




**Audited results**  
for the period ended 30 June 2008

MOVE...



**Agenda**

- ◆ Overview and group results
- ◆ Divisional results
- ◆ Strategy
- ◆ Conclusion

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## Salient features

- ◆ Achieved all restructuring objectives, leaving a healthy balance sheet
- ◆ Headline earnings from continued operations of R1 143m down 49%
- ◆ HEPS from continuing operations down 49% to 615c
- ◆ Revenue increased 3% to R56bn despite consumer downturn
- ◆ Logistics excelled, especially in Europe
- ◆ Tough conditions for motor and insurance, but well positioned for an upturn
- ◆ A once-off charge of R2.3bn relating to discontinued operations
- ◆ Dividend of 245c equal to 40% of full year's continuing headline earnings

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## Key financial results

Period to June	2008	2007	% Change	
Headline earnings per share from continuing operations	R1 143m	R2 252m	(49.2)	
	615c	1 216c	(49.4)	
Revenue	R55 927m	R54 451m	2.7	
Operating margin (%)	5.3%	6.9%		
Fair value loss on discontinued operations	R2 269m	-		
Net debt	R8 451m	Dec R14.7b June R11.1b	Dec (42%) June (24%)	

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**Imperial Holdings** **Income from continuing operations**

Period to June (R million)	2008	2007	% Change
Revenue	55 927	54 451	2.7
Operating profit	2 992	3 753	(20.3)
Forex and fair value (losses) gains	(349)	54	

Primarily charges for Lereko and share trust and gain on capital repatriation

**Imperial Holdings** **Income from continuing operations**

Period to June (R million)	2008	2007	% Change
Revenue	55 927	54 451	2.7
Operating profit	2 992	3 753	(20.3)
Forex and fair value (losses) gains	(349)	54	
Net finance cost	807	478	68.8
Income from associates	278	236	17.8
Tax	707	1 008	(29.9)
Profit from continuing operations	1 407	2 557	(45.0)
Net profit (loss) from discontinued ops	(1 920)	597	







Aviation, CVH and Multipart (UK)


**Income from continuing operations**

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Profit from continuing operations	1 407	2 557	(45.0)
Net profit (loss) from discontinued ops	(1 920)	597	
Minorities	(357)	(378)	(5.6)
Attributable profit (loss) for the year	(870)	2 776	

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**Noteworthy minorities**

Various small Logistics' minorities	
Neska and others in International Logistics	
MCC	
Tourvest	
AMH	
Jurgens, Beekmans, SA Warranties and Regent Lesotho	

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**Imperial Holdings** **Balance sheet extracts**

At 30 June (R million)	2008	2007
Intangible assets	897	1 238
Associates, investments and other financial assets	4 667	6 367

Main sources of reduction are discontinuation of SLF, Lereko and share trust loan impairment

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**Imperial Holdings** **Balance sheet extracts**

At 30 June (R million)	2008	2007
Intangible assets	897	1 238
Associates, investments and other financial assets	4 667	6 367
Property, plant and equipment	5 681	5 441
Transport equipment	4 751	3 801

Growth in SA and European transport and shipping fleet and car rental vehicles

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**Imperial Holdings** **Balance sheet extracts**

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Intangible assets	897	1 238
Associates, investments and other financial assets	4 667	6 367
Property, plant and equipment	5 681	5 441
Transport equipment	4 751	3 801
Leasing assets	337	6 990

Unbundling and sale of Aviation

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**Imperial Holdings** **Balance sheet extracts**

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Intangible assets	897	1 238
Associates, investments and other financial assets	4 667	6 367
Property, plant and equipment	5 681	5 441
Transport equipment	4 751	3 801
Leasing assets	337	6 990
Net working capital	3 198	4 639
Cash	3 148	2 788
Net assets in discontinued operations	2 083	
	24 762	31 264

Net assets of Tourvest, Aviation and CVH

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**Imperial Holdings** **Balance sheet extracts (cont)**

