Africa
Investor Day 3 October 2012
Key Corridors and Routes

- Foundation Expand
- Corridor Development
- End to End Ownership
Risks

• Tobacco legislation and the impact on basket offerings within market
• Food price shocks against backdrop of increased staple prices due to droughts in different parts of world
• High inflation in some markets and superficial low inflation in other markets due to government subsidies
• Increased fuel costs due to global oil price increases would have substantial impact on either consumer costs, OPEX or both, not conducive to growth
• Political turmoil that could spread across markets
• Volatile currency fluctuations between markets, including hard currency shortages and prohibitive exchange controls
Challenges

• Paved road density in most of African territories very low, especially for secondary distribution
• Basic infrastructure such as constant power still lagging behind development
• Border delays and red tape inflating cost of doing business and goods/service velocity
• Africa is a huge continent with different cultures, legislation, regulation and development stages
• Quality of earnings and valuation of some companies earmarked for acquisition across the continent
• Port congestion at key ports due to high volumes and underdeveloped systems and infrastructure
Opportunities

• Intra-African trade
• African manufacturers and exports to regional countries
• Focus of multi-nationals on African Continent and need for logistics and distribution services
• Unique and comprehensive offering that ILAD can offer to Brands/Manufacturers and Distributors due to Logistics and FMCG offering that can be made by ILAD, End-to-End offering
• Expansion of basket offerings such as pharmaceuticals
• The need for best practice by customers in the logistics and distribution area, which ILAD can offer
• Partnership development with companies requiring comprehensive end to end services
Acquisition Hurdles

- High price expectations
- Cost of funding
- Taxation
- Governance
- Legislation complexities
- Risk vs. Returns
- Shareholder return expectations
- Forex/Exchange rate risks
- Management time
- Limited suitable opportunities
- Cultural fit and Africanisation
Resources Invested

- Fleet of 413 vehicles
- Direct employment 4,286
- Investments: R1 billion
Questions?