BID 201702230002A
Unaudited results for the half-year ended December 31 2016

Bid Corporation Limited
("Bidcorp" or "the Group" or "the Company")
Incorporated in the Republic of South Africa
Registration number: 1995/008615/06
Share code: BID
ISIN: ZAE000216537

Unaudited results for the half-year ended December 31  2016

Financial highlights

Trading profit
H1 2017 R2,8 bn
H1 2016 R2,4 bn*
+15,7%

HEPS
H1 2017 600,3 cents
H1 2016 499,1 cents*
+20,3%

Net debt
H1 2017 R1,7 bn
H1 2016 R4,3 bn*
-R2,6bn

Distribution
Cents per share
250,0

* Reviewed pro forma financial information

Bidcorp's focus remains on realising the potential that exists in its current foodservice operations as well as acquisitive growth opportunities.

The business comprises a mix of well-established operations in leading and rapidly growing markets, offering significant future upside. The profile of the customer base is strategically targeted to fully cater to the foodservice industry's needs.

Condensed consolidated statement of profit or loss
for the

Pro forma financial information (Note 2)

| | Actual (Note 1) Half year ended December 31 2016 Unaudited | Actual (Note 1) Half year ended December 31 2015 Reviewed | Pro forma Half year ended December 31 2015 Reviewed | % change | Pro forma Year ended June 30 2016 Reviewed |
| --- | --- | --- | --- | --- | --- |
| R000s | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Revenue | 67 821 938 | 64 755 706 | 68 168 588 | (0,5) | 140 523 301 |
| Cost of revenue | (53 294 762) | (51 736 560) | (54 383 309) | 2,0 | (111 339 336) |
| Gross profit | 14 527 176 | 13 019 146 | 13 785 279 | 5,4 | 29 183 965 |
| Operating expenses | (11 701 263) | (10 820 874) | (11 343 495) | (3,2) | (24 033 352) |
| Sales and distribution costs | (9 583 395) | (8 966 888) | (9 297 045) | | (19 810 106) |
| Administration expenses | (2 039 159) | (1 751 620) | (1 920 896) | | (3 636 044) |
| Other costs | (78 709) | (102 366) | (125 554) | | (587 202) |
| Trading profit | 2 825 913 | 2 198 272 | 2 441 784 | 15,7 | 5 150 613 |
| Share-based payment expense | (46 486) | (32 051) | (51 807) | | (63 984) |
| Acquisition costs | (14 089) | (328) | (328) | | (8 947) |
| Net capital items | - | - | (9 149) | | (157 921) |
| Operating profit | 2 765 338 | 2 165 893 | 2 380 500 | 16,2 | 4 919 761 |
| Net finance charges | (118 521) | (108 410) | (156 810) | | (294 553) |
| Finance income | 53 549 | 21 669 | 22 275 | | 106 230 |
| Finance charges | (172 070) | (130 079) | (179 085) | | (400 783) |
| Share of profit of associates | 11 546 | 6 981 | 4 580 | | 23 985 |
| Profit before taxation | 2 658 363 | 2 064 464 | 2 228 270 | 19,3 | 4 649 193 |
| Taxation | (657 118) | (522 322) | (571 955) | (14,9) | (1 179 027) |
| Profit for the period | 2 001 245 | 1 542 142 | 1 656 315 | 20,8 | 3 470 166 |
| Attributable to: | | | | | |
| Shareholders of the Company | 1 993 020 | 1 524 435 | 1 638 908 | 21,6 | 3 430 711 |
| Non-controlling interest | 8 225 | 17 707 | 17 407 | | 39 455 |
| | 2 001 245 | 1 542 142 | 1 656 315 | 20,8 | 3 470 166 |
| Shares in issue | | | | | |
| Total ('000) | 335 404 | 10 | 335 404 | | 335 404 |
| Weighted ('000) | 332 000 | 10 | 329 517 | | 331 791 |
| Diluted weighted ('000) | 332 859 | 10 | 331 300 | | 332 555 |
| Basic earnings per share (cents) | 600,3 | 15 093 415,8 | 497,4 | 20,7 | 1 034,0 |
| Diluted basic earnings per share (cents) | 598,8 | 15 093 415,8 | 494,7 | 21,0 | 1 031,6 |
| Headline earnings per share (cents) | 600,3 | 15 059 118,8 | 499,1 | 20,3 | 1 080,0 |
| Diluted headline earnings per | | | | | |

share (cents) 598,8 15 059 118,8
496,4 20,6 1 077,5
Distributions per share (cents) 250,0
- 241,0
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 1 993 020 1 524 435
1 638 908 3 430 711
Net impairments - -
- 156 126
Available-for-sale investment - -
- 119 076
Property, plant and equipment - -
- 41 463
Intangible assets - -
- 3 817
Tax relief - -
- (8 230)
Net (profit) loss on disposal of interests
in subsidiaries, disposal or
closure of businesses - (3 464)
5 685 (25 656)
(Profit) loss on disposal and closure - (3 464)
5 685 (26 670)
Tax charge - -
- 1 014
Net loss on disposal of property, plant and
equipment and intangible assets - -
- 11 499
Property, plant and equipment - -
- 4 256
Intangible assets - -
- 5 280
Tax charge - -
- 1 963
Impairment of associate - -
10 699
Headline earnings 1 993 020 1 520 971
1 644 593 21,2 3 583 379

