FAST MOVING
FORWARD THINKING

IMPERIAL™
LOGISTICS

Macquarie Visit 2011

Johannesburg, South Africa

October 5-6, 2011

IMPERIAL Logistics ©

Presented by Abrie de Swardt

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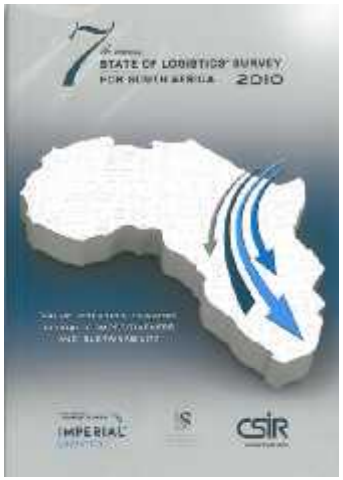
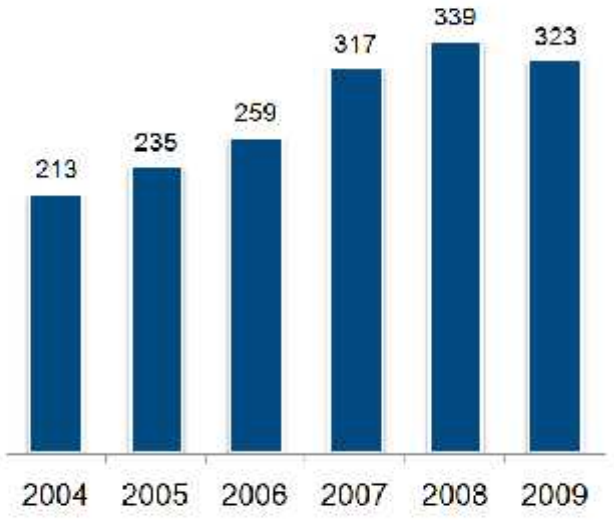
The State of Logistics in South Africa

- Total logistics costs in SA amounted to R323bn in 2009; 13,5% of GDP
- On a global scale it is closer to 10%
- 48% of logistics cost is spent on transport



Split of logistics cost

Total logistics costs in SA



Source: 7th Annual Logistics Survey for SA 2010

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Key Findings of 3PL Study

- Significant uncertainty about the global economy continues to impact logistics spending and use of 3PLs
- An average 11% of their companies' sales revenues to logistics
- An average of 42% of that is directed to outsourcing of logistics services
- 65% of shipper respondents report an increase in use of outsourced logistics services
- 89% of shipper respondents view their 3PL relationships as generally successful

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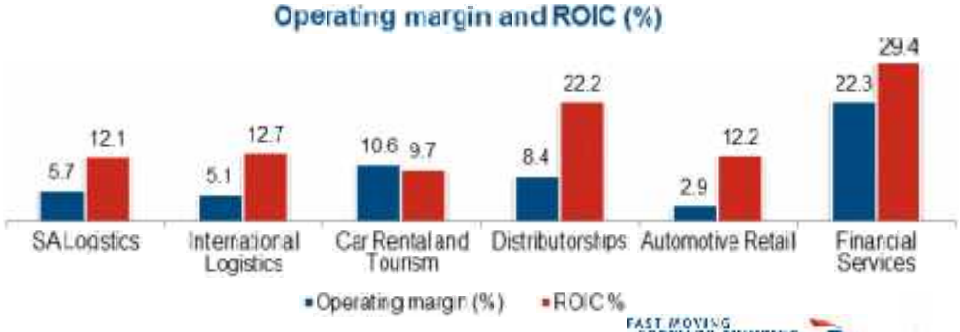
IMPERIAL Group in Perspective

IMPERIAL is a diversified industrial services and retail group.
IMPERIAL operates in South Africa, Africa and Europe with an extensive global reach.
IMPERIAL, listed on the JSE, is run with a decentralised management structure that actively encourages entrepreneurship, innovation and encourages industry specific best practice.

Financial Results: 30 June 2011

- 38% HEPS 1370 cents
- 29% EPS 1346 cents
- 21% Revenue R64,667m
- 38% Operating profit R4,526m (operating margin 7,0%)
- 86% Cash flow from operating activities R3,962m



