



FAST MOVING FORWARD THINKING



Results presentation

For the year ended 30 June 2013

Highlights and Summary of Performance

Divisional performance

Financial review

Group prospects and strategy

Questions

Highlights

Revenue

Increased by 14% to

R92 382 million

Operating profit

Improved by 8% to

R6 087million

HEPS

Increased by 15% to

1 804 cents

Core EPS*

Increased by 15% to

1 871 cps

Dividend per share**

Full year dividend up 21% to

820 cps

ROE

23%

Cash returned

To shareholders

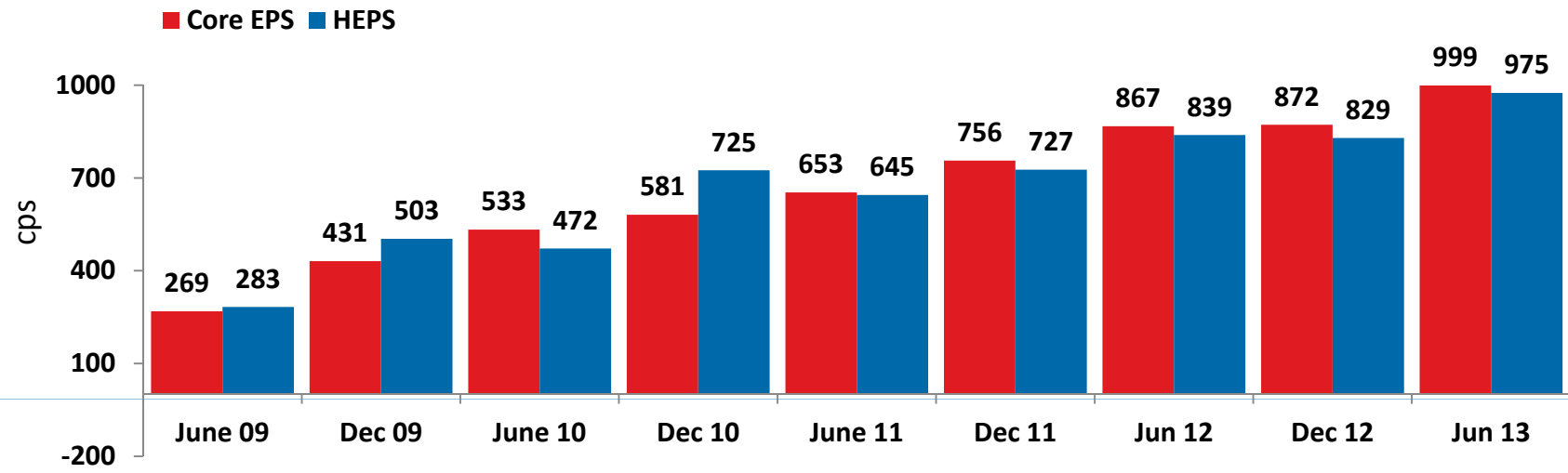
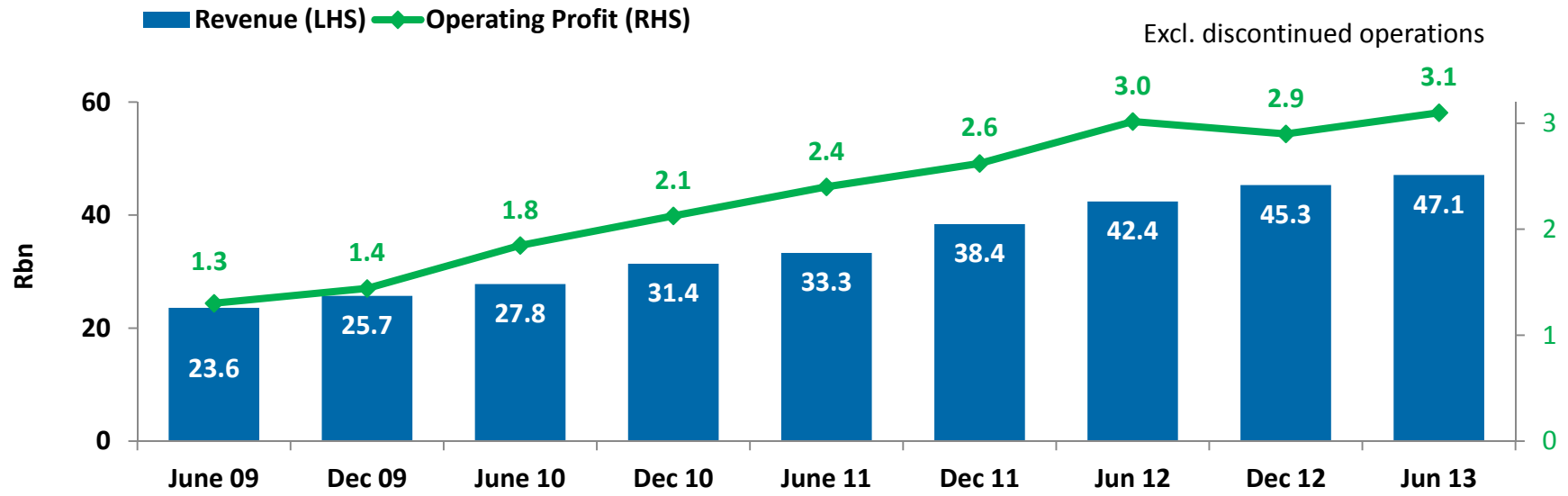
± R2.1 billion

* Core EPS excludes once-off non-operational items, the most significant being:

– 133 cps amortisation of intangibles on acquisitions in the current period

** Dividend pay out ratio of 44% of Core EPS; historic dividend yield of 4% based on a share price of R202

Improving profit trend



Business conditions in key markets

- » Trading conditions challenging in SA and Europe
- » Industrial action in SA and Korea impacted the group
- » Favourable new vehicle market in SA but competitive; Improved used car market
- » Good credit availability for vehicles
- » Manufacturing sector in SA under pressure impacting Logistics
- » Market conditions in the Rest of Africa more favourable
- » Slow down in European economy
- » Competition in car rental industry remains fierce
- » Autoparts industry competitive but stable
- » Insurance underwriting conditions in short term industry were more challenging; equity markets were favourable
- » Current cycle in the motor industry favours Financial Services

Performance of the three business pillars

Logistics



Revenue = R33,6 bn



Operating profit = R1,7 bn



Automotive & Industrial



Revenue = R57,6 bn



Operating profit = R3,6 bn



Financial Services



Revenue = R4,2 bn



Operating profit = R945 m



The Three Pillars of Imperial

Performance of Imperial

- » All divisions achieved operating profit growth – resilience of portfolio
- » Benefitted from a full year's contribution of Lehnkering and acquisition of RTT Medical
- » Strong growth was achieved in annuity revenue streams generated from after-sales parts, service and financial services
- » Excellent growth in rest of Africa logistics; operating profit up 45%
- » Operating profit from total international activities has grown to 21% of Group - grew by 33% to R1.26 bn
- » Strong cashflow generation, free cash conversion ratio = 106%
- » Balance sheet strong – net debt/equity ratio of 49% (excl. prefs)
- » Exited sub-scale businesses and added businesses of strategic growth that will maximise returns for shareholders
- » ROIC = 16,2% vs WACC of 8,8% (target is to achieve 4% above WACC through the cycle)



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Logistics

Africa

- » South Africa
- » Rest of Africa

Revenue contribution

(incl. inter-segment revenue)

R18bn



International

- » Europe (mainly Germany)
- » Recent entry into chemical logistics

Revenue contribution

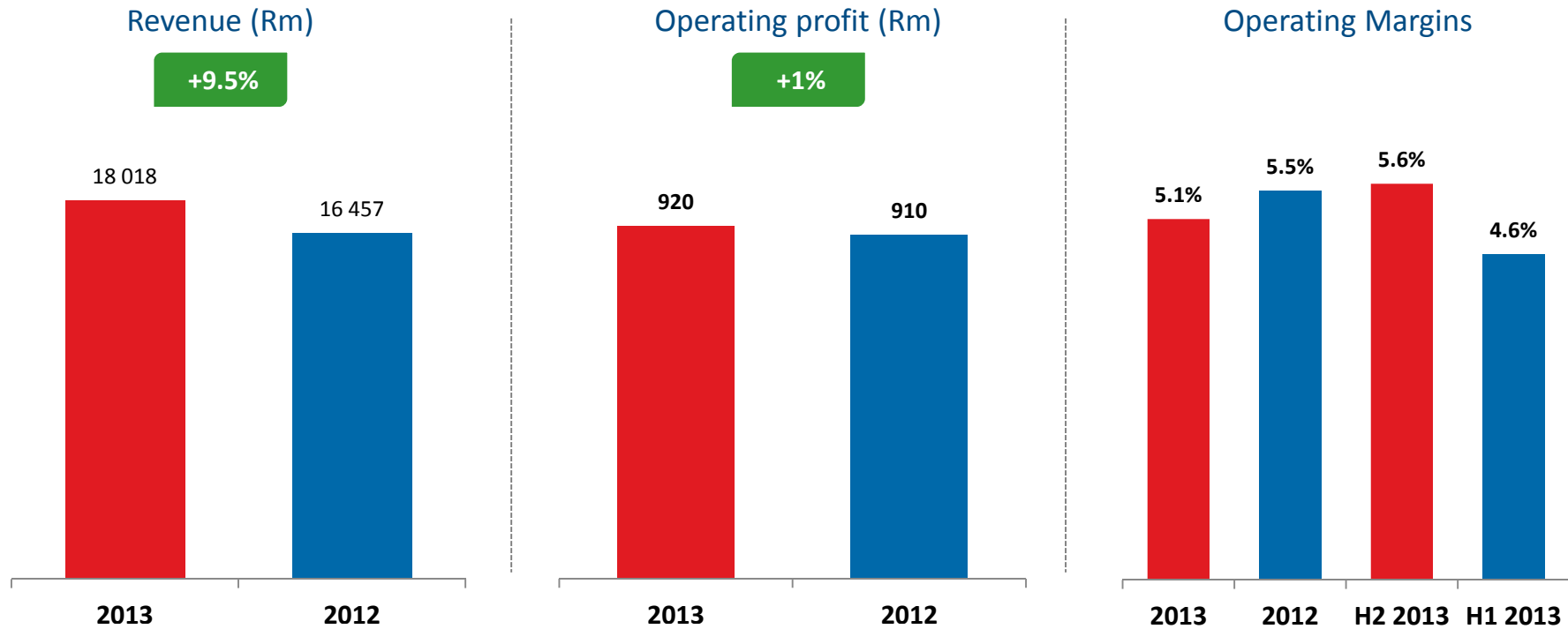
(incl. inter-segment revenue)

R16bn





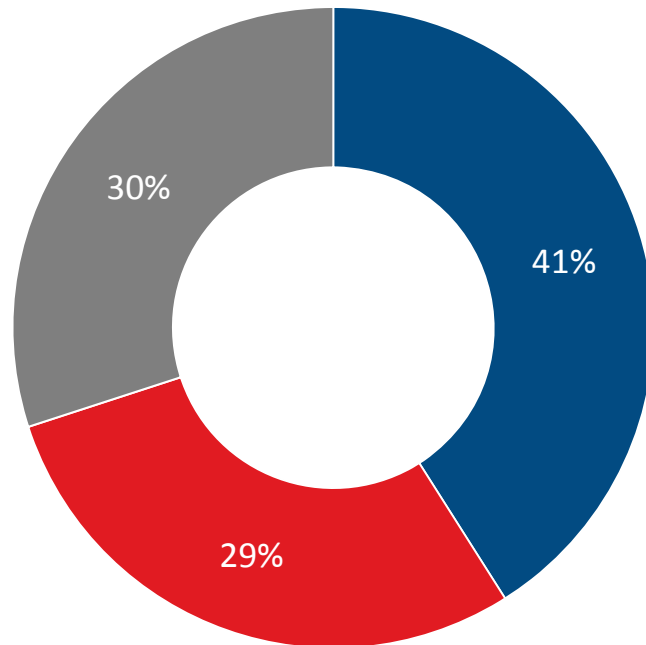
Africa Logistics (including SA)



