directors' authority to implement special and ordinary resolutions

Ordinary resolution number 9

Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the ordinary and special resolutions passed at the AGM.

Additional notes on ordinary resolutions

A 75% (seventy-five percent) majority of the votes cast by shareholders present or represented and voting at the general meeting will be required in order for ordinary resolutions numbered 6 and 8 to become effective.

SPECIAL RESOLUTIONS

10. General authority to acquire (repurchase) shares

Special resolution number 1

Resolved that the Company or any of its subsidiaries be and are hereby authorised, by way of a general authority, to approve the purchase from time to time of its own issued ordinary shares by the Company, or approve the purchase of ordinary shares in the Company by any of its subsidiaries upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but always subject to the provisions of the Memorandum of Incorporation and the requirements of the JSE Limited, being that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement;
- this general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution number 1;
- an announcement will be published as soon as the Company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis 3% (three percent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% (three percent) threshold is reached, and for each 3% (three percent) in aggregate acquired thereafter, containing full details of such acquisitions;
- acquisitions of shares in aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's ordinary issued share capital as at the date of passing of this special resolution number 1;
- in determining the price at which ordinary shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE Limited over the five business days immediately preceding the date of repurchase of such ordinary shares by the Company or any of its subsidiaries;
- the Company has been given authority by its Memorandum of Incorporation;
- at any one point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf; and
- the Company and/or its subsidiaries not repurchasing any shares during a prohibited period as defined by the Listings Requirements, unless a repurchase programme is in place where dates and quantities of shares to be traded during the prohibited period are fixed, and full details of the programme have been submitted to, in writing, the JSE Limited prior to the commencement of the prohibited period.

The reason for and effect of special resolution number 1 is to grant the Company a general authority in terms of the Listings Requirements for the repurchase by the Company, or a subsidiary of the Company, of the Company's shares.

Share purchases:

The directors have no specific intention, at present, for the Company to repurchase any of its shares, but consider that such a general authority should be put in place should an opportunity present itself to do so during the financial year, which is in the best interests of the Company and its shareholders.

At that time an announcement will be made detailing the salient features of the capital reduction and the Company's sponsor shall, prior to the implementation of the reduction, provide the JSE Limited with the written working capital statement required in terms of the Listings Requirements.

Before entering the market to effect the general repurchase (special resolution number 1) and the general payment (ordinary resolution number 7) the directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the aforegoing general authority, special authority and the general payment, will ensure that for a period of 12 (twelve) months after the date of the notice of AGM:

- the Company and the Group will be able, in the ordinary course of business, to pay their debts;
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group;
- the share capital and the reserves of the Company and the Group will be adequate for ordinary business purposes; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes.

11. Approval of non-executive directors' remuneration – 2017/2018

Special resolution number 2

Resolved that the non-executive directors' remuneration for a 12-month period beginning 1 July 2017 be approved as follows:

Chairman	R1 430 000 per annum
Non-executive directors	R97 600 per annum plus R39 200 per meeting
Audit committee chairman	R278 200 per annum plus R44 000 per meeting
Audit committee member	R73 500 per annum plus R32 000 per meeting
Remuneration committee chairman	R125 000 per annum plus R30 200 per meeting
Remuneration committee member	R34 500 per meeting
Nominations committee member	R31 800 per meeting
Acquisitions committee chairman	R83 700 per annum plus R35 600 per meeting
Acquisitions committee member	R37 400 per meeting
Risk committee chairman	R148 400 per annum plus R26 200 per meeting
Risk committee member	R27 800 per meeting
Social and ethics committee chairman	R89 000 per annum plus R26 200 per meeting
Social and ethics committee member	R26 200 per meeting
Ad hoc meetings	R19 000 per meeting

The above fees are proposed net of VAT which may become payable thereon to directors depending on the status of the individual director's tax position.

The reason and effect of special resolution number 2 is to authorise the Company to pay remuneration to non-executive directors of the Company for their services as directors in terms of section 66 of the Companies Act.

12. General authority to provide financial assistance to related or inter-related companies and corporations

Special resolution number 3

Resolved that the board of directors of the Company may, to the extent required by and subject to sections 44 and 45 of the Companies Act and the requirements (if applicable) of the:

- Company's Memorandum of Incorporation; and
- Listings Requirements:

Authorise the Company to provide direct or indirect financial assistance to a related or inter-related company, provided that no such financial assistance may be provided at any time in terms of the authority after the expiry of two years from the date of the adoption of this special resolution number 3. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

The reason and the effect of the special resolution number 3 is to grant the board the authority to provide inter-group loans and other financial assistance for the purposes of funding the activities of the Group.

The board undertakes that:

12.1 It will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that: immediately after providing the financial assistance, the Group would satisfy the solvency and liquidity test as contemplated in the Companies Act; and

- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Group; and

12.2 written notice of any such resolution by the board shall be given to all shareholders of the Company and any trade union representing its employees:

- within 10 (ten) business days after the board having adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0,1% (zero comma one percent) of the Company's net worth at the time of the resolution; or
- within 30 (thirty) business days after the end of the financial year, in any other case.

Notice of annual general meeting 2017 continued

13. Additional disclosure of information

The following information appears in the annual financial statements posted to shareholders on or about 27 October 2017 and is provided in terms of the Listings Requirements for purposes of the general authority:

Major shareholders of the Company – page 88

- Material changes:
  Other than the facts and developments reported on in the financial report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

Share capital and premium of the Company – pages 45 and 46

- Directors' responsibility statement:
  The directors, whose names appear on page 7 of the annual financial statements, collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions. They certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolutions contain all information required by law and the Listings Requirements.

By order of the board of directors

CA Brighten
Company secretary

27 October 2017

Form of proxy

Bidvest

The Bidvest Group Limited
(Registration number 1946/021180/06) (the Company)
Share code: BVT
ISIN: ZAE 000117321

For the 71st AGM – for use by certificated shareholders and dematerialised shareholders with own-name registration.

