BID 201608240001A
Reviewed Provisional Results for the year ended June 30 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

Reviewed Provisional Results for the year ended June 30 2016

Financial highlights

Revenue
2016 R140,5 bn*
2015 R116,3 bn*
+20,8%

HEPS
2016 1 080,0 cents*
2015 815,2 cents*
+32,5%

Trading profit
2016 R5,2 bn*
2015 R4,1 bn*
+26,1%

* Reviewed pro forma financial information

Bid Corporation Limited (Bidcorp) listed and unbundled from Bidvest on the JSE on Monday, May 30 2016.
The listing provides shareholders with the opportunity to participate directly in Bidcorp's foodservice operations, as well as enabling the business to achieve its strategic goals.

Bidcorp's focus 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 year ended June 30

	Actual (Note 1)		Pro forma financial information (Note 2)		
R000s	2016 Reviewed	2015 Audited	2016	2015	% change
Revenue	135 537 531	109 803 524	140 523 301	116 310 181	20,8
Cost of revenue	(107 470 732)	(87 697 720)	(111 339 336)	(92 677 768)	

Gross profit 28 066 799 22
105 804 29 183 965 23 632 413 23,5
Operating expenses (23 233 908) (18
426 144) (24 033 352) (19 548 104) 22,9
Sales and distribution costs (17 367 564) (13
585 270) (18 023 202) (14 253 289)
Administration expenses (3 503 102) (2
754 363) (3 636 044) (3 186 204)
Other costs (2 363 242) (2
086 511) (2 374 106) (2 108 611)
Trading profit 4 832 891 3
679 660 5 150 613 4 084 309 26,1
Share-based payment expense (48 653)
(57 181) (63 984) (89 852)
Acquisition costs (8 947)
(43 611) (8 947) (43 611)
Net capital items (148 773)
22 531 (157 921) 22 531
Operating profit 4 626 518 3
601 399 4 919 761 3 973 377 23,8
Net finance charges (223 779)
(240 790) (294 553) (331 307) (11,1)
Finance income 66 846
29 173 106 230 37 161
Finance charges (290 625)
(269 963) (400 783) (368 468)
Share of profit of associates 26 386
15 634 23 985 15 634 53,4
Profit before taxation 4 429 125 3
376 243 4 649 193 3 657 704 27,1
Taxation (1 109 081)
(849 794) (1 179 027) (930 483)
Profit for the year 3 320 044 2
526 449 3 470 166 2 727 221 27,2
Attributable to:
Shareholders of the Company 3 279 576 2
514 858 3 430 711 2 715 741 26,3
Non-controlling interest 40 468
11 591 39 455 11 480
3 320 044 2
526 449 3 470 166 2 727 221 27,2
Shares in issue
Total ('000) 335 404
10 335 404 335 404
Weighted ('000) 82 405
10 331 791 331 286
Diluted weighted ('000) 83 169
10 332 555 331 861
Basic earnings per share (cents) 3 979,8 24 899
584,2 1 034,0 819,8 26,1
Diluted basic earnings per share (cents) 3 943,3 24 899
584,2 1 031,6 818,3 26,1
Headline earnings per share (cents) 4 154,0 24 748
901,0 1 080,0 815,2 32,5
Diluted headline earnings per share (cents) 4 115,8 24 748
901,0 1 077,5 813,8 32,4
Actual pro forma headline earnings
per share (cents) (Note 3) 1 031,7
754,5
Distributions per share (cents) 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	3 279 576	2 514 858	3 430 711	2 715 741	26,3
Net impairments	156 126	89 746	156 126	89 746	
Available-for-sale investment	119 076	-	119 076	-	
Property, plant and equipment	41 463	5 149	41 463	5 149	
Intangible assets	3 817	113 137	3 817	113 137	
Tax relief	(8 230)	(28 540)	(8 230)	(28 540)	
Net profit on disposal of interests in subsidiaries and disposal and closure of businesses	(34 804)	(961)	(25 656)	(961)	
Profit on disposal and closure	(35 818)	(1 373)	(26 670)	(1 373)	
Tax charge	1 014	412	1 014	412	
Net loss (profit) on disposal of property, plant and equipment	11 499	(104 004)	11 499	(104 004)	
Property, plant and equipment	4 256	(139 444)	4 256	(139 444)	
Intangible assets	5 280	-	5 280	-	
Tax charge	1 963	35 440	1 963	35 440	
Impairment of associate	10 699	-	10 699	-	
Headline earnings	3 423 096	2 499 639	3 583 379	2 700 522	32,7

Note 1: Actual results of Bidcorp include assets transferred to Bidcorp from Bidvest as part of the internal restructuring of Bidcorp with effect from April 1 2016 prior to its listing and unbundling on the JSE on May 30 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 financial year.

Note 3: Headline earnings per share based on the pro forma weighted average shares in issue.