Note 1: Actual financial results of Bidcorp for the half year ended December 31 2015, do not include assets transferred to Bidcorp from Bidvest as part of the internal restructuring of Bidcorp, as this transfer was effective from April 1 2016.

Note 2: Pro forma financial results of Bidcorp assume that all the assets (referred to in note 1) transferred into Bidcorp by Bidvest as part of the internal restructuring prior to its listing and unbundling had been part of Bidcorp for the full 2016 financial year.

Condensed consolidated statement of other comprehensive income for the

Actual

Half year

ended Year ended

December
31 June 30
2016
2015 2016
R000s Unaudited
Reviewed Audited
Profit for the period 2 001 245 1
542 142 3 320 044
Other comprehensive income (2 994 906) 3
842 629 2 214 461
Items that may be classified subsequently
to profit or loss (2 994 906) 3
842 629 2 262 343
Foreign currency translation reserve
Exchange differences arising during the period (2 993 477) 3
840 871 2 259 035
Available-for-sale financial assets -
- -
Net change in fair value -
- (119 076)
Reclassified to profit or loss -
- 119 076
Cash flow hedges
Fair value (loss) gain arising during the period (1 765)
2 239 607
Taxation effects
Taxation relief (charge) for the period 336
(481) 2 701
Items that will not be reclassified
subsequently to profit or loss -
- (47 882)
Defined benefit obligations
Net remeasurement of defined benefit
obligations during the period -
- (57 243)
Taxation effects
Taxation charge for the period -
- 9 361
Total comprehensive income for the period (993 661) 5
384 771 5 534 505
Attributable to:
Shareholders of the Company (990 064) 5
353 406 5 486 534
Non-controlling interest (3 597)
31 365 47 971
(993 661) 5
384 771 5 534 505

Condensed consolidated statement of cash flows
for the

Actual
Half year
ended Year ended
December
31 June 30
2016
2015 2016
R000s Unaudited
Reviewed Audited

| | | | |
|---|---|---|---|
| Cash flows from operating activities | 571 167 | 713 096 | 4 740 623 |
| Operating profit | 2 765 338 | 2 165 893 | 4 626 518 |
| Dividends from associates | 15 395 | 15 013 | 23 467 |
| Acquisition costs | 14 089 | 328 | 8 947 |
| Depreciation and amortisation | 608 039 | 571 577 | 1 237 482 |
| Increase in post-retirement obligations | (355) | (28 719) | (224 391) |
| Other non-cash items | (1 357) | (16 991) | 207 872 |
| Cash generated by operations before changes in working capital | 3 401 149 | 2 707 101 | 5 879 895 |
| Changes in working capital | (1 325 472) | (1 344 788) | 762 572 |
| Cash generated by operations | 2 075 677 | 1 362 313 | 6 642 467 |
| Net finance charges paid | (138 526) | (108 410) | (200 533) |
| Taxation paid | (565 671) | (528 218) | (1 150 888) |
| Dividends paid | (800 313) | (12 589) | (550 423) |
| Cash effects of investment activities | (608 841) | (1 105 544) | (2 349 552) |
| Net additions to property, plant and equipment | (679 844) | (757 986) | (1 901 242) |
| Net additions to intangible assets | (50 392) | (52 326) | (123 906) |
| Net disposal (acquisition) of subsidiaries, businesses, associates and investments | 121 395 | (295 232) | (324 404) |
| Cash effects of financing activities | 428 957 | (223 341) | (808 142) |
| Net borrowings raised (repaid) | 494 951 | (223 341) | (820 562) |
| Movement in non-controlling interests | (65 994) | - | - |
| Disposal of treasury shares | - | - | 12 420 |
| Net increase (decrease) in cash and cash equivalents | 391 283 | (615 789) | 1 582 929 |
| Net cash and cash equivalents at the beginning of the period | 5 505 509 | 3 632 604 | 3 632 604 |
| Exchange rate adjustment | (565 014) | 694 062 | 289 976 |
| Net cash and cash equivalents at end of the period | 5 331 778 | 3 710 877 | 5 505 509 |
| Net cash and cash equivalents comprise: | | | |
| Cash and cash equivalents | 5 360 130 | 3 763 710 | 5 505 509 |
| Bank overdrafts included in short-term | | | |

portion of interest-bearing borrowings (28 352)
(52 833) -
5 331 778 3
710 877 5 505 509