Holders of dematerialised ordinary shares, other than those with own-name registration, must inform their CSDP or broker of their intention to attend the AGM and request their CSDP to issue them with the necessary letter of representation to attend the AGM in person or provide their CSDP with their voting instructions should they not wish to attend the AGM in person.

I/We (full name in block capitals please) ______________________________

of (address) ______________________________

being a member/members of The Bidvest Group Limited and entitled to ______________ votes[1]

hereby appoint ______________________________

of ______________________________

or failing him/her ______________________________

of ______________________________

or failing him/her, the chairman of the meeting as my/our proxy to vote on my/our behalf at the AGM of the Company to be held at Bidvest House, 18 Crescent Drive, Melrose Arch at 10:00 on 27 November 2017 or at any adjournment thereof, as follows:

	For	Against	Abstain
Ordinary resolution number 1: To re-appoint the external auditors			
Ordinary resolution number 2: Re-election of directors			
Appointed during the year			
2.1 CWN Molope			
Directors retiring by rotation and available for re-election			
2.2 L Ralphs			
2.3 G McMahon			
2.4 T Slabbert			
2.5 DDB Band			
Ordinary resolution number 3: Election of audit committee members			
3.1 EK Diack			
3.2 S Masinga			
3.3 CWN Molope			
3.4 NG Payne			

[1]Insert number of securities in respect of which you are entitled to exercise voting rights.

Form of proxy continued

	For	Against	Abstain
Ordinary resolution number 4:1 Endorsement of Bidvest remuneration policy – non-binding advisory note			
4.1 "Part 1 – Remuneration policy" is hereby adopted			
Ordinary resolution number 4.2: Endorsement of implementation of remuneration policy – non-binding advisory note			
4.2 "Part 2 – Implementation of remuneration policy"			
Ordinary resolution number 5: General authority to directors to allot and issue authorised but unissued ordinary shares			
Ordinary resolution number 6: General authority to issue shares for cash			
Ordinary resolution number 7: Payment of dividend by way of pro rata reduction of share capital or share premium			
Ordinary resolution number 8: Creation and issue of convertible debentures			
Ordinary resolution number 9: Directors' authority to implement special and ordinary resolutions			
Special resolution number 1: General authority to acquire (repurchase) shares			
Special resolution number 2: Approval of non-executive directors' remuneration – 2017/2018			
Special resolution number 3: General authority to provide direct or indirect financial assistance to all related and inert-related entities			

Mark with an "X" whichever is applicable. Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed this _______________ day of _______________ 2017

Member _______________

A member entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and, on a poll, to vote in his/her stead.

Notes

1. On a poll a shareholder is entitled to one vote for each share held.
2. A shareholder may insert the name of a proxy of the shareholder's choice in the space provided.
3. Forms of proxy must be lodged at, posted to or faxed for attention to: Computershare Investor Services Proprietary Limited, Fax: +27 (11) 688 5248; Tel: +27 (11) 370 5207; PO Box 61051, Marshalltown, 2107, South Africa so as to reach the Company's transfer secretaries by no later than 08:30 on Friday, 24 November 2017, for administrative purposes.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholders from attending the general meeting and speaking and voting in person there at to the exclusion of any proxy appointed in terms hereof.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory.
6. If any shares are jointly held, the first name appearing in the register shall, in the event of any dispute, be taken as the shareholder.

Summarised consolidated income statement

for the year ended June 30

R'000	2017 Audited	2016 Audited	% change
Revenue	**70 998 001**	68 241 101	4,0
Cost of revenue	**(50 342 325)**	(48 342 240)	
Gross income	**20 655 676**	19 898 861	3,8
Operating expenses	**(15 131 637)**	(14 602 043)	3,6
Sales and distribution costs	**(9 719 858)**	(9 361 693)	
Administration expenses	**(3 698 671)**	(3 683 769)	
Other costs	**(1 713 108)**	(1 556 581)	
Other income	**282 122**	299 967	
Trading result	**5 806 161**	5 596 785	3,7
Income from investments	**210 776**	156 694	
Trading profit	**6 016 937**	5 753 479	4,6
Share-based payment expense	**(143 145)**	(139 698)	
Acquisition costs	**(24 230)**	(8 416)	
Net capital items	**1 027 588**	(1 175 240)	
Operating profit	**6 877 150**	4 430 125	55,2
Net finance charges	**(1 059 560)**	(922 114)	14,9
Finance income	**232 069**	194 617	
Finance charges	**(1 291 629)**	(1 116 731)	
Share of profit of associates	**379 231**	149 983	152,8
Profit before taxation	**6 196 821**	3 657 994	69,4
Taxation	**(1 328 232)**	(1 215 487)	9,3
Profit for the period from continuing operations	**4 868 589**	2 442 507	99,3
Profit after taxation from discontinued operations	**–**	79 253 352	
Profit for the year	**4 868 589**	81 695 859	
Attributable to:			
Shareholders of the Company	**4 769 940**	2 285 850	
Non-controlling interest	**98 649**	156 657	
Shareholders of the Company – discontinued operations	**–**	79 215 705	
Non-controlling interest – discontinued operations	**–**	37 647	
	4 868 589	81 695 859	
Basic earnings per share (cents)	**1 430,3**	692,6	106,5
Diluted basic earnings per share (cents)	**1 423,4**	690,2	106,2
Headline earnings per share (cents)	**1 108,2**	1 054,1	5,1
Diluted headline earnings per share (cents)	**1 102,9**	1 050,4	5,0
Shares in issue			
Total	**335 094**	332 672	
Weighted ('000)	**333 497**	330 036	
Diluted weighted ('000)	**335 098**	331 210	
Dividends per share (cents)	**491,0**	714,0	(31,2)
Interim	**227,0**	482,0	(52,9)
Final	**264,0**	232,0	13,8
Discontinued operations			
Basic earnings per share (cents)	**–**	24 002,2	
Diluted basic earnings per share (cents)	**–**	23 917,0	
Dividend in specie per share (cents)	**–**	27 818,0	