Condensed consolidated statement of other comprehensive income for the year ended June 30

Actual

2016

2015

R000s	Reviewed	Audited
Profit for the year	3 320 044	2 526 449
Other comprehensive income	2 214 461	(145 277)
Items that may be reclassified subsequently to profit or loss	2 262 343	(163 789)
Foreign currency translation reserve		
Exchange differences arising during the year	2 259 035	(173 242)
Available for sale financial assets	-	-
Net change in fair value	(119 076)	-
Reclassified to profit or loss	119 076	-
Cash flow hedges		
Net fair value gain arising during the year	607	12 154
Taxation effects		
Tax relief (charge) for the year	2 701	(2 701)
Items that will not be reclassified subsequently to profit or loss	(47 882)	18 512
Defined benefit obligations		
Net remeasurement of defined benefit obligations during the year	(57 243)	23 730
Taxation effects		
Tax relief (charge) for the year	9 361	(5 218)
Total comprehensive income for the year	5 534 505	2 381 172
Attributable to		
Shareholders of the Company	5 486 534	2 359 931
Non-controlling interest	47 971	21 241
	5 534 505	2 381 172

Condensed consolidated statement of cash flows
for the year ended June 30

Actual

	2016	2015
R000s	Reviewed	Audited
Cash flows from operating activities	4 740 623	4 042 878
Operating profit	4 626 518	3 601 399
Dividends from associates	23 467	-
Acquisition costs	8 947	43 611

Depreciation and amortisation	1 237 482	990 121
Reduction in post-retirement obligations	(224 391)	(26 804)
Other non-cash items	207 872	(38 561)
Cash generated by operations before changes in working capital	5 879 895	4 569 766
Changes in working capital	762 572	525 234
Cash generated by operations	6 642 467	5 095 000
Net finance charges paid	(200 533)	(222 282)
Taxation paid	(1 150 888)	(814 430)
Dividends paid	(550 423)	(15 410)
Cash effects of investment activities	(2 349 552)	(3 466 969)
Net additions to property, plant and equipment	(1 901 242)	(1 149 789)
Net additions to intangible assets	(123 906)	(118 930)
Net acquisition of subsidiaries, businesses, associates and investments	(324 404)	(2 198 250)
Cash effects of financing activities	(808 142)	(1 401 338)
Disposal of treasury shares	12 420	-
Net borrowings repaid	(820 562)	(1 401 338)
Net increase (decrease) in cash and cash equivalents	1 582 929	(825 429)
Net cash and cash equivalents at the beginning of the year	3 632 604	4 372 476
Exchange rate adjustment	289 976	85 557
Net cash and cash equivalents at end of the year	5 505 509	3 632 604
Net cash and cash equivalents comprise:		
Cash and cash equivalents	5 505 509	3 632 608
Bank overdrafts shown as short-term portion of interest-bearing debt	-	(4)
	5 505 509	3 632 604

Condensed consolidated statement of financial position
as at June 30

Actual	2016	2015

R000s	Reviewed	Audited
ASSETS		
Non-current assets	26 792 068	21 647 661
Property, plant and equipment	11 016 705	8 267 925
Intangible assets	1 212 758	1 202 463
Goodwill	13 184 782	11 338 647
Deferred tax asset	491 766	338 932
Defined benefit pension surplus	15 255	-
Interest in associates	116 903	140 148
Investments	753 899	359 546
Current assets	29 548 613	22 312 752
Inventories	8 828 939	6 484 646
Trade and other receivables	15 214 165	12 195 498
Cash and cash equivalents	5 505 509	3 632 608
Total assets	56 340 681	43 960 413
EQUITY AND LIABILITIES		
Capital and reserves	24 217 574	17 749 312
Attributable to shareholders of the Company	24 080 624	17 683 366
Non-controlling interest	136 950	65 946
Non-current liabilities	4 490 970	3 520 196
Deferred tax liability	524 243	254 971
Long-term portion of borrowings	2 342 670	1 821 434
Post-retirement obligations	50 836	189 193
Puttable non-controlling interest liabilities	1 168 921	913 638
Long-term portion of provisions	397 970	340 649
Long-term portion of operating lease liabilities	6 330	311
Current liabilities	27 632 137	22 690 905
Trade and other payables	21 505 266	16 913 943
Short-term portion of provisions	358 319	267 094
Vendors for acquisition	513 308	558 315
Taxation	409 760	417 438

	2016	2015
Short-term portion of borrowings	4 845 484	4 534 115
Total equity and liabilities	56 340 681	43 960 413
Number of shares in issue ('000)	335 404	10
Net tangible asset value per share (cents)	2 887	50 913 426
Net asset value per share (cents)	7 180	175 082 832

