



Vivo Energy 2018 Interim Results

Thursday, 2nd August 2018

Introduction and Business Update

Christian Chammas

Chief Executive Officer, Vivo Energy plc

Welcome

Good morning to everybody, thank you for coming. I see that there are representatives from all partners, be it the banks, lawyers, accounting firms, shareholders: the most important. I counted rapidly: there is over 73% representation. It is nice to have and thank you for coming.

This is our first result presentation since Vivo Energy, now plc, listed on the London Stock Exchange, so it is exciting to be here with you. Some of the faces are recognisable, some are new but we are the same, Johan and myself. We are proud to be here and we are happy to announce also our 2018 results.

I would like also to welcome other participants through the net, the webstream or conference call facilities who are invisible to us, but who are very present. Welcome to you as well.

Presenters

I am Christian Chammas and Johan, the CFO of the Group, is there. We have not changed and we will continue driving your company.

We will go through four important points:

- I will do the Introduction and Business Update;
- Johan will spend some time on the financials, bring you upstream and talk about the performance;
- I will conclude through a Summary and Outlook for tomorrow;
- Finally, we will end with a Q&A session which will be open to the floor, the web and then the conference calling.

We will start the presentations.

First Half 2018 Performance Highlights

As a reminder for those who have not been around or participated, and who are less familiar with our business, we operate in three segments.

Retail

We are one of Africa's largest retailers. Retail is the core of our business. We highlighted it at IPO in our prospectus. That remains our core business and generates nearly 60% of our adjusted EBITDA, so it is important. In the markets, we distribute gasoline and gas oils across 1,800 Shell-branded fuel stations. That is how we do it, but we also have now a strong growing, non-fuel activity which is our convenience, food offerings and other offerings. That is growing very nicely across all our countries. That is therefore the core.

Commercial

In the Commercial segment, which represents a quarter of our adjusted EBITDA, we offer a full range of services to our clients, be it Industrial, Mining, Transport, Construction, Marine, LPG: across the board. That is where we bring our lubricants, our services, our know-how,

our products to the Commercial segment, and that is also done through 5,000 clients. It is a big client base across our countries.

Lubricants

Finally, in the middle between these two because it feeds into the two, you see the Lubricants activity; that is an important activity, a special activity. As you can see from the figures, it contributes nicely to our bottom line.

Strong performance across all segments

Without going into detail because Johan will, we have strong results across all the segments in the first half of 2018. You can see an increase of about 4% of the total volumes to 4.6 billion litres and an adjusted EBITDA of about \$204 million, which is an increase of about 8% year on year. So, a good strong performance for this first half after our listing of early May.

Operational and Business Highlights

Operational

If I could highlight a few operational points, we are growing very fast. We are highly growth-driven. We continue doing it. All of our 15 markets we currently operate in are growth-driven. There is growth everywhere, and we seize those opportunities like we indicated in our prospectus. We carry on doing that by investing in new retail activities, in new retail outlets. We had promised to deliver about 80 for the year, so we are on track as today. We have also promised to open 100 new food and convenience retail outlets through the year. We are on track, and that would bring more growth when all these are open. So it is on track to bring that growth.

What is important also to highlight – and you see it there – we had an innovative partnership with Kentucky Fried Chicken in Botswana, which has worked. It is a JV where we took over quite a few of their outlets. We mentioned it also in the prospectus. That has worked very well, and Kentucky Fried Chicken is satisfied with that. We have reproduced the same model in Côte D'Ivoire where we actually opened the first Kentucky Fried Chicken in the country through that joint venture. It is something which is very profitable for us, brings value across the whole chain, has contributed immensely to our business and actually has impact; it has grown by about 22% compared to the previous period. That is nice to have, and it continues to grow.

The Commercial volume has grown and you see it in the figures, because we have seized the opportunities of contract through aviation and even marine. That was there. We took it, also with good terms and conditions because remember that we walk away when it is not nice, but we take it when it is good, so this year we took it.

Organisational

Finally and not least, we did a lot of work for the IPO that took a lot of our time since October or November last year. In May, we saw the successful IPO of our Company in London. It was the largest IPO in London in over a decade. It was successful – the largest on the London Stock Exchange for the year at the time of listing. It is also the first dual listing between Johannesburg and London in nearly 20 years – again, another positive result.

