Interim results presentation
For the six months ended 31 December 2012
Agenda

» Highlights

» Divisional performance

» Financial Review

» Group prospects and strategy

» Questions

» Appendix
### Highlights

<table>
<thead>
<tr>
<th>Metric</th>
<th>% Change</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18%</td>
<td>R45 262m</td>
</tr>
<tr>
<td>Operating profit</td>
<td>12%</td>
<td>R2 939m</td>
</tr>
<tr>
<td>HEPS</td>
<td>14%</td>
<td>829 cps</td>
</tr>
<tr>
<td>Core EPS *</td>
<td>15%</td>
<td>872 cps</td>
</tr>
<tr>
<td>Interim dividend per share</td>
<td>27%</td>
<td>380 cps</td>
</tr>
</tbody>
</table>

**Good result overall - varied across the group**

*Core EPS mainly excludes:
- amortisation of intangibles on acquisitions in the current period
- business acquisition costs (mainly in the prior period)

Dividend pay out ratio of approximately 44% of Core EPS; rolling dividend yield of 3.8% based on 22/2/2013 price of R200 per share
Business conditions in key markets

» Trading conditions challenging in SA and Europe

» Industrial action in SA and Korea impacted the group

» Slower growth in the SA motor vehicle market

» Increasing demand for affordable vehicles

» Volumes and pricing under pressure in SA Logistics
  • Especially in manufacturing industry

» German economy slowing

» Competition in car rental industry remains fierce

» Insurance underwriting conditions in short term industry were more challenging; equity markets were favourable

» Current cycle in the motor industry favours our Financial Services division
Imperial’s performance during the period

» Good first half result
» Good portfolio effect
» Retail cluster of businesses performed well
» Strong growth was achieved in annuity revenue streams generated from after-sales parts, service and financial services
» Aftermarket parts, components and industrial equipment businesses continue to grow
» SA Logistics and International Logistics were under pressure
  • Strike and volume pressure in SA; Slowing German economy
» Excellent growth in rest of Africa logistics; operating profit up 22%
» Acquisition of RTT Health Sciences will contribute significantly to our distribution footprint in Africa
» Strong cashflow, cash generated by operations up 111%
» Balance sheet strong – net debt/equity ratio of 52% (excl. prefs)
» Excellent returns : ROE = 22% (annualised)
Performance of the three business pillars

Logistics

- Revenue = R15,9 bn
- Operating profit = R707m
- 27% revenue growth
- 1% operating profit growth

Car Rental & Tourism

- Revenue = R1,9 bn
- Operating profit = R183m
- 14% revenue growth
- 13% operating profit growth

Distribution, Retail & Financial Services

- Revenue = R28,9 bn
- Operating profit = R2,1 bn
- 19% revenue growth
- 19% operating profit growth

The Three Pillars of Imperial
Southern Africa logistics
### Southern Africa logistics

<table>
<thead>
<tr>
<th></th>
<th>Revenue (Rm)</th>
<th>Operating profit (Rm)</th>
<th>Operating Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1 2013</td>
<td>H1 2012</td>
<td>H1 2013</td>
</tr>
<tr>
<td>Revenue (Rm)</td>
<td>8,677</td>
<td>8,311</td>
<td>400</td>
</tr>
<tr>
<td>Operating profit (Rm)</td>
<td>400</td>
<td>513</td>
<td></td>
</tr>
<tr>
<td>Operating Margins</td>
<td>4.6%</td>
<td>4.9%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

#### Challenging trading conditions in SA, Rest of Africa strong

- Strike had a material impact across all South African businesses
- Volumes and rates, especially in manufacturing were depressed
- Rest of Africa business performed well and continues to grow – operating profit up 22%
- RTT health sciences will contribute significantly to distribution footprint in Africa
Southern Africa logistics

Revenue by activity

- Freight & Transport: 36%
- Warehousing & Distribution: 26%
- Supply Chain Management: 38%

Revenue by sector

- Consumer Goods & Retail: 49%
- Industrial Products: 17%
- Construction: 15%
- Chemicals, Fuel & Gas: 10%
- Mining & Agriculture: 8%

Steel and Metals: 2%
Revenue split between SA and ROA

» Rest of Africa expansion gaining momentum

» Revenue up 24%; Operating profit up 22%

» RTT Health Sciences acquisition will contribute further – approximately R240m p.a of revenue generated in rest of Africa