Summarised consolidated income statement continued

for the year ended June 30

R'000	**2017 Audited**	2016 Audited	% change
Headline earnings			
The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:			
Profit attributable to shareholders of the Company	**4 769 940**	2 285 850	108,7
Impairment of property, plant and equipment, goodwill and intangible assets	**(1 403)**	153 475	
Property, plant and equipment	**(1 147)**	34 995	
Goodwill	**–**	52 111	
Intangible assets	**–**	102 021	
Taxation effect	**158**	(35 652)	
Non-controlling interest	**(414)**	–	
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**50 874**	139 001	
Loss on disposal and closure	**65 311**	178 176	
Taxation effect	**(14 437)**	(39 175)	
Net (profit) loss on disposal and remeasurement	**(1 080 926)**	810 759	
Remeasurement to recoverable fair value of associates	**(1 144 633)**	760 764	
Net loss on change in shareholding in associates	**82 072**	49 995	
Taxation effect	**(18 365)**	–	
Net (profit) loss on disposal of property, plant and equipment and intangible assets	**(7 114)**	2 265	
Property, plant and equipment	**(8 446)**	5 601	
Intangible assets	**(9 371)**	887	
Taxation effect	**2 909**	(2 843)	
Non-controlling interest	**7 794**	(1 380)	
Gain on a bargain purchase	**(11 374)**	(9 310)	
Non-headline items included in equity accounted earnings of associate companies	**(24 265)**	96 961	
Headline earnings	**3 695 732**	3 479 001	6,2

Summarised consolidated statement of other comprehensive income

for the year ended June 30

R'000	2017 Audited	2016 Audited
Profit for the year	**4 868 589**	81 695 859
Other comprehensive income	**(126 903)**	4 179 958
Items that may be reclassified subsequently to profit or loss	**(134 297)**	4 170 310
Foreign currency translation reserve		
Exchange differences arising during the year	**(117 787)**	4 170 535
Available-for-sale financial assets		
Net fair value profit (loss) on available-for-sale financial assets	**2 527**	(2 244)
Cash flow hedges		
Net fair value (profit) loss arising during the year	**(26 440)**	2 257
Taxation effect for the year	**7 403**	(238)
Items that will not be reclassified subsequently to profit or loss	**7 394**	9 648
Defined benefit obligations		
Net remeasurement of defined benefit obligations during the year	**10 278**	14 795
Taxation effects		
Taxation charge for the year	**(2 884)**	(5 147)
Total comprehensive income for the year	**4 741 686**	85 875 817
Attributable to		
Shareholders of the Company	**4 654 904**	85 658 409
Non-controlling interest	**86 782**	217 408
	4 741 686	85 875 817

Summarised consolidated statement of cash flows

for the year ended June 30

R'000	2017 Audited	2016 Audited
Cash flows from operating activities	**2 816 458**	3 148 537
Operating profit	**6 877 150**	4 430 125
Dividends from associates	**114 494**	138 689
Acquisition costs	**24 230**	8 416
Depreciation and amortisation	**1 641 568**	1 586 940
Remeasurement to recoverable fair value of associates	**(1 144 633)**	760 764
Other non-cash items	**(265 154)**	(187 742)
Cash generated by operations before changes in working capital	**7 247 655**	6 737 192
Changes in working capital	**(367 886)**	296 577
Cash generated by operations	**6 879 769**	7 033 769
Net finance charges paid	**(1 030 415)**	(851 371)
Taxation paid	**(1 373 927)**	(1 191 426)
Dividends paid by – Company	**(1 529 585)**	(3 149 552)
– Subsidiaries	**(129 384)**	(128 194)
Net operating cash flows from discontinued operations	**–**	1 435 311
Cash effects of investment activities	**(1 621 011)**	(5 646 310)
Net disposals (additions) to vehicle rental fleet	**107 399**	(77 995)
Net additions to property, plant and equipment	**(1 895 257)**	(2 404 062)
Net additions to intangible assets	**(141 066)**	(113 525)
Net disposal (acquisition) of subsidiaries, businesses, associates and investments	**307 913**	(786 872)
Net investing cash flows from discontinued operations	**–**	(2 263 856)
Cash effects of financing activities	**(21 223)**	1 577 560
Proceeds from shares issued	**–**	82 506
Disposal of treasury shares	**274 229**	1 265 277
Borrowings raised	**2 902 588**	2 434 616
Borrowings repaid	**(3 198 040)**	(3 376 015)
Net financing cash flows from discontinued operations	**–**	1 171 176
Net increase (decrease) in cash and cash equivalents	**1 174 224**	(920 213)
Net cash and cash equivalents at the beginning of the year	**2 706 226**	5 818 512
Exchange rate adjustment from continuing operations	**5 967**	9 686
Exchange rate adjustment from discontinued operations	**–**	814 703
Cash disposed as part of Foodservices division unbundling	**–**	(3 016 462)
Net cash and cash equivalents at end of the year	**3 886 417**	2 706 226
Net cash and cash equivalents comprise:		
Cash and cash equivalents	**5 132 550**	3 911 927
Bank overdrafts shown as short-term portion of interest-bearing debt	**(1 246 133)**	(1 205 701)
	3 886 417	2 706 226