We have also welcomed during that same period a new Board of Non-Executive Directors, a new Chairman in the person of John Daly. We have put in place a new governance, and we

will continue because it is a permanent exercise. We follow the new regulations that are published every week, and we adapt our organisation to meet them because that is the only way. We follow governance which is where we live and where we abide by.

Importantly, the final two points in a bit more detail: the first one being the EVO, the Engen deal. That is progressing; quite a few of the hurdles are behind us. There is only one remaining and we are striving to get it onboard. I cannot promise a date. It is difficult to promise dates when there are complications, but it will happen.

Health, Safety, Security and the Environment

Finally, one of the strong foundations of our Group is Health and Safety. We continue having fantastic results. We have had no record of incidents in the first half. So far, the track record is still intact and we continue making sure that happens day after day, because it is fundamental. We do not want to hear it, we do not want to see it because it is not good for the business, it is not good for your reputation. Therefore, we continue building on that strong foundation.

Johan, the floor is yours. Thank you.

Financial Performance Review

Johan Depraetere

Chief Financial Officer, Vivo Energy plc

Earnings Growth Delivered

Stable balance sheet

Thank you, Christian. On page 7, you can see from the first half we delivered strong growth across all financial KPIs, while also maintaining a very stable balance sheet with low leverage.

Both volumes and margins were healthy. A 4% increase in volume resulted in a gross cash profit increase of 7%, adjusted EBITDA of 8% and adjusted net income of 11%. Adjusted EBITDA of the first half excludes about \$27 million of specials or one-offs, about 90% of which are related to the IPO expenses as well as the EVO expenses.

It is also worth noting that our tax rate edged down another 100 basis points from 38% to 37%. Off the back of these results, we are also very pleased to announce our first dividend in line with the guidance, of about \$8 million which is approximately \$0.01 cents per share.

Volume and Margin-led Adjusted EBITDA Growth

On page 8, we look at the key performance drivers by segments. You can see the overall adjusted EBITDA up 8% to \$204 million. You can see volume up 4% to \$4.6 billion litres as Christian mentioned.

We also saw healthy margins. We saw a 3% increase in our overall Group margin to \$74 per thousand litres; growth in both Retail margins by 2%, Commercial 8%, driven by both Aviation but general Commercial margins, and slightly offset by a decline in the Lubricants margins by 8%, driven by the fact that we have now been able to fully reflect the increase of base oils in our pricing of lubricants.

Overall, Retail contributed \$121 million in adjusted EBITDA, a 9% year-on-year increase. Commercial contributed \$58 million, which is a 5% year-on-year increase. Despite the lower

margins in Lubricants, adjusted EBITDA was up 10% year on year to \$25 million, which is mostly explained by the contribution of the equity pick-up in the SVL joint venture, purchased last year for the amount of \$6 million.

Resilient Retail Margins and Diversification

Retail margins: you can see that our performance these years continued to demonstrate that our real Retail margins are decoupled from oil prices, as we talked about quite a lot during the roadshow and the IPO process. Higher oil prices do not reflect in lower margins. We were able to keep our margins constant at \$78 per thousand litres. This also excludes the impact of non-fuel retail, where gross margin, as Christian mentioned, increased to \$11 million, which is a 22% increase year on year.

It is important also to highlight that our portfolio diversification underpins the resilience of our earnings. Nearly 70% of our earnings are pegged to either the euro or the dollar, and you can see that all segments have a meaningful contribution to the bottom line.

Commercial Segment Highlights

Volume and gross cash profit contributions

Moving on to the Commercial segment on page 10, you can see that the split between what we call Core Commercial on one hand and Aviation and Marine remained in line with the 2017 numbers, both for volume and cash gross margin. The volume of the growth of 2% was driven by additional Aviation, as well as additional bunkering and spot sales in Marine in the countries where we operate those businesses. The Core Commercial business volume was more or less flat: a slight decline of 1%.

Unit margin

As mentioned, overall unit margins up 8% to \$47 per thousand litres. Core Commercial unit margin increased by 6%, while Aviation and Marine unit margins improved 33% to \$31 per thousand litres, so very healthy results.