<table>
<thead>
<tr>
<th>Year</th>
<th>Rest of Africa</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2008</td>
<td>4%</td>
<td>96%</td>
</tr>
<tr>
<td>F2009</td>
<td>5%</td>
<td>95%</td>
</tr>
<tr>
<td>F2010</td>
<td>5%</td>
<td>95%</td>
</tr>
<tr>
<td>F2011</td>
<td>18%</td>
<td>82%</td>
</tr>
<tr>
<td>F2012</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>H1 2013</td>
<td>26%</td>
<td>74%</td>
</tr>
</tbody>
</table>

- Rest of Africa
- South Africa
Slowing German economy

» Tougher trading conditions; contribution of Lehnkering assisted growth
» Volumes depressed across most industries – inland shipping industry volumes down 6%
» Lehnkering experienced normal seasonally low activity levels
» Contract gains and renewals in parts distribution and in-plant logistics services contributed positively
International logistics (ZAR)

Revenue (Rm)

- H1 2013: 7,211
- H1 2012: 4,159

Operating profit (Rm)

- H1 2013: 307
- H1 2012: 202

Operating Margins

- H1 2013: 4.3%
- H2 2012: 5.6%
- H1 2012: 4.9%

Exchange rate benefit

- 2012 Average R/€: 10.79 vs 2011 Average R/€: 10.47
International logistics

Revenue by sector

- Chemicals: 29%
- Steel: 18%
- Automotive: 16%
- Energy: 12%
- Paper/Packaging: 11%
- Agricultural: 5%
- Food: 4%
- Services: 2%
- Other: 2%
LEHNKERING

Specialised chemical and liquid food warehousing, distribution and contract manufacturing business. Shipping and Steel have been incorporated into Imperial Shipping and Panopa

» Strong footprint in chemical industry

» Combination of logistics, value added services & outsource manufacturing

» Approximately 76% of revenue in contract manufacturing from Agrochemicals industry

» Agrochemicals industry historically resilient to economic downturns

Source: VCI Chemical Industries Association
Car rental and tourism
Car Rental and Tourism

Revenue (Rm) Operating profit (Rm) Operating Margins

H1 2013 H1 2012 H1 2013 H1 2012 H1 2013 H2 2012 H1 2012

1,924 1,939 183 210 9.5% 9.1% 10.8%

Performance below expectation

» Margin improvement vs H2 2012 due to turnaround at Auto Pedigree & Panelshops
» Revenue flat - impacted by growth of lower rate insurance replacement business
» Utilisation reduced from 70% to 69% - impact of hail storms and higher accident levels
» Tourism performance was disappointing
Distributorships
Distributorships

**Revenue (Rm)**

- **H1 2013**: 15,843
- **H1 2012**: 13,590

**Operating profit (Rm)**

- **H1 2013**: 1,316
- **H1 2012**: 1,162

**Operating Margins**

- **H1 2013**: 8.3%
- **H2 2012**: 8.8%
- **H1 2012**: 8.6%

**Performed well**

- Excellent revenue growth mainly due to improved after sales
- Impacted by supply disruptions due to strike experienced by our principals in Korea
  - Lower inventories
  - Sub-optimal supply mix, which impacted margins
- Strong growth in used car sales
- Margins also impacted by weaker currency
- NAC disposal concluded on 15 February 2013 – R433m capital released
Drivers of SA vehicle market
South African new vehicle sales

» Fundamentals continue to be good
  • Good levels of credit availability
  • Low interest rates
  • Still below peak of 2006
  • Underpenetrated market relative to developed world – in line with emerging market peers

Passenger car sales (units)

Vehicle penetration in SA (units per 1,000 people)

Source: NCR, SBG Securities
Vehicle affordability good

» Debt servicing costs have declined
» Consumers are changing their cars much earlier
» Will support demand

Debt service cost as a percent of disposable income

Replacement cycles getting shorter (loan duration)

Source: NCR, UBSe

Source: Wesbank, UBSe
Vehicle affordability good

» New car prices have lagged inflation
» Weaker currency poses a risk but low interest rates will assist

New Car Pricing vs Used Car Pricing vs CPI (Jan 2002 = 100)

Source: NAAMSA, Stats SA, I-Net Bridge, SBG Securities
Automotive parts and industrial products