At 30 June (R million)	2008	2007
Shareholders' funds	10 416	13 467

Reduction due to loss for the year, the 2007 dividend and R1.7 bn equity endowment to Eqstra

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**Imperial Holdings** **Balance sheet extracts (cont)**

At 30 June (R million)	2008	2007
Shareholders' funds	10 416	13 467
Preference shares	441	441
Insurance liabilities	1 535	1 722
Other non-interest bearing liabilities	384	243
Interest bearing debt	11 599	13 845
Net tax owing and deferred	387	1 546
	24 762	31 264

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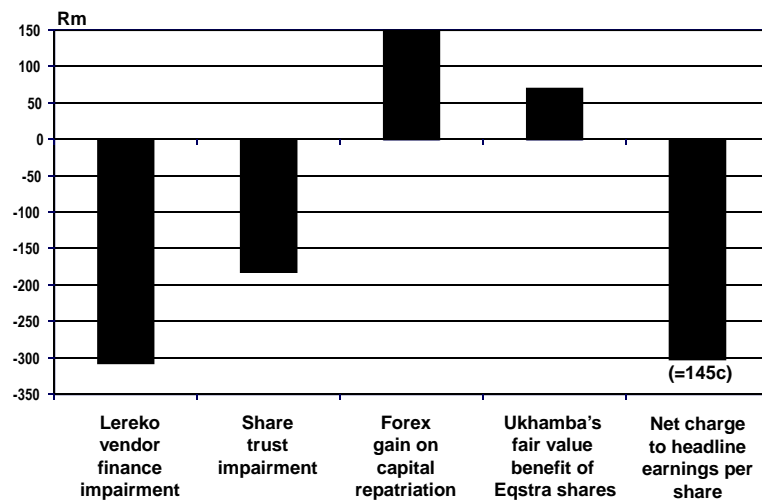
## Analysis of gearing

At 30 June (R million)	June 2008	June 2008 Pro forma after sale of Tourvest	December 2007	June 2007
Equity	10 416	10 916	12 303	13 467
Net debt	8 451	7 479	14 683	11 057
Net debt / equity	81%	69%	119%	82%

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## Significant once-off amounts in headline earnings



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**Imperial Holdings** **Cash flow**

For the period ended 30 June 2008 (R million)	2008	2007
Cash at the beginning of the year	2 788	1 630
Cash flow from operations	2 867	3 879
Acquisitions, disposals and unbundling	5 372	(462)


Primarily the Eqstra unbundling

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**Imperial Holdings** **Cash flow**

For the period ended 30 June 2008 (R million)	2008	2007
Cash at the beginning of the year	2 788	1 630
Cash flow from operations	2 867	3 879
Acquisitions, disposals and unbundling	5 372	(462)
Expansion capital expenditure	(1 595)	(1 275)
Replacement capital expenditure	(1 017)	(703)
Capital expenditure in discontinued operations	(2 384)	(1 846)
Movements in investments and loans	680	(462)
Shareholder distributions and share purchases	(909)	(1 623)
Repayment of borrowings	(2 654)	3 650
Cash at end of year	3 148	2 788