Lubricant Segment Highlights

Volume contribution

Finally, the next page and Lubricants: again the split between Retail and B2C on one hand, and Commercial and Export on the other hand remained in line with 2017 numbers. The volume growth of 3% was driven by effective marketing campaigns and tactical initiatives on Retail and B2C such as lube bays, as well as oil specialists who operate on the sites across the portfolio.

Unit margin

Overall unit margin decreased 8% as a result of increasing base oils, but in response, we are focusing very hard on this in terms of active price management to make sure we reflect those increases, as well as optimising the sales mix of the different grades within lubricants.

Overview of Free Cash Flow

Three main drivers

On an operating free cash flow during the first half after taxes, we actually had a negative outflow of \$3 million. There are three main drivers behind that:

- The first one, as mentioned, are the special items of \$27 million, of which \$24 million are related to Engen and especially the IPO;
- There is also a timing difference in the receipt of other government receivables, which we account for in other assets. This unfortunately offsets more than the positive impact of our working capital. When you look at the pure working capital, that was still negative at about \$33 million. However, the receivables compensated that. Having said that, for those other receivables, we received \$40 million already in the month of July to compensate for that;
- The final element is an increase in capex of \$21 million, which is driven by two factors: one is an accelerated retail expansion, so we have been building more sites early in the year; as well as about \$12 million related to IT costs, which are mostly driven by our new SAP implementation program that is happening as we speak.

So if you adjust for those three factors, cash flow on a year-on-year basis would be higher than last year. In spite of the negative cash flow, we continue to fund all our growth and capex self-funded. It remains a cash-generating business, and we are very proud of that.

Strong Balance Sheet and Low Leverage

As you can see our balance sheet is strong, leverage is low with ample liquidity available. We repaid \$42 million of our term loan since December and also since the IPO.

Our leverage, which includes \$122 million of long-term lease liabilities, remains more or less flat at adjusted EBITDA for the last 12 months versus net debt and just at one time, in line again with what we showed at the IPO and well within the target of 1.5x leverage.

Technical Guidance

The final slide under finance, during the first half our performance was in line with the guidance we gave at IPO. At this stage, with the information available today, our guidance for the full year remains unchanged.

Christian will provide a summary as well as the outlook.

Summary and Outlook

Christian Chammas

Chief Executive Officer, Vivo Energy plc

First Half 2018 Performance

Key themes

This summarises the position, the situation, the macro. I will recap a few points, two points that need updates: Morocco and the EVO transaction. Then we will be able to move into the Q&A part of this meeting.

Macro

As you can see the macro side, we still have a growth story. The countries are still on that dynamic, and it obviously impacts us because we reap the benefit.

Organisation

The organisation has proven beyond any doubt that it can deliver, before results, two projects and of course IPO, and tomorrow the SAP project. All that is geared and works very well, and we are pleased with it and happy with and proud of our teams.

Business and operations

Our business standards and operations are top-class. We see it through our HSSE standards, our resilience to things happening. We adapt very quickly. We move and we seize opportunities, so that is a very good culture to have.

Financial performance

Our financials – and Johan just talked about it – are above last year's results, so that is satisfactory to have as well. I will talk about Morocco and EVO in a few moments. Basically, we remain with a vision which is wanting to be the most respected energy company in Africa, and we already are well on that way. The more growth we have, the more business development we have, that will continue. We will continue reaping these benefits, and we will have that gold-plated reputation. That is the ultimate vision for our Company.

Update on Morocco*No plans regarding price regulation confirmed*

Morocco, the favourite topic since the listing: the last meetings, it has been a lot of comments, a lot of speculation on the potential re-regulation of the market. However, you have to realise since the middle of June, nothing new. There were only two meetings between the industry and the government. When I say the government, it is one minister. Basically from that date, nothing new; all that you see or read is through hearsay, speculation, rumours which is quite a favourite sport in quite a few countries.

However, as Vivo Energy we are one of the leading players in Morocco with two others. We therefore have engaged discussions with government in order to see where they want to go, what they want to put in place. Today, nothing has really come out, compared to middle of June. We are at the beginning of August: no news story, nothing.