» Overall margin improvement evident
» Contributed R3,9bn of turnover and R282m of operating profit
» Autoparts performed satisfactorily in a sluggish market
» Goscor and newly acquired Datadot performed well
» Continue to pursue strategy of adding new areas of distribution
» Afintapart (commercial vehicle parts distributor), added to the portfolio

Includes: Jurgens, Beekmans, Midas, Alert, Goscor, EZ-GO, Bobcat, Sedgeway, Datadot, NAC
Automotive Retail
New vehicle unit sales 9% up; in line with the industry
Used vehicle sales improved; good growth in part sales
In the UK, truck dealerships performed well in market that remained depressed
Beekman Canopies’ showed good growth; volumes at Jurgens flat
Financial Services

Revenue (Rm) +18%

H1 2013: 2,165
H1 2012: 1,833

Operating profit (Rm) +43%

H1 2013: 491
H1 2012: 344

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

H1 2013:
- Investment income, including fair value adjustments: 151
- Underwriting result: 119
- Other Financial Services: 221

H2 2012:
- Investment income, including fair value adjustments: 95
- Underwriting result: 111
- Other Financial Services: 225

H1 2012:
- Investment income, including fair value adjustments: 80
- Underwriting result: 133
- Other Financial Services: 131

Net Underwriting Margins

H1 2013: 7.2%
H2 2012: 6.8%
H1 2012: 9.0%
Financial services

» Excellent performance

» Regent Life solid, with gross written premiums up 20%

» Adcover, Paintech and Warranties performed well and showed good growth

» Overall underwriting margin declined to 7.2% but up on H2 2012

» Affected by severe weather

» Investment returns higher; larger exposure to equity markets which were favourable

» Botswana and Lesotho continue to grow; operating profit doubled

» Other Financial Services performed well; growth in new maintenance plans

» Release from maintenance funds significantly higher due to change in estimate

» Strong growth in finance JV’s and new maintenance plans provides valuable annuity earnings underpin for future profits
Income statement

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<td>45 262</td>
<td>38 385</td>
<td>18%</td>
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- **Logistics:** +27%; growth mainly from Germany; Lehnkering acquisition
- **Distributorships:** +17%; good growth in annuity revenue streams and used cars
- **Automotive Retail:** +11%; increased new vehicle unit sales
- **Financial Services:** +18%; current auto cycle favours Financial Services division

Revenue contribution per division

**H1 2013**
- SA logistics: 23%
- International Logistics: 19%
- Car Rental and Tourism: 34%
- Distributorships: 5%
- Automotive Retail: 4%

**H1 2012**
- SA logistics: 25%
- International Logistics: 21%
- Car Rental and Tourism: 34%
- Distributorships: 5%
- Automotive Retail: 10%
# Income statement

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</tr>
<tr>
<td>Operating profit margin</td>
<td>6,5%</td>
<td>6,8%</td>
<td></td>
</tr>
</tbody>
</table>

- Strike had an adverse impact in SA Logistics; Car Rental and tourism margins under pressure
- Volume pressure in International Logistics; slower German economy
- Insufficient supply of inventories due to strike in Korea impacted product mix in Distributorships adversely
- Margin improvement in Auto Retail and Financial Services

## Operating profit contribution per division

**H1 2013**

- SA logistics: 17%
- International Logistics: 14%
- Car Rental and Tourism: 10%
- Distributorships: 10%
- Automotive Retail: 6%
- Financial Services: 43%

**H1 2012**

- SA logistics: 13%
- International Logistics: 18%
- Car Rental and Tourism: 8%
- Distributorships: 8%
- Automotive Retail: 43%
- Financial Services: 8%
Divisional statistics

Revenue

- SA logistics: 34%
- International Logistics: 19%
- Car Rental and Tourism: 23%
- Distributorships: 15%
- Automotive Retail: 10%
- Financial Services: 4%

Operating profit

- SA logistics: 17%
- International Logistics: 14%
- Car Rental and Tourism: 10%
- Distributorships: 10%
- Automotive Retail: 6%
- Financial Services: 43%