IMPERIAL Group in Perspective

Car Rental & Tourism

Motor Dealerships & Financial Services

Distributor-ships

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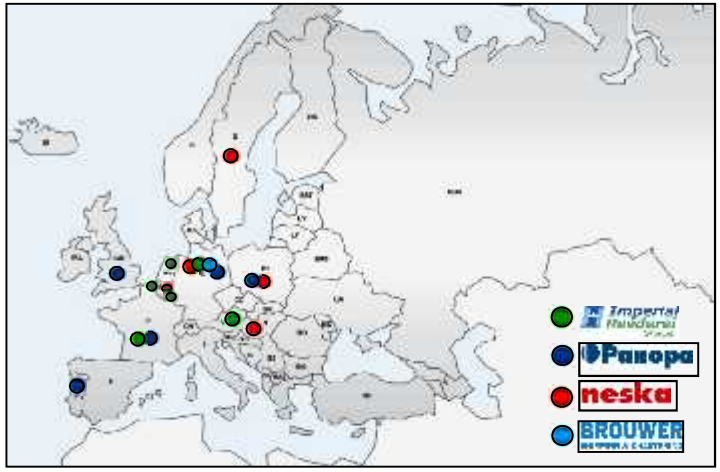
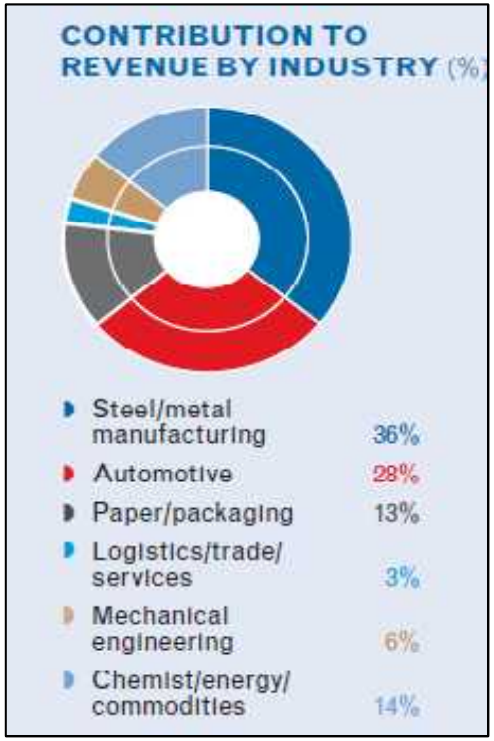
IMPERIAL Logistics in Perspective

- **Logistics represents a third of Group revenue at R20.7 billion**
- **In southern Africa, with annual revenue of R13,8 billion, IMPERIAL Logistics is the largest comprehensive logistics service provider (LSP):**
  - Our biggest competitor, Unitrans, is 2.5x smaller compared to ourselves and is more specialised. Barloworld Logistics pioneered integrated logistics services in South Africa, but remains relatively small and unprofitable
  - We employ 19,700 people, including 4,750 truck drivers and 3,500 merchandisers
  - We own > 5,500 vehicles that travelled > 465 million kilometers and consumed > 200 million liters of fuel in the last year. Of this, 2,400 are truck-tractors, 1,800 are rigids and 800 are smaller vehicles for rental. We also manage > 2,000 sub-contracted vehicles
  - We operate 750,000m^2 of warehousing, split equally between owned, leased and client-sites. This ranges from high-complexity multi-SKU to bulk storage facilities
- **In Europe, we are the largest logistics operator in the Rhine-Rhor region where we specialise in inter-modal logistics**

IMPERIAL Logistics International in Perspective





IMPERIAL Logistics International in Perspective

- **Holistic and tailor made logistics services for:**
  - Aluminium and Steel industry
  - Automotive and supplier sector
  - Chemical industry
  - Mechanical engineering and plant construction
  - Pulp and paper industry
  - Bulk mining commodity industry