Condensed consolidated statement of changes in equity
for the year ended June 30

Actual

R000s	2016 Reviewed	2015 Audited
Equity attributable to shareholders of the Company	24 080 624	17 683 366
Stated capital	5 428 016	-
Balance at beginning of the year	-	-
Shares issued during the year	5 428 016	-
Treasury shares	(949 731)	-
Balance at beginning of the year	-	-
Transfer in from unbundling	(962 152)	-
Shares disposed of in terms of share option scheme	12 421	-
Foreign currency translation reserve	7 111 926	4 852 891
Balance at beginning of the year	4 852 891	5 035 783
Realisation of reserve on disposal of subsidiaries and associates	2 691	-
Movement during the year	2 256 344	(182 892)
Hedging reserve	-	(3 308)
Balance at beginning of the year	(3 308)	(12 761)
Fair value gains arising during the year	607	12 154
Deferred tax recognised directly in reserve	2 701	(2 701)
Equity-settled share-based payment reserve	(2 025)	54 857
Balance at beginning of year	54 857	56 109

Arising during current year	48 653	57 181
Deferred tax recognised directly in reserve	27 776	14 663
Utilisation during the year	(133 660)	(91 979)
Transfer as a result of unbundling	(28 947)	-
Transfer to retained earnings	29 296	18 883
Movement in retained earnings	12 492 438	12 778 926
Balance at beginning of the year	12 778 926	10 264 326
Attributable profit	3 279 576	2 514 858
Net remeasurement of defined benefit obligations during the year	(47 882)	18 512
Net dividends paid	(537 283)	-
Transfer as a result of unbundling	(2 973 047)	-
Transfer in from unbundling for share based payments	28 947	-
Transfer of reserves as a result of changes in shareholding of subsidiaries	(7 503)	113
Transfer in from equity-settled share-based payment reserve	(29 296)	(18 883)
Equity attributable to minority shareholders of the Company	136 950	65 946
Balance at beginning of the year	65 946	67 340
Other comprehensive income	47 971	21 241
Attributable profit	40 468	11 591
Movement in foreign currency translation reserve	7 503	9 650
Dividends paid	(13 140)	(15 410)
Movement in equity-settled share-based payment reserve	(253)	-
Changes in shareholding	73 623	895 298
Transfer to puttable non-controlling interest liability	(44 700)	(902 410)
Transfer of reserves as a result of changes in shareholding of subsidiaries	7 503	(113)
Total equity	24 217 574	17 749 312

Condensed consolidated segmental analysis
for the year ended June 30

R000s	Actual 2016 Reviewed	Actual 2015 Audited	Pro forma financial information 2016	Pro forma financial information 2015	% change
REVENUE					
Foodservice	135 531 898	109 796 520	140 523 301	116 310 181	20,8
Australasia	30 333 998	28 187 109	30 333 998	28 187 109	7,6
United Kingdom	60 991 803	47 722 732	60 991 803	47 722 732	27,8
Europe	30 988 054	24 802 908	30 988 054	24 802 908	24,9
Emerging Markets	13 218 043	9 083 771	18 209 446	15 597 432	16,7
Bidvest Services	5 633	7 004	-	-	
	135 537 531	109 803 524	140 523 301	116 310 181	20,8
TRADING PROFIT					
Foodservice	4 855 097	3 724 309	5 190 170	4 142 357	25,3
Australasia	1 778 121	1 459 656	1 778 121	1 459 656	21,8
United Kingdom	1 424 044	1 118 563	1 424 044	1 118 563	27,3
Europe	1 053 640	860 522	1 053 640	860 522	22,4
Emerging Markets	599 292	285 568	934 365	703 616	32,8
Corporate	(26 520)	(45 755)	(39 557)	(58 048)	
Bidvest Services	4 314	1 106	-	-	
	4 832 891	3 679 660	5 150 613	4 084 309	26,1

Comment

Bidcorp has, in addition to its actual results, provided shareholders with pro forma financial information to enable a full appreciation of the true performance of the Group. The following comment is based on the pro forma information.

Highlights

The Group delivered very pleasing results for the year ended June 30 2016. Headline earnings per share (HEPS) has increased by 32,5% to 1 080,0 cents per share (F2015: 815,2 cents) with basic earnings per share (EPS) increasing by 26,1% to 1 034,0 cents per share (F2015: 819,8 cents). On a constant currency basis, HEPS increased by 14,2%.

As a result of the listing, Bidcorp has declared a dividend of 241,0 cents per share based on the pro forma results which pertains to the second half of the financial year, in accordance with its dividend policy.

Bidcorp’s businesses continue to perform well across the world, with solid organic growth in home currencies in very low inflation environments, benefiting from market share gains and margin improvement. Rand translated results were enhanced by the positive effects of a weakened rand against most major currencies in the second half of the financial year.

Financial overview

Revenue grew 20,8% to R140,5 billion (F2015: R116,3 billion). Major contributors to the increases were the UK and European operations, reflecting organic growth and assistance from currency effects on translation. Revenue growth was dampened by the deliberate and planned exit of large contract business in various geographies.