Operating margin %

<table>
<thead>
<tr>
<th>Service</th>
<th>H1 2013</th>
<th>H1 2012</th>
</tr>
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<tbody>
<tr>
<td>SA Logistics</td>
<td>4.6</td>
<td>6.2</td>
</tr>
<tr>
<td>International Logistics</td>
<td>4.3</td>
<td>4.9</td>
</tr>
<tr>
<td>Car Rental and Tourism</td>
<td>9.5</td>
<td>10.8</td>
</tr>
<tr>
<td>Distributorships</td>
<td>8.3</td>
<td>8.6</td>
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<tr>
<td>Automotive Retail</td>
<td>2.7</td>
<td>2.6</td>
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<tr>
<td>Financial Services</td>
<td>22.7</td>
<td>18.8</td>
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<td><strong>Amortisation of intangible assets</strong></td>
<td>(110)</td>
<td>(13)</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange (losses) / gains</td>
<td>5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Business acquisition costs</td>
<td>(5)</td>
<td>(53)</td>
<td></td>
</tr>
<tr>
<td>Recoupments/(impairments) from sale of properties</td>
<td>19</td>
<td>(38)</td>
<td></td>
</tr>
<tr>
<td>Gain on sale of financial instruments</td>
<td>10</td>
<td>-</td>
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</tbody>
</table>

» Amortisation of intangibles relate largely to the Lehnkering acquisition
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<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net financing costs</strong></td>
<td>(362)</td>
<td>(305)</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Interest cover</strong></td>
<td>8.1x</td>
<td>8.6x</td>
<td></td>
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</tr>
</tbody>
</table>

### Income from associates

- Excellent contribution from Mix (28% shareholding)
- Contribution from smaller associates was lower
- Ukhamba impacted by:
  - Higher finance cost charges
  - Significant fair value gains on Imperial shares not accounted for
## Income statement

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<td>(362)</td>
<td>(305)</td>
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</tr>
<tr>
<td>Income from associates</td>
<td>3</td>
<td>(17)</td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>(703)</td>
<td>(664)</td>
<td></td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>28%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit for the period</strong></td>
<td>1 787</td>
<td>1 534</td>
<td>16%</td>
</tr>
<tr>
<td>Attributable to Imperial shareholders</td>
<td>1 579</td>
<td>1 350</td>
<td></td>
</tr>
<tr>
<td>Attributable to minorities</td>
<td>208</td>
<td>184</td>
<td>13%</td>
</tr>
</tbody>
</table>
### Significant minorities’ share of earnings

<table>
<thead>
<tr>
<th></th>
<th>H1 2013 vs H1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributorships</td>
<td></td>
</tr>
<tr>
<td>International Logistics</td>
<td></td>
</tr>
<tr>
<td>SA Logistics</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Net Minority earnings</td>
<td></td>
</tr>
</tbody>
</table>

- Distributorships: Increase
- International Logistics: Decrease
- SA Logistics: Decrease
- Other: Decrease
- Net Minority earnings: Increase
## Balance sheet

<table>
<thead>
<tr>
<th>Rm</th>
<th>Dec 2012</th>
<th>Jun 2012</th>
<th>% change</th>
<th>Dec 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>8 545</td>
<td>8 080</td>
<td>6 970</td>
<td></td>
</tr>
<tr>
<td>Transport fleet</td>
<td>4 399</td>
<td>4 336</td>
<td>3 999</td>
<td></td>
</tr>
<tr>
<td>Vehicles for hire</td>
<td>2 688</td>
<td>2 321</td>
<td>2 587</td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>4 420</td>
<td>4 234</td>
<td>4%</td>
<td>1 921</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>3 115</td>
<td>2 256</td>
<td>38%</td>
<td>1 976</td>
</tr>
<tr>
<td>Investments and loans</td>
<td>3 236</td>
<td>2 433</td>
<td>33%</td>
<td>2 604</td>
</tr>
</tbody>
</table>

- Other non-current assets increased due to assets classified as held for sale relating to NAC
- Investment and loans increased due to Regent increasing its equity exposure
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</tr>
<tr>
<td><strong>Net working capital</strong></td>
<td><strong>5 586</strong></td>
<td><strong>4 607</strong></td>
<td><strong>21%</strong></td>
<td><strong>5 960</strong></td>
</tr>
<tr>
<td>Cash resources</td>
<td>2 590</td>
<td>3 545</td>
<td>2 203</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td><strong>34 579</strong></td>
<td><strong>31 812</strong></td>
<td><strong>28 220</strong></td>
<td></td>
</tr>
</tbody>
</table>

