



FAST MOVING  
*FORWARD THINKING*



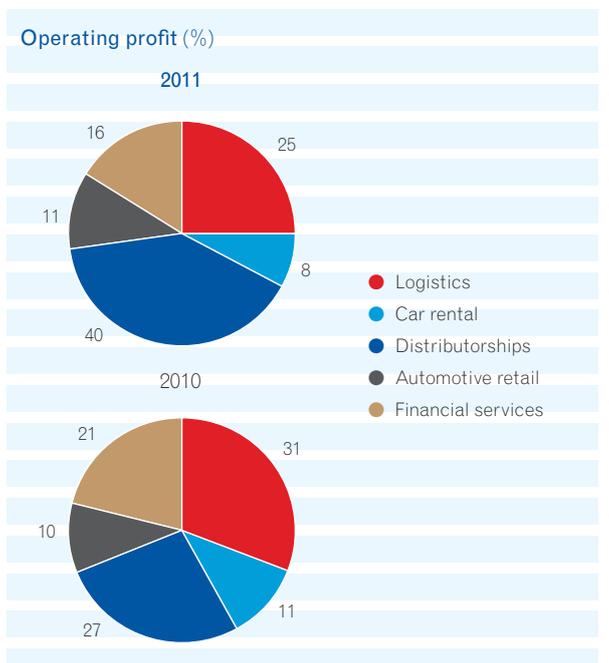
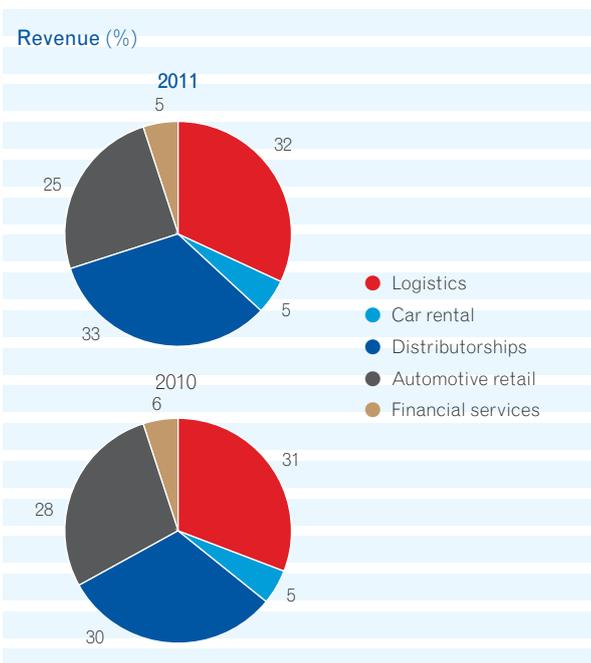
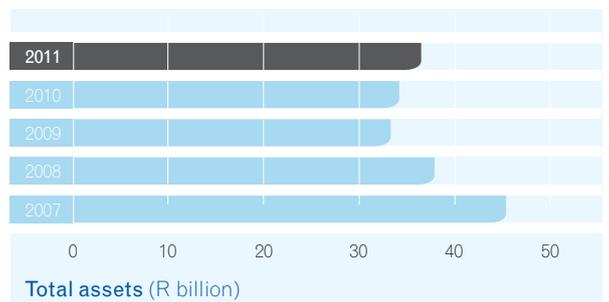
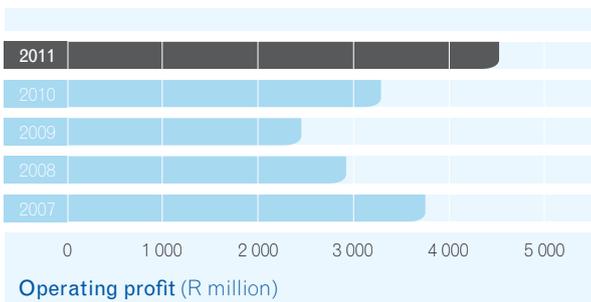
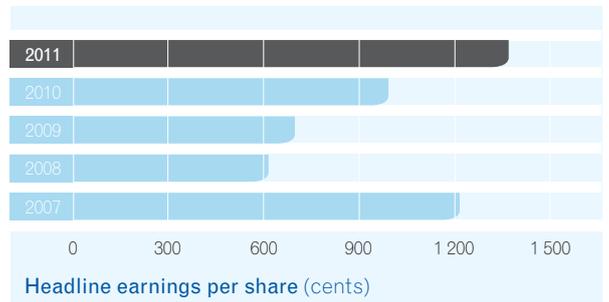
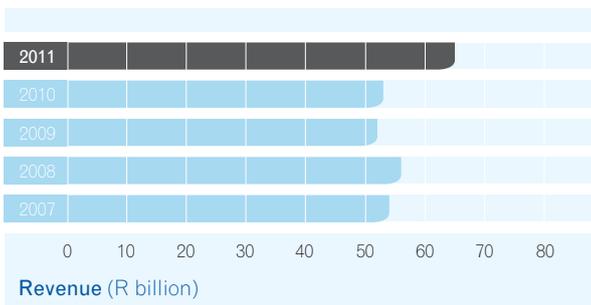
**IMPERIAL**™

**AUDITED PRELIMINARY RESULTS**  
for the year ended 30 June 2011



# HIGHLIGHTS

- › HEPS up **38%** to **1 370 cps**
- › Operating profit up **38%** to **R4 526 million**
- › Revenue **21%** higher to **R64 667 million**
- › Cash flow from operating activities up **86%**
- › Net debt/equity ratio of **34%**
- › Full year dividend of **480 cps**



## Overview of results

The group achieved an outstanding result amidst tough trading conditions in certain of our markets. Revenue was up 21% and operating profit increased by 38% to R 4,5 billion. The return on equity of the group reached 23% whilst cash generated by operations increased by 49%.

The group's new vehicle unit sales in South Africa grew by 21% which was slightly ahead of the industry. Trading conditions in our SA Logistics Division were challenging, while the International Logistics Division performed well in a strong German economy. Acquisitions made a positive contribution and were earnings enhancing.

The operating margin increased to 7,0% from 6,2% with the main contributor being the Distributorships division which achieved a margin of 8,4% against 5,4% in the prior year. Revenue in the Distributorships division increased by 30,0%. Automotive Retail grew its margin to a strong 2,9% from 2,2%, with revenue up 10%. The margin in our combined Southern African and European logistics business declined to 5,5%, mainly due to the inclusion of the newly acquired CIC Holdings Limited ("CIC"), the negative impact of the transport workers strike in February and operational difficulties experienced in The Cold Chain (which is an important unit in the Consumer Logistics Division). The Car Rental and Tourism division's margin declined due to the benefits from the 2010 FIFA World Cup which boosted the performance in the prior year, pressure on rental rates, a sluggish used car market, losses in the newly acquired Panel businesses and declines in the Tourism and Coach businesses.

The acquisition of Midas, which only contributed for seven months in the previous year, and CIC, which was acquired in the first half of this financial year, contributed strongly to the results of the Distributorships and SA Logistics Division respectively.

In line with a more unified management approach across the spectrum of financial products in the group, we now report all financial services as a single segment. This includes the Regent Insurance group, LiquidCapital and a number of other financial services operations which mainly originate business from our motor vehicle operations. This division contributed strongly with operating profit up by 9% to R760 million. The underwriting margin improved significantly largely due to a better claims experience, while insurance investment income fell short of the strong performance in the corresponding period due to lower interest rates. The equity portfolio remains conservatively managed with downside protections in place. Operating profit from other financial services grew strongly from the combination of annuity income from service and maintenance plans, vehicle financing alliances and a growing range of value added products.

In aggregate, the group's operating profit grew by 38%, and Headline Earnings per Share (HEPS) increased by 38%. Below the operating line, the most significant variation from the corresponding previous period which impacted on HEPS was the fair value adjustment from the Lereko BEE structure of R279 million (147 cps) compared to R78 million (42 cps) in the prior period. Last year, the net impact to headline earnings from once off items including the fair value gain on the Lereko BEE structure was R54 million (29 cps). Imperial Bank contributed R175 million (94 cps) in the prior period which did not recur as a result of the sale of our shareholding in the bank. Amortisation of intangible assets arising on business combinations amounting to R15 million (8 cps) impacted negatively in the current period.

The interest charge reduced by 7,2% to R554 million due to lower interest rates and lower debt. The increase in the minorities' share of profit is largely attributable to the strong performance of the Distributorships division and new acquisitions where a number of minority shareholders participate. Interest covered by operating profit has increased from 5,5 times to 8,2 times.

The results of discontinued operations are not disclosed separately as they are no longer material to the group's results and contributed R7 million of attributable profit for the year.

The effective tax rate at 31% was above the statutory rate of 28% because of the cost of secondary tax on companies, non-deductible expenses and deferred tax impairments, which were offset by the revaluation of the Lereko call option.

