

## **Engen boosts African service station networks, convenience offerings**

Engen, the African multinational fuel retailer and provider of convenience services, has reported sustained good growth over the past two years for its retail operations in sub-Saharan African (SSA) and the Indian Ocean Islands, and this week announced a similarly bullish outlook for the year ahead.

### **Service stations**

FY11

With the conclusion of a batch acquisitions in seven countries, as well as its on-going programme of rolling out new retail sites, Engen grew its SSA retail portfolio from 410 sites to 440 (7%) over the 2011 financial year ended in December, said Frederick Kotze, GM of Engen's International Business Division (IBD).

In that year it built seven new service stations from the ground up – three each in Botswana and Mauritius, and one in Namibia. In addition, it knocked down and rebuilt six more – in Burundi, Namibia, Reunion, Mauritius, Malawi and Gabon.

Finally, four proposals for property acquisitions have been approved on which to build new service stations, Kotze said.

FY12

Over the last year, the company expected to stream 14 new-to-industry sites, a growth of 3%. Six among these have thus far come on stream, in Botswana, Burundi, Reunion, Malawi and Mauritius. Of the nine currently under construction and six for which board approval has been received, 6 are expected to be completed in the coming months (one in Botswana, one in Namibia, one in a Gabon, one in the DRC, one in Mauritius and one in Zambia).

The remaining three are expected to stream in the first quarter of 2013.

### **Convenience**

FY12

In addition to pure fuel and lubricants sales, Engen also derives a sizeable portion of its income from convenience, termed “alternate profit opportunities”.

In emulation of its South African business, where Engen Quickshop is a market leader, the company is pursuing branded convenience partnerships with Corner Bakery and Famous Brands – which has in its stable Wimpy, Steers and Debonairs.

As at November 2012, there are currently 502 Retail sites in the IBD network.

FY13

Tremendous growth is being planned on the convenience side for this year. Quickshops are expected to increase by 15 (12% growth), Corner Bakeries by 22 (92% growth) and Wimpy's by 1 (100% growth) and 1 Woolworths Food Zone as a pilot in Mozambique.

“This year we've streamed eight bakeries so far,” says Kotze. “In Zambia we have two of our top-performing bakeries, one of them second only behind a Wimpy in Botswana, and the first to have a sit-down format. Wimpy reopened under a remodelled format in Mariental Namibia, and is doing a roaring trade.”

Engen also introduced ATMs in Botswana, and opened its first Quickshop/Corner Bakery in Mauritius. Reunion will stream its first five Quickshops and three Corner Bakeries by the beginning of this year.

Kotze said the group is pleased with continuing good prospects on the continent, with selected markets showing world-beating economic growth.

**Ends**

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## **About Engen**

Engen Petroleum Limited, a subsidiary of Malaysian national oil and gas company PETRONAS, is an African energy company that refines crude oil, markets petroleum products and provides convenience services through an extensive retail network. Engen has a significant presence in 19 countries in Sub Saharan Africa and the Indian Ocean Islands. The company also exports its products to various other territories.