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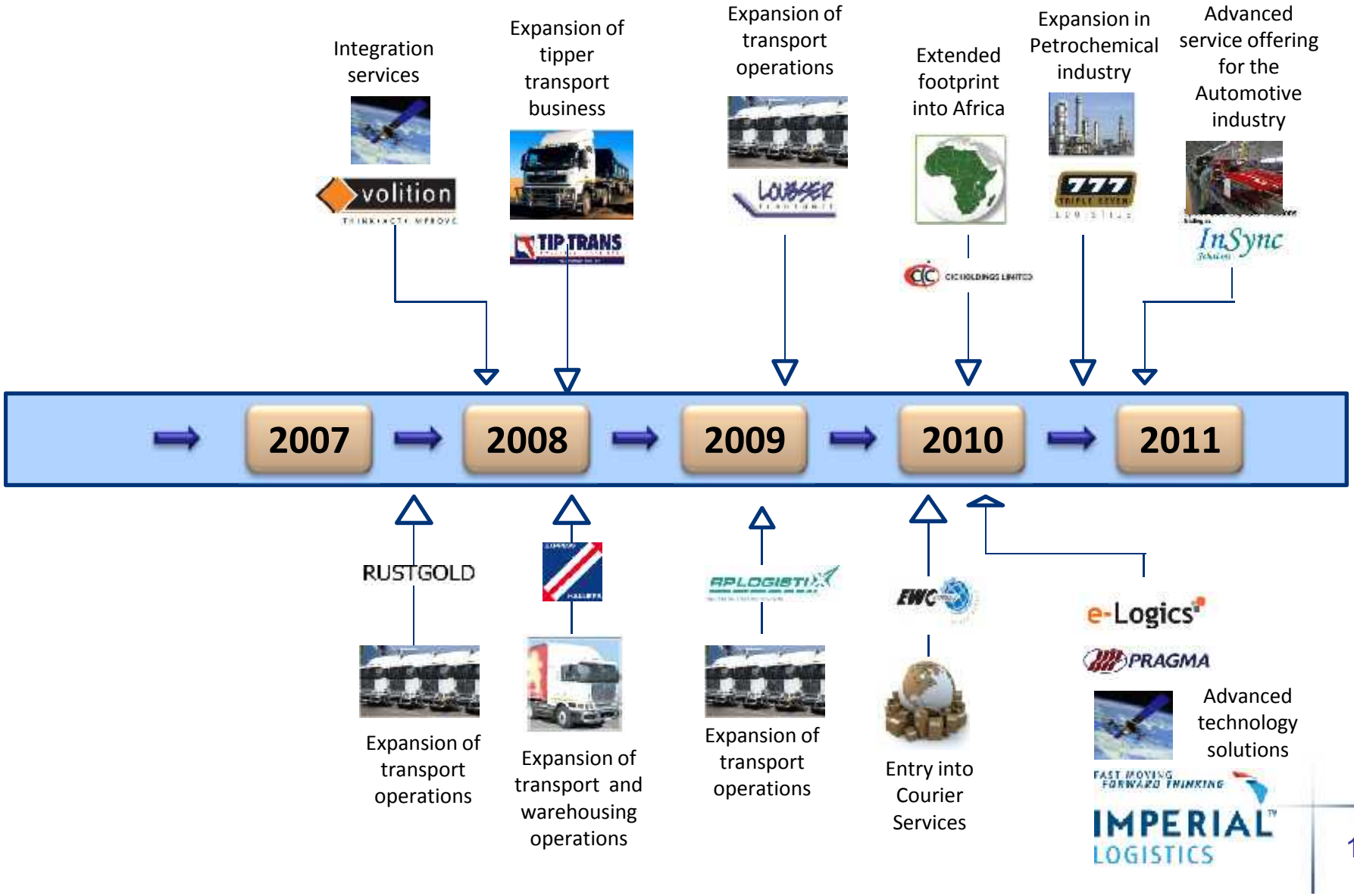
IMPERIAL Logistics Southern Africa in Perspective

IMPERIAL Logistics Southern Africa in Perspective



IMPERIAL Logistics Southern Africa in Perspective

- Full-spectrum logistics and supply chain services throughout South Africa & neighbouring countries
- Includes line-haul, local distribution, consolidation, warehousing and logistics, 4PL solutions, cross-border transport, and end-to-end logistics and supply chain management solutions (includes road, rail & multi-modal solutions)

- Integrated supply chain solutions to a wide range of FMCG, retail, agriculture and furniture markets in southern Africa
- Services include distribution into top-end retail, mid-market trade and smaller retail environments, as well as express food distribution, selling and merchandising services

- Offers pragmatic consulting and advisory services across the entire supply chain, providing business process management services covering operations planning, inventory optimisation, procurement, traffic compliance, engineering logistics and asset maintenance services
- Enhanced with advanced information technology, tailored software solutions and infrastructure

- Provides dedicated, specialised transport services to tanker industries throughout Africa
- Also provides transport solutions in the FMCG industry for the delivery of milk and other raw materials shipped in tankers

- Extensive, established operations in 14 African countries
- Manages total cargo flow and end-to-end logistics using the appropriate mode of transport
- Integrated logistics services include transportation, warehousing and distribution, sub-routing, cross-docking, hinterland inter-modal services, infrastructure developments and rail logistics

IMPERIAL Logistics Positioning

- IMPERIAL Logistics is a global logistics and supply chain leader that moves business and industry through innovation, inspiration and foresight
- We offer comprehensive services and solutions that enables our clients to serve their markets and consumers competitively
- Combining consistent fundamentals and tangible value add, we provide logistics and supply chain management from a single source