The significant decrease in income from associates relates mainly to the sale of our shareholding in Imperial Bank. Imperial Bank contributed R175 million in the prior period. Mix Telematics, in which we hold a 25,6% interest, contributed R17 million and the contribution from smaller associates increased from the prior year. Renault had a solid year but its profits will only be recognised once previous losses have been recouped.

## Financial position

Intangible assets increased by 81% to R1,8 billion mainly due to the CIC acquisition.

Investment in associates and joint ventures reduced as the call option in Lereko has been reclassified to equity.

Net working capital was well managed and increased by R363 million after the acquisition of CIC and on revenue growth of R11,2 billion. The net working capital turn improved from 19,2 to 21,1 times.

Shareholders' equity was impacted by the repurchase of approximately 1,5 million shares worth R156 million and the elimination of Imperial shares owned by Lereko, which are now treated as treasury stock decreasing equity by R665 million.

The group raised R2 billion by the issue of a fixed rate seven year corporate bond for R1,5 billion (IPL6) and a five year floating rate bond for R500 million (IPL5) in September 2010 at spreads of approximately 200 bps over the appropriate risk free rates. The issues provided long-term liquidity and were used to settle IPL3 and IC01 of R2 billion which matured. The group's liquidity position is strong with R8 billion in unutilised facilities and only 16% of debt is due within one year. 41% of the group's debt is at a fixed interest rate.

Net debt to equity (excluding preference shares) at 30% was lower than the 39% at June 2010 and 48% at December 2010. The current gearing level is below our target range of 60% to 80%, which leaves significant room for expansion of the group.

## Cash flow

Cash generated by operations was 49% higher than the prior year. After financing costs and tax payments, net cash flow from operating activities increased by 86%. Net working capital cash flows increased by only R298 million, despite strong turnover growth of R11,2 billion. Capital expenditure on rental assets was significantly lower than in the corresponding period as we de-fleeted a large number of car rental vehicles in the second half of this financial year. Net expansion and replacement capital expenditure excluding car rental vehicles was higher than in the prior period as economic circumstances and trading conditions warranted renewed expansion. The free cash flow to headline earnings ratio was 132%.

The final instalment on the sale of Imperial Bank of R477 million was received during the period and R943 million was spent on the acquisition of subsidiaries and businesses of which CIC formed the major part.

## Business conditions in our markets

Trading conditions in the automotive retail market rebounded strongly in 2010. The recovery has continued into the 2011 calendar year, albeit at a slower rate as the prior year base increased. Demand is being stimulated by historic low interest rates, low vehicle inflation, increase in the number of entry level models, increased appetite by banks for vehicle finance and pent-up demand as motorists extended their vehicle replacement cycles during the economic crisis. The commercial vehicle market, which lags the upturn in passenger vehicle sales, has also reversed its negative trend. However, the used car market is depressed, partly because of stronger new car sales.

Volumes in the consumer logistics market, which represents approximately 42% of the revenue of SA Logistics were sluggish in the second half. Construction related volumes were still weak, although volumes in bulk food, chemicals and fuel were positive. The transport workers strike in February was disruptive.

## Overview of results *(continued)*

The German economy, where Imperial Logistics International derives most of its income, continued to show good growth in the second half. A relatively weak Euro and strong demand for German manufactured goods, particularly in the steel and automotive sectors where the bulk of our customer base operates, contributed to this.

Low demand in the international and local leisure travel sector, the sluggish used car market and low rental rates across the car rental industry affected our Car Rental and Tourism Division adversely.

The recovery in vehicle sales has been beneficial to our newly created Financial Services Division which creates a valuable annuity stream to support future earnings. Insurance underwriting conditions were favourable in the second half, particularly in the short-term industry. Investment markets were less favourable with lower interest and softer equity markets.

### Vehicle sales

In South Africa, the group sold 96 453 new (including 11 477 new vehicles sold to outside dealers) and 54 746 used vehicles in the financial year, respectively 21% and 4% more than the prior period. The national new vehicle market grew by 20% year on year.

The Australian and United Kingdom operations sold 9 140 new vehicles, which was 11% higher than the prior period and 3 841 used vehicles, which was 9% higher.

### Expansion of the group during the year

Acquisitions during the period consisted of:

- 100% of CIC, a distributor of fast moving consumer goods throughout Namibia, Botswana, Swaziland, Mozambique and South Africa;
- 80% of EWC Express, which trades in the parcel and express delivery sector of the logistics market;
- 50,1% of Commerce Edge SA, a procurement training company;
- 100% of Danmar Autobody, a manufacturer approved panelbeater and vehicle repair facility in the Johannesburg area;
- 100% of E-Z-GO South Africa, a distributor of the leading brand of golf carts for the golfing and commercial markets;
- 60% of Graffiti Designs, a leading vehicle branding and digital print company;
- 60% of 777 Logistics, a fuel and chemicals bulk tanker business;
- 74,9% of Edusport, a leading sports, educational and incentives group tour operator, with particular strength in the management of large events, and
- 75% of Turbo Exchange, a distributor and refurbisher of turbo chargers.

In the aggregate, acquisitions finalised over the past two years, assuming they were included for a full 12-month period, would have added approximately R7 billion of annual turnover to the group.

## Divisional reports

### Logistics

#### Southern African Logistics

R million	2011			2010			Change %	
	2011	2010	Change %	H2 2011	H2 2010	H2 on H2 2010	H1 2011	H1 on H1 2010
Revenue	13 788	10 308	33,8	7 286	5 194	40,3	6 502	12,1
Operating profit	786	763	3,0	350	396	(11,6)	436	(19,7)
Operating margin	5,7%	7,4%		4,8%	7,6%		6,7%	

The division faced a challenging trading environment in the current year, particularly in the second half when consumer volumes decreased in certain instances and a strike in February had a material impact on profitability across all business units. The Cold Chain, which is an important unit in our Consumer Products division, experienced operational problems which followed a restructuring of the business and recorded

lower throughput in the second half, resulting in losses. These adverse factors were to some extent offset by the acquisition of CIC, effective from 1 November 2010, as well as significant contract gains.

The operating margin was lower than the prior period mainly due to the strike in February, losses at The Cold Chain and the inclusion of CIC's results for eight months. Due to the nature of its operations, CIC operates at lower margins than our current mix of businesses but is able to generate good returns.

Our Transport and Warehousing business, which mainly services the manufacturing, mining, commodities and construction industries, performed satisfactorily, despite inconsistent volume growth. New contract gains and good activity in the tipper business made a positive contribution to results whilst construction related volumes were weak.

The Specialised Freight business produced good results as volumes grew in the food and chemicals businesses and volumes were gained in the liquid petroleum gas markets. New contract gains and the acquisition of 60% of 777 Logistics also contributed to the positive performance.

The Consumer Logistics business was affected by a sluggish consumer market in the second half as well as the disappointing performance of The Cold Chain. Manufacturing volumes in our customer base were also depressed. The division's performance was however enhanced by contract gains and the acquisition of 80% of EWC Express, which trades in the parcel and express delivery sector of the logistics market.

Integration Services produced satisfactory results with Volition and Imperial Air Cargo performing well. Pragma, a 34,4% associate also increased its contribution from the prior year. The division continues to make a valuable contribution to the intellectual capital of the group, specifically by assisting other divisions to expand and integrate client solutions.

Imperial Logistics Africa was established in the period by combining the businesses that operate mainly on the continent outside South Africa into one management and strategic structure to focus on expanding our footprint in the region. The division performed in line with expectations, although the strong rand impacted on revenue streams. The acquisition of 100% of CIC made a significant contribution to this division and significantly increased the scope of our operations on the continent. The expansion of our Africa operations remains a strong strategic imperative for the division.

Gross capital expenditure of R919 million was incurred. The net investment in the fleet is slightly higher than the prior year.

### International Logistics

EUR million	2011			2010			Change %	
	2011	2010	Change %	H2 2011	H2 2010	H2 on H2 2010	H1 2011	H1 on H1 2010
Revenue	716	604	18,5	377	312	20,8	339	11,2
Operating profit	38	30	26,7	22	18	22,2	16	37,5
Operating margin	5,3%	5,0%		5,9%	5,8%		4,7%	

### International Logistics

R million	2011			2010			Change %	
	2011	2010	Change %	H2 2011	H2 2010	H2 on H2 2010	H1 2011	H1 on H1 2010
Revenue	6 848	6 378	7,4	3 639	3 126	16,4	3 209	13,4
Operating profit	350	298	17,4	194	167	16,2	156	24,4
Operating margin	5,1%	4,7%		5,3%	5,3%		4,9%	

Imperial Logistics International achieved an outstanding result on the back of a strong German economy. Revenue growth was experienced across all major business units. New contracts were gained and near record volume growth contributed to the increase in revenue despite lack luster freight rates.

## Overview of results *(continued)*

Imperial Reederei, our inland waterway shipping business, benefited from good transport volumes, especially in dry bulk goods. Two major steel furnaces for which we perform shipping services operated at full capacity whilst one was undergoing maintenance in the prior period.