Summarised consolidated statement of financial position

for the year ended June 30

R'000	2017 Audited	2016 Audited
ASSETS		
Non-current assets	**25 323 700**	21 846 083
Property, plant and equipment	**10 474 205**	9 700 907
Intangible assets	**1 667 710**	929 960
Goodwill	**3 167 700**	2 537 036
Deferred taxation asset	**728 913**	618 192
Defined benefit pension surplus	**202 886**	180 035
Interest in associates	**5 375 328**	4 190 496
Investments	**2 843 132**	2 869 822
Banking and other advances	**863 826**	819 635
Current assets	**26 067 498**	23 215 161
Vehicle rental fleet	**992 942**	1 318 581
Inventories	**8 595 692**	7 996 103
Short-term portion of banking and other advances	**1 026 974**	878 627
Trade and other receivables	**10 136 307**	9 098 345
Taxation	**183 033**	11 578
Cash and cash equivalents	**5 132 550**	3 911 927
Total assets	**51 391 198**	45 061 244
EQUITY AND LIABILITIES		
Capital and reserves	**23 044 323**	19 746 080
Attributable to shareholders of the Company	**21 697 305**	18 459 474
Non-controlling interest	**1 347 018**	1 286 606
Non-current liabilities	**7 165 102**	7 459 037
Deferred taxation liability	**1 014 705**	882 847
Life assurance fund	**311 355**	24 761
Long-term portion of borrowings	**5 408 072**	6 138 900
Post-retirement obligations	**77 197**	79 128
Puttable non-controlling interest liabilities	**60 990**	49 167
Long-term portion of provisions	**149 907**	163 887
Long-term portion of operating lease liabilities	**142 876**	120 347
Current liabilities	**21 181 773**	17 856 127
Trade and other payables	**11 033 424**	11 016 386
Short-term portion of provisions	**278 582**	278 830
Vendors for acquisition	**39 523**	28 534
Taxation	**109 771**	–
Amount owed to bank depositors	**4 412 104**	3 689 161
Short-term portion of borrowings	**5 308 369**	2 843 216
Total equity and liabilities	**51 391 198**	45 061 244
Net tangible asset value per share (cents)	**5 032**	4 507
Net asset value per share (cents)	**6 475**	5 549

Summarised consolidated statement of changes in equity

for the year ended June 30

R'000	2017 Audited	2016 Audited
Shareholders' interest		
Issued share capital	**16 770**	16 770
Balance at beginning of the year	**16 770**	16 758
Shares issued during the year	**–**	12
Share premium arising on shares issued	**379 792**	379 792
Balance at beginning of the year	**379 792**	297 298
Shares issued during the year	**–**	82 580
Share issue costs	**–**	(86)
Foreign currency translation reserve	**286 628**	393 429
Balance at beginning of the year	**393 429**	5 149 394
Current year movement	**(105 885)**	4 147 359
Realisation of reserve on disposal and or unbundling of subsidiaries and or associates	**(916)**	(8 903 324)
Hedging reserve	**6 489**	25 526
Balance at beginning of the year	**25 526**	25 383
Fair value movements during the year	**(26 440)**	2 257
Taxation recognised directly in reserve	**7 403**	(238)
Realisation of reserve on disposal and or unbundling of subsidiaries and or associates	**–**	(1 876)
Equity-settled share-based payment reserve	**(14 787)**	67 002
Balance at beginning of the year	**67 002**	310 416
Arising during the year	**143 712**	259 226
Taxation recognised directly in reserve	**81 779**	146 745
Utilisation during the year	**(307 280)**	(762 053)
Realisation of reserve on disposal and or unbundling of subsidiaries and or associates	**–**	3 205
Transfer to retained earnings	**–**	109 463
Retained earnings	**20 279 261**	17 108 032
Balance at the beginning of the year	**17 108 032**	31 558 166
Attributable profit	**4 769 940**	81 501 555
Change in fair value of available-for-sale financial assets	**2 527**	(2 244)
Net remeasurement of defined benefit obligations during the year	**7 359**	9 721
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(118 000)**	(45 592)
Taxation direct in equity arising from transactions with subsidiaries	**47 664**	–
Remeasurement of put option liability	**(8 676)**	(787)
Net dividends paid	**(1 529 585)**	(3 149 552)
Dividend in specie on unbundling of subsidiaries	**–**	(92 533 240)
Taxation direct in equity arising from dividend in specie	**–**	(120 532)
Transfer from equity-settled share-based payment reserve	**–**	(109 463)
Treasury shares	**743 152**	468 923
Balance at the beginning of the year	**468 923**	(985 225)
Shares disposed of with the unbundling of subsidiaries	**–**	420 288
Reduction in the value of treasury shares arising on receipt of unbundled shares	**–**	(231 417)
Shares disposed of in terms of share incentive scheme	**274 229**	1 265 277
	21 697 305	18 459 474
Equity attributable to non-controlling interest		
Balance at beginning of the year	**1 286 606**	1 338 044
Other comprehensive income	**86 782**	217 408
Attributable profit	**98 649**	194 304
Movement in foreign currency translation reserve	**(11 902)**	23 176
Net remeasurement of defined benefit obligations during the period	**35**	(72)
Dividends paid	**(129 384)**	(141 302)
Movement in equity-settled share-based payment reserve	**(567)**	562
Changes in shareholding	**(14 419)**	(6 686)
Grant of puttable options to non-controlling interests	**–**	(68 944)
Transfer of reserves as a result of changes in shareholding of subsidiaries and other transactions with subsidiaries	**118 000**	45 592
Non-controlling interest of disposed or unbundled subsidiaries	**–**	(98 068)
	1 347 018	1 286 606
Total equity	**23 044 323**	19 746 080