The government is changing. This morning I found out that the Minister of Economy and Finance has been 'resigned,' is the word, so there is going to be change. Is there going to be a change of government? I have no idea. It is in the hands of the Sovereign, and we will see what happens. Things are complex and complicated, and we will see.

Lower risk

What is clear is I have to highlight that when we published our prospectus, we indicated at that time that Morocco's Retail business represented 29% of the Group's EBITDA. With time, that has now moved towards 22%. It is a significantly lower figure, because our business elsewhere has grown. The more we add, the more you dilute that weight. Therefore, the absolute figure is lower of any risk. We feel more comfortable that whatever scenario, we will adapt, we have shown resilience.

Ready to adapt

It is our job as managers and executives of this company to have the right plans in order to react to a scenario like this. There is nothing unusual. Twelve out of 15 of our countries are

regulated, we know how to live in regulation. Today, Morocco is a liberalised environment and we will see what happens.

That is the information I wanted to give. You can tell me, 'Nothing new,' because there is nothing new. We will wait and inform the market if anything happens. We will adapt, believe me.

Update on EVO Transaction

Nine new countries with over 300 new sites

The other important point I would like to update is EVO, the Engen transaction, the nine new countries. It is important for us; it brings 300 new sites. It allows us to enter nine new countries where we are not present; it is important. We are working very hard.

Progress towards completion

I can tell you today that out of those nine countries, there is only one remaining where we need to obtain final approvals. That is in progress. Our seller, Engen, is working very hard in order to obtain a positive outcome. It is in the hands of government, Engen and ourselves. We work a lot on it; we are on it every day from Monday to Friday and sometimes Saturday and Sunday. When it is sold, we will come back to the market and tell you, 'It is sold, we can move on.' Today, we are not there yet but it will come one day: when, I cannot tell you. The less haste we put on the exercise, the better off we are. That is the Engen transaction.

Vivo Energy – The Largest Pan-African Independent by a Wide Margin

Finally, I would like to highlight is it does bring value to Vivo, because it brings us growth potential. If you enter new countries, it brings opportunities to grow what you inherit and bring more to the table. We highlighted it in our IPO document, and we will do that in the same way as we have done it in Vivo, by growing the existing business by adding more, by making more services, more offering, more QSR, more CR. That is the model, and we will make a success out of it because that is what we are here for, to ensure that we deliver.

Then, we will become a major player. 24 countries, 2,100 outlets is a good story to have, so I assure you we will work very hard for its completion.

Investment Highlights

Market

Investment highlights: again, you might say he is repeating the same thing, but I have to highlight the market is still growing. The markets we are in, it is still growth. We are a growth story in a market that is growing: fundamental not to forget.

Platform

The other important element is the platform. We are number one or two, we have leading positions, we are diversified. That is why Morocco's weight drops day after day, because we are diversified; there are more activities, more segments, more countries.

Business model

The third important point is that our business model has proven that it works. It is integrated, entrepreneurial and finally, it is performance-driven. People are focused on performance, because at the end of the day that is how they recognise and reward it. The whole system works, and it continues to work.

Growth

The other two important points I repeat again, growth and growth: organic, inorganic, merger acquisition. That is the agenda, and we will continue doing it.

Financial model

Finally, we have shown that our financial model is resilient, and we will adapt to changing environments. That is our business. We have to adapt, because the world is changing; it is not a constant environment. Thank you.

Q&A

Alex Mees (J.P. Morgan): Three questions, two of them on your favourite topics. Firstly Morocco, the King gave a speech at his Throne Day ceremony a few days ago and did not mention any possibility of price regulation. I wonder if you see that to be significant or not.

Christian Chammas: My first answer is I do not comment on a king's speech. All I read is that he did put the emphasis on the social aspect by asking his government to work very hard on the needy. He was thinking of the north, because when he made his speech he was in the north, and basically telling them to work hard on the people that needed help. He also told them to work very hard on education, health and supporting the needy of the country. He sent a very strong message by saying that the action needs maybe regrouping and a bit more focus like we do in Vivo Energy; we focus on our action. Yesterday, which was important, he got the resignation or somebody resigned who was the Minister of Economy and Finance, which is another sign. Does that mean the focus is away from our sector? I do not know, I cannot comment on that.