Gross profit percentage increased to 20,8% (F2015: 20,3%) reflecting the benefit of the strategy of focusing on the correct mix of business. Operating expenses remained well controlled, increasing by 6,2% on a constant currency basis. The benefits of lower fuel costs were negated by some wage pressure in a number of growing economies and higher sales and distribution costs reflecting activity levels.

Group trading profit increased by 26,1% to R5,2 billion (F2015: R4,1 billion) and the trading margin increased to 3,7% (F2015: 3,5%), principally reflecting the operational focus to grow the independent trade and rebalance the customer portfolio in many geographies.

Share-based payment costs declined from R89,9 million to R64,0 million impacted by the unbundling and the run off of previous option schemes. Long-term incentivisation remains a cornerstone of management motivation and new allocations have been made.

Acquisition costs of R8,9 million (F2015: R43,6 million) reflect minimal acquisition activity as compared to the prior year.

Net finance charges are 11,1% lower at R294,6 million (F2015: R331,3 million), reflecting good cash generation despite greater utilisation of working capital during the year. Bidcorp remains well capitalised, with trading profit interest cover at 17,5 times (F2015: 12,3 times). We remain conservative in our approach to gearing, however we are undertaking a review of current gearing levels across the Group in order to enhance returns.

Headline earnings increased by 32,7% to R3,6 billion (F2015: R2,7 billion). Net headline earnings adjustments in the year totalled R152,7 million, the majority of which relates to the impairment of the investment in Icelandic Water.

The Group’s financial position remains strong. Growth in total assets reflects normal levels of replacement and investment capital expenditure on fixed assets, and the higher trading activity in inventories and receivables. Net debt has declined to R1,7 billion as compared to R3,3 billion at June 30 2015.

Cash generated by operations was extremely robust as was working capital management, despite organic growth and the currency impacts on translation. Net working capital days remained in line with prior year (F2015: -1 day).

Acquisitions and disposals

There have been no material acquisitions in the year. Smaller acquisitions include MPD (Czech - R162,0 million) and Caterfood and Cimandis (UK Foodservice - R464,0 million). Disposals include Patleys (Food Africa - R171,3 million) and our minority share in the associate VCN (Netherlands - R51,6 million).

Prospects

Growth in out-of-home eating where customers quest for quality products, differentiation of service and innovative solutions, is expected to continue. Our philosophy remains on exploiting the “service” element by remaining close to our customers, evolving the product range and offering high levels of service.

Our foodservice distribution segments remain focused on balancing the exposure between contract, national and independent customers in their respective markets. Traditionally more mature markets are being further segmented as a means of growing market share. Innovative technology-based solutions for customers continue to gain traction in many businesses as part of our value-add service. Fresh produce, Meat categories and Value Add Processing are areas of significant unexploited potential in most regions.

Our financial position remains strong, cash generation is robust and we retain significant headroom to accommodate expansion opportunities, both acquisitive and organic in a low interest rate environment. Currency volatility is likely to continue to impact Bidcorp’s translated results in the current global environment, however management remain focused on ensuring each business is managed in order to maximise returns in our businesses in their local currencies. Returns on funds employed remains the key driver of performance across all territories.

Management remains alert to opportunities and is confident of delivering further growth in the year ahead across all segments of the market; organically through a focus on the independent trade and appropriate business mix, supplemented by investment in fit-for-purpose infrastructure; through bolt-on acquisitions in territory to expand geographic reach and product range extension; and via larger acquisitions to enter new markets.

The Bidcorp entrepreneurial and decentralised business model, the depth and experience of our management team, and the strength of the Group’s culture breeds accountability and confidence which allows us to deliver above-average returns to our shareholders.

The positive global fundamentals in the foodservice industry will enable Bidcorp to further exploit this opportunity in its respective markets. All businesses are budgeting for real growth in their home currencies.

DIVISIONAL PERFORMANCE

Australasia

The region continues to make a substantial contribution and remains the biggest profit generator. Revenue moved 7,6% higher to R30,3 billion (F2015: R28,2 billion). Trading profit rose 21,8% to R1,8 billion (F2015: R1,5 billion).

Australia

The business recorded solid trading profit growth of 8,8%, a pleasing result as sales fell 7,0%. Sales decline is in line with the strategy of exiting low-margin logistics contracts while concentrating on higher margin independent business.

The economy sent mixed signals, though GDP growth remained stable. The continuing mining sector downturn hurt Western Australia and parts of Queensland, but tourism growth gave a boost to holiday destinations.

Gross contribution was up, driven higher by the changing mix of business.

Margins were well managed. Expenses moved higher as higher margin segments like Fresh and Meat typically involve higher costs and wages. Cash generation remained strong.