Condensed consolidated statement of financial position
as at

Actual
December
31 June 30
2016
2015 2016
R000s Unaudited
Reviewed Audited
ASSETS
Non-current assets 23 739 890 26
751 641 26 792 068
Property, plant and equipment 10 059 972 10
474 777 11 016 705
Intangible assets 1 003 240 1
396 599 1 212 758
Goodwill 11 724 225 13
754 559 13 184 782
Deferred tax asset 602 101
561 391 491 766
Defined benefit pension surplus 15 255
- 15 255
Interest in associates 91 492
126 514 116 903
Investments 243 605
437 801 753 899
Current assets 27 653 002 28
815 504 29 548 613
Inventories 8 488 481 8
595 514 8 828 939
Trade and other receivables 13 804 391 16
456 280 15 214 165
Cash and cash equivalents 5 360 130 3
763 710 5 505 509

Total assets 51 392 892 55
567 145 56 340 681
EQUITY AND LIABILITIES
Capital and reserves 22 275 780 23
110 466 24 217 574
Attributable to shareholders
of the Company 22 208 421 23
023 870 24 080 624
Non-controlling interest 67 359
86 596 136 950
Non-current liabilities 5 983 531 4
953 302 4 490 970
Deferred tax liability 569 310
486 095 524 243
Long-term portion of borrowings 3 843 911 2
552 838 2 342 670
Post-retirement obligations 46 108
203 045 50 836
Puttable non-controlling

interest liabilities 1 043 023 1
058 611 1 168 921
Long-term portion of provisions 471 761
649 534 397 970
Long-term portion of operating
lease liabilities 9 418
3 179 6 330
Current liabilities 23 133 581 27
503 377 27 632 137
Trade and other payables 18 661 190 20
829 123 21 505 266
Short-term portion of provisions 304 494
570 439 358 319
Vendors for acquisition 446 910
631 646 513 308
Taxation 531 804
440 237 409 760
Short-term portion of borrowings 3 189 183 5
031 932 4 845 484

Total equity and liabilities 51 392 892 55
567 145 56 340 681
Number of shares in issue ('000) 335 404
10 335 404
Net tangible asset value per share (cents) 2 827 77
947 644 2 887
Net asset value per share (cents) 6 621 227
959 109 7 180

Condensed consolidated statement of changes in equity
for the
Actual
Year
Half year
ended ended

December 31 June 30
2016
2015 2016
R000s Unaudited
Reviewed Audited
Equity attributable to shareholders
of the Company
Stated capital 5 428 016
# 5 428 016
Balance at beginning of the period 5 428 016
# #
Shares issued during the period -
- 5 428 016
Treasury shares (881 550)
- (949 731)
Balance at the beginning of the period (949 731)
- -
Shares disposed of in terms of share
option scheme 68 181
- 12 421
Transfer in from unbundling -
- (962 152)
Foreign currency translation reserve 4 130 271
8 693 762 7 111 926

| | | | |
|---|---|---|---|
| Balance at beginning of the period | 7 111 926 | 4 852 891 | 4 852 891 |
| Movement during the period | (2 981 655) | 3 840 871 | 2 256 344 |
| Realisation of foreign currency translation reserve on sale of subsidiaries and associates | - | - | 2 691 |
| Hedging reserve | (1 429) | (1 550) | - |
| Balance at beginning of the period | - | (3 308) | (3 308) |
| Fair value (loss) gain arising during the period | (1 765) | 2 239 | 607 |
| Deferred tax recognised directly in reserve | 336 | (481) | 2 701 |
| Equity-settled share-based payment reserve | (32 532) | 29 174 | (2 025) |
| Balance at beginning of the period | (2 025) | 54 857 | 54 857 |
| Arising during the period | 47 065 | 32 051 | 48 653 |
| Utilisation during the period | (76 426) | (67 043) | (133 660) |
| Deferred tax recognised directly in reserve | (1 146) | 9 309 | 27 776 |
| Transfer as a result of unbundling | - | - | (28 947) |
| Transfer from retained earnings | - | - | 29 296 |
| Retained earnings | 13 565 645 | 14 302 484 | 12 492 438 |
| Balance at the beginning of the period | 12 492 438 | 12 778 926 | 12 778 926 |
| Attributable profit | 1 993 020 | 1 524 435 | 3 279 576 |
| Dividends paid | (800 964) | - | (537 283) |
| Transfer of reserves as a result of changes in shareholding of subsidiaries | (118 849) | (877) | (7 503) |
| Net remeasurement of defined benefit obligations during the period | - | - | (47 882) |
| Transfers of subsidiaries under common control | - | - | (2 973 047) |
| Transfer from unbundling for equity-settled share-based payment reserve | - | - | 28 947 |
| Transfer to share-based payment reserve | - | - | (29 296) |
| | 22 208 421 | 23 023 870 | 24 080 624 |
| Equity attributable to non-controlling interests of the Company | | | |
| Balance at beginning of the period | 136 950 | 65 946 | 65 946 |
| Attributable profit | 8 225 | 17 707 | 40 468 |
| Movement in foreign currency translation reserve | (11 822) | 13 658 | 7 503 |
| Transfer of reserves as a result of changes | | | |