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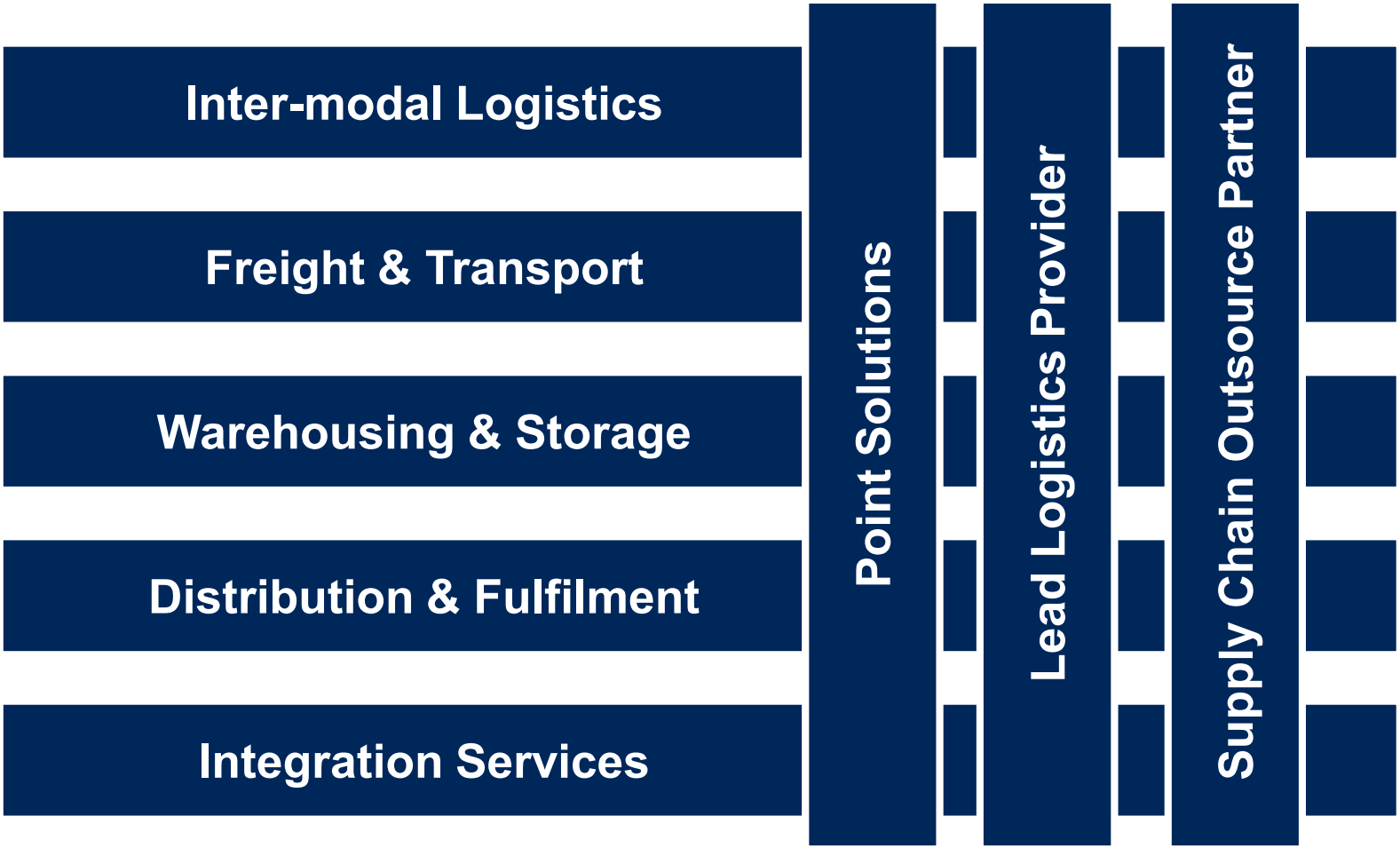
IMPERIAL Logistics Southern Africa Services



IMPERIAL Logistics Southern Africa Services

Inter-modal Logistics	Freight & Transport	Warehousing & Storage	Distribution & Fulfilment	Integration Services
Point Solutions				
• Rail management • Rail load consolidation • Container handling • Sea freight • International Air freight • Customs Clearing & Forwarding	• From A to B • Dedicated Fleet • Regional balance management • Freight management • Specialised Vehicles	• Bulk commodities • Full pallets • Dedicated operations • Fine Picking • Multi Principal • Cross Dock • Consolidation	• Dedicated • Multi-principal • Informal market • Express Air Cargo • Courier • Transport Management / 4PL • Sales • Merchandising • Debtors	• Supply Chain Design • Decision Support • Process Optimisation • IT Solutions • IT Infrastructure • Operations Planning • Procurement • Traffic Compliance • Engineering Logistics

Lead Logistics Provider

Supply Chain Outsource Partner

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IMPERIAL Logistics Southern Africa Blue Chip Customer Base

CONTRIBUTION TO REVENUE BY INDUSTRY (%)

FMCG/Retail	46%
Petrochemicals	13%
Paper/Packaging	10%
Mining and Minerals	8%
Construction	7%
Agriculture	6%
Chemicals	5%
Other	5%