Summarised segmental analysis

for the year ended June 30

R'000	2017 Audited	2016 Audited	% change
REVENUE			
Bidvest South Africa	**69 679 523**	67 298 077	3,5
Automotive	**24 182 054**	24 062 557	0,5
Commercial Products	**8 025 202**	6 013 106	33,5
Electrical	**5 667 087**	5 375 014	5,4
Financial Services	**4 009 127**	3 336 302	20,2
Freight	**4 986 641**	6 013 814	(17,1)
Office and Print	**9 670 916**	10 076 465	(4,0)
Services	**13 138 496**	12 420 819	5,8
Bidvest Namibia	**3 794 668**	3 858 949	(1,7)
Bidvest Corporate	**1 592 071**	1 726 387	(7,8)
Properties	**489 124**	411 938	18,7
Corporate and investments	**1 102 947**	1 314 449	(16,1)
	75 066 262	72 883 413	3,0
Inter Group eliminations	**(4 068 261)**	(4 642 312)	
	70 998 001	68 241 101	4,0
TRADING PROFIT			
Bidvest South Africa	**5 632 476**	5 295 391	6,4
Automotive	**663 395**	674 709	(1,7)
Commercial Products	**688 571**	463 654	48,5
Electrical	**350 173**	317 440	10,3
Financial Services	**625 303**	582 204	7,4
Freight	**1 070 257**	1 019 816	4,9
Office and Print	**657 692**	706 295	(6,9)
Services	**1 577 085**	1 531 273	3,0
Bidvest Namibia	**86 470**	296 662	(70,9)
Bidvest Corporate	**297 991**	161 426	84,6
Properties	**428 566**	366 583	16,9
Corporate and Investments	**(130 575)**	(205 157)	36,4
	6 016 937	5 753 479	4,6

Message to shareholders

Introduction

Bidvest (the Company or the Group) is a leading trading, distribution and services group, operating through seven divisions: Services, Freight, Automotive, Office and Print, Commercial Products, Financial Services and Electrical. The Group owns 52,0% of Bidvest Namibia and a significant Bidvest-occupied property portfolio. Bidvest continues to hold investments in Adcock Ingram (38,4%), Comair (27,2%), Mumbai Airport (6,75%), as well as other listed and unlisted investments.

Highlights

Bidvest has delivered a solid trading result in an exacting market, characterised by a lack of economic growth and declining consumer spend, as well as significant business and political uncertainty. The benefits of a diversified portfolio and the quality of the underlying businesses are evident in the performance of the South African trading operations where five of Bidvest's seven divisions, as well as Bidvest Properties, delivered growth in trading profit. The Automotive division, while not growing profits, managed to perform ahead of a very challenging market. Exceptional cost discipline and driving down the cost of doing business helped to support growth in most of the businesses that faced deflationary pressure.

South African operations delivered improved trading results in most divisions, with trading profit increasing by 6,4% against revenue growth of 3,5%. The results were bolstered by a strong focus on clients and solutions, as well as the acquisition of Brandcorp (effective 1 October 2016) in the Commercial Products division and smaller bolt-on acquisitions in the Electrical and Financial Services divisions. Bidvest Namibia continued to be impacted by a lack of fishing quotas and a recessionary macro-economic environment. Bidvest Corporate benefited from mark-to-market fair value adjustments on various investments, an exceptional performance from the property division and reduced losses in the UK.

Strong profitability gains were achieved at Adcock Ingram and Comair, which notably increased Bidvest's share of profits from these associated companies and prompted a reversal of previous impairments, arising from an increase in their respective market values. These financial impacts contributed to a more than doubling of basic earnings per share to 1 430,3 cents (2016: 692,6 cents). Headline earnings per share increased by 5,1% to 1 108,2 cents (2016: 1 054,1 cents).

Financial overview

Group revenue increased 4,0% to R71,0 billion (2016: R68,2 billion), with R1,7 billion of the increase attributable to the contribution from Brandcorp. The disposal of Manica, effective 30 June 2016, reduced revenue in the Freight division by R1,3 billion in the current year. On a comparable basis, revenue (excluding Manica and Brandcorp) increased by 3,5%.

Gross profit margin was fairly stable at 29,1% (2016: 29,2%). The inclusion of the higher margin Brandcorp business served to support the overall margin, against Bidvest Namibia's margins that were decimated by challenging operating conditions and Financial Services' margins which were diluted by low margin trade flow business.

Operating expenses were well controlled, increasing by a modest 3,6%. This result is even more impressive in the context of the distortions from the Manica and Brandcorp transactions. Excluding the effects of these material transactions, like-for-like expenses were well contained and increased by 1,7%.
Commercial Products, Electrical, Financial Services, Freight and Services contributed positively to the growth in the trading profit. Automotive and Office and Print profits were slightly down, while Bidvest Namibia suffered a significant decline.

Income from investments increased by 34,5% to R210,8 million. This outcome was the result of a range of realised and unrealised gains and losses during the year in some of the listed and unlisted investments. The insurance investment portfolio yielded a lower return compared to the prior year.

Trading profit grew 4,6% to R6,0 billion (2016: R5,8 billion), with a trading margin of 8,5% (2016: 8,4%).

Net capital items contributed profits of R1,0 billion in 2017, relative to losses of R1,2 billion in the prior year. The investments in Adcock Ingram and Comair benefited from positive mark-to-market adjustments relative to negative adjustments for the 2016 financial year. Both Adcock Ingram and Comair reported substantially better results in the 2017 financial year.

Net finance charges were 14,9% higher at R1,1 billion (2016: R0,9 billion), driven by an increase in net debt due to the Brandcorp acquisition and an increase in the weighted average interest rate.

Share of profit from associates increased by 152,8%, due to the improved performances in Adcock Ingram and Comair.

Bidvest's headline earnings increased by 6,2% to R3,7 billion (2016: R3,5 billion) and HEPS by 5,1% to 1 108,2 cents per share. The number of weighted average shares in issue increased.

Bidvest continues to maintain a conservative approach to gearing and net debt levels are acceptable at R5,6 billion (2016: R5,1 billion). Stable net debt to EBITDA at 0,7 times and EBITDA interest cover of 7,2 times (2016: 8,0 times), are comfortably above the Group's conservative targets, providing ample capacity for further expansion.

