

6 October 2011

Dear valued clients

Over the last few years, requests have been received from many of Safcor Panalpina and Rennies Distribution Services clients for a more integrated supply chain and logistics service offering. Whilst we have invested in a number of strategic initiatives, we felt we still needed to enhance our solution set, infrastructure and scale in order to offer you a more competitive supply chain service offering. Consequently, it gives me great pleasure to announce the amalgamation between Safcor Panalpina and Rennies Distribution Services (RDS) resulting in, **Bidvest Panalpina Logistics (BPL)**.

This amalgamation will further develop and leverage off our global Panalpina partnership as well as strengthen our local footprint to now include 26 facilities in strategic locations across South Africa, which include over 180,000sqm of warehousing space, dedicated and variable transportation services with a joint staff complement of over 1500 people nationally.

So why Safcor Panalpina and RDS?

Both of these Bidvest owned companies have played significant roles (independently) in contributing positively to the delivery of supply chain services in South Africa. Whilst Safcor Panalpina operates as one of the market leaders in the clearing and forwarding sector with some warehousing and transport services, RDS have highly specialised national warehousing and distribution solutions.

Both companies have similar business models in that they offer dedicated client solutions as well as multi-principle / volume based service offerings. Safcor Panalpina has recently invested in a world class operating system whilst, at the same time, RDS has invested in more innovative warehousing and transport management systems. As one company, we will be in a position to offer streamlined, flexible solutions tailored to suit the changing needs of the market.

Our vision going forward is to create a new platform that will offer world class supply chain solutions which will allow us to strengthen and enhance our current partnerships with you, our valued client.

The effective legal amalgamation is planned for 1 December 2011 (subject to the necessary approvals) and we hope to launch our exciting new company identity by the end of the year. Operational structures have been implemented from 01 October 2011 in order for it to be well settled by 01 December 2011.

We have included a Q&A document that we trust will answer any questions that you may have as a result of the amalgamation. If however, you have any questions that are not covered in the attached then please feel free to contact me personally on: askjames@safcorpanalpina.co.za

Contact personnel and details remain the same for the interim. We expect email addresses to be changed soon and will communicate this to you and your personnel as soon as possible.

In the interim, it is business as usual and you can depend on our best service levels. We also look forward to extending, in the near future, our increased service offering to you, our valued client.

Kind regards

James Reddy

Managing Director

Bidvest Panalpina Logistics