

# FLEMINGO

THE DUTY FREE PEOPLE

*Africa: The Next  
Frontier*

**PAUL TOPPING**  
Independent Director  
Flemingo Group



November 2012

## Emerging Market Specialist

- 18 countries out of 54 in Africa
- 45 operations out of 120 in the Group
  - 5 formats out of 16 in the Group
    - 545 Employees in Africa
  - 9000 sq ft to 500 sq ft Shops
    - 20000 SKU's



# Flemingo in Africa



## OUR MARKETS

- Airport Shops 18
- Border Shop 1
- Downtown Shops 6
- Port Duty Free Shops 6
- Diplomatic & UN Duty Free Units 14





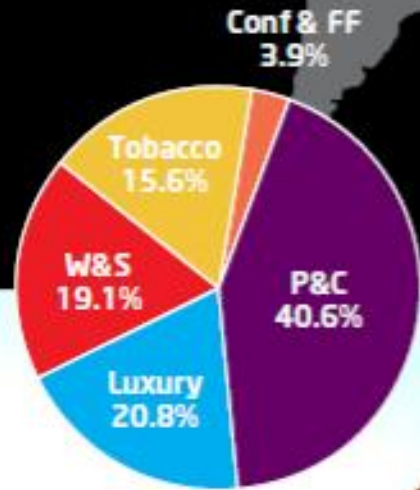
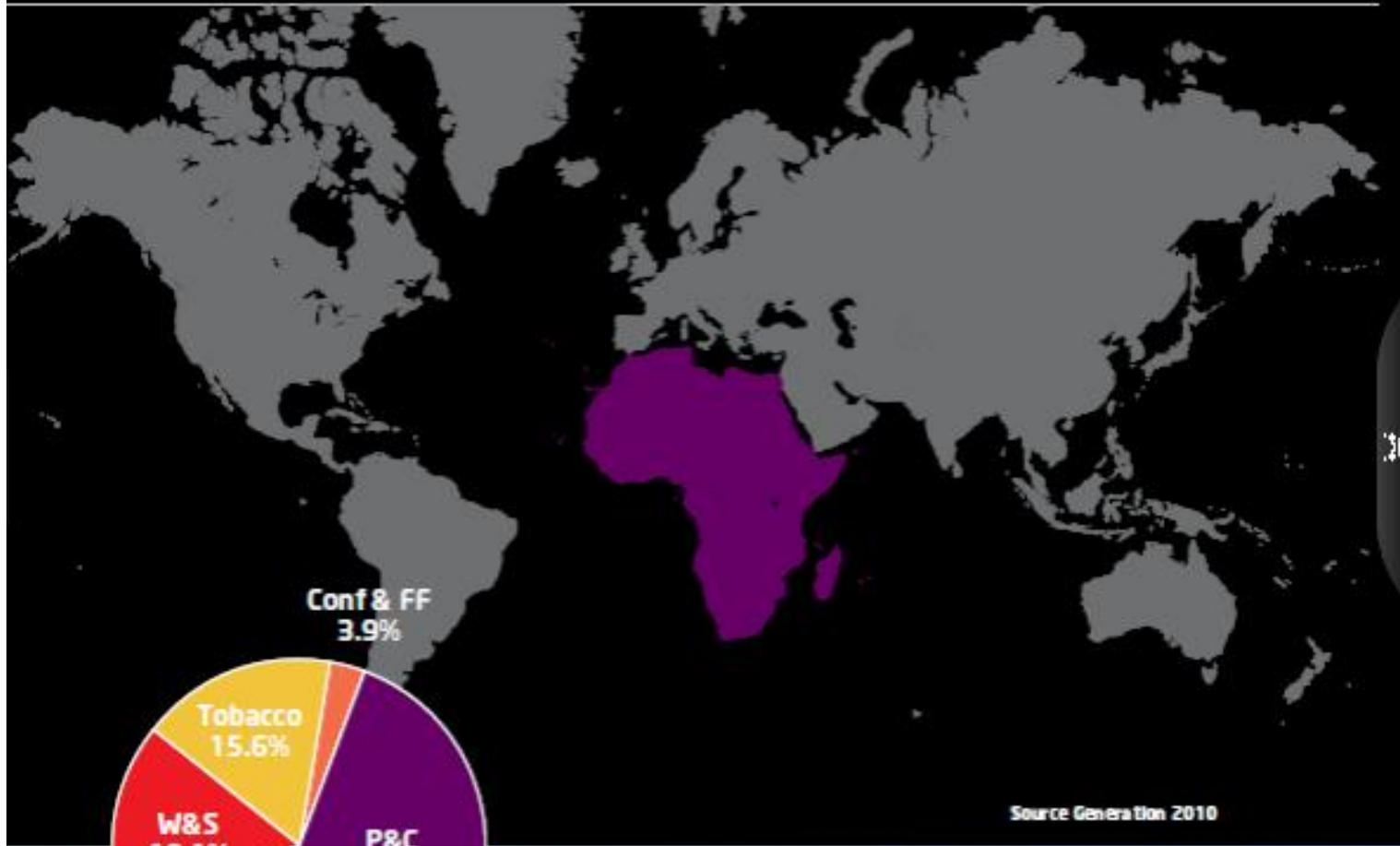




## OUR PERFORMANCE

- Fastest growing Duty Free roll-out in Africa
  - Annual sales growth like for like 20%
- New operations/shops opened in 2012 .....9
  - Mix of sales, liquor dominates