Cash generated by operations at R6,9 billion, was marginally lower than the R7,0 billion generated in the prior year. The Group absorbed R368 million of working capital in the current year compared to a release of R297 million in the prior year. This was mainly due to substantial project deliveries in the fourth quarter of the 2017 financial year.

An amount of R773 million was recognised on the sale of non-core assets including Cargo Carriers, Cullinan, approximately half of the Bidcorp shares and various other listed shares.

Following Moody's Investors Service's downgrade of South Africa's sovereign rating in June 2017, the rating agency also lowered Bidvest's global scale long and short-term counterparty credit ratings to Baa3/P-3 from Baa2/P-2, respectively. The outlook is negative. Bidvest's national scale rating has remained unchanged at Aa1.za/P-1.za.

Acquisitions

During the year, the Group acquired 100% of Brandcorp with effect from 1 October 2016. Brandcorp is a value-added distributor of niche industrial and consumer products trading under the industrial brands, Matus, Renttech, Burncrete, Moto Quip, Leisure Quip and consumer brands, Cellini and MIC Prestige. The acquisition forms part of the Commercial Products segment and enabled the Group to expand its range of complementary products and services.

Bidvest also announced the acquisition of 100% of Noonan for EUR175 million in July 2017. Noonan is an integrated facility management services and solutions provider with a 40-year track record. Its services range from cleaning and security to building services and facilities management and include soft, technical and ancillary services. Noonan employs more than 13 000 people and operates throughout the Republic of Ireland and in the United Kingdom, with 40% of its revenue derived from the latter. Noonan has deep management experience, supported by strong business technology, and has demonstrated strong client retention over the years. SA Reserve Bank approval has been obtained and the transaction has therefore, become unconditional. The transaction was effective 1 September 2017.

The acquisition of Noonan is in line with Bidvest's stated strategic intent to expand its presence beyond South Africa in niche, asset light businesses that will benefit from Bidvest's capabilities and expertise.

In addition, the Group made several less significant acquisitions and disposals during the year, as part of its strategy to grow through organic as well as acquisitive means.

Message to shareholders continued

Prospects

Current economic data points to moderately improving economic conditions. This trend is supported by higher commodity prices and improving consumer confidence as evidenced by the latest retail statistics. Accordingly, we expect trading conditions to improve marginally in the coming year.

Against this background, a continued strong focus on expense control and asset management remain essential ingredients to ensure outperformance through the business cycles.

The Group will continue to actively explore selective acquisitive opportunities in local and international markets, to complement existing product and service offerings. Bidvest maintains a sound financial position and a strong balance sheet with adequate headroom to support its aspirations in this regard. The monetisation of the remaining non-core assets will continue.

Divisional review

Services

This is a large and diverse division operating in numerous areas of service. The division continued to perform satisfactorily, increasing its trading profit by 3,0%. The Security and Allied clusters performed well, with Protea Coin again being a star performer. Bidvest Facilities Management achieved good results as it secured several new integrated contracts. The annuity based businesses all performed above expectations. The project-based industrial businesses and the Travel cluster generated disappointing results.

Freight

The division performed pleasingly with trading profit up 4,9%. Revenue, after removing Manica from the prior year, was up 6,0%. The financial performance was supported by an uptick in mineral exports, particularly manganese, copper and chrome, and strong liquid volumes. Agricultural volumes fell short of expectations. The commissioning of the new Puma fuel tanks in Richards Bay contributed to the increase in petroleum volumes. Excellent cost control added to profitability.

Automotive

Bidvest Automotive delivered a satisfactory performance against a new vehicle dealer market that has contracted by 8,2% in the year to June 2017 and new vehicle margins came under extreme pressure. Revenue was flat and trading profit was marginally down at 1,7%. Improved balance has been achieved in the contribution from new vehicles, used vehicles, service and parts, which has been critical to offset the volume declines and margin pressures in new vehicle sales. Used vehicle volumes have stabilised and related activities achieved strong growth. Non-performing dealers and franchises were exited this year. Bidvest Car Rental grew volumes and secured rental rate increases. Fleet utilisation was, however, lower and accident incidents and costs higher.

Office and Print

Revenue declined by 4,0% and trading profit by 6,9%, after being down 14% at half-year. Year-on-year revenue comparisons are distorted by the non-recurrence of the Tanzanian voter registration project and the disposal of Kolok Mozambique. The division's trading profit result was negatively impacted by a decline in volume and pricing pressure at Kolok, together with margin erosion and foreign exchange effects at Konica Minolta. Overall gross margin, however, continued to be well managed and operating expenses were exceptionally well-controlled. Operating cash generation and asset management was excellent. Zonke, Silveray and Packaging performed especially well and Waltons' turnaround strategy is bearing fruit. Three bolt-on acquisitions were concluded in the Paper and Printing areas.

Commercial Products
The division produced good results, delivering a 48,5% increase in trading profit. The results include the acquisition of the Brandcorp group of companies during the year. Excluding the Brandcorp acquisition, revenue and trading profit increased by a commendable 4%, in a tough trading environment. A shift in mix towards the higher yielding Brandcorp companies assisted in increasing margins, despite price pressure from customers and price deflation. Excellent results were achieved in Plumblink, Bidvest Materials Handling, Academy Brushware and Home of Living Brands. Yamaha experienced headwinds. Brandcorp performed in line with expectations, with Renttech and Burncrete achieving excellent results.

Financial Services
Bidvest Bank and the Insurance cluster reported a pleasing set of results. Trading profit increased by 7,4%, with a strong contribution from Bidvest Bank. The bank's corporate advances increased by 26,5% and deposits grew by 16,6%. The positive performance was driven further by a 14,6% growth in the leasing business and a notable improvement in the Treasury forex margin of the Trading and Investments business. The bank delivered strong improvements in key banking ratios. In June, Moody's Investor Services upgraded Bidvest Bank's long-term national scale rating by two notches from A1 to Aa2.