Excellent performance by the Rest of Africa

- » Trading conditions in the South African logistics market were challenging
- » Strong second half; operating profit up 31%
- » Affected by national transport workers strike and manufacturers struggling to gain momentum
- » Positive contribution from acquisitions and contract gains
- » Rationalisation – leverage scale and synergies to drive cost savings and efficiencies
- » Market conditions in Rest of Africa logistics markets more favourable – operating profit up 45%

Revenue by Service Offering



■ Freight & Transport

■ Warehousing & Distribution

■ Supply Chain Management

Logistics in the rest of Africa

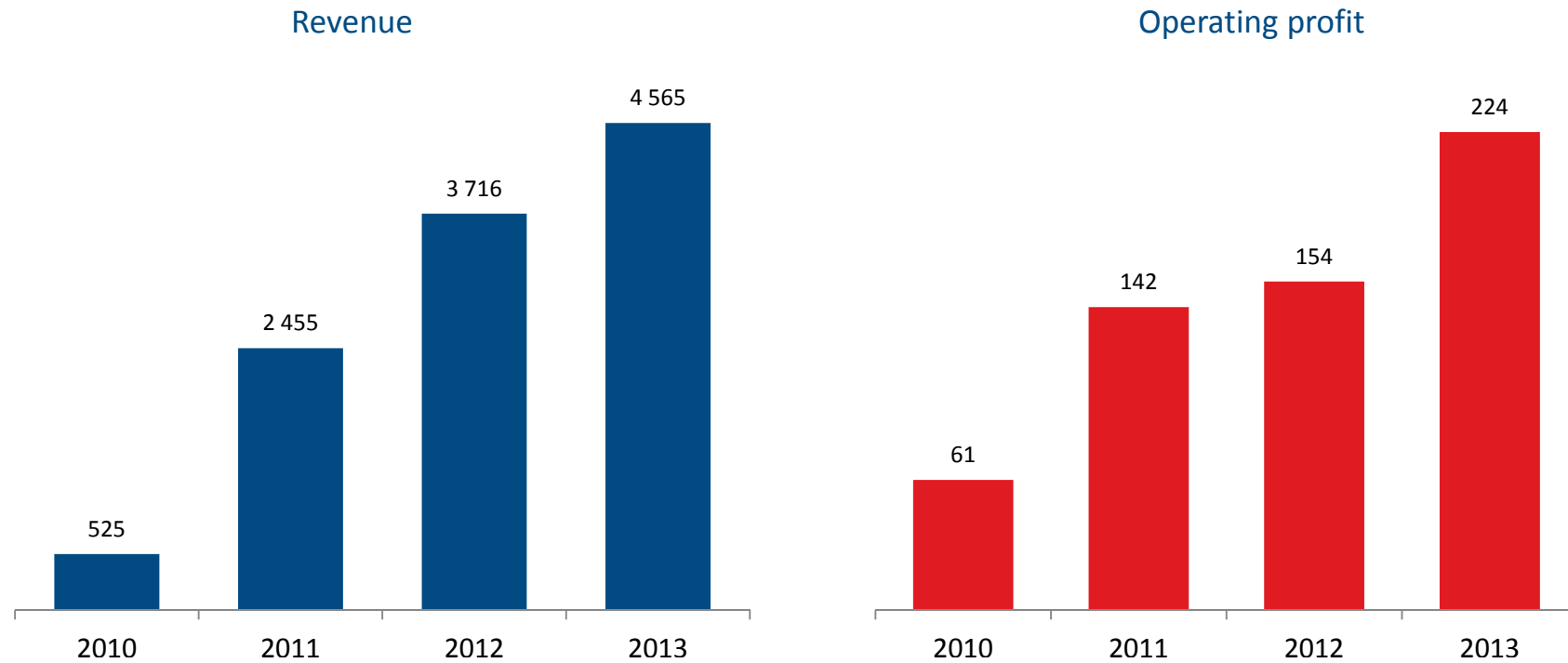
- » Transport
- » Warehousing
- » Distribution
- » Supply chain planning
- » Sales and marketing
- » Brand activation

“Get me there”

“Sell my product”

“Grow my brand”

Growth trend in Rest of Africa



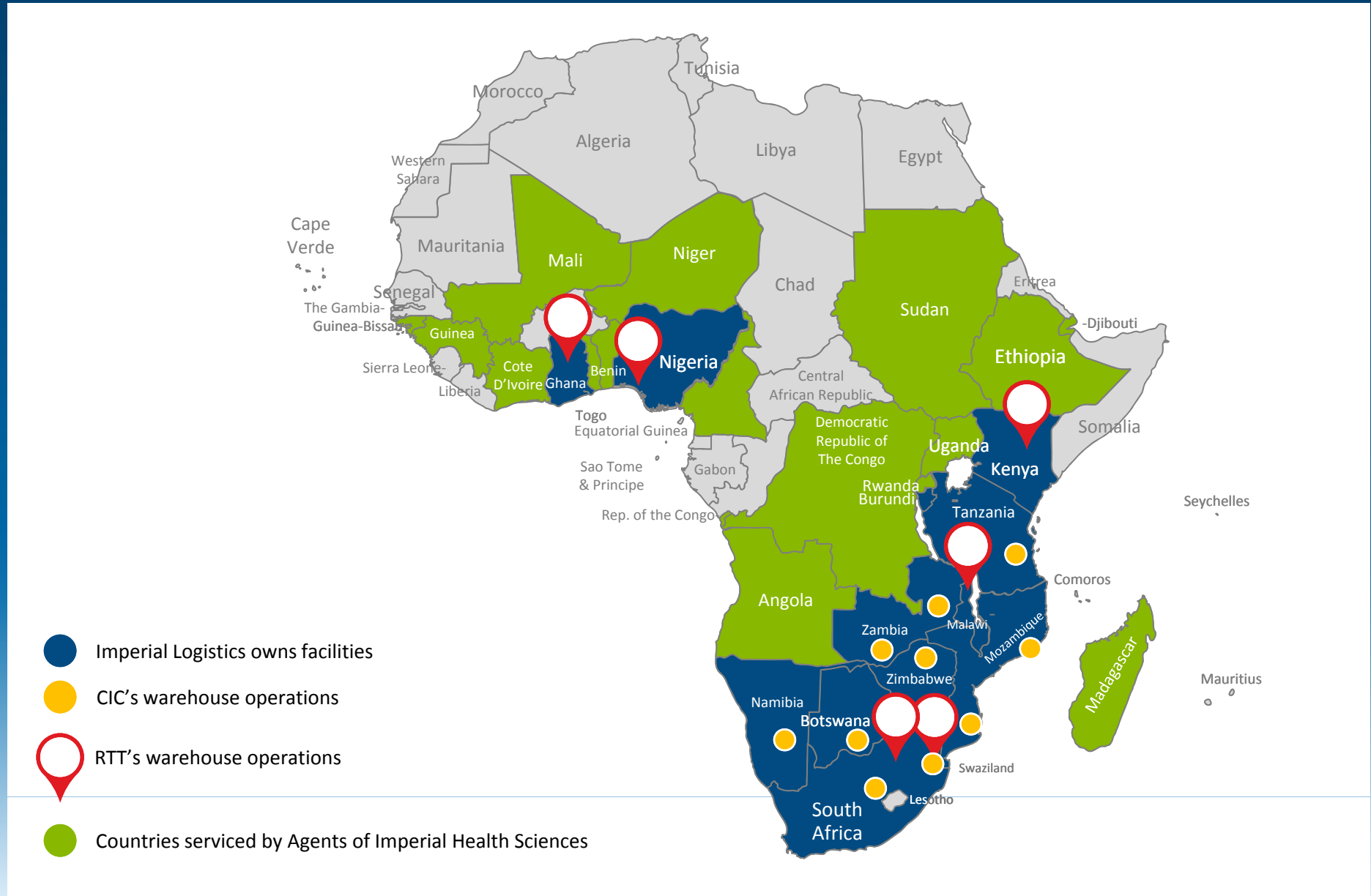
More than tripled over a three year period

- » 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

- » Acquired 49% from UACN Nigeria plc for \$27m
- » Solid performance in first three months
- » Leading provider of integrated supply chain solutions
 - Warehousing (approx. 50 locations Nigeria)
 - Distribution
 - Transport
- » Will serve as the backbone of our Nigerian plans
- » Industries
 - FMCG (Nestlé; Guinness; Gala)
 - Pharma (GSK; Pfizer)
 - Telecoms (MTN; Airtel)