# AFRICA



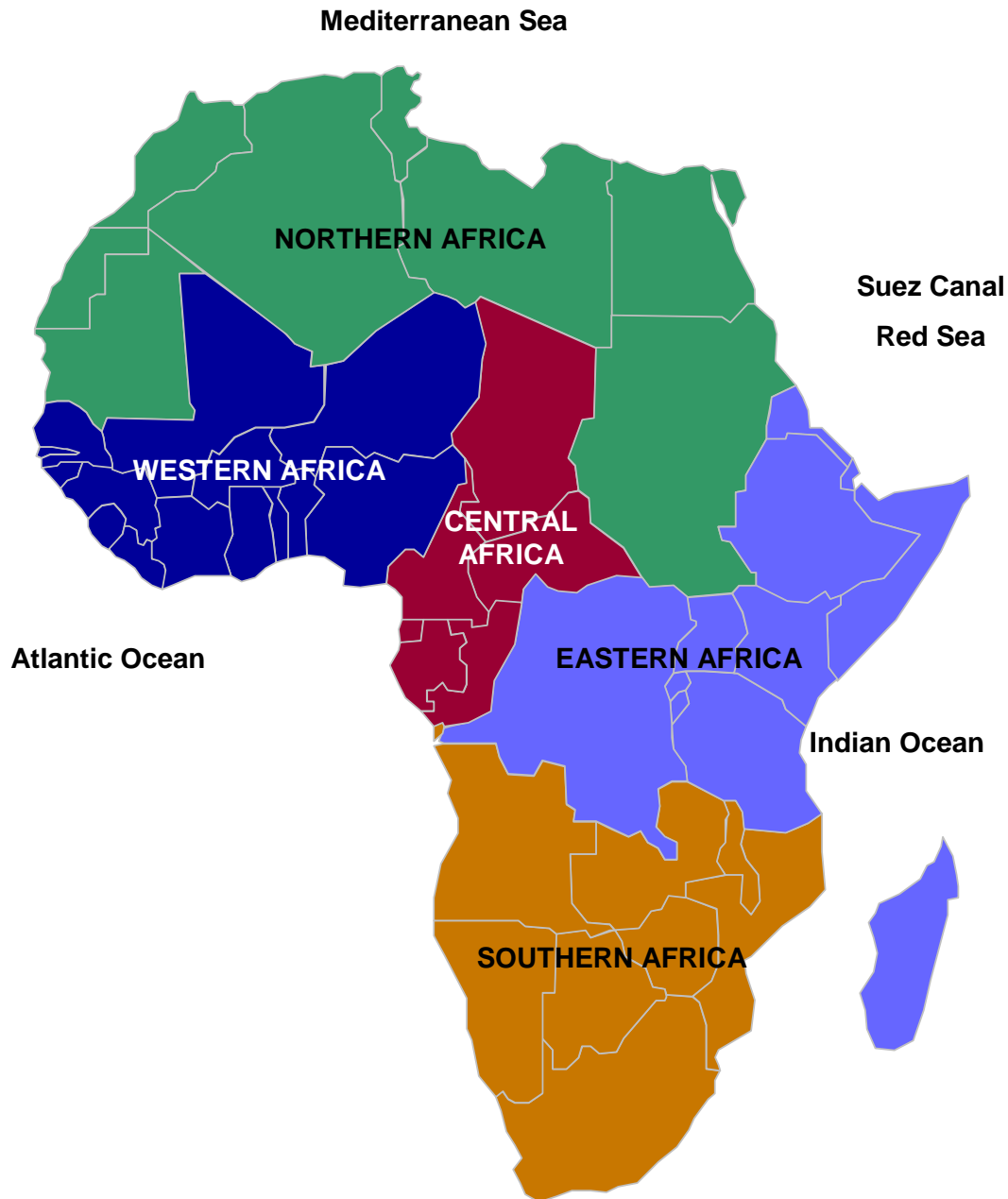
Source Generation 2010



# General Overview: Africa

## Demographics:

- 1 billion population (over 40 metropolitan areas with over 1 million people)
- 2<sup>nd</sup> largest and 2<sup>nd</sup> most populous continent, after Asia
- 5 geographic sub-regions
- 54 independent and sovereign countries
- Largest country is Sudan and smallest country is the Seychelles (offshore) and The Gambia (mainland)
- Over 1000 African languages (some say 2000+)
- Official languages include Afrikaans, French, Arabic, English, Swahili, Portuguese and Spanish
- 46.3% Christian, 40.5% Muslim, 11.8% Traditional African Religion



## GROWTH EXPECTATIONS - AFRICA

- Growing middle class in Africa
  - Pax growth expectations
  - GDP growth
  - Diplomats/UN officials numbers  
(eg 4500 in one location )
- Numerous small airports getting international status
- Target emerging market for international companies

## OUR GROWTH EXPECTATIONS

- 500M by 2020 Africa (Flemingo 2B by 2020)
  - 36 Countries still to go
    - New operations a year - 4/5
    - Introducing local product to shops
- Extend into other formats (Flemingo has 16)
  - Move dominant mix of liquor to other rising product groups

# THREATS / PRESSURES / CONCERNS

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- Stability by country
    - Rising wage costs ,difficult to get quality people
  - Logistics. Eg Limited size of business over many counties
    - Security, stock / staff
    - Fluctuating /reducing air traffic
  - Changing laws / policy by Governments
    - 25M HIV cases in Sub-Sahara Africa
      - Extreme poverty
    - Limited infrastructure
      - Corruption