Panopa, which provides parts distribution and in-plant logistics services to automotive and steel manufacturers, performed well. Gillhuber's new business gains and a major turnaround in the automotive and steel industries in Germany contributed positively. The parts logistics business is also performing well and the recently commissioned parts distribution warehouse in Herten is operating at full capacity with expansion plans underway.

The port operator, Neska, performed well due to increased volumes at container, bulk and paper terminals. The good performance was achieved despite the additional start up costs and weak demand at the Krefeld Container Terminal.

Due to much improved economic conditions and a more positive outlook, capital expenditure for the period was higher when compared to the prior period.

### Car Rental and Tourism

R million	Change			Change %			Change %	
	2011	2010	%	H2 2011	H2 2010	on H2 2010	H1 2011	on H1 2011
Revenue	3 313	2 941	12,6	1 646	1 497	10,0	1 667	(1,3)
Operating profit	351	382	(8,1)	153	213	(28,2)	198	(22,7)
Operating margin	10,6%	13,0%		9,3%	14,2%		11,9%	

*The above table excludes contributions from the sale of financial services products that are of an annuity nature, i.e. results derived from JV alliances with financial institutions are excluded. These results are now reported under the newly created Financial Services Division. Comparatives have been re-presented.*

The division had to contend with extremely difficult trading conditions during the period. The prior year's results were boosted by the 2010 FIFA World Cup. Turnover growth was recorded in the car rental business with revenue days up by 11%. Utilisation was good at 72% but revenue per day decreased by 2%. Both volumes and rates of international and leisure business were lower than the prior year.

The average rental fleet size was 10% up from last year, mainly due to higher rental days and the delayed de-fleeting of vehicles in the middle of the year. Retail unit sales at Auto Pedigree were lower in a difficult used car market with operating margins also depressed. While the car rental fleet size has now been normalised, we are actively managing our stock position at Auto Pedigree.

Danmar Autobody was acquired on 1 October 2010 to provide scale and broaden the footprint in Gauteng for our panelshop business. While the acquisition has taken longer to bed down than anticipated, the panelshop business should start making a more meaningful contribution in the future.

The global recession continues to affect our touring operations as international inbound volumes remain under pressure. Tourism revenue and operating profit in the prior year were also boosted by the 2010 FIFA World Cup.

### Distributorships

R million	Change			Change %			Change %	
	2011	2010	%	H2 2011	H2 2010	on H2 2010	H1 2011	on H1 2011
Revenue	21 947	16 892	29,9	10 904	9 489	14,9	11 043	(1,3)
Operating profit	1 844	914	101,8	1 028	631	62,9	816	26,0
Operating margin	8,4%	5,4%		9,4%	6,6%		7,4%	

*The above table excludes contributions from the sale of financial services products that are of an annuity nature, i.e. results derived from sale of maintenance products, JV alliances with financial institutions and other financial related products are excluded. These results are now reported under the newly created Financial Services Division. Comparatives have been re-presented.*

Excluding our Australian operation, new vehicle registrations as reported to NAAMSA by Associated Motor Holdings (AMH) and Amalgamated Automobile Distributors (AAD) were 24% higher, compared to a market increase of 20%. The successful launch of new models, increased sales to car rental companies and the improvement in the new vehicle market over the past 12 months all contributed to growth in revenue and operating profit. Our imported brands have also strengthened their market positions significantly. The strongly growing vehicle parc of our imported brands, particularly Hyundai and Kia, bodes well for the after-market activities in future.

Margins improved due to the growth in sales volumes, an increased dealer network and throughput, effective cost control and a stable currency. Annuity revenue streams from after-sales parts and service business are also becoming a much more significant contributor to results.

The performance of LiquidCapital, the financial services arm of AMH, is now reported in our new Financial Services Division in order to better reflect the nature of our businesses.

In Australia, new retail unit sales increased by 4% while used vehicle sales were 14% up. The business remains profitable despite disruptions to sales caused by upgrading facilities and the lack of new products.

Renault continues to perform well and has recorded a marked improvement in sales volumes after new product launches. Prior year losses are however still being recouped and therefore Renault's positive results did not contribute to the division.

In the Auto Parts Division, Midas contributed for the full 12-month period against seven months in the prior year. Midas continues to perform well and has positioned Imperial as the leader in this segment, while creating a base to enter adjacent parts and component markets. The engine parts businesses performed satisfactorily. The recent acquisition of 75% of Turbo Exchange was a valuable addition to the division.

The Goscor Group performed very well, trading ahead of expectations. Crown and Doosan increased their market share whilst maintaining a strong order book. The cleaning equipment associate performed well. Graffiti, acquired early in the year, produced solid results, driven by new contracts, the 2010 FIFA World Cup and increased capacity.

During the year, E-Z-GO South Africa, a distributor of the leading brand of golf carts was acquired. E-Z-GO also provides fleet management solutions, after-sales service and spare parts for its product range. The need for its products by industrial users, especially in the healthcare and hospitality industries, offers good growth potential. The business is performing in line with expectations.

Earnings from NAC continued to decline as aircraft sales came under pressure, both from lower demand and lack of availability of bank funding for this asset class. However, significant cost savings were achieved in the maintenance divisions while flight operations and the charter businesses improved. NAC now offers a more suitable range of products for the general aviation market after relinquishing the Hawker Beechcraft distributorship and acquiring rights to Piper and other well-priced products.

### Automotive Retail

R million	Change			Change %			Change %	
	2011	2010	%	H2 2011	H2 2010	on H2 2010	H1 2011	on H1 2011
Revenue	17 150	15 543	10,3	8 628	7 829	10,2	8 522	1,2
Operating profit	497	345	44,1	280	176	59,1	217	29,0
Operating margin	2,9%	2,2%		3,2%	2,2%		2,5%	

*The above table excludes contributions from the sale of financial services products that are of an annuity nature, i.e. results derived from JV alliances with financial institutions are excluded. These results are now reported under the newly created Financial Services Division. Comparatives have been re-presented.*

## Overview of results *(continued)*

The division produced excellent growth in operating profit for the year, reflecting the benefits of right-sizing operations in prior years and the buoyant new vehicle market over the past 12 months. The operating margin improved strongly to 2,9% from 2,2% in the prior year and 2,5% in the first half of F2011.

New passenger car sales of the division rose 24%, in line with growth in this segment of the vehicle market. There was a notable shift in the mix to entry-level vehicles, reflecting continued pressure on consumer debt levels and disposable income. As a result, the mid-priced and luxury vehicle markets were less buoyant.

The narrowing gap between new and used vehicle prices affected used vehicle sales, with volumes flat year on year in a generally sluggish market. The commercial vehicle market also improved during the period, with an 11% rise in unit sales across all brands mirroring increased activity, particularly in the logistics and construction sectors, although the latter is still at a low level of activity.

Current trends indicate that passenger and light commercial vehicle volumes will continue to improve for the rest of the calendar year, albeit at a slower growth rate.

In the UK, the truck dealerships have settled down after rationalisation and cost reductions in the prior period. The business performed ahead of expectations despite a market that remained depressed.

Beekman Canopies' performed well, with sales up on last year. Sales volumes at Jurgens Ci also improved markedly. Initiatives are under way to increase throughput in this division by joint manufacture and marketing across the group.

### Financial Services

R million	Change			Change %			Change %	
	2011	2010	%	H2 2011	H2 2010	on H2 2010	H1 2011	on H1 2011
<b>Revenue</b>								
Insurance	2 808	2 694	4,2	1 454	1 345	8,1	1 354	7,4
Other financial services	601	569	5,6	316	299	5,7	285	10,9
<b>Total</b>	<b>3 409</b>	<b>3 263</b>	<b>4,5</b>	<b>1 770</b>	<b>1 644</b>	<b>7,7</b>	<b>1 639</b>	<b>8,0</b>
<b>OPERATING PROFIT</b>								
<b>Insurance</b>								
Adjusted investment income, including fair value adjustments	206	275	(25,1)	63	110	(42,7)	143	(55,9)
Adjusted underwriting results	319	218	46,3	212	122	73,8	107	98,1
Total insurance operating profit	525	493	6,5	275	232	18,5	250	10,0
Net underwriting margin	11,4%	8,1%		14,6%	9,1%		7,9%	
<b>Other financial services</b>								
Operating margin	39,1%	35,7%		51,7%	39,9%		25,2%	
<b>Total operating profit</b>	<b>760</b>	<b>696</b>	<b>9,2</b>	<b>438</b>	<b>351</b>	<b>24,8</b>	<b>322</b>	<b>36,0</b>
Operating margin	22,3%	21,3%		24,8%	21,4%		19,6%	

Due to the more unified approach across the group in the management of financial services and the focused marketing of these products, it has been decided to create a separate Financial Services division which includes the Regent Life and Short-term Insurance businesses and LiquidCapital that offers a broad range of financial services and products to the motor trade and motoring public.