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IMPERIAL Logistics Blue Chip Southern Africa Customer Base

FMCG / RETAIL

PETROCHEMICAL

CHEMICAL

IMPERIAL Logistics Southern Africa Blue Chip Customer Base

PAPER / PACKAGING	sappi, Nampak, SONAE, mondi, Consol., HUHTAMAKI, Tetra Pak
MINING & MINERALS	ANGLO AMERICAN, exxaro POWERING POSSIBILITY, bhpbilliton, xstrata
CONSTRUCTION	MARLEY, LAFARGE, AfriSam, DWALA, PG GROUP, INFRASET
AUTOMOTIVE	Mercedes-Benz, TOYOTA, BMW, Shatterprufe SAVES LIVES, DUNLOP, GOODYEAR, BRIDGESTONE
OTHER	MITTAL, SENWES, Standard Bank, ABERDARE CABLES, ABSA, Post Office

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IMPERIAL Logistics Southern Africa Blue Chip Customer Base

Operating Company		Customers	Services
IMPERIAL DISTRIBUTION	IMPERIAL Distribution	Nampak, brandhouse	Inbound logistics, primary transport, secondary transport and reverse logistics
Fast 'n Fresh	Fast & Fresh	Woolworths	Long distance trunking, store deliveries, equipment relocation, supplier collections

Operating Company		Customers	Services
NE	Northeast Carriers	Lafarge	Long distance and delivery services, managing sub-contractor base
IMPERIAL CARGO SOLUTIONS	IMPERIAL Cargo Solutions	BATSA, Safripol	Warehousing, long distance transport and delivery services
FMAX FREIGHTMAX	Freightmax	Shell, Chevron & Sasol Lubricants	Long distance transport, Industry warehousing and delivery services
CARGO AFRICA	Cargo Africa	Dunlop, PG Group, Sasol Polymers	Management of subcontractor base for long distance transport
GOLDFIELDS LOGISTICS	Goldfields Logistics	Sappi, Afrox, Sonae Novabord, Pioneer	Inbound logistics, warehousing, primary transport, secondary distribution

TFD

The Cold Chain

BROCO

IMPERIAL Logistics Southern Africa Blue Chip Customer Base

Operating Company	Products / Customers	Services
Volition Consulting Services	Sasol Oil / Sasol Group	Strategy Formulation, Operations Improvement, People Alignment & Technology Enablement
Tanker Services Fuel & Gas Products	Diesel / Petrol / Illuminating Paraffin / Jet A1 / AV Gas	Primary Transport, Secondary Distribution & Bridging
Tanker Services Specialised Products	Heavy Furnace Oil / Synthetic Wax	Primary Transport & Secondary Distribution
Tanker Services Food & Chemicals	Lubes Oils / Solvents / Wax / Methanol / Oils	Primary Transport & Secondary Distribution
Javelin	Lube Oils (Mines & Cross Border)	Primary Transport & Secondary Transport
Zimbulk Tankers	Diesel / Petrol	Cross Border Transport (Zimbabwe / Zambia / DRC)
Freightmax / Cargo Africa / Procon	Shell / BPSA / Chevron / Total	Warehousing, Primary Transport (Road & Rail – incl. Cross Border), Secondary Distribution, Reverse Logistics
Pragma	Shell Retail	Physical asset management services

Coal Logistics – New Century Transport (NCT)

- Established in 1968
- Local and line haul transportation service for coal, fertilizers and animal feeds industry
- Total fleet of 45 vehicles consisting of interlink side tippers, ridged draw bar back end tippers and tri-axle back end tippers
- Head office in Alrode with operational depots in:
  - Emalahleni (Witbank)
  - Lephalale (Ellisras)
- Key customers include Exxaro, Anglo Coal, Consol, Ucar SA, Lime Distributors and Sasol Mining

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Coal Logistics – NCT's Services to Exxaro in Witbank & Ellisras

- **Witbank (140 000 tons per month with dedicated fleet of 13 vehicles)**
  - Coal stockpile management
  - Loading to road tipper by front end loader
  - Short haul transport to rail siding
  - Rail siding management and loading of rail wagons
    - 85 ton per jumbo wagon, 100 jumbo wagons to be loaded in max 4 hours
- **Ellisras (13 000 tons per month with dedicated fleet of 15 vehicles)**
  - Servicing domestic market with tipper transport

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Coal Logistics – NCT's Services to Anglo Coal in Witbank

- **Witbank (50 000 tons per month with dedicated fleet of 10 vehicles)**
  - Coal stockpile management
  - Loading to run of mine onto tipper vehicles by front end loader
  - Short haul transport to Anglo processing plant
  - Management of offloading site and production feed