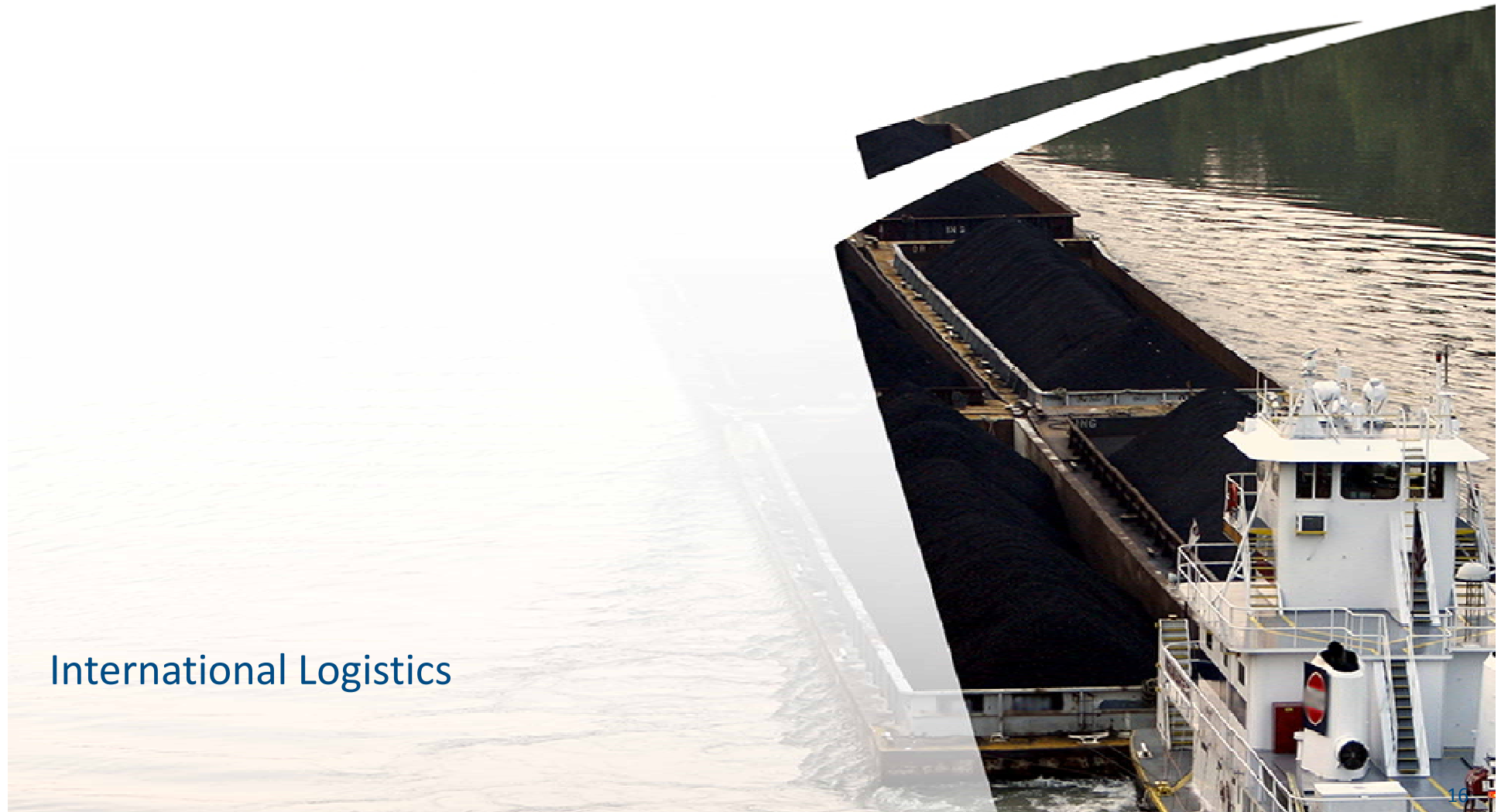


Footprint post the recent acquisitions



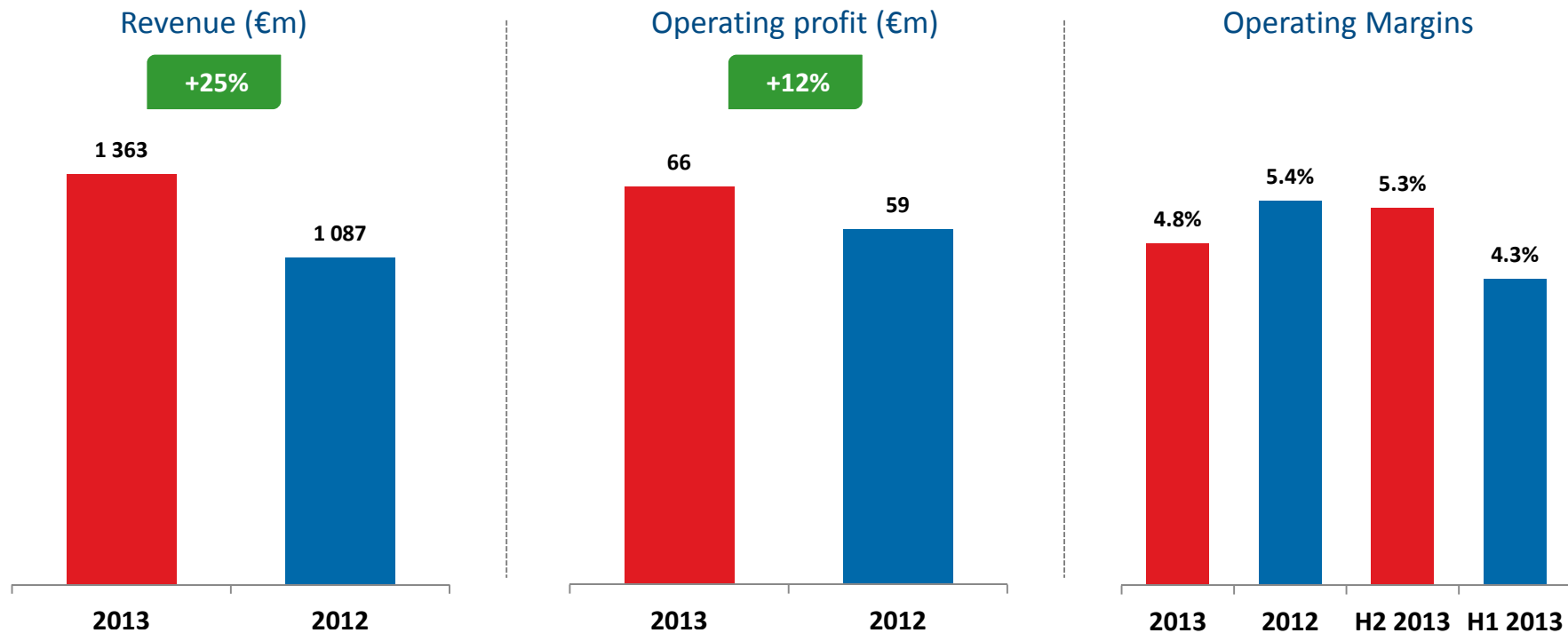


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International Logistics

International Logistics (EURO)

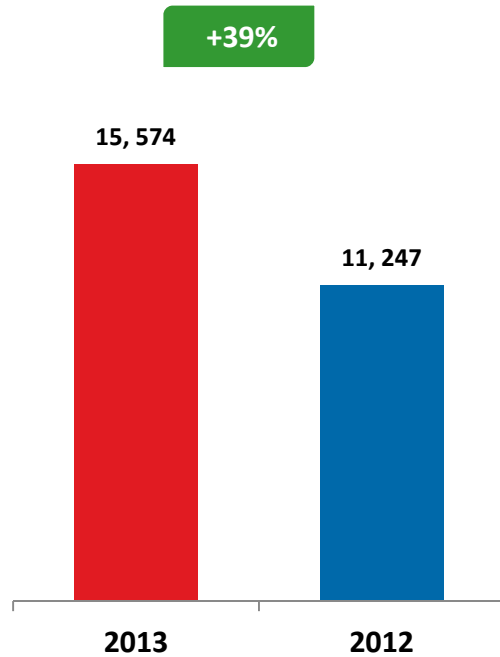


Solid performance despite slowdown in European economy

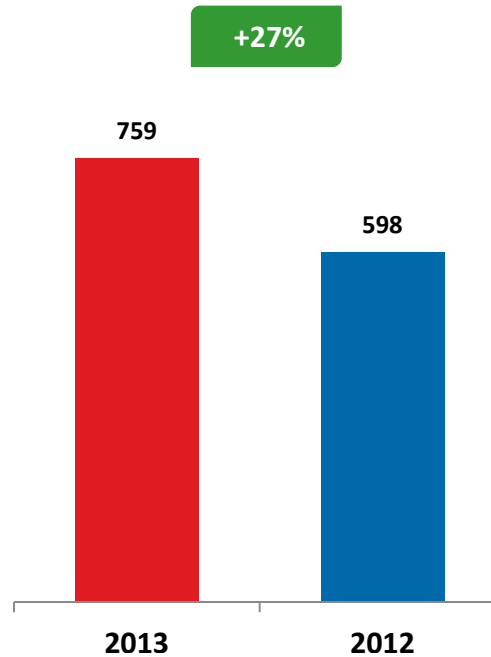
- » Slowdown in the European economy presented tough market conditions
- » Transport volumes and steel industry related activities depressed
- » Performed better in H2; benefitted from seasonal cycles
- » Activity levels in the chemical industry and gas shipping market held up well
- » Good cost management and fleet optimisation
- » Lehnkering contributed for full 12 months – performed in line with expectations

International Logistics (ZAR)

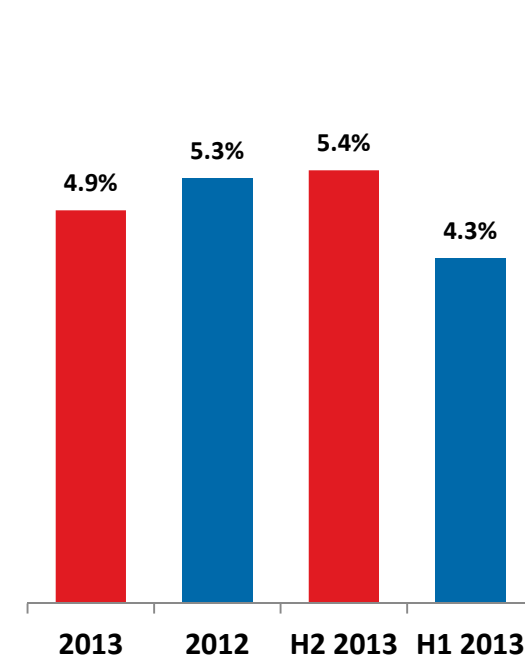
Revenue (Rm)



Operating profit (Rm)



Operating Margins

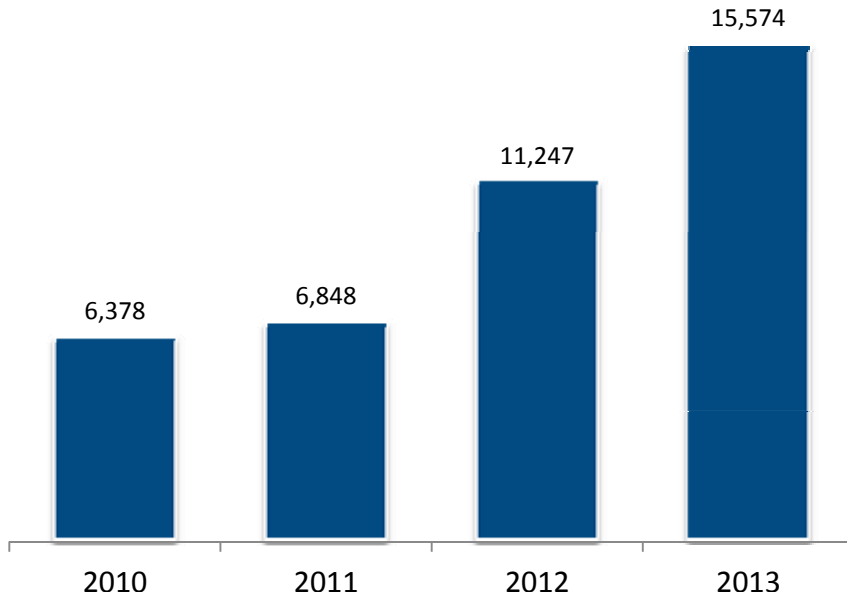


Exchange rate benefit

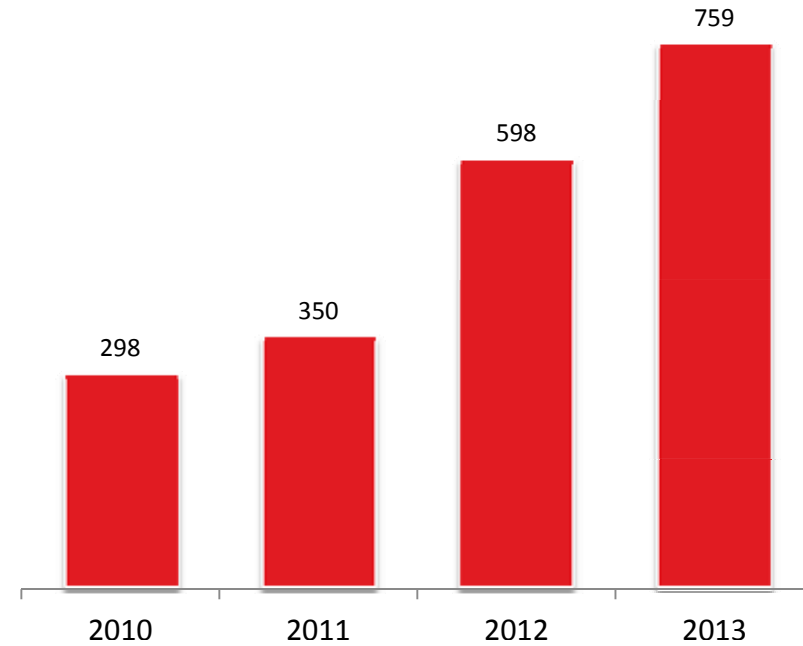
- » 2013 Average R/€: 11.43 vs 2012 Average R/€: 10.38
- » Effective currency hedge in group portfolio

Growth trend in International Logistics

Revenue



Operating profit



More than doubled over a three year period

- » Represents 12% of Group operating profit
- » Organic growth and excellent acquisitions
- » Well positioned in attractive niches in the German logistics industry
- » Continue to follow customers into new markets and acquisitions will drive future growth

International expansion

- » Our customers are expanding into new markets
- » Well positioned to follow them





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Automotive & Industrial

Automotive and Industrial

Distribution, retail and Allied Services

- » KIA, Hyundai, Daihatsu, Tata, Mitsubishi, Renault, Kawasaki
- » Goscor
- » Bobcat
- » EZGO
- » Datadot

Revenue contribution
(incl. inter-segment revenue)
R26bn

Automotive retail

- » Dealership franchisee activities on behalf of locally based OEMs
- » Beekman canopies
- » Jurgens caravans
- » UK Commercials

Revenue contribution
(incl. inter-segment revenue)
R23bn

Other segments

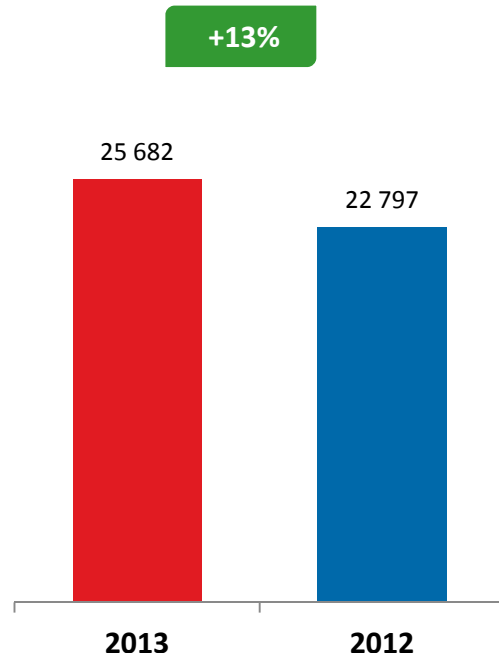
- » Car Rental, Auto Pedigree and Panelshops
- » Autoparts
- » Tourism (being disposed of) and NAC (sold)

