



Bidvest Namibia Limited  
(Incorporated in the Republic of Namibia)  
(Registration Number 89/271)  
Share code: BVN  
ISIN Code: NA000A0Q5TN0  
("Bidvest Namibia" or "the company")

## **ANNOUNCEMENT IN RESPECT OF THE ACQUISITION BY BIDVEST NAMIBIA OF THE ENTIRE SHAREHOLDING IN TAEUBER & CORSSEN SWA (PROPRIETARY) LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

### **1. Introduction**

Pursuant to the cautionary announcements published by Bidvest Namibia on SENS between September 16 2010 and August 19 2011, shareholders are advised that Bidvest Namibia has entered into an agreement in terms of which it will acquire 100% of the issued share capital of Taeuber & Corssen SWA (Proprietary) Limited ("T&C") from Taeuber & Corssen (Proprietary) Limited ("T&C RSA"), One Wireless Technologies (Proprietary) Limited and the Taeuber & Corssen Namibia Employees' Share Trust (collectively, "the Vendors"), subject to the terms and conditions as set out herein ("the Transaction").

### **2. History and nature of the business**

#### **2.1 Background**

T&C is a leading distributor of fast moving consumer goods (FMCG) throughout Namibia, established in Namibia in 1920 as manufacturers' representatives and agents. T&C continues to represent and distribute products of leading multinational companies such as Unilever, Nestle, Beiersdorf, S.C, Johnson, Parmalat, Country Fair and Phillip Morris. In 1990, in an effort to expand its service offering, T&C established a cold storage operation to distribute perishable products throughout Namibia.

#### **2.2 Distribution and logistics**

The strength of T&C's distribution and logistics networks provides the group with an exceptional national distribution footprint through which it is able to provide first-class service to its customers.

T&C's distribution business operates under two main divisions, namely T&C Trading and Matador Enterprises, which respectively cover a broad spectrum of dry and perishable goods. T&C Trading distributes household detergents, personal care products, coffee, tea and creamers. Matador Enterprises distributes chicken, fish, long life milk, infant formulas and nutritional products, cheese, butter, ice cream, frozen vegetables, pies, confectionary and biscuits, mineral water and a wide range of prepared frozen meals.

T&C leverages off its national footprint achieved through its warehouse and branch network to provide customers with a unique distribution offering. T&C's distribution network includes, warehouse facilities and fully equipped branches covering Windhoek, Katima Mulilo, Grootfontein, Otjiwarongo, Walvis Bay, Keetmanshoop and recently in Ongwediva. T&C has recently established a new logistics division which provides in-house logistic capability.

### 2.3 Property portfolio

T&C's property portfolio is owned by the group and is leased to the various trading operations on an arms-length basis.

## 3. Rationale for the Transaction

The Transaction will further strengthen Bidvest Namibia's offering in Namibia and will provide diversification to its existing business portfolio. T&C is a professionally run, profitable business with a competent, experienced management team. In addition the group has well established operating processes and business structures.

The Transaction represents a compelling investment proposition underpinned by the following key attractions:

- leadership position with significant growth potential;
- resilient business model;
- excellent financial track record;
- experienced and proven local management team; and
- multiple revenue growth opportunities.

Bidvest Namibia believes that T&C together with Bidvest Namibia's management focus can be expected to contribute significantly to Bidvest Namibia's existing business portfolio and overall performance.

## 4. Salient terms of the Transaction

Bidvest Namibia will, subject to the fulfilment of the conditions precedent set out in clause 5 below, acquire 100% of the issued shares in T&C from the Vendors for a purchase consideration of N\$188,7 million ("purchase consideration"). The purchase consideration shall be discharged:

- by Bidvest Namibia allotting and issuing 5 million new ordinary shares in Bidvest Namibia to T&C RSA at an issue price of N\$8.50 per share; and
- through a cash settlement of N\$146,2 million for the remainder of the purchase consideration.

## 5. Conditions Precedent

The Transaction is subject to the fulfilment of certain conditions precedent, including *inter alia*:

- the parties to certain key distribution agreements entered into with T&C to consent in writing to the Transaction; and
- the approval by the Namibian Competition Commission.

6. **Effective date of the Transaction**

The effective date will be the first business day of the calendar month following the month in which the last of the conditions precedent have been fulfilled or waived, as the case may be.

7. **Change to the board of Bidvest Namibia**

Pursuant to the conclusion of the Transaction and the fulfilment of the conditions precedent, set out in clause 5 above, Mr Konrad Taeuber, who represents the shareholders of T&C RSA shall be appointed as a non-executive director to the board of Bidvest Namibia.

8. **Pro forma financial effects on Bidvest Namibia**

The pro forma financial information provided is the responsibility of the directors of Bidvest Namibia. The pro forma financial information has been prepared for illustrative purposes only and because of its nature, may not fairly reflect the financial position of Bidvest Namibia or results of its operations after the Transaction:

	<b>Column 1 Before the Transaction (cents)</b>	<b>Column 2 After the Transaction (cents)</b>	<b>Change (%)</b>
Earnings per share	124.87	131.85	5.6%
Headline earnings per share	120.02	127.11	5.9%
Net asset value per share	548	562	2.6%
Net tangible asset value per share	500	466	(6.9%)
Number of shares in issue ('000)	206 953	211 953	2.4%
Weighted average number of shares in issue ('000)	206 953	211 953	2.4%

**Notes:**

1. The audited earnings and headline earnings per share of the continuing operations of Bidvest Namibia as published in the abridged financial statements for the 12 months ended June 30 2011 are reflected in Column 1.
2. Financial information relating to T&C has been extracted from the audited financial statements for T&C for the 12 month period ended June 30 2011.
3. The *pro forma* earnings and headline earnings per share for the 12 months ended June 30 2011, based on the following principal assumptions, are reflected in Column 2:
  - the Transaction was effective July 1 2010;
  - the cash portion of the purchase consideration was partly funded out of available cash resources, which earned interest at an average after tax interest rate of 5.7%; and
  - the excess of the purchase consideration over the net asset value of N\$82.9 million at June 30 2011 resulting from the Transaction of N\$105.8 million will be capitalised as goodwill in terms of IFRS 3. The goodwill remains to be allocated to the fair value of the underlying assets.
4. The audited net asset value and net tangible asset value per share at June 30 2011 are reflected in Column 1. The effective net asset value and net tangible asset value per share on June 30 2011 assuming the Transaction was effected on June 30 2011 are reflected in Column 2.

5. The net asset value of T&C as at June 30 2011 was N\$82.9 million. The net profit after taxation for the year ended June 30 2011 attributable to T&C was N\$28.6 million.

9. **Withdrawal of cautionary announcement**

Bidvest Namibia shareholders are advised that the cautionary announcement is hereby withdrawn.

Bidvest Namibia Limited  
Windhoek  
September 26 2011

**Sponsor to**  
**Bidvest Namibia**  
Investment House Namibia (Pty) Limited  
Member of the NSX