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 **Cash flow**

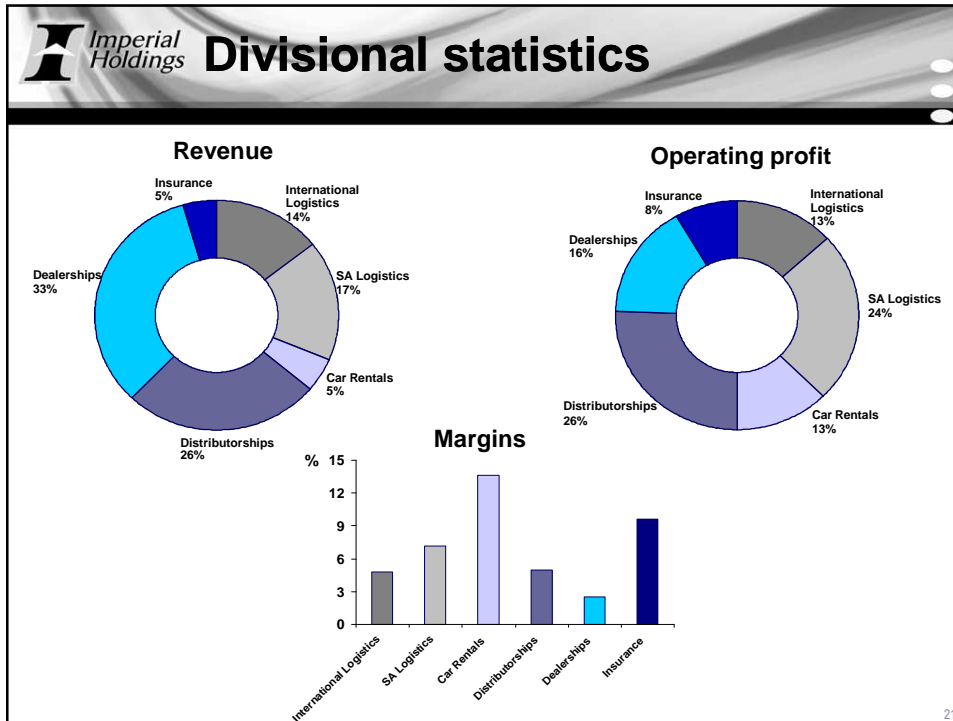
	Total	Continuing	Discontinued
Cash generated by operations	5 689	3 633	2 056
Financing cost	(1 426)	(766)	(660)
Tax	(1 396)	(1 166)	(230)
	<u>2 867</u>	<u>1 701</u>	<u>1 166</u>
Net proceeds on unbundling, disposals & acquisitions	5 372	146	5 226
Capex	(4 996)	(2 612)	(2 384)
Net movement on investments	680	680	
Financing	(909)	(909)	
Net reduction in debt	3 014	(994)	(4 008)

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**Divisional results**

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**Logistics – International**

	2008	2007	%
Revenue	8 253	6 544	26.1
Operating profit	396	250	58.5
Operating margin	4.8%	3.8%	


- ◆ Favourable economic conditions
- ◆ Strong growth in operating profit despite extra month (due to year end change) adding R15m to operating profit
- ◆ Terminals operated at full capacity
- ◆ Fuel increases not fully passed on, affecting margin
- ◆ Significant use of chartering
- ◆ Staff cost pressures in VW contract in Poland
- ◆ Recent acquisitions well integrated

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**Imperial Holdings** **Logistics – International**

### Key investment attributes

- ◆ Market leader in inland waterway traffic
- ◆ European freight growth is double GDP growth
- ◆ Significant handler of containerised freight in Ruhr district inland ports which account for 70% of Germany's freight movement
- ◆ Container traffic is forecast to double in Europe between 2007 and 2015
- ◆ Neska's container volumes forecast to grow from 930 000 TEU pa to 2 000 000 from 2007 to 2010
- ◆ Germany's trade with Eastern Europe, Russia and China grows by double the rate of its trade with Western Europe
- ◆ European trade is still 62% of total German trade



