## Agenda

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Africa Logistics Structure

Dougie Truter
CEO

George de Beer
CFO

Iain Barton
MD IHS
- Focusing on Healthcare supply chain and growth in this arena

Nieks Bezuidenhout
Distributor Executive
- Focusing on distributorships SADC and growth in balanced basket

Fil Morkel
Logistics Executive
- Focusing on transport, warehousing and infrastructure development
Revenue contribution (incl. inter-segment revenue)

South Africa: R13,453bn

International:

Revenue contribution (incl. inter-segment revenue)

Rest of Africa: R4,565bn

Global:

Revenue contribution (incl. inter-segment revenue)

R16bn
Transport and Warehousing

» Infrastructure Development
  • SADEC Warehousing
    o Sappi
    o PG
    o Distell
  • Kenya Development
  • Mozambique Development
  • Nigeria Network

» Grainovation Mozambique
  • Agricultural commodities

» Mining commodities
  • Trafigura
  • Glencore
Current Footprint

- Current African footprint consisting of a range of services
- Infrastructure and owned representation in 12 countries in Africa
- Cross border transportation into 18 countries
- In excess of 75 regional, local and general freight and distributor warehouses strategically located throughout the continent
- 720 vehicles with necessary cross border permits
Growth Trend - Rest of Africa

More than tripled over a three year period

- Rest of Africa expansion gaining momentum; CIC performing well
- Transport businesses performed solidly, Namibia improved
- Revenue up 23%; operating profit up 45% in F2013
- Acquired 100% of RTT Medical effective Jan 2013 – opportunities for further expansion across continent
- Acquired 49% of MDS Logistics Nigeria effective 26 April 2013 – excellent platform for further growth
### Key Growth Drivers: African Consumer

- McKinsey identified Africa’s consumer goods and services as the leader in Africa’s foremost industry opportunities.

- **FMCG will make up 50% of spend**
  - SSA consumer spending grew to $600bn in 2010 and is expected to break the $1.3tn mark by 2020!

- **Expectations are that by 2030, half of Africa’s population will live in cities, with the ratio strengthening to two thirds by 2050**

- **This is positive for FMCG manufacturers from a RTM point of view**

  - Route to market surrounding FMCG goods is seen as one of the **key challenges** facing manufacturers, wholesalers, distributors, principals and retailers alike, in fact this challenge rates higher than the “standard” Africa business challenges.

- **Key Principals/Brands such as Diageo, Unilever and Nestle already indicated that its imperative that the bottom of the pyramid and informal markets should be addressed**
The single largest source of future demand for FMCG in Africa is the growth of the economically active population

- Between 2010 and 2050, this group is forecast to grow from 56% to 66%

Africa’s market for consumer goods is growing and is doing so in real terms

- The strong population growth, estimated at 2.2% per annum, coupled by a notable decline in poverty levels, are a living testimony to this argument (below to above the poverty line)

The BRICS have for a long time been the obvious destination, but events of the past decade have clearly demonstrated what the brave can reap by daring to invest in frontier markets

The time for Africa, serving the consumer, is NOW!
## The Current Day Conversation

### Get me there
- **“logistics”**
  - Minimal touch points
  - Efficiency and Competency
  - Consistent service delivery
  - Quality of Infrastructure
  - Network reach
  - Visibility through systems and processes

### Sell my Product
- **“route to market”**
  - Reach/Universe
  - Seamless flow
  - Strategic future fit
  - Market Intel/understanding
  - Resource/Asset productivity
  - Order to cash

### Establish my Brand
- **“consumer conversion”**
  - Quality
  - Distribution
  - Value
  - Price
  - Promotion
  - Presence

### KEY REQUIREMENT

### CRITICAL SUCCESS FACTORS
End-to-end Value Chain Services

- Building brands and creating the demand
- Building IP
- Driving FMCG growth
- Consumer conversion
- Value proposition (stakeholders)
- Unique selling proposition (customers)
- Reporting and Point of Sale
- Partners in profit
- Proactive route to market
- Intelligence from bottom-of-the-pyramid
Integration as a Differentiator

» Integrated end-to-end solution

Logistics
Get me there

Consumer Conversion
Establish my Brand

RTM
Sell my Product

» How do we achieve this

Leverage
Partner
Acquire
Managing Complexity through Clustering

West Africa

French West Africa

East Africa

Southern Africa
Sample of our Strategic Clients

- Shoprite
- Spar
- Tiger Brands
- P&G
- Simba
- Diageo
- Pick n Pay
- Walmart
- GlaxoSmithKline
- Johnson & Johnson
- Glencore
- Xstrata
- Trafigura
- Nampak
- Colgate-Palmolive
- Nestle
- British American Tobacco
- Namibia Breweries Limited
- Foodcorp
- Reckitt Benckiser
- Mondelez International
- Heinz
- Carlsberg
- Rhodes
- Kellogg's
- Super Bock
- Oceana Brands
**Lessons Learnt**

» No ‘1-size fits all’ (55 shades of grey)

» Due diligence complexities
» Related party arrangements

» Complex entrepreneurial structures
» Land ownership in African countries
» Limited pipeline of qualified quality people

» Over-reliance on the Sellers as Managers
» Centralisation of Accounting and Reporting

» Sellers made use of external Consultant who was obstructive
» Start-up Businesses very difficult, costly and time sensitive and thus not part of our model, which is focussed on acquisitions

» Employ Experts (eg Frans Joubert)
» Good Governance Focus
Imperial Logistics Africa 3 Years Forward

- Africanisation
- Country consolidation
- Zambia node established
- Pull dominant over push (CPM partnership)
- Unique selling proposition
- Integrated value proposition
- Customer one answer in Africa
- 50% less reliance on South Africa
- Competitive “Africa” fleet of trucks
- Africa manufacturers’ preferred partners
- Asset light service offering 4PL (Sub Base)
- Partner with global, local and SA retailers & manufacturers
- Create China/Africa partnership to assist with
  - Projects
  - Product and principal development
# Inbound Industrial Supply

» Resolve and The Beijing Axis

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| 5S process |
| Stock |
Walvis Bay Development

» A 50/50 joint venture partnership has been developed with Savino Del Bene to provide cargo owners with a floor-to-door global service offering using the Walvis Bay gateway to selected SSA countries

» A logistics facility is required in order to provide auxiliary services related to an end-to-end solution

Why Savino Del Bene?

» Existing customer base in Namibia

» Extensive global footprint (37 countries), especially in Asia where cargo can be converted at source

» FY2012 revenue = €1 billion (Privately owned)

» Good cultural fit

» HOA signed in 2012