Coal Logistics – Tip Trans Holdings

- Established in 1964
- Tip Trans specialises in the supply and bulk delivery of aggregates such as coal, ore, sand, stone, maize, lime and compost using tipper vehicles
- Fleet of more than 150 truck tractors, trailers and earth moving equipment
- Head office in Moorreesburg with operational depots in:
  - Moorreesburg in the Western Cape
  - Carolina in Mpumalanga
- Key customers include Umcebo Mining Group, Northern Coal, Wescoal and World Wide Coal

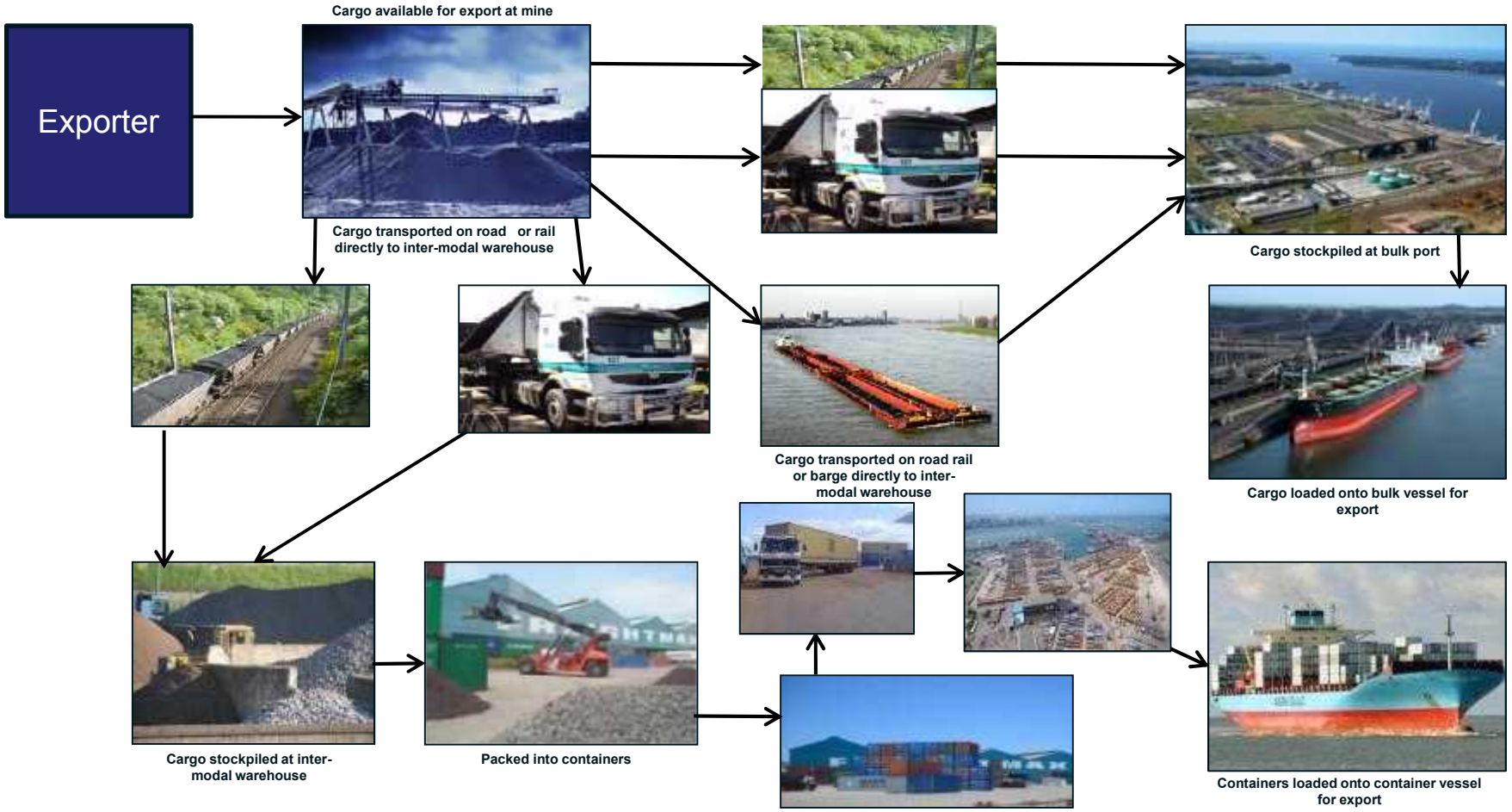
Coal Logistics – Tip Trans Holdings' Services to Umcebo Mining Group in Witbank & Middelburg

- ❑ 120 000 Tons per month
- ❑ Stock pile management
- ❑ Short haul tipper transport to coal washing plant
- ❑ Coal washing plant inbound and outbound stockpile management
- ❑ Loading of tippers with front end loaders for transport to coal power plants