Revenue contribution
(incl. inter-segment revenue)
R9bn

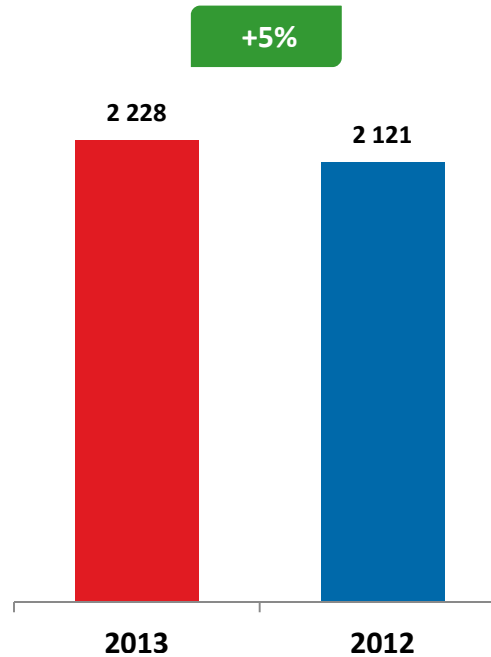


Distribution, Retail & Allied Services

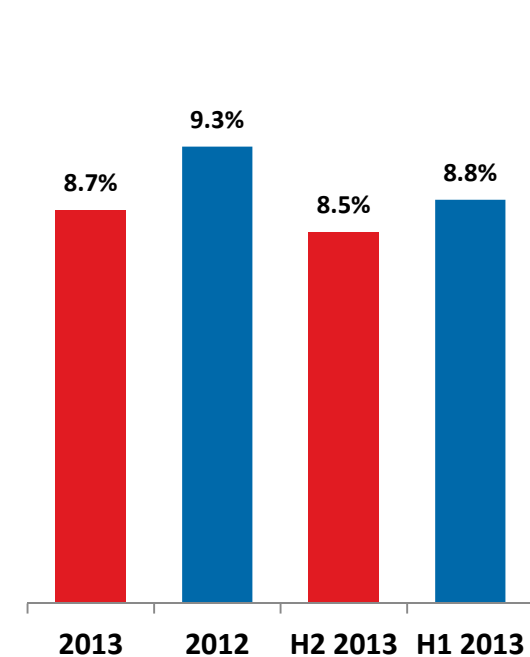
Revenue (Rm)



Operating profit (Rm)



Operating Margins

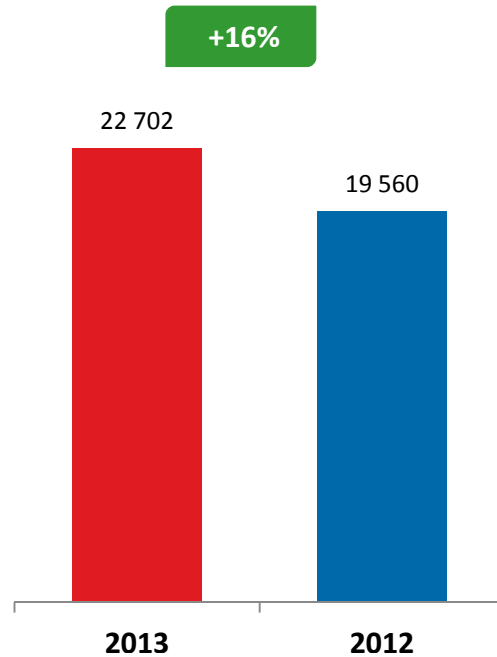


Satisfactory performance under tough trading conditions

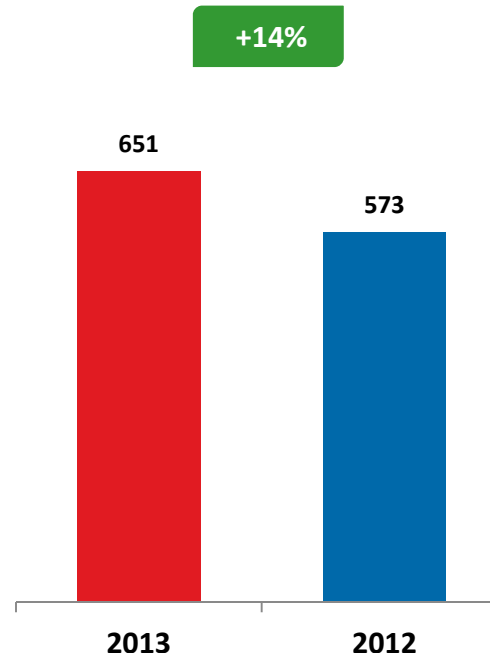
- » Excellent growth in after-sales activities – rendering of service revenue up 24%
- » Impacted by supply disruptions due to strike experienced by our principals in Korea
 - lower inventories although much improved at year end
 - more competitive market
- » Strong performance from Goscor, distributor of industrial products
- » Weakening of the Rand had an impact on margins

Automotive Retail

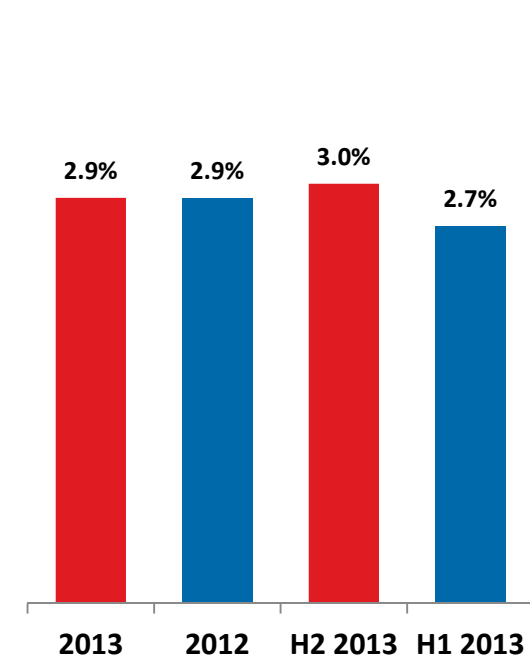
Revenue (Rm)



Operating profit (Rm)



Operating Margins

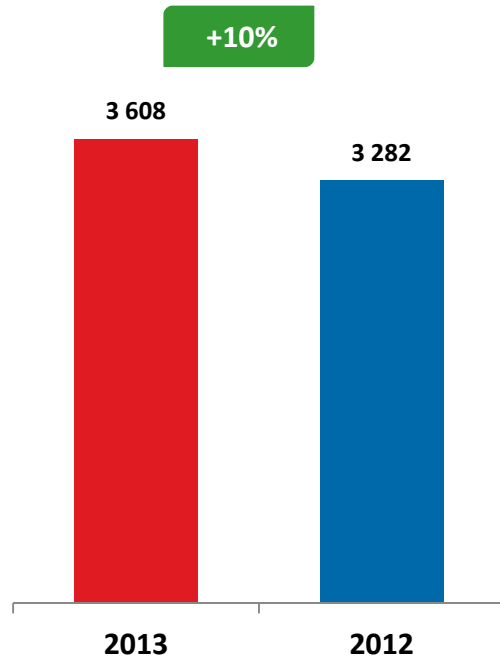


Excellent performance

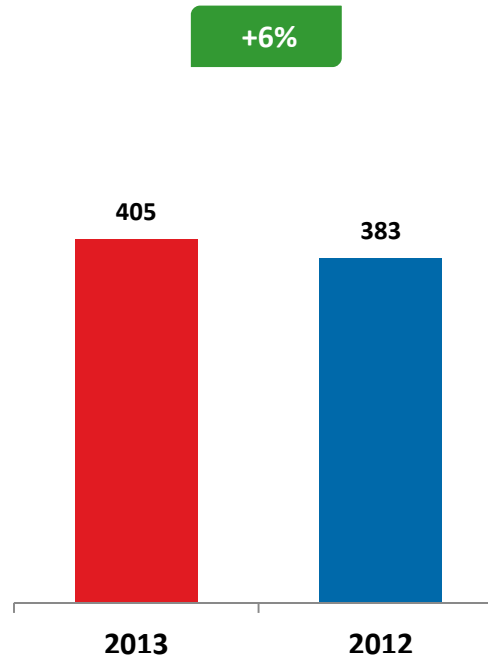
- » New vehicle sales growth of 10% in SA, ahead of industry growth of 7,6%
- » Used car volumes continue to improve
- » Good growth from parts revenue – focus on after-sales activities
- » UK performed well – recent acquisitions also contributed positively
- » Beekmans performed well while Jurgens produced a mixed result

Car Rental (excluding Tourism)

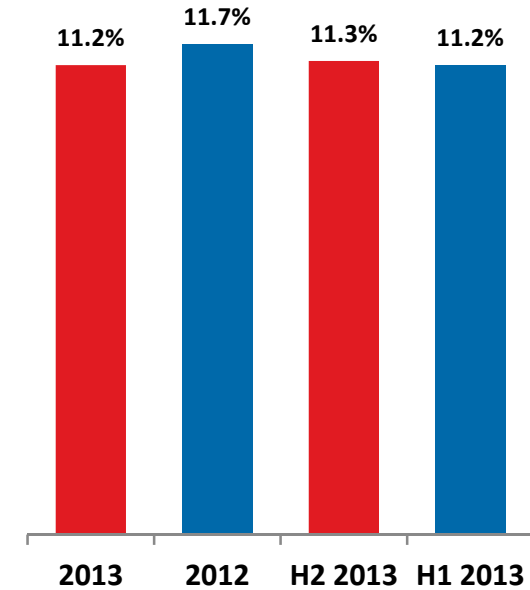
Revenue (Rm)



Operating profit (Rm)



Operating Margins

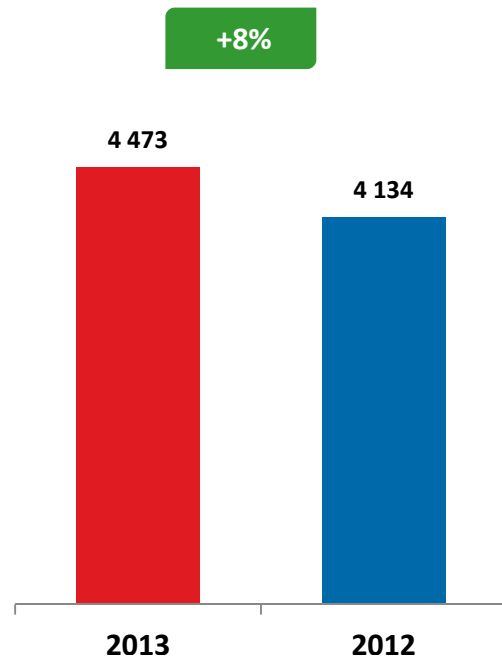


Much better H2

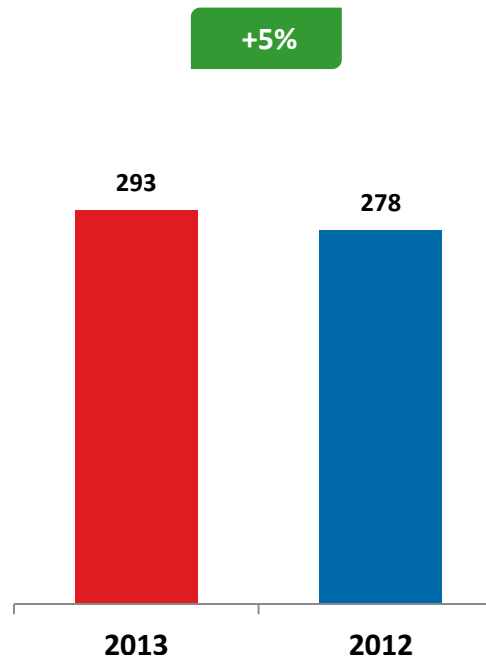
- » Includes Car Rental, Auto Pedigree & Panel shops – Tourism business being disposed of
- » Competition remains fierce in car rental market
- » Good second half performance; improved utilization
- » Margins impacted by significantly higher accident costs and adverse sales mix
- » Auto Pedigree had an excellent year
- » Panel business continues to improve
- » Improved ROIC from 10.2% to 12.6%