Foodservice profits were up 10,5%. The Foodservice result comes off flat overall sales but real sales growth of around 5,0% in the core target market (as low margin contract business was exited) and a zero food inflation environment.
Strong growth was achieved in the free trade segment.

Imports division continued to grow and maintained rigorous expense control. The potential for value add manufacture or repack of own brand products is being explored, as are synergies with BPC and DAC Italy.

Fresh results were disappointing, this remains a segment with upside potential, and the national footprint was grown.

Meat division achieved profit growth, but results were somewhat below expectation, with meat prices being very high and availability more scarce. Some larger city Meat branches have adopted the direct-to-customers business model.
Closer collaboration with Foodservice will be a focus area going forward.

Logistics continued to scale back as the strategy of exiting low-margin business continued, and this division will continue to be downsized even further.

In 2017, the Australia strategy of developing the higher margin market segments is expected to gain further momentum.
The vision is to become a focused “food” business whereby we add value to our customers, rather than a low-cost carton-mover.

Further infrastructural development will continue, primarily in the large cities, and along with house brand development, range extension, customer focus and select acquisition opportunities, continued growth is expected.

New Zealand
Food deflation set in following a drop in dairy prices, though strong growth in retail spending and tourism were beneficial to the country. All divisions performed strongly. Revenue grew 12,8%, with impressive trading profit growth, topping 21,0%.

Results were driven by the strategic focus of developing key centre of the plate and produce categories while timely infrastructure investment created the capacity to maximise market potential.

Margins and working capital were well managed. The dollar value of inventories rose on the growth of higher value categories such as meat.

We disposed of our retail operations and acquired two small businesses. Land purchases created capacity for expansion in Hamilton, Timaru, Invercargill and Auckland. A new purpose-built distribution centre was built in Queenstown and another is planned in Nelson.

Foodservice put in a highly pleasing performance with strong results at all branches. The use of ecommerce technologies grew strongly further increasing the business' competitive advantage.

Fresh also performed strongly. Despite market volatility, margins were generally steady. Expense management was rigorous and exports achieved good sales growth.

The Logistics performance was driven by good ice cream sales, focus on the route trade and exceptional growth by a key QSR customer.

The Processing division more than doubled its profit and Christchurch Butchery improved substantially.

In the year ahead, New Zealand will strive to maintain this strong momentum. The free-trade focus will intensify. Steps will be taken to further improve the processing business. Development of our sous vide products and our repack product range are envisaged.

United Kingdom (UK)
Revenue rose 27,8% to R61,0 billion (F2015: R47,7 billion) while trading profit increased by 27,3% to R1,4 billion (F2015: R1,1 billion).

The Foodservice and Fresh businesses collectively grew trading profit by 44,9% off a 26,5% increase in revenue. The division was however negatively impacted by a 55,5% reduction in the trading profit of the Logistics business.

Foodservice
The business posted strong results in an economy that maintained modest but consistent growth. Sales and trading profit were up while expenses were well controlled.

National accounts showed growth as several major customers renewed contracts. The strategy of re-tendering very low-margin accounts at more commercially acceptable rates resulted in a small number of customers moving to providers who are willing to take on very low-cost contracts.

Free-trade volumes, excluding acquisitions, eased lower, but customer margin improved slightly. Focus for 2017 is to grow the customer-base while maintaining margins. The Vivas wine joint venture achieved pleasing profit and sales growth.
Cimandis, an independent wholesaler in the Channel Islands was acquired in August 2015, and Caterfood, an independent wholesaler in South West England, was acquired late in the financial year. Management are excited about the synergies the association with Foodservice can bring.

The continued focus on food credentials was maintained with the re-launch of the entire own brand range, which also won several food awards.

Working capital management improved and cash generation remained robust.

Investment in infrastructure continued, including a new site in Slough (west of London), which became operational in June.

The upgrading, modernisation and simplification of IT infrastructure was completed and included the virtualisation of the server network, and the implementation of a new ecommerce platform for product management and online trading.
In addition voice picking functionality was rolled out to 19 depots.

Among the specialist businesses, Southlincs Foodservice reported good trading profit growth. Catering Equipment results exceeded expectations.

Fresh
Sales were ahead of budget, but profit was slightly below expectation. Independent channel growth continued. National account business also grew, though margins came under pressure. We are making good progress in building a national specialist Fresh distributor, with capability in Seafood, Meat, Produce, Cheese and Speciality products.

Underperformance at two Seafood depots contributed to the disappointing trading result. A sudden rise in salmon prices put pressure on margins.

Oliver Kay Produce had a good year, growing its national sector exposure. The Campbell’s meat business moved from loss to a small profit.

Another meat specialist, Knights, was acquired in May. The acquisition of R Noone & Son (a Manchester fresh produce distributor) was finalised in July 2016.