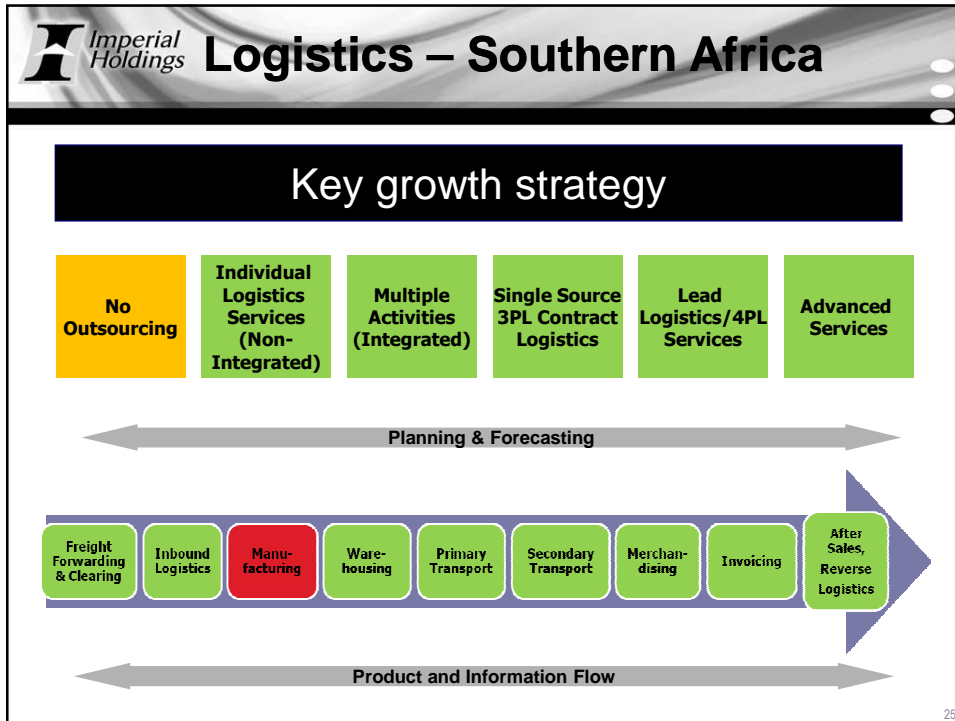
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**Imperial Holdings** **Logistics – Southern Africa**

	2008	2007	%
Revenue	9 733	8 018	21.4
Operating profit	706	619	14.1
Operating margin	7.2%	7.7%	

- ◆ Very satisfactory performance amidst fuel price shocks
- ◆ Pre-tax profit improved 10.5%, affected by divisional capital re-alignment
- ◆ Positive cash flow, after net capex of R625m
- ◆ Margin held up well with 76% diesel increase recovered from customers
- ◆ Impact of lower consumer spending
- ◆ Under performers addressed (i.e. sale of Forecourt assets)
- ◆ Significant new contracts won

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**Imperial Holdings Car rental and tourism**

	2008	2007	%
Revenue	2 712	2 258	20.1
Operating profit	370	344	7.6
Operating margin	13.6%	15.2%	

- ◆ Once-off rebranding costs absorbed
- ◆ Good turnover growth
- ◆ Fleet size increased by 10%; utilisation reduced slightly
- ◆ Accident and repair costs increased more than fleet size
- ◆ Operational merger of Imperial and Europcar complete
- ◆ Europcar franchise extended for long period on favourable terms
- ◆ Referral agreement of National and Alamo
- ◆ Relinquished Sixt
- ◆ Tourism performed well, but closure costs impacted negatively
- ◆ Used vehicle sales revenue up by 32%

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**Imperial Holdings** **Car rental and tourism**

## Main strategic initiatives

- ◆ Tourvest sale – better focus
- ◆ Rebranding of Imperial Car Rental to Europcar
  - Fleet optimisation and cost synergies
  - Global product offering
- ◆ Tempest redefined
  - True low cost provider
  - Better asset utilisation through extension of vehicle life




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**Imperial Holdings** **Distributorships**

	2008	2007	%
Revenue	15 056	17 078	(11.8)
Operating profit	751	1 327	(43.4)
Operating margin	5.0%	7.8%	

- ◆ Consists of AMH, NAC and parts distribution
- ◆ Retail new unit sales volume in AMH 18% lower
- ◆ Margins down, negative operating leverage experienced
- ◆ Australian trading also subdued, but smaller loss of AU\$3.4m (2007 AU\$5.6m)
- ◆ Net loss in auto parts after inventory write down
- ◆ NAC improved margins and profit
- ◆ Strong growth in aircraft sales in SA, good order pipeline