Autoparts

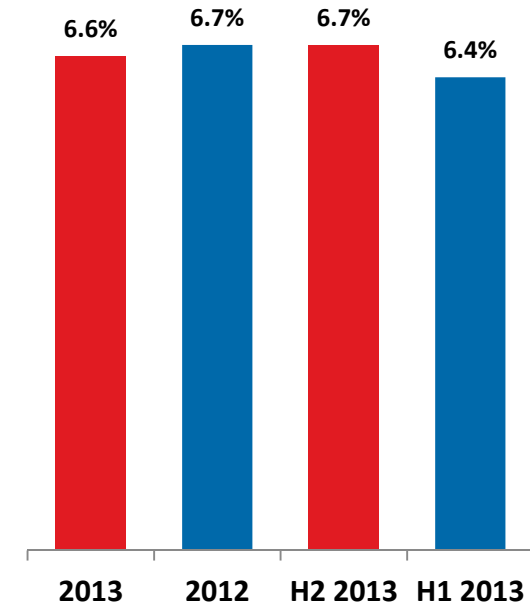
Revenue (Rm)



Operating profit (Rm)



Operating Margins

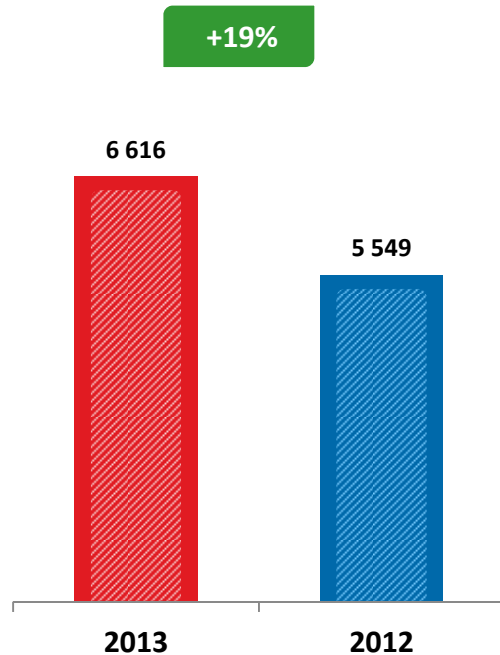


Stable performance

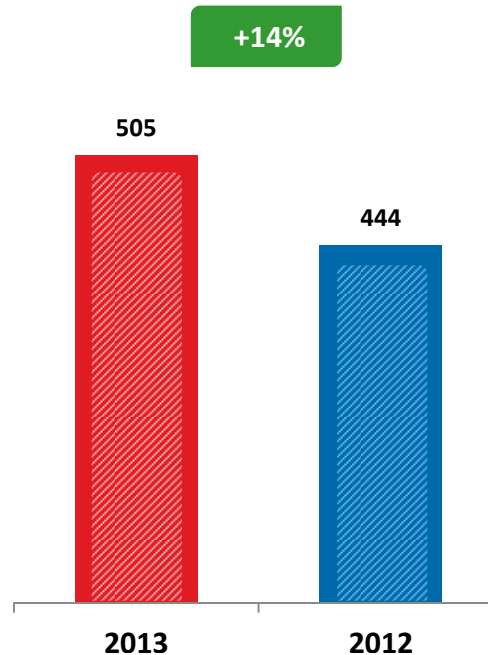
- » Reported separately for the first time
- » Midas performed satisfactorily in a sluggish market
- » Afinta acquisition contributed positively
- » Alert Engine Parts performed well
- » Turbo Exchange was impacted by competitively priced imports
- » Commenced African expansion initiatives

Aggregate aftermarket parts and industrial (excluding NAC)

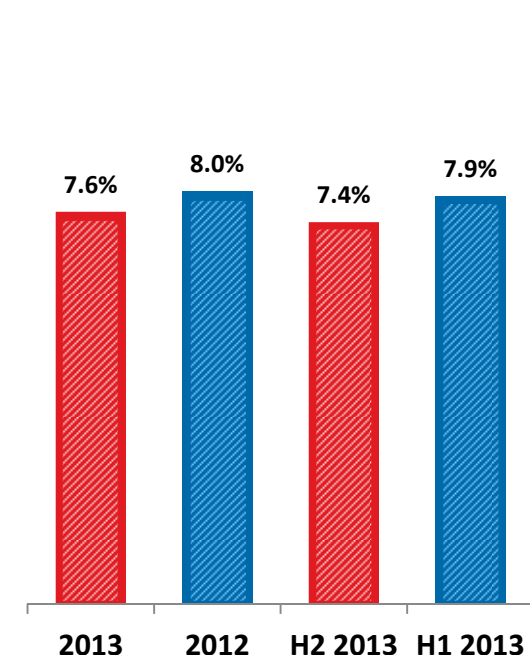
Revenue (Rm)



Operating profit (Rm)



Operating Margins



Strong performance

- » Pursued strategy to add aftermarket vehicle parts, components, industrial equipment and new areas of distribution
- » These businesses contributed R6,6 billion of turnover and R505 million operating profit for the period (8% of group operating profit)
- » Margin affected by Jurgens selective retail strategy
- » Disposed of NAC during the year, thereby exiting aviation distribution
- » Expanded heavy duty product range



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Financial Services



Financial Services

Insurance

- » Short term and life
- » Motor insurance, value added products and goods-in-transit cover

Revenue contribution
(incl. inter-segment revenue)

R3bn



Other

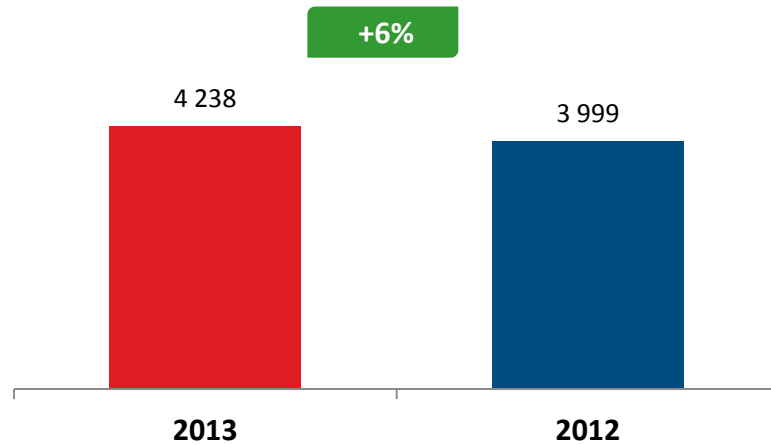
- » Maintenance plans, service plans, warranties
- » JV's with banks
- » Vehicle tracking

Revenue contribution
(incl. inter-segment revenue)

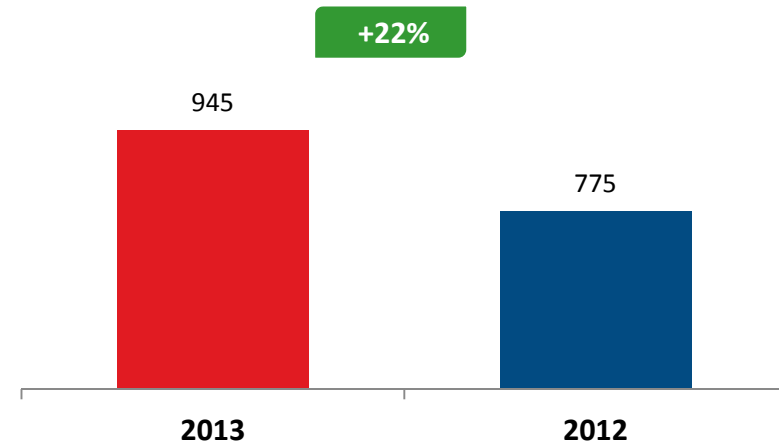
R1bn



Revenue (Rm)

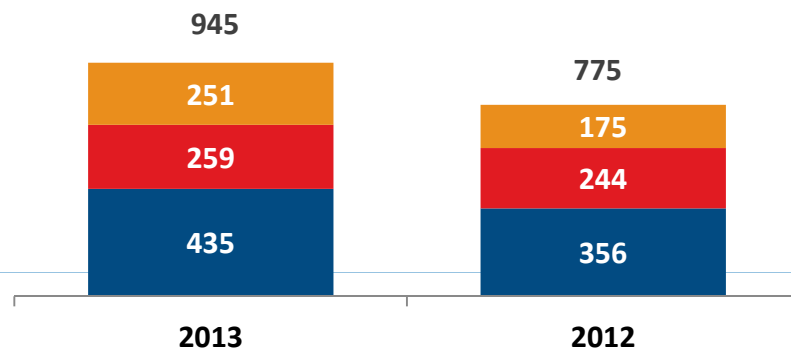


Operating profit (Rm)

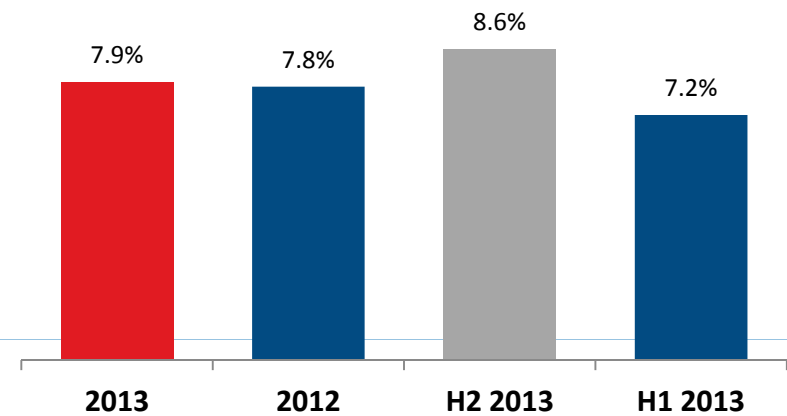


Operating profit split

- Investment income, including fair value adjustments
- Underwriting result
- Other Financial Services