Logistics
Logistics overall benefited from higher revenue however, trading profit performance disappointed as margins were squeezed. Labour shortages pushed expenses up significantly, as did higher vehicle accident costs as a result of more agency labour requirements. In addition, costs of implementing new contracts, surplus depot capacity and abnormal expenses eroded

profitability.

A review of the commercial scope of contracts and service levels is underway, combined with an aggressive review of management structures and overhead costs.

Management irregularities were identified and investigated during the year, some of which relate to a recent acquisition and others to operational activities, all of which significantly impacted the division. These irregularities are subject to ongoing legal processes.

Any impact on non-current assets is continually being monitored by management. In respect of the net operating assets, management have provided for the worst case scenario notwithstanding recoveries from legal action and insurance claims.

Europe
Most businesses performed strongly, particularly the eastern Europe jurisdictions. Revenue rose 24,9% to R31,0 billion (F2015: R24,8 billion) while trading profit rose 22,4% to R1,1 billion (F2015: R0,9 billion).

Deli XL Netherlands
Revenue showed the first growth since 2013, buoyed by good hospitality performance that offset continued institutional sector decline. Good progress has been made in redefining the business model to cater to the independent trade.
Institutional business decline appears to have bottomed but remained under pressure. Catering sales moved higher, driven by new contract gains and growing demand from existing customers.

National account volumes rose as a result of an uptick in out-of-home eating, with margins improving as marginal customers were exited. The hospitality business made market share gains while maintaining margins.

Belgium
The economy slowed in the second half and tourism came under pressure following terror attacks. Horeca sales into Brussels were hard hit as consumer confidence was shaken. However, teams put in a robust performance and revenue and trading profit were ahead of forecasts. Margins were largely maintained as teams focused on the development of high-value categories.

Catering showed good growth, supported by the renewal of a significant contract with a large catering group. Horeca volumes were slightly down, though trading profit growth was achieved. Good growth was seen in the institutional channel and within the logistics business.

Czech Republic and Slovakia
The Czech Republic’s economy returned to growth and the foodservice industry benefited from an influx of holiday visitors. Operations maximised these opportunities and achieved excellent revenue and trading profit growth.

Sales were lifted by a fantastic ice cream season as the past summer has been one of the hottest in 10 years, this being an uncontrollable driver of ice cream consumption.

The Czech division achieved a sales increase of 11,5%, with strong contributions from both Foodservice and Retail.
The export department achieved a 30% sales gain. Overall costs were well managed, other than wages which are under pressure as improved economic activity increased demand for warehousing and distribution staff.

Meat production from the Kralupy (Prague) operation contributed to the strong overall result while trading profit from Opava production (ice cream, frozen vegetable, ready meals and potato products) was maintained.

Newly acquired MPD (providing temperature controlled storage, as well as warehousing capacity in Pilzen) made a positive start, and enabled us to open another distribution centre there, greatly adding to our available capacity, which was much needed to accommodate the growth achieved.

Slovakia’s sales were up by more than 21,0%. Foodservice and Retail both contributed to this.

DAC Italy
Pleasing results were achieved, with revenue and trading profit above budget and prior year. Expenses were impacted by the cost of opening the new Rome warehouse in July 2015, but overall were well managed.

Sales of ambient and frozen products continue to grow as a result of strong penetration of the “street market”. This element of the mix now accounts for about 60% of sales. The growth drive in the “single customer” channel will be maintained. In March we exited a large, low-margin caterer and this opened up much needed capacity in time for the summer season.

Cash generated by operations remained healthy.

Going forward, to accelerate our growth, DAC will pursue acquisition opportunities, with strong focus on central Italy and the south. In July 2016 we acquired a distributor on the Adriatic coast.

Poland
The business recorded strong sales growth, with a particularly impressive performance in the “street market” segment due to good volume increases. No significant contracts were lost while some key national accounts were extended.

Trading profit was ahead of prior year. Overheads were well controlled. Cash flow remained robust despite investment into working capital for growth.

Construction on the new central warehouse was completed. It went into full operation in October, and has added greatly to our national infrastructure blueprint.

Baltics
Overall sales in Lithuania, Latvia and Estonia achieved solid growth. Main driver was the foodservice segment. Retail

exposure declined. Although operating at a slight loss, the transition out of retail will yield a sustainable profitable foodservice business in time.

Spain

Annual sales rose, but failed to meet budget and a small loss was recorded. Expense management remains a challenge. Growth potential has been identified in fresh produce and the hotel channel. We believe the Spanish foodservice market to be highly attractive and will continue to pursue suitable acquisitions.

Aktaes Turkey

Total sales moved higher, supported by strong growth in the foodservice segment. However, terror attacks and the failed coup impacted tourism and out-of-home eating, particularly in Istanbul, where our operations are mainly centred, and creates a great deal of uncertainty for our future prospects.