| | | | |
|---|---|---|---|
| in shareholding of subsidiaries | (59 728) | - | 7 503 |
| Movement in equity-settled share-based payment reserve | (579) | - | (253) |
| Dividends paid | (5 687) | (12 589) | (13 140) |
| Changes in shareholding | - | 997 | 73 623 |
| Transfer to puttable non-controlling interest liability | - | 877 | (44 700) |
| | 67 359 | 86 596 | 136 950 |
| Total equity | 22 275 780 | 23 110 466 | 24 217 574 |

# Amount below R1 000.

Condensed segmental analysis for the financial information (Note 2)

| | Actual (Note 1) | | Pro forma | | |
|---|---|---|---|---|---|
| | Half year ended | | Half year ended | | Year ended |
| | December 31 | | December 31 | | June 30 |
| | 2016 | 2015 | 2015 | % | 2016 |
| R000s | Unaudited | Reviewed | Reviewed | change | Reviewed |
| REVENUE | | | | | |
| Foodservice | 67 821 938 | 64 751 696 | 68 168 588 | | 140 523 301 |
| Australasia | 15 318 269 | 14 568 000 | 14 568 000 | 5,2 | 30 333 998 |
| United Kingdom | 26 164 977 | 30 367 308 | 30 367 308 | (13,8) | 60 991 803 |
| Europe | 16 292 978 | 14 479 504 | 14 479 504 | 12,5 | 30 988 054 |
| Emerging Markets | 10 045 714 | 5 336 884 | 8 753 776 | 14,8 | 18 209 446 |
| Bidvest Services | - | 4 010 | - | - | |
| | 67 821 938 | 64 755 706 | 68 168 588 | (0,5) | 140 523 301 |
| TRADING PROFIT | | | | | |
| Foodservice | 2 867 081 | 2 207 545 | 2 458 345 | | 5 240 051 |
| Australasia | 943 601 | 770 231 | 770 231 | 22,5 | 1 778 121 |
| United Kingdom | 749 751 | 757 726 | 757 726 | (1,1) | 1 473 925 |
| Europe | 588 952 | 463 630 | 463 630 | 27,0 | 1 053 640 |
| Emerging Markets | 584 777 | 215 958 | 466 758 | 25,3 | 934 365 |
| Corporate | (41 168) | (12 826) | (16 561) | | (89 438) |

| | | | | | |
|---|---|---|---|---|---|
| Bidvest Services | - | 3 553 | - | - | |
| | 2 825 913 | 2 198 272 | 2 441 784 | 15,7 | 5 150 613 |

Note 1: Actual financial results of Bidcorp for the half year ended December 31 2015, do not include assets transferred to Bidcorp from Bidvest as part of the internal restructuring of Bidcorp, as this transfer was effective from April 1 2016.

Note 2: Pro forma financial results of Bidcorp assume that all the assets (referred to in note 1) transferred into Bidcorp by Bidvest as part of the internal restructuring prior to its listing and unbundling had been part of Bidcorp for the full 2016 financial year.

Comment

Bidcorp has, in addition to its actual results, provided shareholders with pro forma financial information in relation to the comparative half year end due to the unbundling from The Bidvest Group Limited in May 2016, to enable a full appreciation of the true performance of the Group. The following comment is based on the comparison to that pro forma information.

Highlights

The Group delivered very pleasing results for the half year ended December 31 2016. Headline earnings per share (HEPS) increased by 20,3% to 600,3 cents per share (PF2015: 499,1 cents) with basic earnings per share (EPS) increasing by 20,7% to 600,3 cents per share (PF2015: 497,4 cents).

Bidcorp's businesses continue to perform well across all geographies, driven by good organic growth in home currencies and benefiting from market share gains. Our strategic focus of balancing the exposure between contract, national and independent customers in the respective markets has driven margin improvement, despite generally very low inflation environments. Significant volatility across many major currencies, not only versus the rand, has not materially impacted our rand translated results in the period.