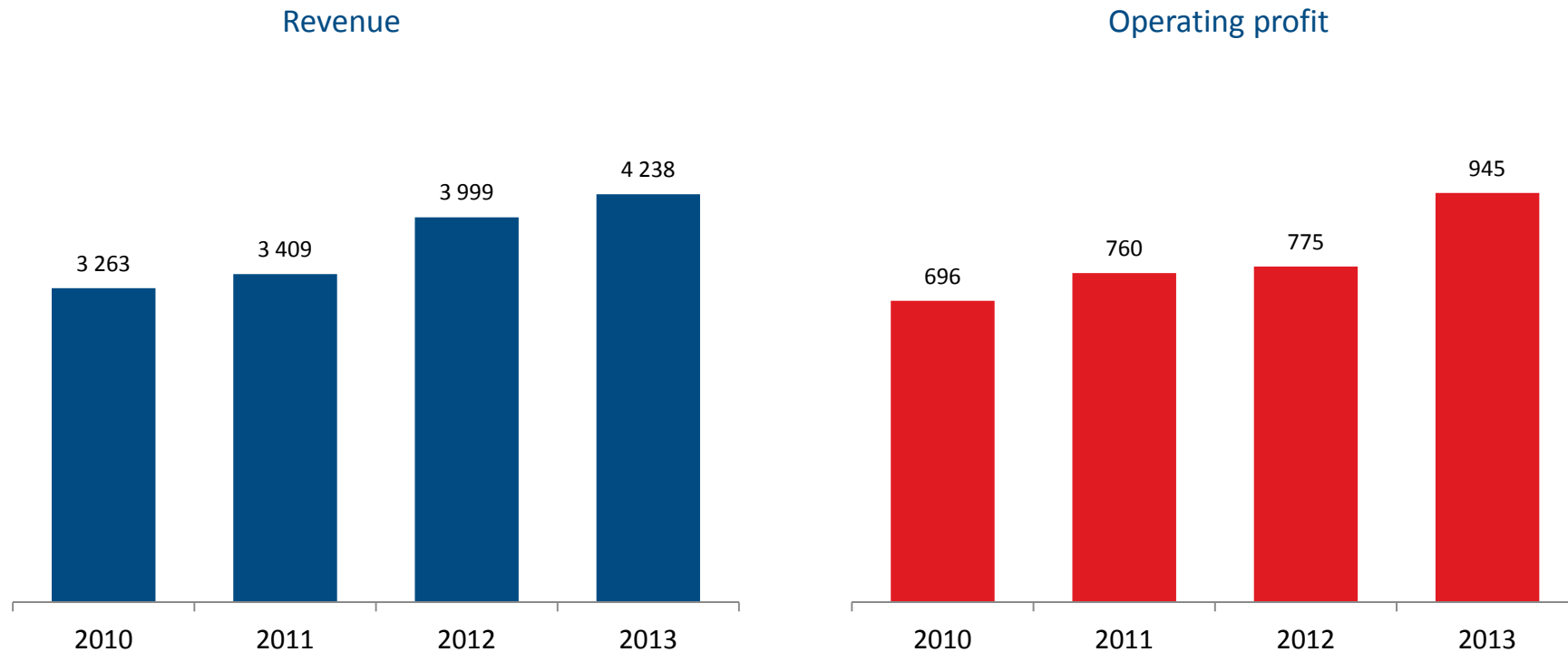


Net Underwriting Margins



- » Excellent performance; improved underwriting performance in H2
- » Adcover, Paintech and Warranties performed well and showed good growth
- » Insurance underwriting conditions in motor comprehensive were challenging
- » Regent exited certain non-performing classes of insurance
- » Regent Life performed well; gross written premiums up 15% for the year
 - Negatively affected by economic assumption changes
- » Investment returns higher - equity markets were more favourable
- » Botswana and Lesotho continue to grow; exposure to other African countries becoming a much more meaningful contributor; operating profit up 21%
- » Other Financial Services performed well; good growth in new maintenance plans – up by 25%
- » Strong growth in finance JV's and new maintenance plans provides valuable annuity earnings underpin for future profits

Growth trend in Financial Services



Excellent growth – almost R1bn contribution to Group operating profit

- » Central to our strategy of optimising our position in the vehicle sales value chain
- » Leverages off Imperial's strong distribution and retail network capability in the motor vehicle industry
- » Underpinned by strong annuity income streams
- » Investment markets could add volatility; prudent management of investment portfolio

Imperial underpinned by strong annuity and diversified revenue streams

Financial Services

R4.2bn revenue
(16% contribution to group operating profit)

- » Short term and Life Insurance = R3bn premium income (incl. VAPS; Warranties)
- » JV Books with banks growing = ± R20bn
- » Maintenance funds = ± R2,5 bn
- » Provide valuable earnings stream over the next 3-5 years

Service Revenues

R3.8bn revenue

- » Automotive Retail and Distribution, Retail & Allied Services
- » Parts revenue growing with growth in car parc
- » Higher margins and annuity in nature

Used Cars

Approx. 67 000 used cars sold p.a.

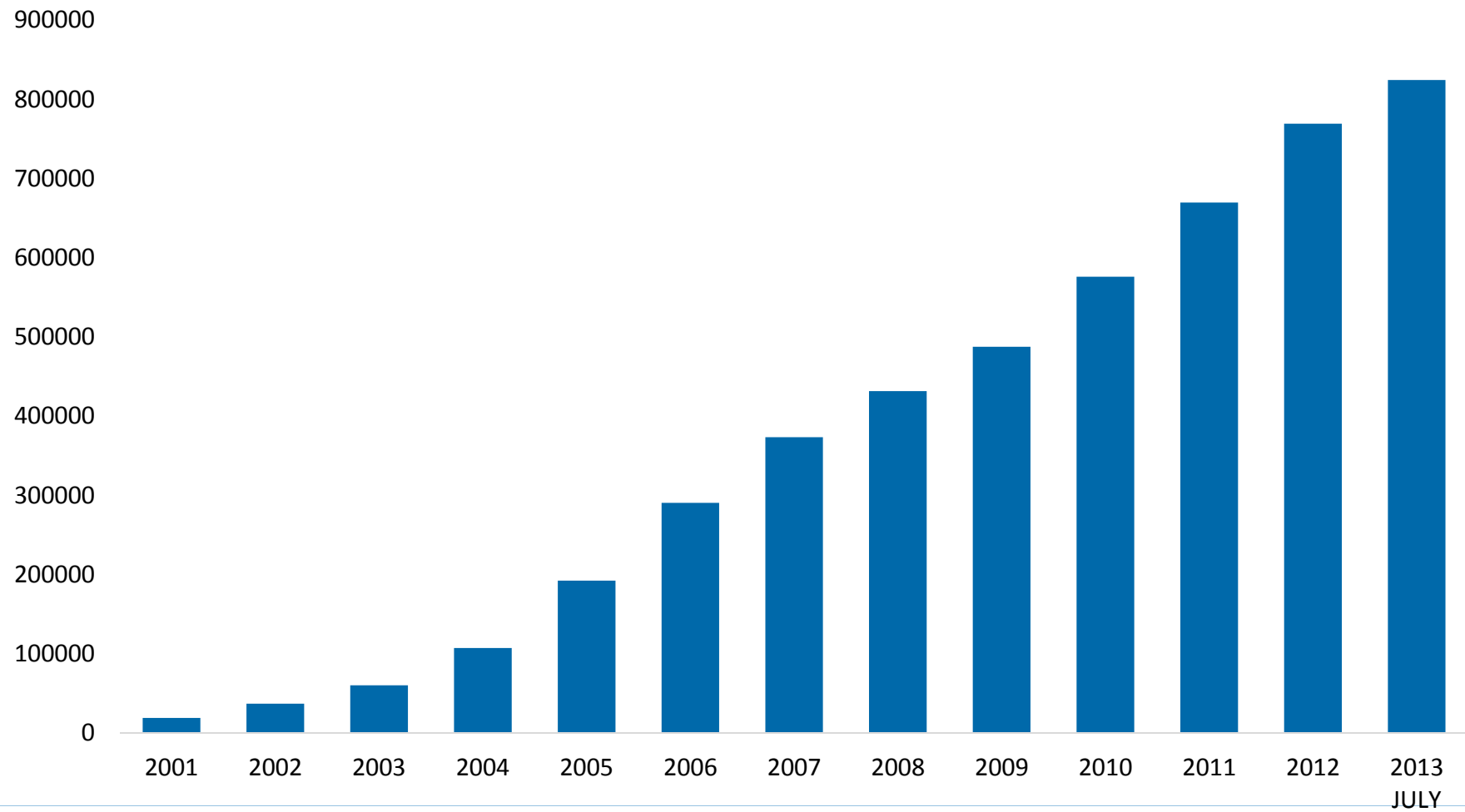
- » Channels - Automotive Retail + Distribution, Retail & Allied Services + Auto Pedigree
- » Less volatile and performs well when new car market is under pressure

Aftermarket parts

R4.5bn revenue

- » Midas; Alert; Afintapart
- » Resilient to economic cycles – replacement parts
- » Car parc approx. 10m vehicles

Cumulative sales of vehicle brands distributed



Note: Includes AMH, Chery, Foton, Mitsubishi, Renault and Tata – PC and LCV



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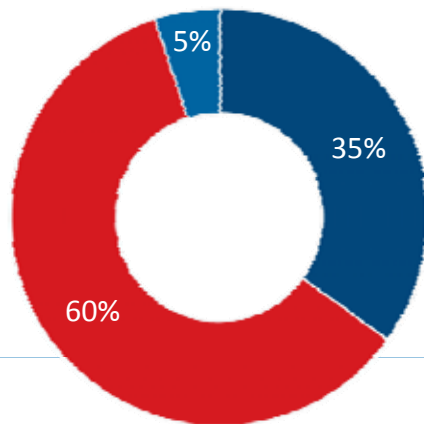
Financial Review

Income statement

Rm	2013	2012	% Change
Revenue	92 382	80 830	14%

- » Logistics: +21%; Positive contribution from acquisitions and growth in Rest of Africa
- » Automotive & Industrial: +11%; Growth in new and used vehicle sales; strong growth in annuity revenues from parts and service
- » Financial Services: +6%; current auto cycle favours Financial Services division; impacted by exit of certain non performing classes of insurance

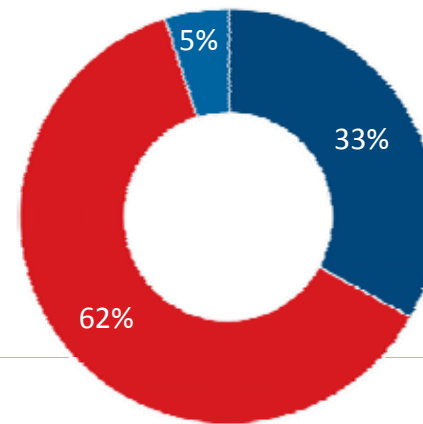
2013



Revenue contribution per pillar

- Logistics
- Automotive & Industrial
- Financial Services

2012

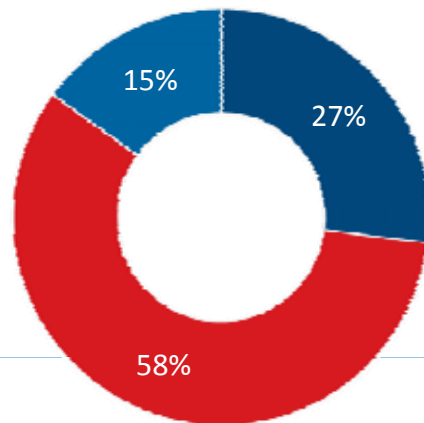


Income statement

Rm	2013	2012	% Change
Revenue	92 382	80 830	14%
Operating profit	6 087	5 638	8%
Operating profit margin	6,6%	7%	

- » The transport strike in SA and tougher trading conditions in Germany had an adverse impact on Logistics margins;
- » Operating profit benefited from acquisitions but also affected by businesses disposed of
- » A weakening currency, lack of stock availability and a more competitive market impacted margins in Automotive and Industrial
- » Margins improved in Financial Services – strong investment performance and good growth in Other Financial Services

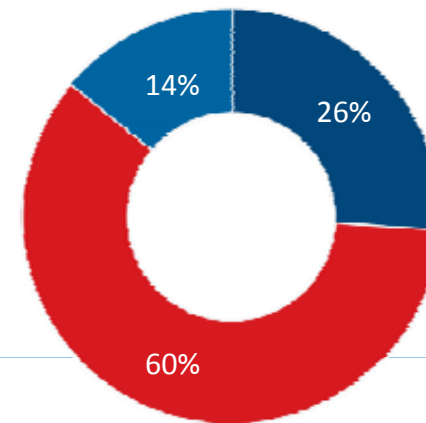
2013



Operating profit contribution per pillar

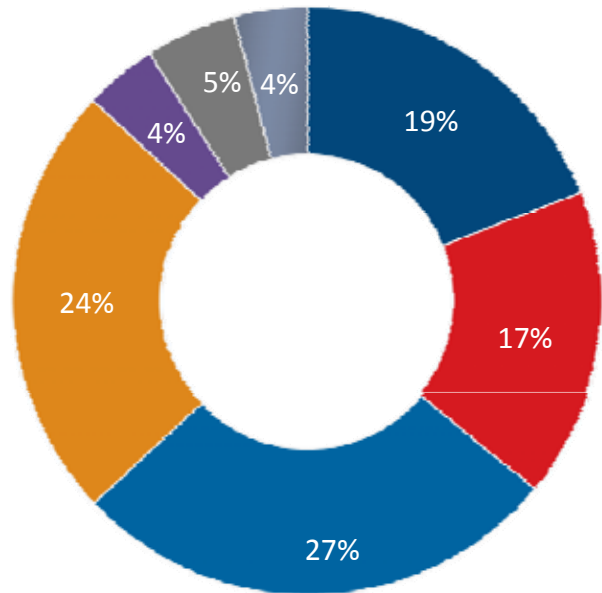
- Logistics
- Automotive & Industrial
- Financial Services