Emerging Markets

These businesses achieved a commendable result in spite of many economic challenges. Revenue moved 16,7% higher to R18,2 billion (F2015: R15,6 billion), with trading profit up 32,8% at R934,4 million (F2015: R703,6 million).

Food Africa (BFA)

BFA returned excellent results. Sales exceeded budget, as did trading profits. However, margin pressure intensified in highly competitive trading conditions and cost pressures were evident due to high inflation and exchange rate fluctuations. Debtors management remained stringent. Investment in distribution facilities and vehicles continued.

Net sales growth exceeded food inflation, driven by pleasing gains at Food Ingredients (BFI) across independent channels and Foodservice (BFS) in the independent and national account channels.

Bakery Solutions (BBS) continued its penetration of the retail and franchise sector. Food Exports (BFE) achieved substantial growth in Zambia.

BFS’ excellent growth was all organic. The independent and national account segments both achieved double-digit growth. Growth was enhanced by a focus on developing our ecommerce platform and sales of private label products. A new KwaZulu-Natal depot opened.

BFI drove growth by focusing on its own manufactured lines and product brands. Strong growth was realised in almost all product categories through the trading operations.

BBS had an excellent year, with focus on innovation and product development across its own manufactured products. Almost all trading branches performed well and the factory achieved efficiency improvements. All trading branches built momentum in the last quarter.

BFE made market share gains in sub-Saharan Africa. Strong performance by the Zambian operation is expected to continue.

Greater China

Sales were 4,2% higher, while expenses were well controlled. Trading profit rose an impressive 20,8%.

Hong Kong

Sales were slightly below expectation mirroring the general sluggishness of the Hong Kong economy, but pleasing annual profit growth was achieved. In Macau, solid sales were seen across the meat, dairy and seafood categories despite a large drop in casino-related activity and hotel occupancy.

In the coming year, sales growth is expected from newly launched operations (Wines and Master Butchery value-added product range). Continued growth of the natural foods catalogue is planned.

China

Mainland operations put in another pleasing performance, with sales volumes and profits well ahead of projections.

Dairy and meat volumes to hotel and restaurant customers in Shanghai show continued growth. Strong supermarket demand underpinned gains in Beijing while bakery, retail and foodservice lines did well in Guangzhou. Sales in the Shenzhen foodservice and restaurant channels showed strong improvement.

Business growth continued in second-tier cities such as Changsha, Xian, Sanya and Wuhan. Continued growth is projected for 2017.

Singapore

The business has begun its anticipated turnaround, with profit in line with expectation while expenses were rigorously managed. Sales volumes fell in line with the ongoing transition to a fully-fledged foodservice operation.

Low-margin operations were either closed or scaled back. Rightsizing initiatives continued to deliver inventory management gains and strong cash generation.

Foodservice continued to grow, supported by strong penetration of the restaurant industry. Gourmet lines performed strongly, aided by the successful launch of several key European brands.

Brazil

Trading challenges mounted in a year of political and economic crisis. Foodservices were not hit as severely as some sectors of the economy, but out-of-home eating declined by an estimated 30%. In this environment, the business did well to maintain sales volumes while minimising the impact on trading profit. Cash generation remains very high, which is important in this environment of high interest rates.

Implementation of new IT systems contributed to routing and distribution efficiencies. Further improvements were evident following the opening of our new warehouse. We are optimistic and committed to this market and are actively seeking acquisition targets.

Chile

Despite marketplace pressures, year-on-year sales and trading profit growth were achieved.

Performance was underpinned by new-business gains, robust cross-selling and the introduction of meat to the product mix. Contract terms were renegotiated in some instances and the Foodservice teams performed well.

We opened a new branch and acquired a small business in Concepción. We disposed of our Santiago fresh bakery operation in May 2016, this business was not part of our strategic focus to be the leading Foodservice wholesaler in Chile.

The Santiago branch opened new sales channels and the Puerto Montt operation expanded its customer-base.

Middle East
Pleasing sales and trading profit growth was delivered, with strong contributions from UAE and Saudi Arabia. Cash generation remained strong. Improved supply chain management drove substantial inventory management improvements.

Horeca UAE reported solid year-on-year growth in sales and trading profit, and moved into a purpose built, state of the art multi-temperature facility in Dubai in May 2016, which should greatly enhance our regional capabilities.

Al Diyafa (Saudi Arabia) enjoyed pleasing sales and trading profit growth. Retail achieved good momentum following additions to the range and increased promotional activity. Meat was added to the category mix.

Our activities in Lebanon were not profitable and we exited from this market in July 2016.

BPC
Improved foreign exchange management and significant demand from other Bidcorp businesses helped BPC grow its business, which is of benefit to all Bidcorp operations. The product mix was further widened and the number of supplier countries grew. New procurement regions such as Latin America and southern Africa are being explored.

Dividend declaration
In line with the Group dividend policy, the directors have declared a final gross cash dividend of 241,0 cents (204,85 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended June 30 2016 to those members registered on the record date, being Friday, September 16 2016.