Bidcorp has commenced a global rebranding exercise trading as "Bidfood", which will reinforce our image as "value-add food people” rather than logistics providers.

Distribution

In accordance with its dividend policy, Bidcorp has declared an interim cash dividend of 250,0 cents per share.

Financial overview

Overall net revenue of R67,8 billion (PF2015: R68,2 billion) was impacted by the ongoing deliberate and planned exit of some large contract business in various geographies, which still reflect to some extent in the comparative base. In the core foodservice businesses, solid revenue growth was achieved at improved margins in all geographies.

Gross profit percentage increased to 21,4% (PF2015: 20,2%) reflecting the benefit of focusing on the correct mix of business. Operating expenses remained well controlled, increasing 3,2% despite some wage pressure in a number of growing economies and higher sales and distribution costs reflecting higher activity levels.

Group trading profit increased by 15,7% to R2,8 billion (PF2015: R2,4 billion) and the trading margin improved to 4,2% (PF2015: 3,6%), a direct consequence of the operational focus to grow the independent trade and rebalance the customer portfolio.

Share-based payment costs of R46,5 million (PF2015: R51,8 million) reflect the costs of long-term incentivisation across the Group, which remains a key performance driver.

Acquisition costs of R14,1 million (PF2015: R0,3 million) reflect some small bolt-on acquisition activity, the benefits of which will manifest going forward.

Net finance charges are 24,4% lower at R118,5 million (PF2015: R156,8 million). Cash generation has been solid despite greater utilisation of working capital, typical of the normal absorption experienced in the first half of the financial year. Bidcorp remains well capitalised, with trading profit interest cover at 23,8 times (PF2015: 15,6 times). Where appropriate, funding has been renegotiated to avail ourselves of the current low interest rate environment. We remain conservative in our approach to gearing but ongoing work is being undertaken to create adequate capacity for organic and acquisitive growth.

The Group's financial position remains strong. Total assets have grown reflecting replacement and expansionary capital expenditure on fixed assets, and the higher trading activity in inventories and receivables. Net debt is R1,7 billion, the same level as June 30  2016 but significantly improved on the R4,3 billion at December 2015.

Cash generated by operations was robust, net working capital days increased to 3 days (June 2016: -1 day) and net investment activities consumed R608,8 million. Free cash flow was positive at R762,6 million.

Acquisitions

There have been no material acquisitions in the period. However, a number of smaller bolt-on acquisitions were concluded in Australia, Brazil, Belgium, Italy and Fresh UK totalling R495,8 million.

Bidcorp has concluded an agreement which will enable Puratos Group NV to acquire joint control of our South African-based Bakery Supplies business. The transaction will enable the business to develop new products using international innovation for the baking industry. The transaction is estimated to complete in April 2017.

Prospects

Our foodservice businesses worldwide are executing on the strategy of rebalancing the exposure between contract, national and independent customers in their respective markets. We see our future as a "foodservice" provider, as opposed to a "logistics" operator. Innovative technology-based solutions for customers and global procurement opportunities continue to gain traction as part of our value-add service to grow market share. Fresh produce, Meat categories and Value Add Processing continue to be areas of unexploited potential in many regions.

Our financial position is strong, cash generation is expected to remain robust, and we retain significant headroom to accommodate expansion opportunities, both acquisitive and organic.

Management remains alert to opportunities; organically through a focus on the appropriate business mix and bolt-on acquisitions in territory to expand geographic reach and product range extension; and via larger acquisitions to enter new markets. Despite our appetite for acquisitions, we remain disciplined in our approach to accessing the "right” opportunities.

Bidcorp's decentralised business model, the depth and experience of our entrepreneurial management team and the strength of the Group's culture enables us to continue to drive above-average returns for our shareholders.

Management remain firmly of the view that over the medium term, overall returns on our internationally diversified businesses will far outstrip the negative effects of global volatility. Overall fundamentals in the global foodservice industry remain positive. Bidcorp will further leverage these conditions in its respective markets and anticipates continued real growth.

DIVISIONAL REVIEW

Australasia

The region continues to make a substantial contribution as the biggest profit generator. Revenue moved 5,2% higher to R15,3 billion (PF2015: R14,6 billion). Trading profit rose 22,5% to R943,6 million (PF2015: R770,2 million). The successful strategy of bringing the "food" focus back into the businesses is reflected in these results.

Australia put in a strong first half. Total sales fell in line with the strategy of exiting logistics revenue while growing independent freetrade volumes through the Foodservice, Fresh and Meat divisions. Profit and margins rose, a commendable performance and an indication the long-term strategy is working.

Foodservice made an outstanding contribution. The number of branches rose to 33 following the acquisitions of Pye Providores (Port Macquarie) and Central Choice (Launceston). Branch network growth remains a focus area.

