

Imperial Logistics

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Imperial Acquires Nigerian Pharmaceutical Distributor

Johannesburg, 26 February 2014 – Imperial Logistics, a wholly owned division of Imperial Holdings, has acquired a 53% interest in Eco Health, a leading pharmaceutical distributor in Nigeria, for a cash consideration of USD74 million.

Hubert Brody, CEO of Imperial, comments: *“Eco Health complements our Group’s prior acquisitions of Imperial Health Sciences and MDS (a leading logistics provider in Nigeria), and enables us to enhance our service offering to our customers.”* Based in Lagos, Nigeria, Eco Health also has operations in Ghana and Dubai. It partners with pharmaceutical companies to distribute, sell and market their products, and has longstanding contracts with leading multinational principals.

Outlining the rationale for the transaction, Brody says: *“Imperial can now offer customers the huge competitive advantage of an end-to-end capability that encompasses warehousing, logistics, distribution and brand building in this high growth industry and region. In one move, we have become a full service provider in one of the world’s fastest growing economies in terms of pharmaceuticals - with a Nigerian footprint that now represents all three pillars of our ‘get me there, sell my product, build my brand’ strategy.”*

Brody notes that Eco Health also provides Imperial with an excellent base and platform for future growth in Nigeria and other African markets. *“We now have a strategic and predetermined route into the French West African market, in particular,”* he adds.

He explains that Eco Health handles around 30% of all of the pharmaceuticals sold and distributed throughout Nigeria, and has an 80% market share of the ethicals (branded products) market. The business has an excellent distribution network and footprint - supplying 4 200 hospitals, 8 000 pharmacies, 2000 clinics and 40 000 patent medicine vendors with ethical and over-the-counter pharmaceuticals. Eco Health is currently poised to enter the generics market, which holds enormous potential.

This acquisition is in line with Imperial Logistics’ Africa strategy, which is to focus on the FMCG and pharmaceutical space, Brody explains. *“In 2012 pharmaceutical expenditure in Nigeria amounted to US\$951 million. We are confident that Eco Health’s strong growth will continue - and be further augmented by its entry into the generics market.”*

The large blue chip customer base of Eco Health will also benefit from the cross selling opportunities that exist between territories of the current Imperial Africa footprint (11 countries). A number of the principles are already current customers of the Imperial distributorship businesses in the FMCG space.

Eco Health offers 10 facilities in Nigeria and two in Ghana, in addition to warehouses totalling 5100 square meters, cold stores totalling 250 square meters and an outsourced fleet.

Through the acquisition, Imperial Logistics has secured a specialist management team which strengthens and complements the group’s existing skills set in the African logistics industry.

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About Imperial Logistics

With extensive operations throughout Europe and Africa, Imperial Logistics is uniquely placed to partner companies in leveraging the value inherent in their supply chains. By positioning ourselves as an extension of a clients' business - building our clients' brands alongside our own - we are co-collaborators in unlocking the competitive advantage contained in complex and dynamic logistics environments. Our own differentiators lie in a combination of an extensive resource base of transportation, warehousing and distribution operations and best-of-breed integrative process and technology solutions. We apply our pre-eminent supply chain management skills to manage operational processes across end-to-end value chains on behalf of our clients. As a multi-branded business, we are in a position to optimise the benefits, scale and synergies that are derived from large businesses, while retaining agility, customer focus and an entrepreneurial flair that characterises smaller businesses. We recognise that our clients' requirements are unique and customise our service offerings accordingly, whilst leveraging our experience to benefit each client. For more information, please visit www.imperiallogistics.co.za