Coal Logistics – Tip Trans Holdings' Services to Northern Coal in Carolina

- 50 000 tons per month
- Loading to road tipper by front end loader
- Short haul road transport to rail siding
- Loading to rail wagons for transport to Richards Bay Coal Terminal (RBCT)

The context of inter-modal (Example: From Pit to Port)



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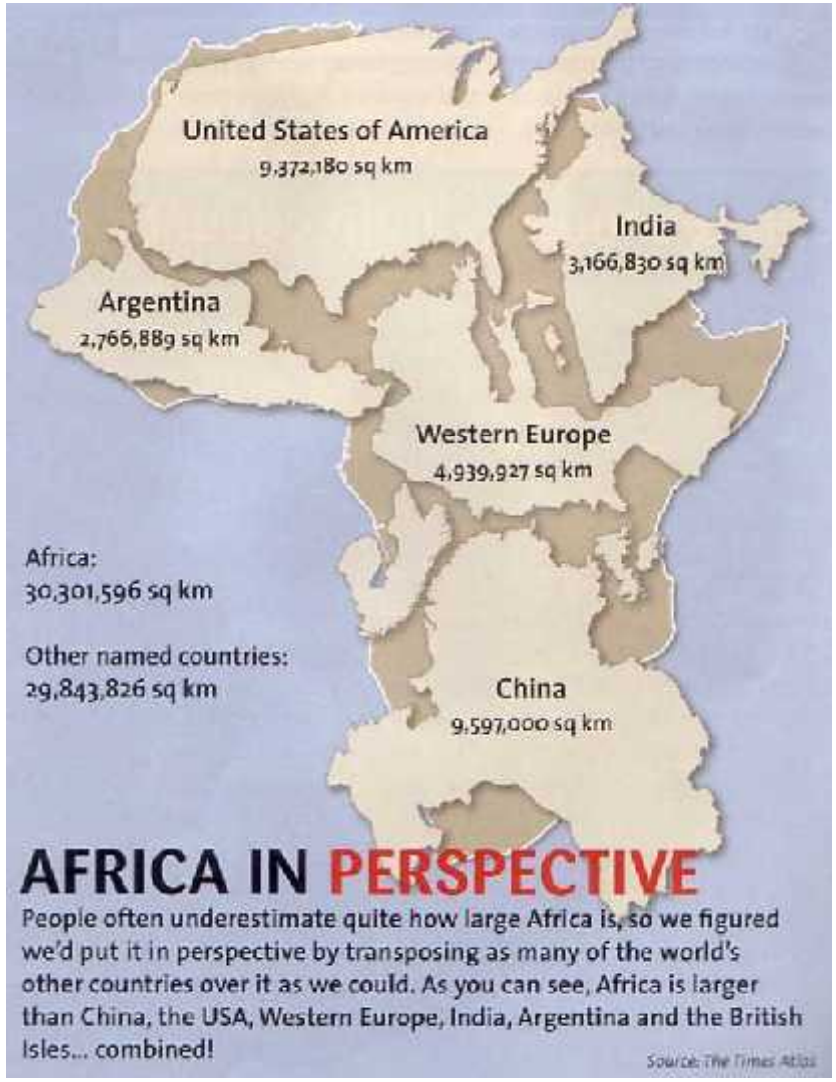

- **Shouldn't underestimate the opportunity and potential**
- **Africa needing to become more competitive. To do this focus must be placed on:**
  - Investment in infrastructure
    - Ports, Railways and Roads
    - Cross border corridor development
      - Combined commitment by all African governments
  - Reducing the cost of logistics
    - Movement of imported cargo to the African destination ports
    - Create balanced two directional volume flows

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IMPERIAL Logistics Africa in Perspective

CIC HOLDINGS LIMITED

Over 20 warehouses strategically located in Africa

- 11 cross border operating companies
- Represented in 14 countries in Africa
- Over 40 years of moving business and industry in Africa
- 560 vehicles with permits to perform cross border deliveries
- Leverage European expertise to fast track growth initiatives in Africa