Imports division had a great six months, concentrating on new product development. Fresh is starting to fulfil its potential and delivered profit improvements. Meat made a small, opportunistic acquisition in Canberra.

New Zealand performance was buoyed by a positive macro-economic environment and the success of several
initiatives, including the growth of the Processing and Imports divisions. Revenue and trading profit
rose significantly.

Gains were driven by increased freetrade focus at branch level and supply chain efficiencies. Cash flow
remained strong and returns rose substantially. Work continues on four new distribution facilities.

Foodservice performed strongly. The division's import capability became a source of competitive advantage.
Fresh delivered excellent results, containing costs and protecting margins, and our Auckland business
won a significant contract. Processing went from strength to strength.

Europe
The eastern European businesses delivered superior growth bolstering the results in this division.
Revenue rose 12,5% to R16,3 billion (PF2015: R14,5 billion) while trading profit rose 27,0% to
R589,0 million (PF2015: R463,6 million).

The Netherlands business achieved revenue gains despite second quarter pressure. Trading profit growth
was slightly below expectation as institutional sales volumes declined and catering volumes disappointed.
A strong hospitality performance helped offset institutional and catering setbacks. National account business
also grew.

Belgium operations gained further traction. Revenue grew and trading profits rose. Catering remained
under pressure, but Horeca, Institutional and Chain business exceeded expectation and the business remained
strongly cash generative. The acquisition of Bestfood, a multi-temp Horeca wholesaler, was finalised.
A significant institutional contract win was recorded late in the period.

DAC Italy registered strong trading profit and revenue growth that was substantially higher than prior year,
notwithstanding the benefit of the acquisition of Quartiglia Food Service. Growth of the independent market
continued and now represents about 75% of turnover. International revenue increased, boosted by sales to
Bidcorp sister companies. Cash generation remains strong.

Czech and Slovakia secured pleasing growth despite the summer not being as favourable for ice cream sales
as last year. Revenue and trading profit were well above last year and margins were well managed. In the Horeca
space our main focus remains on growing our red meat, poultry and fish categories. Fresh vegetable distribution
has begun. Retail activity centres on frozen products and ice cream. We launched pork, beef and game sales to
butcheries. Slovakia made an improved contribution on strong retail and Horeca performance.

Poland continued the trend of strong revenue growth. Margins were maintained and overheads well controlled.
Trading profit exceeded expectation. The freetrade share of the sales mix continues to expand. Working capital
was well managed and investment in plant and vehicles continued, as we continue to see the benefits of this
growing market.

Baltics revenue showed pleasing growth, underpinned by strong foodservice results. Strong ambient and chilled
growth is evident. The business is at breakeven levels.

Spain made continued progress albeit a small loss was recorded, down on the loss recorded previously,and remains
a very interesting market for us.

Aktaes Turkey was impacted by political uncertainty and terrorism, affecting tourism with major customer groups.
Depreciation of the Turkish lira had a severe effect on margins. Aktaes achieved sales gains, but recorded a
loss. An Aegean acquisition is being explored.

United Kingdom (UK)
Trading profit decreased by 1,1% to R749,8 million (PF2015: R757,7 million); however, on a constant currency basis,
trading profit grew 15,1%. Excluding the Logistics business, our UK Foodservice and Fresh business grew trading
profit by 18,9% in sterling.

Bidfood UK delivered an excellent result bolstered by a positive second quarter. Trading profit was comfortably
above budget and the prior period, even though there is one less trading week in the current period. Overall
revenue declined off the back of the intentional exiting of low margin contracts. Customer margins were well
managed. In line with our long-term strategy, the freetrade volume mix showed good improvement. Like-for-like
own brand volumes grew. National account business retention levels were pleasing.

Fresh profit rose, but was below expectation in view of the weaker sterling causing significant product cost inflation
within potatoes, salmon and butter product categories. Some margin has been sacrificed in order to maintain volumes.
Hardest hit was Seafood however margins have begun to stabilise. Oliver Kay (fresh produce) achieved encouraging
sales gains. Recently acquired R Noone (fresh produce) performed well. Meat sales were strong in December,
supported by solid contributions from Campbell's and Henson's.

Logistics results remain disappointing, weaker than the comparative period trading profit. Volumes rose though
margin per case was under pressure. Distribution, storage and handling costs were poorly managed and increased
beyond expectation.

Ongoing review of the commercial scope of contracts, service levels and costs is underway by the new management
team. The management irregularities that were reported on during the previous financial year remain the subject

of ongoing legal processes. Abnormal costs in respect of these matters have been provided for at the corporate level.
Any impact on non-current assets is continually being monitored by management however no adjustments have been made
to the financial position to date. The future strategic options for this business are under consideration.