The dividend has been declared from income reserves. A dividend withholding tax of 15% 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:	241,0 cents
Net dividend amount per share:	204,85 cents
Issued shares at declaration date (’000):	335 404
Declaration date:	Wednesday, August 24 2016

Last day to trade cum dividend:	Tuesday, September 13 2016
First day to trade ex dividend:	Wednesday, September 14 2016
Record date:	Friday, September 16 2016
Payment date:	Monday, September 19 2016

Share certificates may not be dematerialised or rematerialised between Wednesday, September 14 2016 and Friday, September 16 2016, both days inclusive.

For and on behalf of the board
AK Biggs
Company secretary

Johannesburg
August 24 2016

Basis of presentation of condensed consolidated financial statements

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be 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 Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements as at and for the year ended June 30 2015.

In preparing these condensed consolidated financial statements, management makes 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 2015.

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

Net acquisition of businesses, subsidiaries, associates and investments
There were no material acquisitions concluded during the year.

Commitments
The Group has commitments at June 30 of approved contracted capital expenditure of R568,7 million (2015: R407,2 million) and not contracted for capital expenditure of R939,4 million (2015: R989,6 million).

It is anticipated that capital expenditure will be financed out of existing cash resources.

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 liabilities	Current assets	(liabilities)	Fair value			
R'000s	Puttable non-controlling interests	Investments	Vendors for acquisition	Total	Level 1	Level 2	Level 3
June 30 2016							
Financial assets measured at fair value		511 122		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)
June 30 2015							
Financial assets measured at fair value		26 163		26 163		12 277	13 886
Financial liabilities measured at fair value	(913 638)		(558 315)	(1 471 953)			(1 471 953)

Valuation technique

The expected payments (fair value) are determined by considering the possible scenarios of forecast EBITDA's, 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% (2015: 1,99%)

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

Subsequent events
No material subsequent events have arisen since June 30 2016.

Review report
These condensed consolidated financial statements for the year ended June 30 2016 have been reviewed by KPMG Inc.,
who expressed an unmodified review opinion conclusion. A copy of the auditor’s review report together with a copy of the
reviewed condensed consolidated financial statements is available for inspection at the Company’s registered office.

The auditor’s report does not necessarily report on all of the information contained in this announcement. Any
reference to future financial information included in this announcement has not been reviewed or reported on by the auditors.
Shareholders are advised, that in order to obtain a full understanding of the nature of the auditor’s engagement they
should obtain a copy of the auditor’s review report together with the accompanying financial information from the Company’s
registered office.

This summarised report is extracted from the condensed consolidated financial statements but is not itself reviewed.
The board of directors take full responsibility for the preparation of this provisional report and confirm that the
information has been correctly extracted from the underlying financial statements.

Preparer of the financial statements
These condensed consolidated financial statements have been prepared under the supervision of CAM Bishop CA(SA) and
were approved by the board of directors on August 23 2016.

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

	2016	2015
Rand/Sterling		
Closing rate	19,81	19,33
Average rate	21,49	18,03
Rand/Euro		
Closing rate	16,43	13,64
Average rate	16,11	13,74
Rand/Australian dollar		
Closing rate	11,01	9,41
Average rate	10,57	9,56

Supplementary pro forma information

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. An unmodified reasonable assurance report has been issued by the Group's auditors, KPMG, in terms of ISAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Information in a Prospectus, and is available for inspection at the Company's registered office. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA and the accounting policies of the Group as at June 30 2016.

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 income statement, has been prepared on the basis that the internal restructuring had been effective on each of July 1 2015 and July 1 2014 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 sterling, the euro and the Australian dollar, the major currencies in which the Group's foreign operations trade, namely sterling (18,03 in 2015 to 21,49 in 2016), the Australian dollar (9,56 in 2015 to 10,57 in 2016) and the euro (13,74 in 2015 to 16,11 in 2016). 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 revenue and earnings of the Group for the year.

	For the year ended June 30			Illustrative 2016 at 2015 average exchange rates	
	Pro forma 2016	% change	Pro forma 2015	Pro forma 2016	% change
Revenue (Rm)	140 523,3	20,8	116 310,2	121 311,9	4,3
Trading profit (Rm)	5 150,6	26,1	4 084,3	4 479,2	9,7
Headline earnings (Rm)	3 583,4	32,7	2 700,5	3 089,5	14,4
HEPS (cps)	1 080,0	32,5	815,2	931,2	14,2

Administration

Directors
Executive chairman: B Joffe
Lead independent director: DDB Band
Independent non-executive: PC Baloyi, NG Payne, CWL Phalatse, H Wiseman*
Executive directors: BL Berson* (chief executive), DE Cleasby (chief financial officer)
*Australian

Company secretary
AK Biggs

August 24 2016

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