Financial Services products are sold through all our motor businesses, including Auto Pedigree. It is a growing part within our motor related activities and a focus area across the group. LiquidCapital is the major contributor to the Other Financial Services segment with a strong emphasis on value added products including vehicle maintenance, roadside assistance and insurance sales through a number of different channels.

This division also includes our associate Mix Telematix, a JSE listed company involved in stolen vehicle recovery, vehicle tracking and fleet management. Vehicle financing joint ventures with financial institutions and cell captives which our motor retail and distribution businesses have in partnership with Regent are also included in this segment.

The individual life business made a solid contribution to results, with gross premium income up 16% for the year. In the short-term insurance business, gross written premiums collected were flat year on year, reflecting the termination of poor quality business.

The adjusted underwriting result was strongly up by 46% from R218 million to R319 million. The primary driver behind the underwriting result was an improved claims experience and operational cost management in the short-term business.

Investment returns were lower year on year, reflecting the low interest rate environment. Regent's exposure to the equity markets remained low, with built-in downside protection.

LiquidCapital has benefited from its exposure to the motor industry, which has shown strong growth especially in the entry level segment of the market where our Distributorships Division is well positioned. The growth in the number of new maintenance plans written on the back of the strong new vehicle market provides a valuable annuity earnings underpin to our future profits.

### Skills development and corporate social investment

In the 2011 year Imperial spent R116 million on skills development and training. We currently have over 5 000 learnerships throughout the group of which 450 trainees are enrolled at the group's Cape Town and Germiston based Technical Training Academies in order to become skilled artisans. In addition the group identified 1 250 employees for basic skills empowerment opportunities in Adult Basic Education, Computer Basics and training towards obtaining a drivers license.

To date 120 senior executives participated in a leadership development programme with a leading business school, which was customised for Imperial's diversified and decentralised business model with its need for entrepreneurial and innovative leaders. The programme is continuing and more leaders in the group will participate in it.

A future talent pipeline is being nurtured through a graduate development programme which currently provides 108 university graduates with hands-on workplace experience and mentorship in respect of the Imperial culture and the practical skills required in business.

The Imperial and Ukhamba Community Development Trust, continues to promote effective learning and teaching at seven underprivileged schools serving 7 500 learners in Gauteng.

### Ordinary dividend

A final ordinary dividend of 260 cents per share (2010: 200 cents per share) has been declared. This brings the full dividend for the year to 480 cents per share (2010: 350 cents per share).

### Strategic intentions

The group's strategy remains to focus on its three core pillars, namely:

- Logistics
- Vehicle Rental and Tourism
- Vehicle Distribution and Retail including ancillary Financial Services.

The group's strong capital position will support the expansion of our Southern African logistics business into the African continent and further growth and diversification of our domestic and international logistics businesses. Our objective of optimising our vehicle operations will lead to selected acquisitions and greenfield investments in automotive related fields. In the Tourism Division, we will focus on seeking further opportunities which match our skills base and can add value to our existing car rental and coach touring businesses.

## Overview of results *(continued)*

Over the past number of years the group pursued a strategy to add parts, components and industrial equipment businesses to its portfolio. This includes Jurgens, Beekmans and the recent acquisitions of Midas, Turbo Exchange, Goscor and E-Z-GO. In total across the group, inclusive of NAC, such businesses contributed R6 billion of turnover and R410 million operating profit. We will continue to pursue opportunities in these segments due to their asset-light nature and good returns on capital.

### Prospects

The group is well positioned to take advantage of growth opportunities in its target markets, although trading conditions will continue to be difficult in a number of our focus areas.

The logistics market continues to grow as customers outsource more of their activities to logistics specialists and expectations are that the industry will grow at a multiple of GDP growth. Given Imperial's infrastructure, network and representation in diverse sectors, it is ideally positioned to capitalise on the opportunities presented by the logistics industry. Recent strike action in industries wherein our customers operate resulted in a continued challenging environment while consumer logistics volumes were also under some pressure. The acquisition of CIC provides an ideal platform to take advantage of the growth opportunities in the rest of Africa, which is a key focus for the group.

Trade volumes remain robust in Germany despite the uncertainty in weaker European economies. The rate of growth in our International Logistics business could however start slowing down due to the higher base created by the recent strong performance. We are positive on the medium-term prospects of our International Logistics business. It is well positioned in attractive niches in the logistics industry in Germany and acquisitions could be a further growth driver.

In a competitive car rental market, we are focused on improving brand awareness and rental rates, while optimising our fleet size and utilisation rates. We expect a continuation of very difficult conditions in the industry. Results from our tourism operations will continue to be affected by global economic conditions and the strong rand.

The outlook for our new financial year is for a slowing rate of growth in new vehicle sales as the base is now substantially higher. High consumer debt levels and possible interest rate hikes present potential headwinds in the new vehicle market. This will be offset by the strong positioning of our imported brands, improved product supply and the benefits that flow from parts and service revenue streams as the car parc of these brands grew strongly over the recent past. Used vehicle demand is expected to remain depressed as the gap between the cost of new and used vehicles is very slim.

The Autoparts business is less susceptible to declining new vehicle sales and should continue to perform solidly as initiatives in expanding its product range and geographic footprint bear fruit. Our industrial distribution businesses should continue to perform well. The order book in the lift truck business in the Goscor Group remains strong and our key brands, Tennant, Crown, E-Z-GO and Doosan continue to gain market share.

Financial Services earnings should be robust in the year ahead, while the investment results will be muted due to a low interest rate cycle and uncertain equity markets. Regent will focus on growing premium income by expanding distribution channels. LiquidCapital will generate valuable stable annuity earnings due to the new business that is being placed on its book during the current strong vehicle sales cycle.

Our financial position remains strong despite significant organic and acquisitive growth during the period under review. We are therefore well positioned to take advantage of attractive acquisition opportunities as they arise.

The global economy finds itself in extremely volatile and uncertain conditions, which may affect the group. However, management continues to focus on our key strategies and on further improving the group's returns on capital. Given current conditions, we believe that it will be challenging to achieve meaningful growth in the year ahead.

### Non-executive directors

Roy McAlpine retired from the Board on 30 June 2011 after many years as an independent non-executive director. We thank him for his valuable contributions while in office and wish him well in this new phase of his life. Santie Botha was appointed as an independent non-executive director effective 1 September 2011. We believe her business acumen and marketing experience will add to the depth of skills on our Board, and look forward to her contributions.

By order of the Board

<b>TS Gcabashe</b> Chairman	<b>HR Brody</b> Chief Executive	<b>AH Mahomed</b> Financial Director
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## Declaration of dividends for the year ended 30 June 2011

### Preference shareholders and Ordinary shareholders

Notice is hereby given that:

- a preference dividend of 336.575 cents per preference share has been declared payable, by the Board of Imperial, to holders of non-redeemable, non-participating preference shares; and
- an ordinary dividend in an amount of 260 cents per ordinary share has been declared payable, by the Board of Imperial, to holders of ordinary shares.

The company has determined the following salient dates for the payment of the preference dividend and ordinary dividend:

**2011**

Last day for preference shares and ordinary shares respectively to trade cum-preference dividend and cum ordinary dividend	Friday, 16 September
Preference and ordinary shares commence trading ex preference dividend and ex ordinary dividend respectively	Monday, 19 September
Record date	Friday, 23 September
Payment date	Monday, 26 September

Share certificates may not be dematerialised/rematerialised between Monday, 19 September 2011 and Friday, 23 September 2011, both days inclusive.

On Monday, 26 September 2011, amounts due in respect of the preference dividend and the ordinary dividend will be electronically transferred to the bank accounts of certificated shareholders that utilise this facility. In respect of those who do not, cheques dated 26 September 2011 will be posted on or about that date. Shareholders who have dematerialised their shares will have their accounts, held at their CSDP or broker, credited on Monday, 26 September 2011.