Emerging Markets
These businesses continue to deliver commendable results in light of the many economic challenges faced in these
regions. Revenue moved 14,8% higher to R10,0 billion (PF2015: R8,8 billion), with trading profit up 25,3% at
R584,8 million (PF2015: R463,6 million).

Food Africa returned excellent results. Sales growth was underpinned by continued independent channel gains.
Strong trading profit improvements were registered across all businesses. Cash flow remained strong while
investment in vehicles and facilities was maintained. Developments to the IT and business collaboration
systems continue to add value. Within Foodservice the online ordering platform and private label sales
were enablers of growth. Crown Food Group grew its own manufactured lines and products. At Bakery Solutions
the focus on innovation and product development yielded positive results. Within the export business, despite
challenges in a number of geographies, excellent results were achieved by the Zambian operations.

Greater China
Hong Kong topped budgetary expectations for trading profit and sales in a challenging market. Margins came under
renewed pressure impacted by sluggish tourism, notably Macau. Across the wider business, sales of dairy and
dry products were especially strong. Natural and Organic Global grew beef and poultry volumes. In the mainland
China business, second-tier cities were growth points. Hotel and restaurant customers supported Shanghai gains.
Beijing saw good demand from supermarket and bakery customers. Guangzhou was buoyed by a strong second quarter.
Shenzhen drove improvements in the restaurant and foodservice channels. Late in the period we bought out our
40% partner in this business.

Singapore operations were challenged by declines across the food and beverage sector yet registered a
significantly improved result. Foodservice secured continued growth with beef, poultry and butchery
categories all strong contributors. Gourmet sales were strong but changes to the product mix affected
margins.

Brazil secured pleasing growth in revenue and trading profit despite customer liquidity constraints.
Economic and political conditions remained challenging. A new acquisition, Mariusso, based in the
São Paulo area, is being integrated in order to extract synergies. Our disciplined approach to credit
extension inhibits the potential growth of the customer-base; however, caution is deemed prudent at
this stage.

Chile achieved pleasing gains in a stagnant economy. Sales volumes outperformed budget. The new Concepcion branch moved into profit following the acquisition of a small distribution company. Santiago Foodservice did well, freezer capacity expansion has begun and debtors' collections showed improvement.

Middle East businesses registered revenue growth while trading profit was in line with expectation, underpinned by good contributions from Saudi Arabia and the smaller regional markets. UAE put in another strong showing, and we are benefiting from our previous investment into our operational capacity.

Directorate
At the annual general meeting (AGM), Mrs CWL Phalatse retired from the board. The board thanked Mrs Phalatse for her contribution. Mrs DD Mokgatle was appointed as a non-executive director with effect from October 4 2016.

| | | |
|---|---|---|
| B Joffe | BL Berson | DE Cleasby |
| Executive chairman | Chief executive | Chief financial officer |

Dividend declaration
In line with the Group dividend policy, the directors have declared an interim cash dividend of 250,0 cents (212,5 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended December 31  2016 to those members registered on the record date, being Friday, March 24  2017.

The dividend has been declared from income reserves. A dividend withholding tax of 15% (or as legislated) will be applicable to all shareholders who are not exempt.

| | |
|---|---|
| Share code: | BID |
| ISIN: | ZAE000216537 |
| Company registration number: | 1995/008615/06 |
| Company tax reference number: | 9040946841 |
| Gross cash dividend amount per share: | 250,0 cents |
| Net dividend amount per share: | 212,5 cents |
| Issued shares at declaration date ('000): | 335 404 |
| Declaration date: | Thursday, February 23  2017 |
| Last day to trade cum dividend: | Monday, March 20  2017 |
| First day to trade ex dividend: | Wednesday, March 22  2017 |
| Record date: | Friday, March 24  2017 |
| Payment date: | Monday, March 27  2017 |

Share certificates may not be dematerialised or rematerialised between Wednesday, March 22  2017 and Friday, March 24  2017, both days inclusive.

For and on behalf of the board

AK Biggs
Company secretary

Johannesburg

February 23 2017

Basis of presentation of condensed consolidated financial statements
These interim condensed consolidated 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 include 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 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 June 30 2016.

In preparing these interim condensed consolidated financial statements, management 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 management 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 June 30 2016.

Certain segments were reclassified during the year. The comparative year's segmental information has been represented to reflect these insignificant changes.