» Net working capital well managed

» Seasonally higher in December compared to June

» Decreased when compared to December 2011 despite 18% revenue growth
### Balance Sheet

<table>
<thead>
<tr>
<th>Rm</th>
<th>Dec 2012</th>
<th>Jun 2012</th>
<th>% change</th>
<th>Dec 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total shareholders’ interest</td>
<td>16 494</td>
<td>15 889</td>
<td>4%</td>
<td>14 954</td>
</tr>
<tr>
<td>Interest bearing borrowings</td>
<td>11 088</td>
<td>9 747</td>
<td></td>
<td>8 099</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>6 997</td>
<td>6 176</td>
<td></td>
<td>5 167</td>
</tr>
<tr>
<td>Equity and liabilities</td>
<td>34 579</td>
<td>31 812</td>
<td></td>
<td>28 220</td>
</tr>
</tbody>
</table>

» Equity Impacted by:

- Attributable profits – R1 787m
- Exchange gains arising on translation of foreign operations - R251m
- Share buy-back – (R474m)
- Movement in hedge reserve – (R178m)
- Dividend paid – (R877m)
**Gearing**

» Strong balance sheet

- Higher net debt
  - Lehnkering acquisition
  - Share buy back (R474m)
  - Working capital and hence debt seasonally higher in Dec than June
- Capacity for further acquisitions and organic growth
- Group has R3.5bn un-utilised funding facilities excl asset based finance facilities

» Excludes R441m of perpetual preference shares

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

» Moody’s Ratings:
  - Domestic short term credit rating P-1.za
  - Domestic long term credit rating A2.za
  - International scale rating Baa3
Returns

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

Objective: Average ROIC > than WACC + 4% through the cycles
WACC declined due to share buyback and additional finance on Lehnkering acquisition
### Cash flow – operating activities

<table>
<thead>
<tr>
<th>Rm</th>
<th>2012</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated by operations (pre working capital)</td>
<td>4 285</td>
<td>3 842</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Net working capital movements</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated by operations pre-capital expenditure</td>
<td>2 796</td>
<td>1 821</td>
<td></td>
</tr>
<tr>
<td>Net finance costs and tax paid</td>
<td>(960)</td>
<td>(806)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow from operating activities pre rental assets capex</strong></td>
<td>1 836</td>
<td>1 015</td>
<td>81%</td>
</tr>
<tr>
<td>Expansion capex rental assets</td>
<td>(439)</td>
<td>(671)</td>
<td></td>
</tr>
<tr>
<td>Net replacement capex rental assets</td>
<td>(296)</td>
<td>(174)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>1 101</td>
<td>170</td>
<td></td>
</tr>
</tbody>
</table>

- Lower cash absorption by working capital despite an 18% increase in revenue
- Net working capital turn improved from 6.6 to 8.0 times (excl NAC)
- Capital expenditure on rental assets was lower than in the corresponding period
## Cash flow – investing activities

<table>
<thead>
<tr>
<th>Rm</th>
<th>2012</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net disposal/(acquisition)of subs and businesses</td>
<td>38</td>
<td>(77)</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(1 128)</td>
<td>(1 001)</td>
<td>13%</td>
</tr>
<tr>
<td>Expansion</td>
<td>(597)</td>
<td>(346)</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td>(531)</td>
<td>(655)</td>
<td></td>
</tr>
<tr>
<td>Dividend received from Ukhamba</td>
<td>-</td>
<td>387</td>
<td></td>
</tr>
<tr>
<td>Net movement in associates and JVs</td>
<td>(25)</td>
<td>(37)</td>
<td></td>
</tr>
<tr>
<td>Net movement in equities, loans and other</td>
<td>(854)</td>
<td>(173)</td>
<td>394%</td>
</tr>
<tr>
<td>Total investing activities</td>
<td>(1 969)</td>
<td>(901)</td>
<td>118%</td>
</tr>
</tbody>
</table>

- Net replacement and expansion capital expenditure excluding car rental vehicles was R127m higher
- Increase in equities, loans and other due to Regent increasing its equity exposure
## Cash flow - summary