Alex Mees: Secondly, on the EVO transaction, clearly there is a hold up in DRC with your joint venture partner. Is it possible to exclude the DRC from the transaction, or must it be bundled up?

Christian Chammas: At this stage, we want the whole thing to happen because it is beneficial for both parties: one is a seller, one is a buyer. DRC being a mining country, it is important to hold it on. The objective now is just to make sure that everything comes onboard. Therefore, we are trying to find the best possible solution in order for the ten countries to come onboard. As I said earlier on nine are fixed, and there is one that has been in progress or pending a solution. So, it is not bad: nine out of ten.

Alex Mees: Finally on Lubricants, clearly the profits went up, the EBITDA was up nicely, but gross cash unit margin was down a bit with the delay in passing through base oil prices. Why is there a delay in passing on that cost?

Christian Chammas: We manufacture the lubricants in blending plants across the different countries through basically two very big ones and then smaller ones in the West Coast, so a big one in Kenya, a big one in Morocco and Tunisia and then other blending plants in the West. Once you talk of manufacturing, it means that then you have lead time for supplies so you end up with probably four months' stock of products. By the time the price has started picking up at the beginning of the year in March, while you had stocks from before, you then replace them with new stocks which come by batches of four, five months, sometimes holding. It takes time to adjust, it is not automatic. Usually, we considered it would take us

between five and six months to ramp it up to where it should be at replacement cost. Since June, we have seen that happening. You do not see it in the overall picture because it is a weighted average, but we know that we are doing it.

In periods like this, especially when the prices do that, we make sure that we push the high-income, high-segment products in order to create more value and to recoup more margins, and make sure that the low-contributing ones come later. That is what we do, but that is nothing new; it goes up and down.

Alex Molloy (Credit Suisse): A question on the retail business, it seems to have been a bit of a slowdown in volumes from Q1 to Q2. Is there any reason behind that, or is that just a very standard quarterly ebb and flow?

Christian Chammas: In the beginning of the year, especially between the two quarters, there is seasonality in our business; it is not linear. Big countries like Morocco, Tunisia, Kenya, etc., there is seasonality between quarters and semesters, so first half, second half there are big changes. That is the explanation: seasonality mainly.

Sanlam Investments: Are you still considering issuing the bond before the end of the year?

Johan Depraetere: A bit of clarification on the bond. When we announced the bond, it was not to raise new money. It was a pure refinancing of our term loan, which we actually got last year for the dividend recap, as well for the SVL acquisition so we have the amortising term loan for which we pay about 4% fixed. When we looked at the IPO process and at long-term capital structure, we thought it was a good idea to have more permanent debt on our balance sheet. Where the bond markets were trading in Q4 and earlier that year, there was an opportunity to refinance that amortising term loan with relatively cheap bond financing, which we believed was somewhere around 5%.

Unfortunately as we hit the road for the bond, the market took a turn for the worse, and that attractive financing at those terms was no longer available. Given that it was a pure refinancing and it was done to put something in place that we thought was good for the long term of the Company, we decided to pull the bond.

We will keep an eye on the market and when the moment is right, we might go back. It is an opportunistic refinancing for the benefit of the Company, and we will keep monitoring the market.

Ielhaam Ismail (Prudential): Can you provide more colour on the operating environment in Morocco? Have you lost volumes because of the consumer activism, and have you been able to pass on all the increase in oil price in terms of price increases to your customers?

Christian Chammas: Number one, we have grown our business in an important way since these April boycott operations. Our market share has increased, and our volume has increased also. Number two, the prices have been going up and down, but the barrel price has shown stability recently. We have not been forced to adjust too much because it was quite linear for us. It was a good, positive message as well to the market, that the prices can remain stable over a period of time. As we do not go into details per country, all we can say is that Morocco today has a good result, but its weight in the overall equation, as I highlighted earlier, has dropped in Retail to 22% of the Vivo Energy adjusted EBITDA. It is a good story in the end.

Keith McLachlan (Alpha Wealth): You refer to structurally negative working capital and low leverage. Can you elaborate on this?