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

Financial instruments
When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques categorised as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | Non-current assets (liabilities) | | Current liabilities | Fair value | | | |
|---|---|---|---|---|---|---|---|
| R000s | Puttable non-controlling interests | Invest-ments | Vendors for acquisition | Total | Level 1 | Level 2 | Level 3 |
| **December 31 2016** | | | | | | | |
| Financial assets measured at fair value | - | 8 405 | - | 8 405 | - | 1 801 | 6 604 |
| Financial liabilities measured | (1 043 023) | - | (446 910) | (1 489 933) | - | - | (1 489 933) |
| **December 31 2015** | | | | | | | |
| Financial assets measured at fair value | - | 15 574 | - | 15 574 | - | 1 877 | 13 697 |
| Financial liabilities measured at fair value | (1 058 611) | - | (631 646) | (1 690 257) | - | - | (1 690 257) |
| **June 30 2016** | | | | | | | |
| Financial assets measured at fair value | - | 511 122 | - | - | 501 293 | 2 054 | 7 775 |
| Financial liabilities measured at fair value | (1 168 921) | - | (513 308) | (1 682 229) | - | - | (1 682 229) |

Valuation technique
The expected payments are determined by considering the possible scenarios of forecast EBITDAs, the amount to be paid under each scenario and the probability of each scenario. The valuation models consider the present value of expected payment, discounted using a risk-adjusted discount rate.

Significant unobservable inputs
- EBITDA growth rates: 10% - 23% (2015: 10% - 23%)
- EBITDA multiples: 4,8x - 7x (2015: 4,8x - 7x)
- Risk-adjusted discount rate: 1,99% - 5,00% (2015: 1,99% - 5,00%)

Inter-relationship between significant unobservable inputs and fair value measurement
The estimated fair value would increase (decrease) if:
- The EBITDA was higher (lower); or
- The risk-adjusted discount rate was lower (higher).

Related parties

The identification of related parties and transactions with key management personnel as of and for the period
ended December 31  2016 have been the same as those applied in the Group's consolidated financial statements
as at and for the year ended June 30  2016.

Unaudited results
These results have not been audited or reviewed by the Group's auditors. The interim condensed consolidated
financial statements have been prepared by CAM Bishop (CA)SA, under the supervision of DE Cleasby CA(SA),
and were approved by the board of directors on February 22  2017.

Exchange rates
The following exchange rates were used in the conversion of foreign interests and foreign transactions during the
periods:

| | December 31 2016 Unaudited | 2015 Reviewed |
|---|---|---|
| Rand/sterling | | |
| Closing rate | 16,83 | 23,03 |
| Average rate | 17,94 | 20,86 |
| Rand/euro | | |
| Closing rate | 14,41 | 16,95 |
| Average rate | 15,40 | 15,01 |
| Rand/Australian dollar | | |
| Closing rate | 9,88 | 11,35 |
| Average rate | 10,57 | 9,84 |

Supplementary pro forma information regarding the currency effects of the translation of foreign operations
on the Group
The pro forma financial information has been compiled for illustrative purposes only and is the responsibility
of the board. Due to the nature of this information, it may not fairly present the Group's financial position,
changes in equity and results of operations or cash flows. The pro forma information has been compiled in terms
of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA.

The Group underwent an internal restructuring with effect from April 1 2016 in anticipation of the listing
and unbundling of Bidcorp on May 30  2016. The illustrative information, detailed in the statement of profit
or loss, has been prepared on the basis that the internal restructuring had been effective July 1  2015 and
includes pro forma adjustments on a basis consistent with those of the pre-listing statement of Bidcorp, dated
April 14  2016.

The average rand exchange rate weakened against most of the significant currencies in which the Group's
foreign operations trade, namely the euro (15,01 in 2015 to 15,40 in 2016) and the Australian dollar
(9,84 in 2015 to 10,57 in 2016), however, this was offset by an appreciation in the rand against sterling
(20,86 in 2015 to 17,94 in 2016) following the UK referendum to leave the EU in June 2016 (Brexit).

The illustrative information, detailed below, has been prepared on the basis of applying the 2015 average rand exchange rates to the 2016 foreign subsidiary income statements and recalculating the reported income of the Group for the period.

| | For the half year ended December 31 | | Illustrative 2016 at 2015 average exchange rates | |
|---|---|---|---|---|
| | Actual | Pro forma | Actual | % |
| | 2016 | 2015 | 2016 | change |
| Revenue (Rm) | 67 821 938 | 68 168 588 | 70 259 912 | 3,1 |
| Trading profit (Rm) | 2 825 913 | 2 441 784 | 2 847 814 | 16,6 |
| Headline earnings (Rm) | 1 993 020 | 1 644 593 | 2 023 194 | 23,0 |
| HEPS (cps) | 600,3 | 499,1 | 609,4 | 22,1 |

Administration

Directors

Executive chairman: B Joffe

Lead independent director: DDB Band

Independent non-executive: PC Baloyi, DD Mokgatle, NG Payne, H Wiseman*

Executive directors: BL Berson* (chief executive), DE Cleasby (chief financial officer)

*Australian

Company secretary

AK Biggs

February 23 2017

Transfer secretaries

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