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## Distributorships

### Distributor of 22 international brands

- ◆ Comprehensive range of Asian and European passenger cars, light commercials and motor cycles
- ◆ Strong annuity income flow from
  - New and used car maintenance and service plans
  - Insurance and banking JV's
  - Towing
  - Accident management
- ◆ Aircraft brands
  - Beechcraft, Hawker, Bell Helicopter, Robinson Helicopter, Diamond, Tecnam



## Motor dealerships

	2008	2007	%
Revenue	19 181	19 229	(0.2)
Operating profit	470	524	(10.3)
Operating margin	2.5%	2.7%	

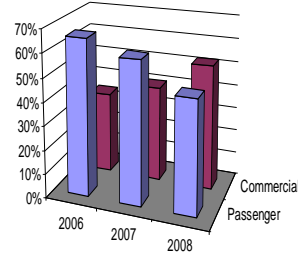
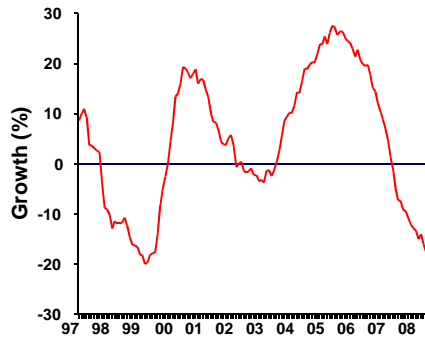
- ◆ Operating margin before profit on disposal of properties = 2.3%
- ◆ Difficult trading, but higher truck sales, workshop and parts activities
- ◆ Successful diversification into commercial vehicles and non OEM products
- ◆ Finance costs increased, resulting in 23% decline in pre-tax profit
- ◆ 8 new and 11 used car dealerships were closed and 2 sold
- ◆ Acquired a MAN and International dealer
- ◆ Passenger unit sales volumes down by 22%
- ◆ Light, medium and heavy commercial vehicle sales volumes up 10%
- ◆ Used vehicle retail sales volumes 10% lower, due to closure of outlets

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**Imperial Holdings Motor dealerships**

**A very tough motor market**

Growth in sales of new passenger vehicles



- Revenue from passenger vs commercials shows a significant substitution of passenger focus to commercial vehicles

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**Imperial Holdings Insurance**


	2008	2007	%
Revenue	2 594	3 151	(17.7)
Operating profit	249	713	(65.1)
Operating margin	9.6%	22.6%	

- ◆ Lower investment income on equity portfolios
- ◆ NCA caused premium income decline and increased lapses from monthly premiums
- ◆ Higher claims costs in extremely difficult vehicle underwriting cycle
- ◆ Revised estimates and judgments in both companies in second half sharply reduced underwriting result
- ◆ Merger substantially complete – R50m pa cost saving confirmed
- ◆ Increased sales and back office efficiencies
- ◆ R1m fine incurred following commission - enquiry recognised Regent Life's efforts at bringing industry problems to the fore

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 <b>Capex by continuing divisions</b>		
Period to June	2008	2007
Logistics	1 084	739
Car Rental	704	385
Distributorships	573	455
Dealerships	390	317
Insurance	(9)	91

 <b>Income from associates</b>	
<ul style="list-style-type: none"> <li>◆ Imperial Bank contribution up 2% to R206 million           <ul style="list-style-type: none"> <li>● Good performance given high exposure to dealer based vehicle finance</li> <li>● Total assets R43.5 billion</li> <li>● Extension of the bank JV post 2010 fully agreed with Nedbank subject to regulatory approval</li> </ul> </li> <li>◆ R133 m from Ukhamba including R70 million from the receipt of deferred shares in Eqstra</li> <li>◆ Renault R90 million loss           <ul style="list-style-type: none"> <li>● Imperial operational involvement much improved</li> <li>● New product line-up locally manufactured and competitive</li> <li>● Restructuring talks with Renault France currently under way</li> </ul> </li> </ul>	