Johan Depraetere: If you look at the core of our business which is Retail, it is a cash-and-carry business. On average, our days of receivables are about 16 days, payables are in the mid-50s, stock days are about 22 days so we have a structurally negative working capital, especially in Retail. Every time we sell a litre of fuel, we have positive working capital coming in or negative working capital, so we have cash coming in. That has led us to use that cash to reinvest in the business. That is just a reminder on the core engine and the cash generation from the Retail business.

The low leverage is just historically, we do not need the debt to invest. The debt that we have on our balance sheet is too full. As I said, we did a dividend recap in the middle of last year for the amount of \$350 million which was \$70 million refinancing, \$280 million was a dividend. Then at the end of the year, we did another financing for the SVL acquisition for the amount of \$160 million. That is the only reason why we have debt on our balance sheet. To fund the business, we do not need any debt and that is also why our guidance is not to go over 1.5x leverage.

Keith McLachlan: Can you please unpack why your effective tax rate is so high? Why are you guiding for it to be lower over time?

Johan Depraetere: The effective tax rate is a combination of two main elements: the element of our corporate income tax, which in Africa the average is around 27% to 28%; the other element that will get us to the 37% is the withholding taxes that we pay both on dividends and on central recharges. It is a cost of doing business in Africa, which will add on average about 7% to 8% to our tax rate. We continue to stick with our guidance of having our tax rate in the next coming years reach mid-30s. We cannot really change the withholding tax, but that will kind of dilute itself as there is an element that is fixed based on the fixed charges so that will become smaller. That really drives the trend towards the 35%. Corporate income tax is the cost of doing business, so we are a good citizen and pay our taxes.

Ya'eesh Patel (Standard Chartered): Indications are that Morocco contributed 22% to Group adjusted EBITDA during H1 2018. What was the volume contribution from Morocco to the Group over the same period?

Johan Depraetere: It is in the notes. Historically, it is between 23-24%. I do not know what it was in the first half. I can show you which note it is. This is the total volume in Morocco.

Christian Chammas: It is 24%, 25%. I think it was 1 million cubic litres out of the 4.9 million litres we saw, so it is about 20%.

Johan Depraetere: If you go to the segment note, we talk about revenues not volume. Morocco was \$755 million revenue out of \$32.6 billion, whatever that number is. It is note 4.

Temi Popoola (Renaissance Capital): Do you think the consumer can continue to take all the oil price increase as oil prices continue to rise?

Christian Chammas: In 12 out of our 15 countries, prices are regulated by the government. The price is fixed by government, and as I think we mentioned and we did mention in the IPO

prospectus, we basically have a fixed margin that is reviewed regularly. It is the call of the government, and we have gone through periods where the barrel has gone through \$140 and dropped as low as \$25. What we can say is the consumer is now used to these variations in these commodity prices. Will they adapt? I do not think anybody loves to pay high prices, but when they go down you also like to have low prices. I guess people are used to the variations now.

What is quite clear, in the 12 out of the 15 countries where the prices are regulated by government, there is no more subsidies except for one, Tunisia. The others are basically market prices. You have the barrel price, and you add taxation and costs and whatever, and that is how it is. Basically, they change every month or every 15 days, depending on the countries. This variation and these fluctuations are now part and parcel of the way of life, like in any other part of the world.

Johan Depraetere: We had a slide in the roadshow from year 2000 to 2016. If you go back, you saw the fuel demand growing at a CAGR of 3.5%, and there was no one single year where there was a negative growth number. The reason for that is that the countries in Africa do not have alternatives. They need fuel to transport and to invest in infrastructure. If the oil price is high, they cannot say, 'Well, today, I will take the Underground,' because it just does not exist. From that perspective, we believe that the price elasticity is very, very low in Africa when it comes to fuel.

David (Combined Code): Can you explain why an interim dividend has been approved whilst net debt is increasing?

Johan Depraetere: We have plenty of cash to pay for the dividend, so we have reserves. The cash was an element of timing differences, especially in the government receivables. We are healthy and have plenty of cash, and like to stick to our commitment of a 30% payout. The guidance was actually to pay one third of an interim dividend and two thirds at year end. We are fully behind that guidance.

Tom Robinson: To what extent does the interim dividend represent a deviation from the Group's payout policy?

Christian Chammas: It does not, it is aligned.