2012



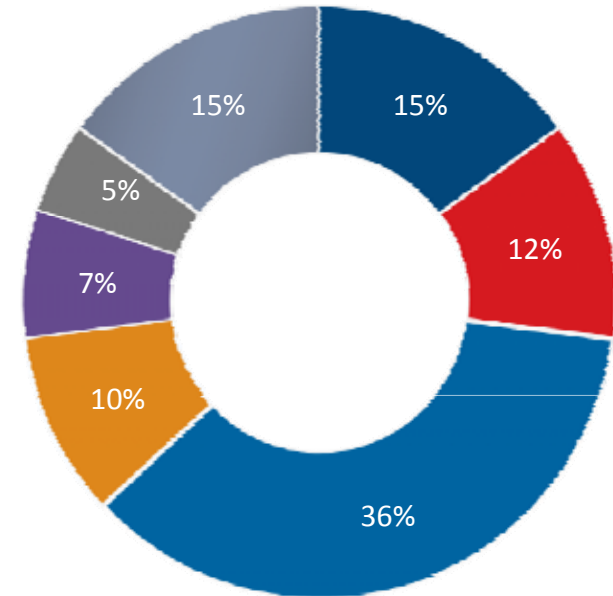
Divisional statistics

Revenue



- Africa Logistics
- International Logistics
- Distribution, Retail & Allied Services
- Automotive Retail
- Car rental
- Autoparts
- Financial Services

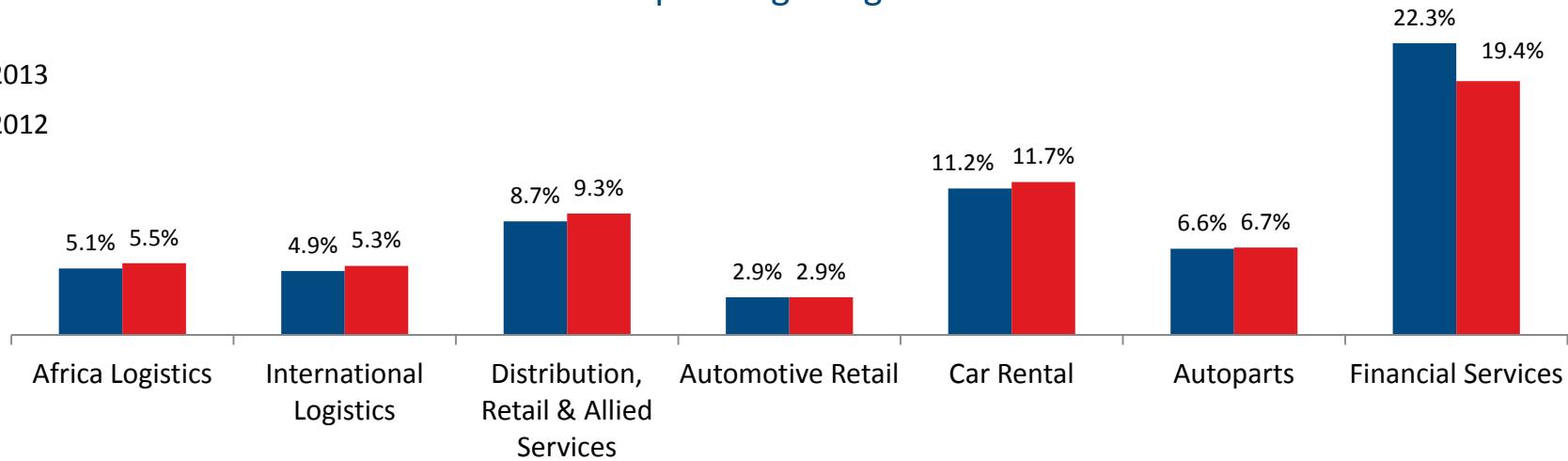
Operating profit



Divisional statistics

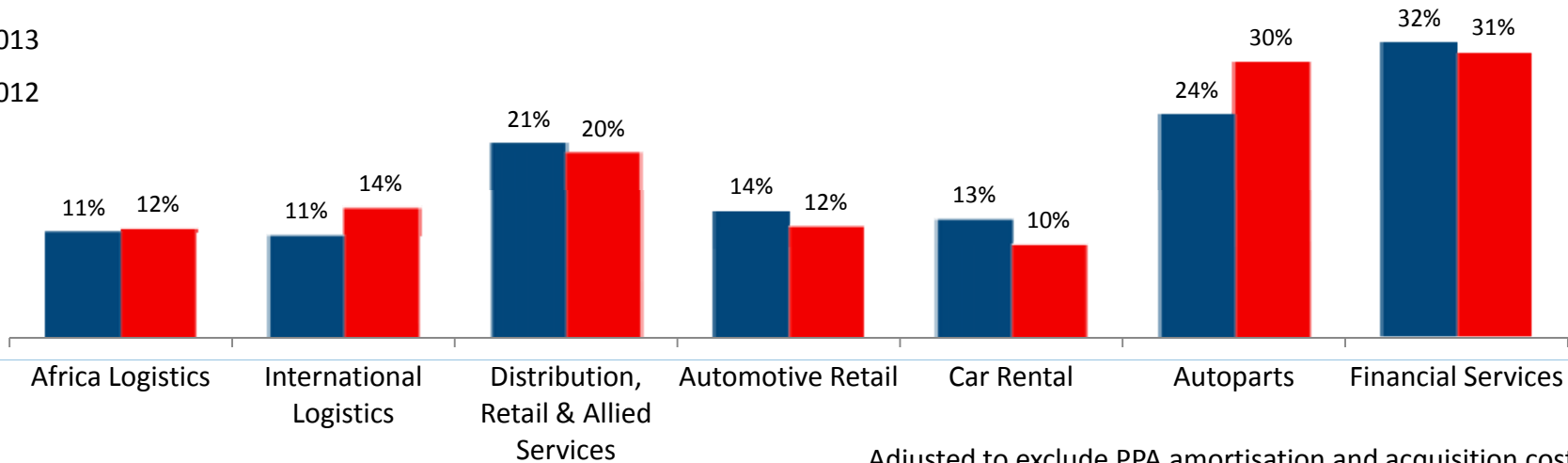
Operating margin %

■ 2013
■ 2012



Return On Invested Capital

■ 2013
■ 2012



Adjusted to exclude PPA amortisation and acquisition costs

Income statement

Rm	2013	2012	% Change
Revenue	92 382	80 830	14%
Operating profit	6 087	5 638	8%
Amortisation of intangible assets	(254)	(128)	
Foreign exchange gains/(losses)	24	(10)	
Business acquisition costs	(15)	(51)	
Recoupments/(impairments) from sale of properties	8	(32)	
Realised gain on sale of available for sale investment	10	-	
Revaluation of contingent considerations	66	-	
Exceptional items	(178)	(12)	

- » Amortisation of intangibles relate largely to Lehnkering's contribution for the full year and the RTT Health Sciences acquisitions for 6 months
- » Exceptional items include:
 - » Impairment of goodwill – R139m
 - » Loss on disposal of investments and subs – R39m

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Realised gain on sale of available for sale investment	10	-	
Revaluation of contingent considerations	66	-	
Exceptional items	(178)	(12)	
Net financing costs	(744)	(681)	9%
Interest cover	8.2x	8.3x	

Income statement

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Revaluation of contingent considerations	66	-	
Exceptional items	(178)	(12)	
Net financing costs	(744)	(681)	9%
Income from associates	86	46	87%

- » Excellent contribution from Mix (29% shareholding)
- » Contribution from smaller associates improved
- » Acquisition of 49% of MDS Logistics – Nigerian logistics acquisition - effective from 26 April
- » Ukhamba performed better due to reversal of impairment of DAWN in the prior year

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Revaluation of contingent considerations	66	-	
Exceptional items	(178)	(12)	
Net financing costs	(744)	(681)	9%
Income from associates	86	46	
Tax	(1 404)	(1 382)	
Effective tax rate	28%	29%	
Net profit for the period	3 686	3 388	9%
Attributable to Imperial shareholders	3 294	2 980	11%
Attributable to minorities	392	408	(4%)

Balance sheet

Rm	2013	2012	% Change
Property, plant and equipment	9 257	8 080	
Transport fleet	4 626	4 336	
Vehicles for hire	2 465	2 321	
Intangible assets	5 206	4 234	23%
Investments and loans	3 218	2 433	32%
Other assets	3 091	2 256	37%

- » Intangible assets increased mainly due to the acquisition of RTT Health Sciences and a weaker Rand
- » Investment and loans increased due to Regent increasing its equity exposure and investing its cash into longer term deposits
- » Other assets increased as a result of assets classified as held for sale and due to the acquisition of 49% of MDS Logistics

Balance sheet

Rm	2013	2012	% Change
Property, plant and equipment	9 257	8 080	
Transport fleet	4 626	4 336	
Vehicles for hire	2 465	2 321	
Intangible assets	5 206	4 234	23%
Investments and loans	3 218	2 433	32%
Other assets	3 091	2 256	37%
Net working capital	6 158	4 607	34%
Cash resources	1 844	3 545	
Assets	35 865	31 812	

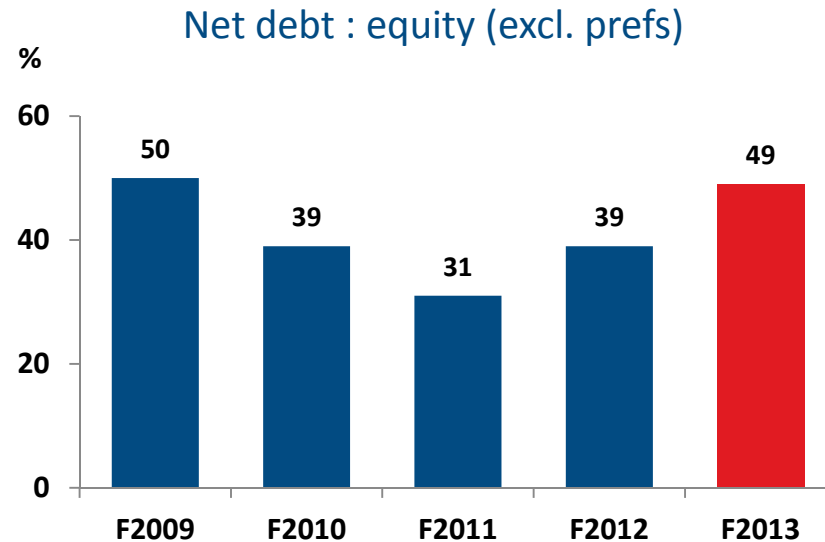
- » Net working capital increased mainly due to acquisitions and improved inventory position in Automotive Retail and Distribution, Retail & Allied Services divisions
- » We are now optimally stocked in both divisions

Balance sheet

Rm	2013	2012	% Change
Total shareholders' interest	17 713	15 889	11%
Interest bearing borrowings	10 568	9 747	8%
Other liabilities	7 584	6 176	
Equity and liabilities	35 865	31 812	

» Equity Impacted by:

- Higher retained income
- Gains arising on translation of foreign operations – R731m
- Share buy-back – (R742m)
- Dividend paid – (R1 478m)



» Net D:E below target ratio of 60% - 80%

» Moody's Ratings:

- Domestic short term credit rating P-1.za
- Domestic long term credit rating A2.za
- International scale rating Baa3