Positive operating performance in the Insurance cluster was impacted by declining returns on the investment portfolio. Insurance premiums grew by 97,1% and insurance assets increased by 23,0% to R1,8 billion. Compendium was again the star performer with an 88,0% increase in operating profit year-on-year.

Electrical
The division has performed well given that the infrastructure development, mining and construction sectors in South Africa remain constrained. The 10,3% increase in trading profit and revenue growth of 5,4% is excellent in this environment. Voltex held its own, with Cabstrut and Electech achieving good growth. The Voltex brand remains strong. The solutions businesses Solid State Power, Versalec Cables and Voltex MVLV Solutions produced impressive results. Eagle Lighting, Technilamp and Mubelo are new diversified businesses in niche markets which will add value going forward.

Other investments

Bidvest Namibia (52% share)
Difficult macro-economic factors in Namibia contributed to a disappointing overall performance, with trading profit declining by 70,9%. For the Bidfish division, limited quota allocations, a significant decline in prices and higher quota buy-in prices affected profitability. All the other divisions experienced pressure on revenue due to the recession in Namibia and, apart from Properties, reported a decline in profitability. The trading conditions are not expected to ease in the short term. Various cost initiatives have been implemented to improve the operating performance.

On 18 August 2017, shareholders were advised that Bidvest Namibia has entered into discussion, which if successfully concluded, may have a material effect on the price of the Company's securities.

Bidvest Corporate
Bidvest Properties performed well with a 16,9% increase in trading profit. A positive mark-to-market adjustment in Bidcorp and an upwards revaluation of the investment in Mumbai International supported the performance of investments. The UK businesses of Mansfield and On Time both showed pleasing improvements over the prior year.

Directorate
Paul Baloyi resigned from the board in August 2016 and Brian Joffe in August 2017. The board welcomes Nosipho Molope as an independent non-executive director from 2 August 2017.

The board and management of Bidvest wish to thank Brian Joffe, the founder of Bidvest, for his valued leadership since its formation. We wish him well for the future.

Message to shareholders continued

Bidvest welcome the launch of the "#BusinessBelieves in South Africa" campaign. As advocates of the campaign, the Group pledges its support of ethical business practices. Bidvest reaffirms its commitment to job creation and economic growth through the expansion of its South African operations.

For and on behalf of the board

CWL Phalatse
Chairman

L Ralphs
Chief executive

Johannesburg

28 August 2017

Dividend declaration

In line with the Group dividend policy, the directors have declared a final gross cash dividend of 264 cents (211,2000 cents net of dividend withholding taxation, where applicable) per ordinary share for the year ended 30 June 2017 to those members registered on the record date, being Friday, 22 September 2017. This brings the total dividend for the year to 491 cents per share (2016: 714 cents). The total dividend is not comparable to the prior year total dividend which was declared as part of the larger Bidvest Group, prior to the unbundling of the foodservice businesses.

The dividend has been declared from income reserves. A dividend withholding taxation of 20% will be applicable to all shareholders who are not exempt.

Share code:	BVT
ISIN:	ZAE000117321
Company registration number:	1946/021180/06
Company tax reference number:	9550162714
Gross cash dividend amount per share:	264 cents
Net dividend amount per share:	211,2000 cents
Issued shares at declaration date:	335 404 212
Declaration date:	Monday, 28 August 2017
Last day to trade cum dividend:	Tuesday, 19 September 2017
First day to trade ex-dividend:	Wednesday, 20 September 2017
Record date:	Friday, 22 September 2017
Payment date:	Tuesday, 26 September 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 September 2017, and Friday, 22 September 2017, both days inclusive.

For and on behalf of the board

CA Brighten
Company secretary

Johannesburg

28 August 2017

Basis of presentation of summarised consolidated financial statements

These summarised financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and includes disclosure as required by IAS 34 Interim Financial Reporting and the Companies Act of South Africa. They do not include all the information required for a complete set of International Financial Reporting Standards (IFRS) financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2016.

In preparing these summarised financial statements, directors make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by directors in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2016.

The summarised and consolidated financial statements have been prepared under the supervision of HP Meijer (BCompt, MBL), Group financial director, and were approved by the board of directors on 25 August 2017.

Significant accounting policies

The accounting policies applied in these summarised financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2016.

During the year certain operations were reclassified between segments. The comparative period's segmental information has been re-presented to reflect these insignificant changes.

Net acquisition of businesses, subsidiaries, associates and investments

During the year the Group acquired 100% of the share capital of Brandcorp with effect from 1 October 2016. Brandcorp is a value added distributor of niche Industrial and Consumer products trading under the Industrial brands, Matus, Renttech, Burncrete, Moto Quip, Leisure Quip and consumer brands, Cellini and MIC Prestige. The acquisition forms part of the Bidvest Commercial Products segment and will enable the Group to expand its range of complementary products and services. Goodwill arose on the acquisition as the anticipated value of future cash flows, that were taken into account in determining the purchase consideration, exceeded the net assets acquired at fair value. The acquisition has been funded with a combination of long-term borrowings and existing cash resources.

The acquisition of Brandcorp contributed R1,8 billion to gross revenue and R198 million to operating profit. Had the acquisition taken place on 1 July 2016, the contribution to revenue would have been R2,6 billion and R252 million to operating profit.

The Group also made a number of less significant acquisitions and disposals during the year. Certain of these acquisitions resulted in insignificant bargain purchase gains. These acquisitions were funded from existing cash resources.

Basis of presentation of summarised consolidated financial statements continued

The following table summarises the net assets acquired and liabilities assumed which have been included in these results from the respective acquisition and disposal dates.