Martin (BNP Paribas): Is there a contractual deadline for the completion of the EVO deal?

Christian Chammas: As I said, the topic is permanently reviewed and renegotiated. When we get to deadlines between the seller and the buyer with Vivo, we obviously make sure that this progresses so that we do not get obstacles that could create a problem. The idea is now that we want to make the deal happen.

Martin: A further question on EVO: can you please elaborate on the number of shares outstanding and how that will change when the EVO transaction is concluded?

Johan Depraetere: The details are in the prospectus. Currently, we have about 1.2 billion shares outstanding. I think the issuance is about 124 million shares that would be going to Engen as well as \$120 million of cash payment. The total consideration of \$400 million is split 30% cash, 70% shares.

Christian Chammas: This is indicated in the prospectus, we are not changing it.

Stuart McGuire (Credit Suisse): Three questions: on the growth in Retail, can you give us any colour on like-for-likes compared to what you have built out, given that you said that you are building stations faster in the first half than you had expected?

The second question on the DRC, can you confirm it is the DRC that is the last country to give you the requirements and the go-ahead; also, whether your comment on Mining means that you are more commercially focused there than you are on Retail?

Finally the last question is on Lubricants. In a LIFO world, should not that help margin as oil prices increase? I did not quite follow the answer before. Also if it is Retail, cannot you re-price when you need to as opposed to having to wait a number of months?

Johan Depraetere: On like-for-like, it is a number we report only annually, so we can say is that it is in line with what we have shown historically. It is a good mix where we say it is pure like-for-like, it is coming from sites open this year as well as the ramp-up from last year. It is in line with what we showed, and we are on track there.

Christian Chammas: The DRC business brings Mining, also Commercial and Retail, so it is a nice mixture of the three, and Lubricants, of course. It is not going to change, but the comment I was making is that DRC is a big mining country. It has massive opportunities, so that is why we are interested.

On DRC, I mentioned earlier on that we had ten countries and we have all authorisations for nine of them, so the remaining one is DRC. We are working very hard towards getting a completion on that case.

Lubricants, I would love to be able to increase the prices without asking anybody's opinion, but unfortunately we have competitors. Obviously, they do not have the same supply model. Some of them import before or after, so the pricing is not the same. Basically, you can increase your prices, but you obviously have to make sure that you take into account what is happening around you. Price increases when there are big abrupt changes in procurement costs, basically for us – as we are manufacturers and we import by cargos – the cycle is about four months stocks for imports. It therefore takes four or five months to adjust when there is an abrupt change. Therefore, the cycle is different for you compared to the competition, so it is not an automatic.

You can do it, but then the risk is if the market does not follow, you will be hit and you lose market share, etc. So we do it intelligently: we target the high premium products which we push first in order to recover as much margin as possible. Then slowly, we work down to the lower segments of the products in order to increase the margin, but we do it. It takes six months, but then once you have done that the market does not like too much fluctuation. Once you have ramped it up, you will probably keep it constant for a very long time even when prices go down.

Alex Molloy: A question on unit margins: can you remind us, is H1 tracking in line with where you expected? Is there anything we should be looking out for in the second half on unit margins?

Johan Depraetere: You can see H1 is slightly above the guidance, because we said we would be in the low 70s. For overall unit margins, we are at \$74. For second half, we still stick to our overall guidance of low \$72, and also going forward, especially noting that the

margins in Commercial are all very strong. In Lubricants they were less strong, although for Lubricants we gave guidance for \$5.50 per thousand litres versus last year which was \$5.85 I believe, so we did see a slight decrease. In short, we are sticking to our overall guidance for the year and continue to deliver.

Christian Chammas: In conclusion, a very good start to the year. I have been at the helm for seven or eight years. It is a landmark year for us: IPO, lots of projects, a lot of growth, opportunities, merger and acquisition. It is a fantastic year. We will continue to deliver.

It just remains for me to thank you all for coming, thank you very much for taking the time to listen to me and to answer your questions. Enjoy the summer holiday for the ones who are going on holiday and see you next time. In the interim, we are going on a roadshow as well sometime in September, so we will see some of you as well in your different countries. Thank you very much.

[END OF TRANSCRIPT]