On behalf of the Board

**RA Venter**  
Group Company Secretary

23 August 2011

## Condensed consolidated income statement

for the year ended 30 June	Audited 2011 Rm	Re-presented Audited 2010 Rm	% change
<b>Revenue</b>	<b>64 667</b>	53 438	21
Net operating expenses	<b>(58 646)</b>	(48 771)	
<b>Profit from operations before depreciation and recoupments</b>	<b>6 021</b>	4 667	
Depreciation, amortisation, impairments and recoupments	<b>(1 495)</b>	(1 379)	
<b>Operating profit</b>	<b>4 526</b>	3 288	38
Recoupments from sale of properties, net of impairments	7	51	
Amortisation of intangible assets arising on business combinations	<b>(15)</b>		
Foreign exchange (losses) gains	<b>(33)</b>	49	
Fair value losses on foreign exchange derivatives	<b>(18)</b>	(38)	
Impairment reversals of share scheme loans		24	
Gain on early settlement of European bond		27	
Fair value gain on Lereko call option	<b>279</b>	78	
Exceptional items	<b>(46)</b>	58	
<b>Profit before net financing costs</b>	<b>4 700</b>	3 537	33
Net finance cost including fair value gains and losses	<b>(554)</b>	(597)	
Income from associates and joint ventures	<b>34</b>	174	
<b>Profit before taxation</b>	<b>4 180</b>	3 114	
Income tax expense	<b>(1 272)</b>	(911)	
<b>Profit from continuing operations</b>	<b>2 908</b>	2 203	32
<b>Discontinued operations</b>		59	
– Trading profit from operations		29	
– Fair value profit on discontinuation		30	
<b>Net profit for the year</b>	<b>2 908</b>	2 262	
<b>Net profit attributable to:</b>			
Equity holders of Imperial Holdings Limited	<b>2 562</b>	2 021	
Non-controlling interests	<b>346</b>	241	
	<b>2 908</b>	2 262	

## Condensed statement of other comprehensive income

	Audited 2011 Rm	Re-presented Audited 2010 Rm
for the year ended 30 June		
Net profit for the year	2 908	2 262
Exchange gains (losses) arising on translation of foreign operations	26	(184)
Fair value gain on Lereko call option		244
Movement in hedge accounting reserves	39	22
Fair value gains on available for sale financial assets		15
Share of other comprehensive income of associates and joint ventures	(4)	(37)
Income tax relating to components of other comprehensive income		1
<b>Total comprehensive income for the year</b>	<b>2 969</b>	<b>2 323</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of Imperial Holdings Limited	2 618	2 085
Non-controlling interests	351	238
	<b>2 969</b>	<b>2 323</b>

## Earnings per share information

	Audited 2011 Rm	Re-presented Audited 2010 Rm	% change
for the year ended 30 June			
<b>Headline earnings reconciliation</b>			
Attributable profit	2 562	2 021	
Attributable to preferred ordinary shareholders		(78)	
Attributable to ordinary shareholders	2 562	1 943	
Profit on sale of property, plant and equipment	(60)	(98)	
Impairment of assets	24	39	
Exceptional items	46	(88)	
Exceptional items – included in income from associates and joint ventures	17	4	
Taxation	15	31	
Non-controlling interests	4	10	
Headline earnings – basic	2 608	1 841	
Attributable to preferred ordinary shareholders		78	
Headline earnings – diluted	2 608	1 919	
<b>Earnings per share (cents)</b>			
– Basic	1 346	1 047	29
– Diluted	1 266	991	28
<b>Headline earnings per share (cents)</b>			
– Basic	1 370	992	38
– Diluted	1 289	941	37
<b>Preferred ordinary shares (cents)</b>			
– Basic		535	
<b>ADDITIONAL INFORMATION</b>			
<b>Net asset value per share (cents)</b>	6 137	5 529	11
<b>Number of ordinary shares (million)</b>			
– in issue	195,1	187,0	
– weighted average	190,3	185,7	
– weighted average for diluted earnings	202,3	204,0	
<b>Number of other shares in issue (million)</b>			
– Preferred ordinary		14,5	
– Deferred ordinary	15,0	15,9	
Dividends per ordinary share (cents)	480	350	37

## Other information

	Audited 2011 Rm	Re-presented Audited 2010 Rm
<b>Net finance cost</b>		
Net interest paid	563	633
Foreign exchange loss (gain) on monetary items	62	(222)
Fair value (gain) loss on interest swaps	(71)	186
Net finance cost	554	597
Net finance cost – discontinued operations		25
<b>Exceptional items</b>		
Impairment of goodwill	(52)	(108)
Profit on sale of Imperial Bank Limited		131
Recognition of deferred profit on sale of Dawn Limited		22
Net profit on disposal and rationalisation of investments in subsidiaries, associates and joint ventures	6	13
	(46)	58
Fair value profit on Aviation disposal group – discontinued operations		30

## Condensed consolidated statement of financial position

at 30 June	Audited 2011 Rm	Re-presented Audited 2010 Rm	Re-presented Audited 2009 Rm
<b>ASSETS</b>			
Intangible assets	1 823	1 006	901
Investments in associates and joint ventures	770	1 190	2 334
Property, plant and equipment	6 550	5 983	5 976
Transport fleet	3 627	3 399	3 483
Vehicles for hire	2 057	2 237	1 653
Deferred tax assets	661	658	645
Investments and loans	2 413	2 021	1 136
Non-current financial assets	244	206	203
Inventories	7 589	6 809	5 592
Taxation in advance	138	126	154
Trade and other receivables	7 130	6 165	5 633
Cash resources	3 531	3 199	4 655
Assets classified as held for sale		747	950
Final instalment on sale of Imperial Bank Limited		477	
<b>Total assets</b>	<b>36 533</b>	<b>34 223</b>	<b>33 315</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	9	10	10
Shares repurchased	(220)	(1 816)	(1 816)
Other reserves	111	433	280
Retained earnings	12 073	12 513	11 300
Attributable to Imperial Holdings' shareholders	11 973	11 140	9 774
Non-controlling interests	1 043	806	587
<b>Total shareholders' equity</b>	<b>13 016</b>	<b>11 946</b>	<b>10 361</b>
<b>Liabilities</b>			
Non-redeemable, non-participating preference shares	441	441	441
Retirement benefit obligations	233	222	256
Interest-bearing borrowings	7 508	7 833	9 794
Insurance, investment, maintenance and warranty contracts	2 465	2 124	2 162
Deferred tax liabilities	549	656	652
Non-current financial liabilities	323	312	157
Trade and other payables and provisions	11 474	10 092	8 532
Current tax liabilities	524	335	501
Liabilities directly associated with assets classified as held for sale		262	459
<b>Total liabilities</b>	<b>23 517</b>	<b>22 277</b>	<b>22 954</b>
<b>Total equity and liabilities</b>	<b>36 533</b>	<b>34 223</b>	<b>33 315</b>
Capital commitments	1 007	882	544
Contingent liabilities	61	201	256

## Condensed consolidated statement of cash flows

for the year ended 30 June	Audited 2011 Rm	Re-presented Audited 2010 Rm	% change
<b>Cash flows from operating activities</b>			
Cash generated by operations before movements in working capital	6 375	4 723	
Net working capital movements	(298)	30	
<b>Cash generated by operations before net capital expenditure on rental assets*</b>	6 077	4 753	28
Expansion capital expenditure – rental assets#	(157)	(521)	
Net replacement capital expenditure – rental assets#	(174)	(367)	
– Expenditure	(1 900)	(1 489)	
– Proceeds	1 726	1 122	
<b>Cash generated by operations^</b>	5 746	3 865	49
Net financing costs	(563)	(658)	
Taxation paid	(1 221)	(1 075)	
	3 962	2 132	86
<b>Cash flows from investing activities</b>			
Net acquisition of subsidiaries and businesses	(943)	(415)	
Expansion capital expenditure – excluding rental assets	(530)	(442)	
Net replacement capital expenditure – excluding rental assets	(667)	(463)	
Proceeds from the sale of Imperial Bank Limited	477	1 374	
Net movement in other associates and joint ventures	78	(271)	
Net movement in investments, loans and other non-current financial instruments	(15)	(778)	
	(1 600)	(995)	
<b>Cash flows from financing activities</b>			
Hedge cost premium paid	(205)	(5)	
Purchase of ordinary shares for hedging of share scheme		(200)	
Purchase of ordinary shares	(156)		
Cost incurred on cancellation of shares repurchased	(8)		
Dividends paid	(983)	(653)	
Change in non-controlling interests	(51)	(29)	
Repayment of IPL 3 and IC 01 corporate bonds	(2 026)		
Proceeds from the issuance of IPL 5 and IPL 6 corporate bonds	2 034		
Net decrease in other interest-bearing borrowings	(225)	(697)	
	(1 620)	(1 584)	
Net increase (decrease) in cash and cash equivalents	742	(447)	
Cash and cash equivalents at beginning of year	2 184	2 631	
<b>Cash and cash equivalents at end of year</b>	2 926	2 184	
<b>Analysis of cash generated by operations</b>			
* Cash generated by operations before movements in workings capital			
– Continuing operations		4 443	
– Discontinued operations		310	
		4 753	
# Net capital expenditure on rental assets			
– Continuing operations		(955)	
– Discontinued operations		67	
		(888)	
^ Cash generated by operations			
– Continuing operations		3 488	
– Discontinued operations		377	
		3 865	