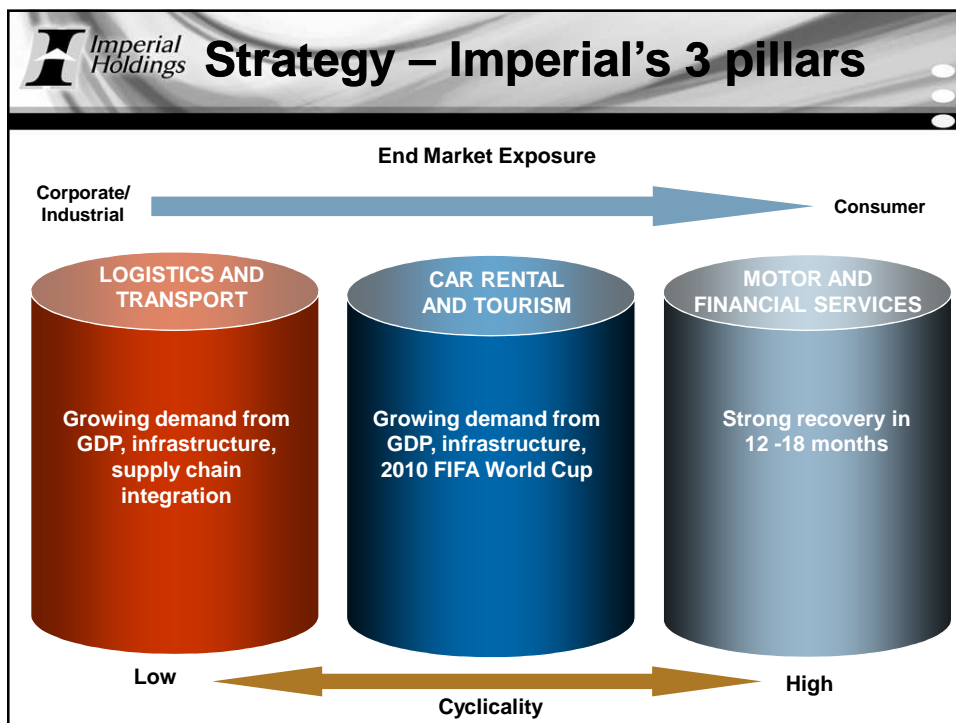


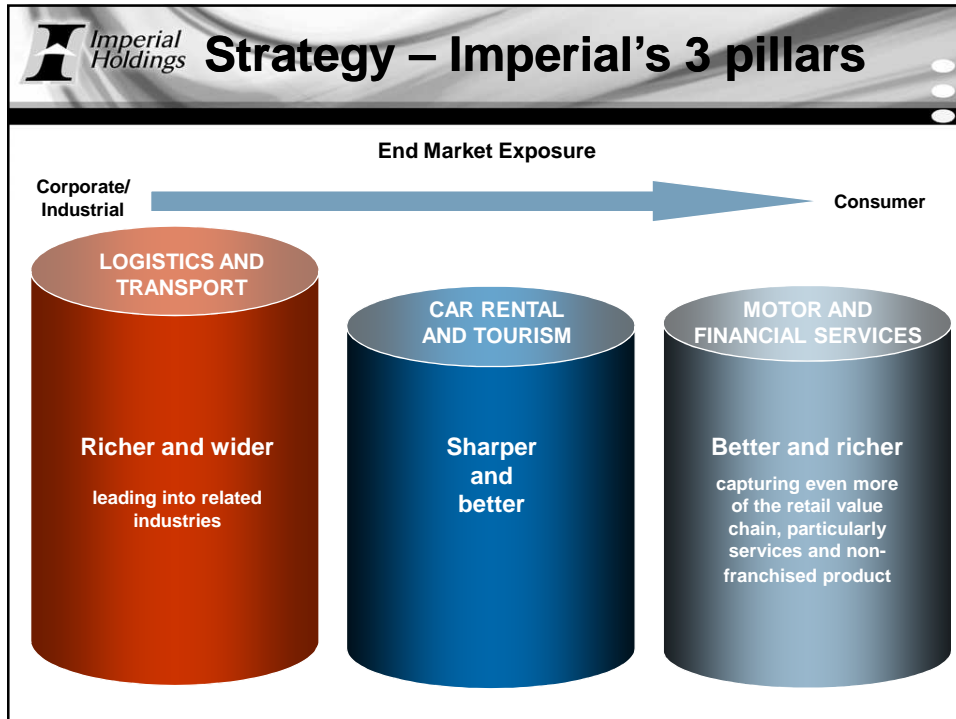
 A slide with a background of flowing, wavy lines in shades of grey. In the top left corner, the Imperial Holdings logo (a stylized 'H') is followed by the text 'Imperial Holdings'. To the right of the logo, the word 'Restructuring' is written in a large, bold, black font. A black horizontal bar is positioned below the header.
 