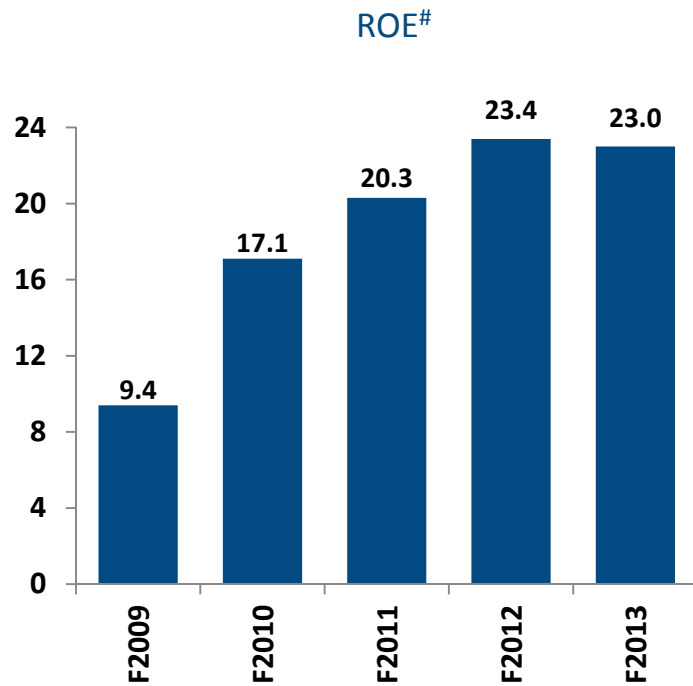
» Euro bond of €236 matured – new bond of R750m issued in SA

» Higher net debt

- Acquisitions
- Share buy back (R742m)
- Translation of foreign debt due to weaker Rand

» Capacity for further acquisitions and organic growth

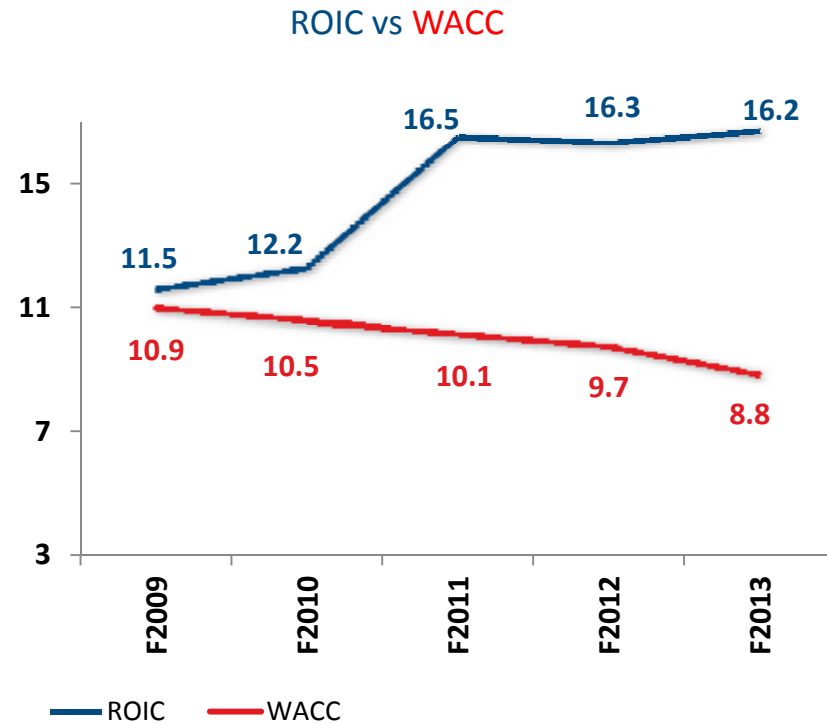
» Group has R5.9bn un-utilised funding facilities



based on core earnings

» ROE is healthy

- More asset-light business mix
- Underpinned by growth in annuity revenue streams and financial services
- Strong balance sheet management and focus on returns



» Objective: Average ROIC > than WACC + 4% through the cycles

» WACC declined due to share buyback and additional finance on Lehnkering acquisition

Cash flow – operating activities

Rm	2013	2012	% Change
Cash generated by operations	8 795	8 198	7%
Net working capital movements	(1 604)	(758)	112%
Cash generated by operations pre-capital expenditure	7 191	7 440	
Net finance costs and tax paid	(2 138)	(2 203)	
Cash flow from operating activities pre rental assets capex	5 053	5 237	(4%)
Expansion capex rental assets	(332)	(352)	
Net replacement capex rental assets	(584)	(505)	
Cash flow from operating activities	4 137	4 380	

- » Net working capital increased due to improvement in inventory to normalised levels in both Automotive Retail and Distribution, Retail & Allied Services
- » Inventory turn still good at 15 times vs 17.5 times in the prior year

Cash flow – investing activities

Rm	2013	2012	% Change
Net disposal/(acquisition)of subs and businesses	(539)	(1 868)	
Capital expenditure	(2 161)	(1 735)	25%
Expansion	(1 350)	(773)	
Replacement	(811)	(962)	
Dividend received from Ukhamba	-	387	
Net movement in associates and JVs	(321)	(94)	
Net movement in investments, loans and non-current financial instruments	(771)	(63)	
Total investing activities	(3 792)	(3 373)	12%

- » Net replacement and expansion capital expenditure excluding car rental vehicles was 25% higher to fund growth and also impacted by the weaker rand
- » Net movement in associates & JV's increased due to the MDS acquisition
- » Increase in equities, loans and other due to Regent increasing its equity exposure

Cash flow – summary

Rm	2013	2012
Cash flow from operating activities (pre capex)	5 053	5 237
Net acquisition of subsidiaries and businesses	(539)	(1 868)
Capital expenditure	(3 077)	(2 592)
Dividend received from Ukhamba	-	387
Net movement in associates and JV's	(321)	(94)
Net movement in equities, loans and other	(771)	(63)
Dividends paid, hedge costs	(2 595)	(1 632)
(Increase)/Decrease in net debt	(2 250)	(625)
Free cash flow – total operations	3 658	3 770
Free cash conversion ratio	106%	125%

» Free cash flow still strong



FAST MOVING FORWARD THINKING

Strategy



- » Focused on generating higher returns on capital
- » Seeking growth opportunities in and adjacent to existing industries and geographies
- » Focused on expanding our footprint in logistics industry in Africa and abroad
 - Specific focus on consumer logistics in Africa
 - Europe to expand around existing themes, following its customers globally
- » Maximizing position in motor value chain
 - Scale and experience stands us in good stead
 - Enable us to earn increasing annuity income streams from financial services and a growing vehicle parc (parts & services)
- » Distribution of products which carry strong brands in the automotive and industrial markets remain a core focus
- » Car Rental - focus will be on further improving the returns
- » Regent and LiquidCapital to expand product ranges and further improve market penetration

Key acquisitions and disposals over the last five years

Logistics

- » Lehnkering – major chemicals logistics player in Europe
- » CIC – expansion of African distribution network
- » RTT Health Sciences - pharmaceutical distribution and logistics in SA and Rest of Africa
- » 49% of MDS Logistics - leading Nigerian logistics player
- » Disposed of Megafreight*

* Revenue and Operating Profit contribution of R87m (F2012: R517m) and R7m (F2012: R33m) respectively

Automotive & Industrial

- » Midas – expanding into aftermarket parts
- » Goscor
- » Datadot
- » Bobcat
- » Afintapart SA
- » Acquired an additional 11% in Renault SA
- » Disposed of National Airways Corporation#
- » Disposal of Tourism in progress^

Revenue and operating profit contribution of R700m (F2012: R1 387m) and R26m (F2012: R57m) respectively

^Revenue and Operating Loss contribution of R412m (F2012: R519m) and -R25m (2012: -R3m) respectively

Financial Services

- » Disposed of remaining 49.9% of Imperial Bank
- » Created new financial services division
- » Launched Imperial Fleet Management in a JV with Wesbank
- » Launched ARIVA in a JV with JD Group
- » Acquired a 29% interest in Mix Telematics

Over R4bn spent on acquisitions over the period

ROE improved from 9.4% to 23%

Complementary business units

Auto and Financial services



Cash

Enrich value chain
Generate cash flow

Logistics

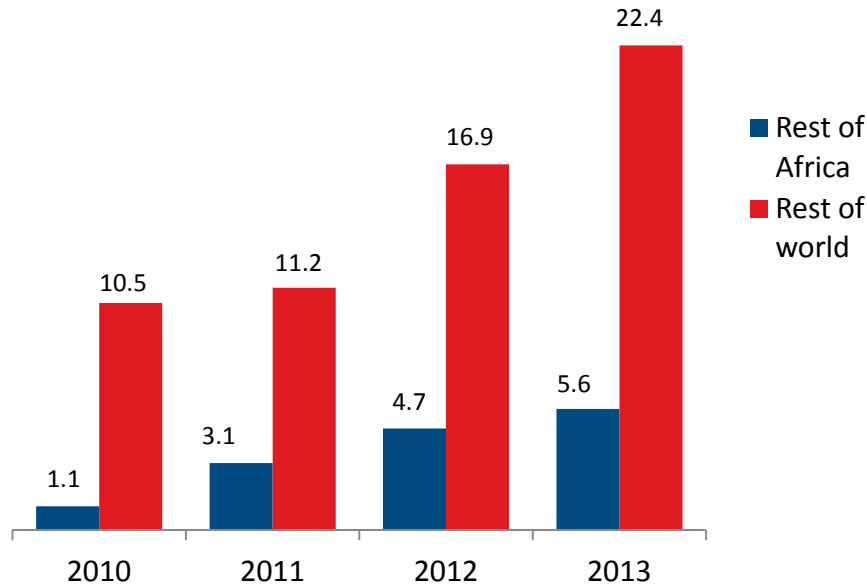


Expansion, Growth,
Acquisitions

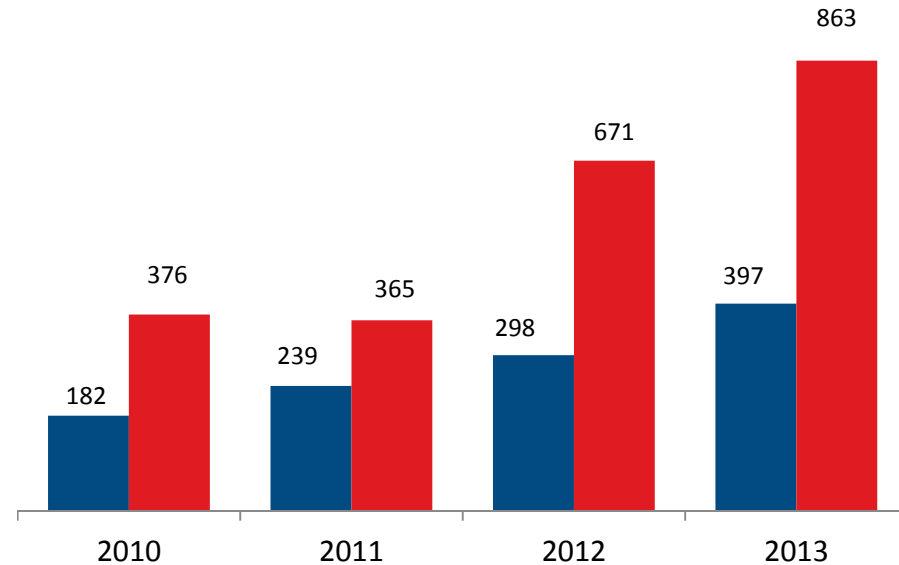
Excess cash:
Healthy dividends;
Share buy backs

Shareholders

Revenue by geography (Rbn)



Operating profit by geography (Rm)



Revenue and Operating Profit ex SA has more than doubled over three year period

- » Represents 21% of Group operating profit – growing
- » Rest of Africa
 - 3 year Revenue CAGR = 72%; 3 year Operating profit CAGR = 30%
- » Rest of World
 - 3 year Revenue CAGR = 29%; 3 year Operating profit CAGR = 32%

- » Logistics industry to remain challenging in SA
 - underwent strategic consolidation
 - expect benefits to be realised in 2014
- » Prospects for the Rest of Africa remain good
 - ideal platform for growth
- » International Logistics – positive about its ability to grow
 - Through following customers and acquisitions
- » Tougher conditions expected in new vehicle market
 - Weakening currency to impact margins, prices and ultimately demand
- » Growth expected to continue in used car sales, aftersales parts and service
- » Car rental market to remain competitive
- » Autoparts to continue to perform solidly
- » Regent – underwriting performance will improve
- » LiquidCapital performance to be underpinned by strong annuity income streams
- » Under current conditions we expect it will be difficult to achieve meaningful growth in 2014
- » Well positioned to grow organically and through acquisitions



FAST MOVING FORWARD THINKING

Questions