## Condensed consolidated statement of changes in equity

for the year ended 30 June	Share capital Rm	Shares re-purchased Rm	Other reserves Rm	Retained earnings Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
<b>Balance at 30 June 2009 – Audited</b>	10	(1 816)	280	11 300	9 774	587	10 361
Total comprehensive income for the year			64	2 021	2 085	238	2 323
Statutory reserves			38	(38)			
Share-based equity reserve utilisation			(57)		(57)		(57)
Movement in share-based equity reserve			134		134	(2)	132
Dividends paid				(570)	(570)		(570)
Purchase and cancellation of 2 123 775 ordinary shares				(200)	(200)		(200)
Non-controlling interests arising on acquisitions and disposals of businesses						69	69
Net decrease in non-controlling interests			(26)		(26)	(3)	(29)
Non-controlling interests share of dividends						(83)	(83)
<b>Balance at 30 June 2010 – Audited</b>	<b>10</b>	<b>(1 816)</b>	<b>433</b>	<b>12 513</b>	<b>11 140</b>	<b>806</b>	<b>11 946</b>
Total comprehensive income for the year			56	2 562	2 618	351	2 969
Statutory reserves			20	(20)			
Share-based equity reserve transferred to retained earnings on vesting			30	(30)			
Share-based equity reserve utilisation including hedging cost			(205)		(205)		(205)
Share-based equity reserve charged to the income statement			122		122	(4)	118
Dividends paid				(837)	(837)		(837)
Consolidation of 5 864 944 Imperial shares held by Lereko as shares repurchased		(665)	(309)	309	(665)		(665)
Purchase and cancellation of 16 000 000 ordinary shares from subsidiary	(1)	2 000		(2 007)	(8)		(8)
Purchase and cancellation of 1 465 719 ordinary shares from open market				(156)	(156)		(156)
Reserve reallocation		261		(261)			
Non-controlling interests arising on acquisitions of businesses						51	51
Net decrease in non-controlling interests			(36)		(36)	(15)	(51)
Non-controlling interests share of dividends						(146)	(146)
<b>Balance at 30 June 2011 – Audited</b>	<b>9</b>	<b>(220)</b>	<b>111</b>	<b>12 073</b>	<b>11 973</b>	<b>1 043</b>	<b>13 016</b>

# Notes to the condensed consolidated financial statements

## BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 30 June 2011 and the AC500 standards issued by the Accounting Practices Board or its successor. This condensed consolidated information has been prepared using the information as required by IAS 34 – *Interim Financial Reporting*, and comply with the Listings Requirements of the JSE Limited. These financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 30 June 2010.

These condensed consolidated financial statements were approved by the Board of Directors on 23 August 2011.

## ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 30 June 2010 except for the adoption of new or revised accounting standards, interpretations and restatements which are described below.

## NEW ACCOUNTING STANDARDS

The group adopted accounting standards and interpretations that became applicable during the current reporting period.

None of these have had a significant impact on the group's accounting policies and methods of computation, and they have not impacted the 30 June 2010 statement of financial position.

## CONSOLIDATION OF LEREKO MOBILITY (PTY) LIMITED

The preferred ordinary shares in Imperial Holdings Limited and Eqstra Holdings Limited held by Lereko Mobility converted into ordinary shares on 30 September 2010. Part of these shares were sold on the open market and the proceeds were used to settle Lereko Mobility's funding obligations to third parties. It is likely that the remaining shares will be delivered to Imperial Holdings Limited and Eqstra Holdings Limited to settle Lereko Mobility's vendor funding obligations to Imperial Holdings Limited and Eqstra Holdings Limited respectively. As it is likely that the remaining Imperial Holdings Limited shares will revert back to Imperial, these shares are treated as shares repurchased.

## ORDINARY SHARES CANCELLED

Imperial Corporate Services (Pty) Limited, a wholly owned subsidiary of Imperial Holdings Limited, held 23 864 456 shares as treasury shares. Sixteen million of these shares were sold to Imperial Holdings Limited and subsequently cancelled. As an intra-group transaction this had no significant financial effect on the group's results, financial position or cash flows other than transaction costs that are normally incurred in transactions of this nature.

The group acquired 1 465 719 shares in the open market with a value of R156 million and were cancelled out of retained earnings.

## DISCONTINUED OPERATIONS

Discontinued operations are now immaterial to the group. Their results are now included in continuing operations in the income statement and under head office and eliminations on the segment report and this impact is insignificant.

## RE-PRESENTATION OF THE COMPARATIVE INFORMATION

### Combined statement of comprehensive income

In the prior year a combined statement of comprehensive income was reported and this has now been re-presented into a separate income statement and statement of other comprehensive income.

### New financial services segment

The group sells financial services products in a number of its segments.

A new financial services division is being reported combining the results of insurance operations, the sale of warranty and maintenance products, income from joint ventures on the sale of financial services, cell captive arrangements and factoring of premium finance operations. This qualifies as a reportable segment in terms of IFRS 8 – Operating segments.

Previously these operations were reported in the car rental and tourism, distributorships, automotive retail, insurance and head office segments.

The insurance segment has been renamed financial services and now includes all of the above operations. These reallocations have been re-presented for the prior year. None of this has had an impact on group earnings.

The new financial services segment resulted in the following reclassifications:

	2010 Rm	2009 Rm
<b>Statement of financial position</b>		
Insurance and investment contracts*	1 093	1 356
Deferred revenue transferred	1 031	806
Insurance, investment, maintenance and warranty contracts – as re-presented	2 124	2 162
Trade and other payables*	10 081	8 342
Deferred revenue transferred	(1 031)	(806)
Trade and other payables – as re-presented	9 050	7 536
In terms of IAS 1 – <i>Presentation of financial statements</i> , these representations require that the 2009 statement of financial position be presented showing the impact with related notes.		
<b>Group income statement</b>		
No impact.		
<b>Group statement of cash flows</b>		
Cash generated by operations before movement in working capital*	4 498	
Transfer of the net movement in deferred revenue to movements in insurance funds	225	
Cash generated by operations before movement in working capital – as re-presented	4 723	
Net movement in working capital*	255	
Transfer of the net movement in deferred revenue to movement in insurance funds	(225)	
Net movement in working capital – as re-presented	30	

The above reclassification had no impact on cash generated by operations.

The deferred revenue relates to obligations to provide services for warranty and maintenance products that extend beyond the end of the financial year.

## Notes to the condensed consolidated financial statements *(continued)*

	Total Rm	Logistics Rm	Car Rental and Tourism Rm	Distributorships Rm	Automotive Retail Rm	Financial Services Rm	Head Office and Eliminations Rm
<b>Segmental information — Financial position</b>							
<b>Operating assets</b>							
Operating assets*	29 506	9 333	2 835	8 947	4 381	3 891	119
Transfer of financial services			(13)	(683)	(10)	1 155	(449)
Operating assets – as re-presented	29 506	9 333	2 822	8 264	4 371	5 046	(330)
<b>Operating liabilities</b>							
Operating liabilities*	12 750	3 928	499	3 878	1 707	2 243	495
Transfer of financial services				(792)	(4)	1 190	(394)
Operating liabilities – as re-presented	12 750	3 928	499	3 086	1 703	3 433	101
<b>Segmental information – Income statement</b>							
Profit before tax and exceptional items*	3 056	917	307	946	206	506	174
Transfer of financial services			(13)	(245)	(6)	209	55
Profit before tax and exceptional items – as re-presented	3 056	917	294	701	200	715	229

\*Previously reported

### SUBSEQUENT EVENTS

In terms of the Ukhamba Black Economic Empowerment transaction, 901 617 deferred ordinary shares have converted to ordinary shares with effect from 1 July 2011. These shares will be listed on the Johannesburg Securities Exchange.

There were no other material events that require disclosure that has occurred subsequent to the financial position date.

### AUDIT OPINION

The auditors, Deloitte & Touche, have issued their opinion on the group's annual financial statements for the year ended 30 June 2011. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. A copy of their audit report is available for inspection at the company's registered office, and is incorporated in the full annual financial statements.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

### PREPARER OF FINANCIAL STATEMENTS

These condensed consolidated financial statements have been prepared under the supervision of R Mumford CA(SA).

### OPERATIONAL SEGMENTAL REPORTING

For management purposes, the Group is organised into five major operating divisions – logistics, car rental and tourism, distributorships, automotive retail and financial services. These divisions are the basis on which the group reports its primary segment information.

The principal services and products of each of these divisions are as follows:

**Logistics** – provides complete logistics solutions including transportation, warehousing, inland waterway shipping, container handling and related value-added services.

**Car Rental and Tourism** – vehicle rental operations span the domestic, corporate and leisure sectors as well as inbound tourism, with extensive support services. Tourism operations include inbound tour operations and niche tourism services.

**Distributorships** – this segment imports and distributes a range of passenger, commercial vehicles, automotive products, industrial equipment, motorcycles and light aircraft.

**Automotive Retail** – consists of a large network of motor vehicle and commercial vehicle dealerships in South Africa and representing most of the major original equipment manufacturers (OEM's). Also manufactures and sells caravans and canopies.

**Financial Services** – comprises insurance operations which are focused on a range of short-, medium- and long-term insurance and assurance products that are predominantly associated with the automotive market, the sale of warranty and maintenance products, income from joint ventures on the sale of financial services, cell captive arrangements and factoring of premium finance operations.