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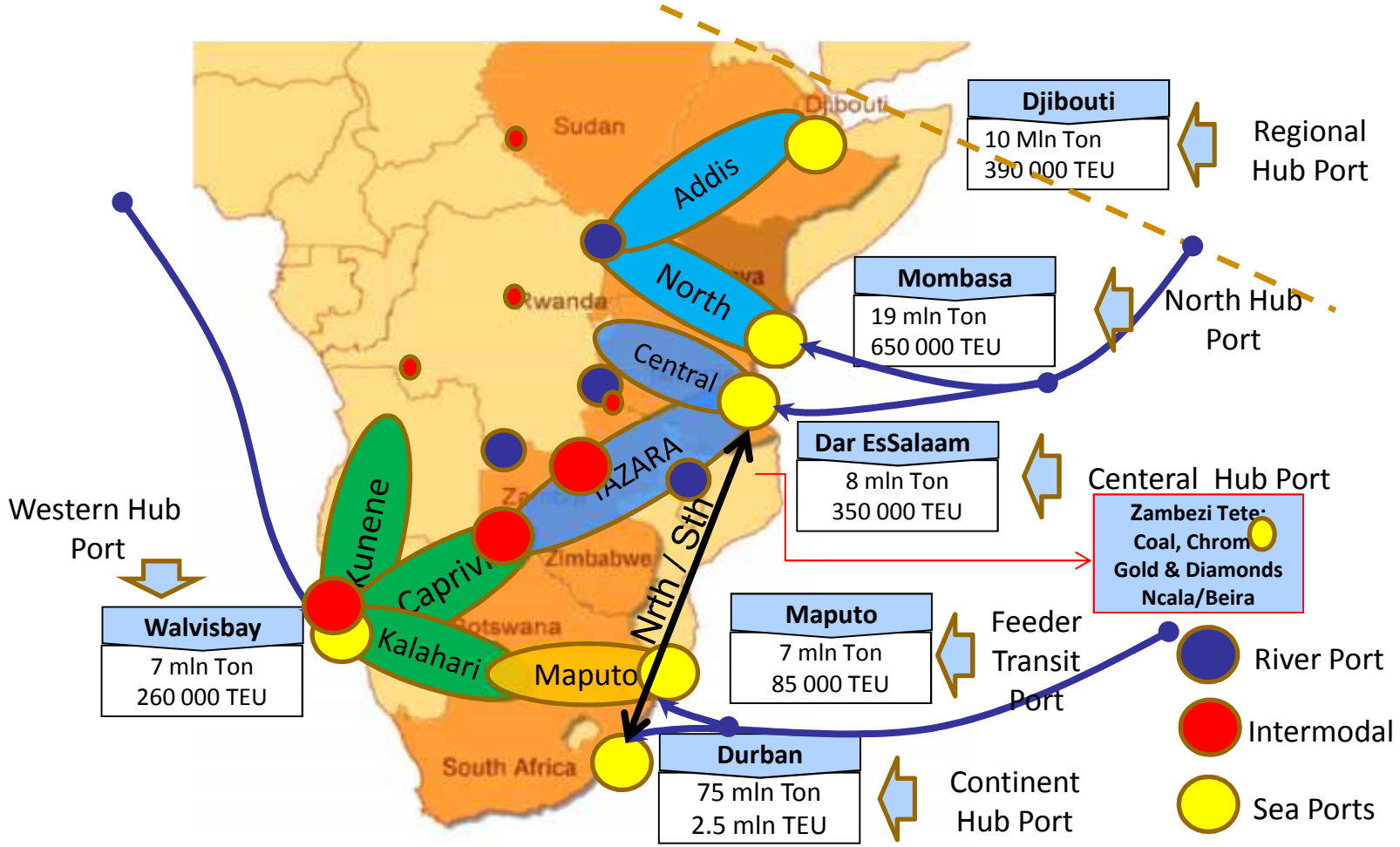

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IMPERIAL Logistics Recognition

- Mail & Guardian Greening the Future Award – May 2011
- Skills Development Award (Large Company) – September 2011
- 'Best Managed Company of the Year' – May 2010
- The Supply Chain Excellence Awards – March 2010
- Corporate Educator of the Year – 2008 and 2009
- Best Transport Operator Award – 2009
- Logistics Achiever Enviro Award – 2009 and 2011
- Numerous Logistics Achiever Awards
- Other Awards:
  - Diamond, Gold & Silver PMR Awards – 2009, 2010 and 2011
  - Skill Development Award – Minister of Labour Awards 2008
  - National Business Award – Logistics 2008

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Fast Moving *Forward Thinking*

- **The IMPERIAL Logistics Advantage ... to support an enterprise's competitive position, which relies on its supply chain.**
- **Agility ... supreme adaptability in the global market.**
- **Back-to-basics ... getting the fundamentals right.**
- **Cutting costs ... IMPERIAL Logistics' primary goal continues to be wringing cost out of the supply chain.**
- **De-risk ... mitigation of supply chain risk and disruption.**
- **Efficiency ... IMPERIAL Logistics' sole focus is optimal efficiency in the supply chain.**
- **Growth ... delivery of ramped up capacity for renewed growth.**
- **Innovation ... driving product and process advances.**
- **Speed ... enabling businesses to get to market faster.**
- **Green … through investment and operational behaviour, IMPERIAL Logistics is leading the green logistics evolution.**

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THANK YOU