- ◆ **Eqstra**
  - Unbundling completed in May
  - R5bn in cash returned to Imperial
- ◆ **Tourvest**
  - Payment of R1 067m on 8 September 2008
  - Exceptional profit of approximately R480m
- ◆ **Aviation**
  - Air Contractors sold for Euro 22m
  - Agreement signed (subject to CP's) to sell Safair assets (including SLF) for approximately R940m
  - Exit plan for remaining assets finalised
  - NAC not for sale

**Imperial Holdings Restructuring (cont)**

- ◆ **CVH**
  - Closed and assets being sold
  - Inventory units reduced by 50%
- ◆ **Multipart**
  - Sold to management at a loss of £19m, due to inability to gain new business
- ◆ **Insurance**
  - Merger of Regent Life and Regent Insurance complete
  - Process and product reinvention is work in progress
  - 65% of Imperial Re sold to Flagstone Re





**Imperial Holdings** **Expansions**

**International Logistics**

- ◆ Acquisitions:
  - Foodtankers, Sweden
  - Laabs, Germany
  - Amadeus, Germany
  - Danes, Germany
  - Rijnaarde, Holland
  - Maxx Thiebaut, Belgium
- ◆ Container and bulk handling space: Ruhr district, Germany
- ◆ Distribution centre: Herten

**SA Logistics**


- ◆ Acquisitions: Volition, RP Logistics

**Motor**

- ◆ Acquisitions: MAN truck dealership
- ◆ Expansion: Mercedes Benz lifestyle centre



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## Social investment and training

**BEE**

- ◆ Impact of Ukhamba Holdings is still very positive
- ◆ R800m has been earned by current and former previously disadvantaged staff members of the group
- ◆ Based on the current share price, the benefits to Lereko have been reduced; possibility of recovery over next 7 years

**Skills, Education and Health**

- ◆ R100m to a skills development and training fund, including leadership development programme
- ◆ Motor apprentice training centre established in Cape Town and one to be launched in Germiston next year
- ◆ Ongoing commitment to social programme including schools and health awareness for truck drivers

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## Outlook

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**Imperial Holdings Outlook**

- ◆ Low consumer spending to continue during 2009 financial year
- ◆ Conditions affect our consumer facing operations
- ◆ Logistics can better maintain margins and volumes
- ◆ European logistics will benefit from recent expansion
- ◆ Performance in year ahead to remain weak
- ◆ Benefits of restructuring to emerge
- ◆ Committed to growth and sound capital management

**Markets challenging... conditions tough....  
business in good shape**



**Imperial Holdings**

**Audited results**  
for the period ended 30 June 2008

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## Annexure - discontinued operations