R'000

	Brandcorp	Other acquisitions	Total acquisitions	Disposals	**Net acquisitions**
Property, plant and equipment	185 302	63 690	248 992	(9 192)	**239 800**
Deferred taxation	(116 534)	(7 664)	(124 198)	14 437	**(109 761)**
Interest in associates	27 626	32 790	60 416	(288 441)	**(228 025)**
Investments and advances	–	510 124	510 124	(941 863)	**(431 739)**
Inventories	572 519	58 695	631 214	(56 976)	**574 238**
Trade and other receivables	480 411	33 576	513 987	(16 552)	**497 435**
Cash and cash equivalents	118 444	60 080	178 524	3 176	**181 700**
Borrowings	(1 945 120)	(11 059)	(1 956 179)	108	**(1 956 071)**
Trade and other payables and provisions	(434 489)	(101 551)	(536 040)	(11 492)	**(547 532)**
Taxation	(9 277)	(5 280)	(14 557)	(649)	**(15 206)**
Intangible assets	684 282	517	684 799	(95)	**684 704**
	(436 836)	633 918	197 082	(1 307 539)	**(1 110 457)**
Non-controlling interest	–	15 179	15 179	(760)	**14 419**
Realisation of foreign currency translation reserve	–	–	–	916	**916**
Gain on bargain purchase price	–	(11 374)	(11 374)	–	**(11 374)**
Goodwill	436 836	197 362	634 198	(3 212)	**630 986**
Net assets acquired (disposed)	–	835 085	835 085	(1 310 595)	**(475 510)**
Settled as follows:					
Cash and cash equivalents acquired/disposed of			(178 524)	(3 176)	**(181 700)**
Acquisition costs			24 230	–	**24 230**
Net loss on disposal of operations			–	132 946	**132 946**
Net change in vendors for acquisition			(10 989)	–	**(10 989)**
Receivable arising on disposal of associate			–	203 110	**203 110**
Net acquisition (disposal) of businesses, subsidiaries, associates and investments			669 802	(977 715)	**(307 913)**

Commitments

Capital expenditure amounting to R1 939 million (2016: R1 138 million) is in respect of property, plant and equipment.

Subsequent events

The Group acquired 100% of the shares of Noonan from Alchemy Partners and Noonan's current management. Noonan, which is based and operates throughout the Republic of Ireland and in the United Kingdom, has established a clear leadership position with a 40-year track-record of delivering high-quality integrated facility management services and solutions. Its services include soft, technical and ancillary services, and range from cleaning and security to building services and facilities management. The board believes that Noonan's business model and geographic presence will be complementary to Bidvest's Services division. Several learnings can be shared, and enhanced, thereby improving the Group's overall service offering. The current dual geographic footprint allows for growth optionality into Europe and further afield. South African Reserve Bank approval has been obtained. The transaction is expected to be effective 1 September 2017. The EUR175 million (R2,7 billion) purchase price was settled by way of foreign credit facilities. Three-year variable rate, Euro denominated funding has been secured at an attractive rate.

Other than above, no further subsequent events have been identified.

Fair value of financial instruments

The Group's investments of R2 843 million (2016: R2 870 million) include R62 million (2016: R89 million) recorded at cost, R1 785 million (2016: R1 846 million) recorded and measured at fair values using quoted prices (level 1) and R996 million (2016: R935 million) recorded and measured at fair value using factors not based on observable data (level 3). Fair value gains on level 3 investments recognised in the income statement total R95 million (2016: R94 million) and other reductions of R67 million relate to net sales, and foreign exchange losses of R0,4 million recognised in the currency translation reserve.

The Group's effective beneficial interest in the Indian based Mumbai International Airport Private Limited (MIAL) is included in unlisted investment held-for-trade, where the fair value is not based on observable market data (level 3). The carrying value of this investment, based on the directors' valuation at 30 June 2017, is R940 million (US$72 million) (2016: R853 million (US$60 million)).

When the Group performs an analysis and notes significant changes in the underlying variables included in the valuation, the value of the investment is reconsidered. As a result of consistent increases in earnings driven off increased passenger numbers the MIAL asset has been revalued in the current year. The updated value was determined as fair value less cost to sell. The calculation used the actual operating results for MIAL based on the most recent financial statements and a median multiple for the peer group which is in a range of 11.6 – 12.5x EBITDA. A 1% change in the multiple or EBITDA used results in US$1,6 million change in the value. Consideration was also given to an independent expert valuation as well as the Group's prior disposal of the identical sized interest in the 2012 financial year, after adjusting for a control premium achieved in that transaction.

MIAL is a foreign based asset and the ruling year end exchange rate, US$1 = R13,06 (2016: US$1 = R14,79), is a further factor that affects the carrying value. The valuation is considered a level 3 type valuation in accordance with IFRS 13 – Fair Value Measurement.

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of borrowings of R10 713 million whose carrying value is R10 716 million.

Independent auditor's report on the summarised financial statements

TO THE SHAREHOLDERS OF THE BIDVEST GROUP LIMITED

Opinion

The summarised consolidated financial statements of The Bidvest Group Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2017, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of The Bidvest Group Limited for the year ended 30 June 2017.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of The Bidvest Group Limited, with the requirements of International Accounting Standard 34: *Interim Financial Reportin*g and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summarised financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 25 August 2017. That report also includes our communication of key audit matters.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with International Accounting Standard 34: *Interim Financial Reportin*g and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), *Engagements to Report on Summary Financial Statements.*

Deloitte & Touche
Registered Auditors
Per: MH Holme
Partner

27 October 2017

20 Woodlands Drive, Woodmead

Administration

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Incorporated in the Republic of South Africa
Registration number: 1946/021180/06
ISIN: ZAE000117321
Share code: BVT

Group company secretary
Craig Brighten

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Deloitte & Touche

Legal advisers
Baker & McKenzie
Edward Nathan Sonnenbergs
Werksmans Inc

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FirstRand Group Limited
Investec Bank Limited
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