## Business combinations

Subsidiaries and businesses acquired	Nature of business	Operational segment	Date acquired	Interest acquired (%)	Purchase consideration transferred Rm
CIC Holdings Limited	FMCG industry	Logistics	November 2010	100	724
E-Z-GO Golf Carts	Golf carts distribution	Distributorships	September 2010	100	101
EWC Express SA (Pty) Limited	Express logistics	Logistics	October 2010	80	44
Danmar Autobody	Panelshops	Car Rental	October 2010	100	92
Graffiti Designs (Pty) Limited	Signage and advertising	Distributorships	July 2010	60	41
Individually immaterial business combinations					150
<b>Total</b>					<b>1 152</b>

### Reason for the acquisition

CIC Holdings, a previously JSE Limited entity, was acquired to expand our logistics business into the rest of Africa.

E-Z-GO Golf Carts was acquired to expand our distribution business.

EWC Express was acquired as a strategic entry into the parcel and express logistics market.

Danmar Autobody was acquired to increase market share in the panelshops industry.

Graffiti Designs was acquired to enter into the vehicle signage business.

Fair value of assets acquired and liabilities assumed at date of acquisition:	Total Rm	CIC Holdings Limited Rm	E-Z-GO Golf Carts Rm	EWC Express SA (Pty) Ltd Rm	Danmar Autobody Rm	Graffiti Designs (Pty) Ltd Rm	Individually immaterial acquisitions Rm
<b>Assets</b>							
Intangible assets	201	170					31
Investments, loans, associates and joint ventures	29	29					
Property, plant and equipment	126	38	1	2	57	4	24
Transport fleet	160			15			145
Vehicles for hire	46		30				16
Deferred tax assets	14	9					5
Inventories	232	183	17		2	1	29
Trade and other receivables	539	313	1	31		18	176
Due by group companies	35	16				7	12
Cash resources	130	80		4		1	45
	<b>1 512</b>	<b>838</b>	<b>49</b>	<b>52</b>	<b>59</b>	<b>31</b>	<b>483</b>
<b>Liabilities</b>							
Deferred tax liabilities	(43)	(33)		(1)			(9)
Interest-bearing borrowings	(267)	(58)		(24)	(1)	(5)	(179)
Non-current financial liabilities	(2)						(2)
Trade and other payables and provisions	(645)	(414)	(3)	(24)	(4)	(10)	(190)
Current tax liabilities	(7)	(4)					(3)
	<b>(964)</b>	<b>(509)</b>	<b>(3)</b>	<b>(49)</b>	<b>(5)</b>	<b>(15)</b>	<b>(383)</b>
Acquirees' carrying amount at acquisition	548	329	46	3	54	16	100
Less: Non-controlling interests	(51)	(6)		(1)		(7)	(37)
Net assets acquired	497	323	46	2	54	9	63
Purchase consideration transferred	1 152	724	101	44	92	41	150
– Cash	1 073	724	101	24	92	41	91
– Contingent consideration	79			20			59
Fair value of previously held interest	26						26
<b>Excess of purchase price over net assets acquired (intangibles)</b>	<b>681</b>	<b>401</b>	<b>55</b>	<b>42</b>	<b>38</b>	<b>32</b>	<b>113</b>

### Details of contingent consideration

The contingent consideration requires the group to pay the vendors an additional total amount of R79 million over three years if the entities' net profit after tax exceeds certain earnings targets. Acquisition-related cost amounting to R15 million have been excluded from the purchase consideration and have been recognised as an expense in the period, within 'Net operating expenses' in the income statement.

Impact of the acquisitions on the results of the group	Total Rm	CIC Holdings Limited Rm	E-Z-GO Golf Carts Rm	EWC Express SA (Pty) Ltd Rm	Danmar Autobody Rm	Graffiti Designs (Pty) Ltd Rm	Individually immaterial acquisitions Rm
From the dates of acquisition, the acquired businesses contributed:							
Revenue	2 761	1 761	48	130	106	126	590
Attributable profit	70	45	5	5	(8)	9	14
Had all the acquisitions been consolidated from 1 July 2010 the income statement would have included:							
Revenue	3 860	2 645	56	173	162	126	698
Attributable profit	99	59	8	5	(6)	9	24

Trade and other receivables acquired had gross contractual amounts of R549 million of which R10 million was doubtful. None of the goodwill is expected to be deductible for tax purposes. Non-controlling interest has been calculated based on their proportionate share in net assets.

## Segmental information – Financial position

	Group 2011 Rm	Group 2010 Rm	Logistics 2011 Rm	Logistics 2010 Rm	Car Rental and Tourism 2011 Rm
at 30 June					
<b>BUSINESS SEGMENTATION</b>					
<b>Assets</b>					
Intangible assets	1 823	1 006	1 191	536	85
Investments, associates and joint ventures	2 548	2 362	99	88	7
Property, plant and equipment	6 550	5 983	1 858	1 680	436
Transport fleet	3 627	3 399	3 673	3 452	
Vehicles for hire	2 057	2 237			1 713
Non-current financial assets	244	206			
Inventories	7 589	6 809	254	87	398
Trade and other receivables	7 130	6 165	4 233	3 490	309
Cash in financial services businesses	1 247	1 339			
<b>Operating assets</b>	<b>32 815</b>	<b>29 506</b>	<b>11 308</b>	<b>9 333</b>	<b>2 948</b>
Deferred tax assets	661	658			
Loans to associates and other investments	635	849			
Taxation in advance	138	126			
Cash and cash equivalents	2 284	1 860			
Assets classified as held for sale		747			
Final instalment on sale of Imperial Bank Limited		477			
Total assets per statement of financial position	<b>36 533</b>	<b>34 223</b>			
<b>Liabilities</b>					
Retirement benefit obligations	233	222	233	222	
Insurance, investment, maintenance and warranty contracts	2 465	2 124			
Trade and other payables and provisions	11 474	10 092	4 213	3 687	426
Non-current financial liabilities	323	312	25	19	
Non-interest-bearing liabilities	14 495	12 750	4 471	3 928	426
Non-redeemable, non-participating preference shares	441	441			
Interest-bearing borrowings	7 508	7 833			
Deferred tax liabilities	549	656			
Current tax liabilities	524	335			
Liabilities directly associated with assets classified as held for sale		262			
Total liabilities per statement of financial position	<b>23 517</b>	<b>22 277</b>			
<b>GEOGRAPHIC SEGMENTATION</b>					
<b>Operating assets</b>	<b>32 815</b>	<b>29 506</b>	<b>11 308</b>	<b>9 333</b>	<b>2 948</b>
– South Africa	26 811	24 795	7 377	6 383	2 904
– Rest of Africa	1 454	755	962	285	44
– Rest of world	4 550	3 956	2 969	2 665	
<b>Non-interest-bearing liabilities</b>	<b>14 495</b>	<b>12 750</b>	<b>4 471</b>	<b>3 928</b>	<b>426</b>
– South Africa	12 101	10 805	2 792	2 595	409
– Rest of Africa	605	279	370	58	17
– Rest of world	1 789	1 666	1 309	1 275	
<b>Interest-bearing borrowings</b>	<b>7 508</b>	<b>7 833</b>	<b>2 541</b>	<b>2 235</b>	<b>1 429</b>
– South Africa	4 227	4 861	1 833	1 624	1 449
– Rest of Africa	320	219	239	126	(20)
– Rest of world	2 961	2 753	469	485	
<b>Gross capital expenditure</b>	<b>3 843</b>	<b>3 511</b>	<b>1 155</b>	<b>1 003</b>	<b>1 540</b>
– South Africa	3 383	3 160	830	710	1 529
– Rest of Africa	103	129	89	101	11
– Rest of world	357	222	236	192	
Gross capital expenditure	3 843	3 511	1 155	1 003	1 540
Less: Proceeds on disposal	(2 315)	(1 651)	(360)	(345)	(1 175)
Net capital expenditure	<b>1 528</b>	<b>1 860</b>	<b>795</b>	<b>658</b>	<b>365</b>

\* Financial Services was previously named Insurance and now also includes the financial services businesses from distributorships, car rental and tourism, automotive retail and head office and eliminations.

^ These segments have been re-presented taking the financial services aspects out of these divisions and including them within the financial services division.