	Total discontinued operations	Total discontinued operations	Tourism	Tourism	Commercial Vehicles	Commercial Vehicles	Aviation	Aviation	Leasing and Capital Equipment	Leasing and Capital Equipment	Autoparts (UK)	Autoparts (UK)
	30 June 2008	25 June 2007	30 June 2008	25 June 2007	30 June 2008	25 June 2007	30 June 2008	25 June 2007	30 June 2008	25 June 2007	30 June 2008	25 June 2007
	R m	R m	R m	R m	R m	R m	R m	R m	R m	R m	R m	R m
<b>The results of the discontinued businesses for the period:</b>												
Revenue	12 456	12 251	2 026	1 640	2 017	2 185	1 284	2 026	6 193	5 228	936	1 172
Operating profit before share scheme loan impairments	1 172	1 206	288	227	( 39)	( 158)	( 27)	263	940	836	10	38
Impairment loss on Share Scheme loans	84				3		40		41			
Profit before net financing cost	1 088	1 206	288	227	( 42)	( 158)	( 67)	263	899	836	10	38
Net finance cost	( 660)	( 548)	( 36)	( 9)	( 97)	( 125)	( 128)	( 138)	( 405)	( 280)	6	4
Income from associates	56	91			4	5	52	86				
<b>Profit before tax</b>	<b>484</b>	<b>749</b>	<b>252</b>	<b>218</b>	<b>( 135)</b>	<b>( 278)</b>	<b>( 143)</b>	<b>211</b>	<b>494</b>	<b>556</b>	<b>16</b>	<b>42</b>
Income tax expense	135	152	86	64	( 29)	( 102)	( 72)	27	145	179	5	( 16)
<b>Trading profit after tax</b>	<b>349</b>	<b>597</b>	<b>166</b>	<b>154</b>	<b>( 106)</b>	<b>( 176)</b>	<b>( 71)</b>	<b>184</b>	<b>349</b>	<b>377</b>	<b>11</b>	<b>58</b>
Exceptional loss on discontinuation	(2 269)		2		( 701)		(1 276)				( 294)	
<b>Profit after tax</b>	<b>(1 920)</b>	<b>597</b>	<b>168</b>	<b>154</b>	<b>( 807)</b>	<b>( 176)</b>	<b>(1 347)</b>	<b>184</b>	<b>349</b>	<b>377</b>	<b>( 283)</b>	<b>58</b>
Minority interest	195	174	76	67					119	107		
<b>Attributable to shareholders of Imperial Holdings Limited</b>	<b>(2 115)</b>	<b>423</b>	<b>92</b>	<b>87</b>	<b>( 807)</b>	<b>( 176)</b>	<b>(1 347)</b>	<b>184</b>	<b>230</b>	<b>270</b>	<b>( 283)</b>	<b>58</b>
<b>The major classes of assets and liabilities of the discontinued operations classified as held for sale at 30 June 2008 are as follows:</b>												
<b>Assets</b>												
Intangible assets	460		460									
Investments in associates and joint ventures	284				10		274					
Property, plant and equipment	402		275		80		47					
Leasing assets	755						755					
Deferred tax asset	6		6									
Other non-current financial assets	31						31					
Inventories	1 146		243		809		94					
Trade and other receivables	1 067		433		451		183					
Cash resources	289		193		2		94					
<b>Assets classified as held for sale</b>	<b>4 440</b>		<b>1 610</b>		<b>1 352</b>		<b>1 478</b>					
<b>Liabilities</b>												
Interest-bearing borrowings	329		288		33		8					
Provisions for liabilities and other charges	500		22		466		12					
Payables	1 528		576		432		520					
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>2 357</b>		<b>886</b>		<b>931</b>		<b>540</b>					
<b>Net assets directly associated with disposal group</b>	<b>2 083</b>		<b>724</b>		<b>421</b>		<b>938</b>					
Minority interest	246		246									
<b>Attributable to shareholders of Imperial Holdings Limited</b>	<b>1 837</b>		<b>478</b>		<b>421</b>		<b>938</b>					