Car Rental and Tourism^	Distri- butorships	Distri- butorships^	Automotive Retail	Automotive Retail^	Financial Services*	Financial Services*	Head Office and Eliminations	Head Office and Eliminations^
2010	2011	2010	2011	2010	2011	2010	2011	2010
Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
29	394	286	119	127	29	26	5	2
9	62	46	7	(11)	2 230	2 096	143	134
310	2 289	2 088	1 654	1 731	124	123	189	51
							(46)	(53)
1 894	263	124			498	603	(417)	(384)
					244	206		
343	4 619	4 359	2 112	1 826	230	219	(24)	(25)
237	1 383	1 361	748	698	478	434	(21)	(55)
					1 247	1 339		
2 822	9 010	8 264	4 640	4 371	5 080	5 046	(171)	(330)
	33	21			2 432	2 099		4
499	3 513	3 065	2 009	1 703	1 369	1 334	(56)	(196)
	17						281	293
499	3 563	3 086	2 009	1 703	3 801	3 433	225	101
2 822	9 010	8 264	4 640	4 371	5 080	5 046	(171)	(330)
2 769	8 093	7 525	4 043	3 844	4 684	4 684	(290)	(410)
53	49	56			396	362	3	(1)
	868	683	597	527			116	81
499	3 563	3 086	2 009	1 703	3 801	3 433	225	101
469	3 400	2 939	1 663	1 450	3 630	3 283	207	69
30	34	32			171	150	13	9
	129	115	346	253			5	23
1 278	2 002	2 863	772	1 023	(916)	(448)	1 680	882
1 287	1 337	2 340	685	946	(916)	(448)	(161)	(888)
(9)	101	102						
	564	421	87	77			1 841	1 770
1 852	726	516	222	239	185	37	15	(136)
1 826	688	503	188	222	182	36	(34)	(137)
26					3	1		1
	38	13	34	17			49	
1 852	726	516	222	239	185	37	15	(136)
(855)	(384)	(226)	(144)	(158)	(218)	(9)	(34)	(58)
997	342	290	78	81	(33)	28	(19)	(194)

## Segmental information – Income statement

	Total Group 2011 Rm	Continuing Operations 2010 Rm	Logistics 2011 Rm	Logistics 2010 Rm	Car Rental and Tourism 2011 Rm
for the year ended 30 June					
<b>BUSINESS SEGMENTATION</b>					
<b>Revenue</b>					
– Sales of goods	38 182	30 433	2 294	855	1 162
– Rendering of services	23 849	20 474	18 209	15 673	2 071
– Gross premiums received	2 558	2 471			
– Other	78	60	72	59	5
	<b>64 667</b>	<b>53 438</b>	<b>20 575</b>	<b>16 587</b>	<b>3 238</b>
Inter-segment revenue			61	99	75
	<b>64 667</b>	<b>53 438</b>	<b>20 636</b>	<b>16 686</b>	<b>3 313</b>
Operating expenses including cost of sales	58 931	49 082	18 782	14 921	2 485
Investment income	(209)	(214)			
Fair value (gains) losses on investments	(76)	(97)			
Depreciation, amortisation and impairments	1 528	1 396	743	725	477
Recoupments (excluding properties)	(33)	(17)	(25)	(21)	
<b>Operating profit</b>	<b>4 526</b>	<b>3 288</b>	<b>1 136</b>	<b>1 061</b>	<b>351</b>
Recoupments from sale of properties, net of impairments	7	51	37	31	
Amortisation of intangible assets arising on business combinations	(15)		(15)		
Foreign exchange (losses) gains	(33)	49	(6)	2	
Fair value (losses) gains on foreign exchange derivatives	(18)	(38)			
Impairment reversals of share scheme loans		24			
Gain on early settlement of European bond		27			
Fair value gains on Lereko call option	279	78			
<b>Profit before net financing costs and exceptional items</b>	<b>4 746</b>	<b>3 479</b>	<b>1 152</b>	<b>1 094</b>	<b>351</b>
Net financing costs including fair value gains and losses	(554)	(597)	(216)	(195)	(141)
Income from associates and joint ventures	34	174	17	18	1
<b>Profit before taxation and exceptional items</b>	<b>4 226</b>	<b>3 056</b>	<b>953</b>	<b>917</b>	<b>211</b>
<b>GEOGRAPHIC SEGMENTATION</b>					
<b>Revenue</b>	<b>64 667</b>	<b>53 438</b>	<b>20 636</b>	<b>16 686</b>	<b>3 313</b>
– South Africa	50 330	41 838	11 333	9 783	3 171
– Rest of Africa	3 120	1 106	2 455	525	142
– Rest of World	11 217	10 494	6 848	6 378	
<b>Operating profit</b>	<b>4 526</b>	<b>3 288</b>	<b>1 136</b>	<b>1 061</b>	<b>351</b>
– South Africa	3 922	2 730	644	702	324
– Rest of Africa	239	182	142	61	27
– Rest of world	365	376	350	298	
<b>Net financing costs</b>	<b>554</b>	<b>597</b>	<b>216</b>	<b>195</b>	<b>141</b>
– South Africa	474	501	194	177	138
– Rest of Africa	27	27	17	13	3
– Rest of world	53	69	5	5	

\*Financial Services was previously named Insurance and now also includes the financial services businesses from distributorships, car rental and tourism, automotive retail and head office and eliminations.

^ These segments have been re-presented taking the financial services aspects out of these divisions and including them within the financial services division.

Car Rental and Tourism^ 2010 Rm	Distri- butorships 2011 Rm	Distri- butorships^ 2010 Rm	Automotive Retail 2011 Rm	Automotive Retail^ 2010 Rm	Financial Services* 2011 Rm	Financial Services* 2010 Rm	Head Office and Eliminations 2011 Rm	Head Office and Eliminations^ 2010 Rm
998	<b>19 656</b>	15 148	<b>15 013</b>	13 453			<b>57</b>	(21)
1 905	<b>1 466</b>	955	<b>1 496</b>	1 395	<b>589</b>	502	<b>18</b>	44
					<b>2 558</b>	2 471		
1				1			<b>1</b>	(1)
2 904	<b>21 122</b>	16 103	<b>16 509</b>	14 849	<b>3 147</b>	2 973	<b>76</b>	22
37	<b>825</b>	789	<b>641</b>	694	<b>262</b>	290	<b>(1 864)</b>	(1 909)
2 941	<b>21 947</b>	16 892	<b>17 150</b>	15 543	<b>3 409</b>	3 263	<b>(1 788)</b>	(1 887)
2 163	<b>19 986</b>	15 893	<b>16 545</b>	15 103	<b>2 848</b>	2 792	<b>(1 715)</b>	(1 790)
		2			<b>(253)</b>	(261)	<b>44</b>	47
397	<b>124</b>	79	<b>99</b>	94	<b>(76)</b>	(99)	<b>(48)</b>	(34)
(1)	<b>(7)</b>	4	<b>9</b>	1	<b>133</b>	135	<b>(7)</b>	
					<b>(3)</b>			
382	<b>1 844</b>	914	<b>497</b>	345	<b>760</b>	696	<b>(62)</b>	(110)
			<b>(2)</b>	(1)		6	<b>(28)</b>	15
(1)	<b>5</b>	6	<b>1</b>		<b>(1)</b>	(1)	<b>(32)</b>	43
	<b>(26)</b>	3					<b>8</b>	(41)
								24
							<b>279</b>	27
								78
381	<b>1 823</b>	923	<b>496</b>	344	<b>759</b>	701	<b>165</b>	36
(88)	<b>(199)</b>	(214)	<b>(109)</b>	(134)			<b>111</b>	34
1	<b>18</b>	(8)		(10)	<b>18</b>	14	<b>(20)</b>	159
294	<b>1 642</b>	701	<b>387</b>	200	<b>777</b>	715	<b>256</b>	229
2 941	<b>21 947</b>	16 892	<b>17 150</b>	15 543	<b>3 409</b>	3 263	<b>(1 788)</b>	(1 887)
2 769	<b>19 120</b>	14 315	<b>15 410</b>	13 838	<b>3 155</b>	3 033	<b>(1 859)</b>	(1 900)
172	<b>268</b>	178			<b>254</b>	230	<b>1</b>	1
	<b>2 559</b>	2 399	<b>1 740</b>	1 705			<b>70</b>	12
382	<b>1 844</b>	914	<b>497</b>	345	<b>760</b>	696	<b>(62)</b>	(110)
337	<b>1 813</b>	878	<b>461</b>	322	<b>692</b>	617	<b>(12)</b>	(126)
45	<b>1</b>	(3)			<b>68</b>	79	<b>1</b>	
	<b>30</b>	39	<b>36</b>	23			<b>(51)</b>	16
88	<b>199</b>	214	<b>109</b>	134			<b>(111)</b>	(34)
82	<b>169</b>	190	<b>105</b>	131			<b>(132)</b>	(79)
6	<b>7</b>	7						1
	<b>23</b>	17	<b>4</b>	3			<b>21</b>	44



**Imperial Holdings Limited:**

Registration number: 1946/021048/06

**Ordinary share code:** IPL ISIN: ZAE000067211

**Preference share code:** IPLP ISIN: ZAE000088076

**Non-executive directors:** TS Gcabashe (Chairman), T Dingaane, S Engelbrecht, P Langeni, MJ Leeming, MV Moosa, RJA Sparks, A Tugendhaft (Deputy chairman), Y Waja

**Executive directors:** HR Brody (Chief Executive), OS Arbee, MP de Canha, RL Hiemstra, AH Mahomed, GW Riemann (German), M Swanepoel

**Other Executive Committee Members:** M Akoojee, BJ Francis, DD Gnodde, M Mosola

**Company Secretary:** RA Venter

**Business address and registered office:** Imperial Place, Jeppe Quondam, 79 Boeing Road East, Bedfordview, 2007

**Share transfer secretaries:** Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

**Sponsor:** Merrill Lynch SA (Pty) Limited, 138 West Street, Sandown Sandton, 2196

The results announcement is available on the Imperial website: [www.imperial.co.za](http://www.imperial.co.za)