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>1,101</td>
<td>170</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(1,969)</td>
<td>(901)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(1,361)</td>
<td>(757)</td>
</tr>
<tr>
<td>Shares repurchased</td>
<td>(474)</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(877)</td>
<td>(620)</td>
</tr>
<tr>
<td>Other</td>
<td>(10)</td>
<td>(137)</td>
</tr>
<tr>
<td>(Increase) / Decrease in net debt</td>
<td>(2,229)</td>
<td>1,488</td>
</tr>
<tr>
<td>Free cash flow – total operations</td>
<td>1,009</td>
<td>186</td>
</tr>
<tr>
<td>Free cash conversion ratio</td>
<td>63%</td>
<td>13%</td>
</tr>
</tbody>
</table>
» Focused on generating higher returns on capital

» Seeking growth opportunities in and adjacent to existing industries and geographies

» Focused on expanding our footprint in logistics industry in Africa and abroad
  • Specific focus on consumer logistics in Africa
  • Europe to expand around existing themes

» Maximizing position in motor value chain
  • Scale and experience stands us in good stead
  • Enable us to earn ever increasing annuity income streams from financial services and a growing vehicle parc (parts & services)

» Distribution of products which carry strong brands in the automotive and industrial markets remain a core focus

» Car Rental and Tourism division offers fewer opportunities for expansion
  • Focus will be on improving the returns

» Regent and LiquidCapital to expand product ranges and improve market penetration
Recent acquisitions and disposals

» Acquisitions during the period
  • Midas acquired 80% of Afintapart SA (Pty) Limited – a commercial vehicle parts distributor
  • 60% of LTS Kenzam (Pty) Limited - a logistics business that distributes bituminous products throughout Southern Africa
  • 100% of RTT Health Sciences (rebranded Imperial Health Sciences) – a pharmaceutical distribution and healthcare supply chain services business, effective January 2013

» Disposals during the period
  • 60% of Megafreight, a freight forwarding business; and
  • 62% of NAC, the aircraft distributor and aviation services business. The sale of NAC was finalized on 15 February 2013 and R433m of capital was released

» Contribution to the half year results of businesses sold:
  • Megafreight included for two months – R87m revenue and R7m operating profit
  • NAC included for the full six month period – R551m revenue and R22m operating profit
**RTT Health Sciences acquisition**

2,110 employees

**Medical**

**Trans Africa**

**Consumer Health**

**Essentials**

<table>
<thead>
<tr>
<th></th>
<th>2012 Revenue: R1.1bn</th>
<th>2012 EBITDA: R101m</th>
<th>Enterprise value: R515m</th>
<th>EV/EBITDA multiple: 5.1x</th>
<th>1st year ROIC* (incl. goodwill): 10.0%</th>
</tr>
</thead>
</table>

Earnings enhancing acquisition; meets internal acquisition criteria

* Pre any synergies and amortization of intangibles
Presence in 6 Sub – Saharan countries

» South Africa
  • Jet Park 30,000 m²
  • Centurion 26,500 m²

» Rest of Africa
  • Kenya
  • Nigeria
  • Ghana
  • Malawi
  • Swaziland

» Delivers, through agents to 27 further countries across Africa

» 2,110 staff members

» 26 Trained pharmacists and pharmacist assistants
» In line with consumer growth strategy in Africa

» Compliments Imperial Logistics service offering

» Expansion to the growing Pharma and Healthcare industries

» Strengthens exposure to high growth African economies
Prospects

» Imperial holds leading positions in its main markets
» Trading conditions in SA logistics are challenging
» RTT acquisition will contribute in second half and enhance our capabilities
» African logistics to continue gaining momentum
» International logistics – slow down expected, in line with slowing German economy
» Car rental market to remain competitive
» Growth in new car sales in South Africa expected to moderate further
  • Low interest rates and credit availability to support demand
» Growth of Distributorship car parc - increasing annuity income streams from parts and service activities
» Industrial parts and components will be solid
» Improvement expected in used car market
» Earnings in Financial Services will be robust
» Strong balance sheet will allow us to take advantage of growth opportunities
» Under current conditions subdued growth is expected in 2013 financial year
### Key financial ratios

<table>
<thead>
<tr>
<th>Ratios</th>
<th>H1 2013</th>
<th>H1 2012</th>
<th>F2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group operating margin</td>
<td>6.5%</td>
<td>6.8%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Net D:E ratio</td>
<td>52%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>(excl. prefs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROIC^</td>
<td>15.5%</td>
<td>15.9%</td>
<td>16.3%</td>
</tr>
<tr>
<td>ROE #</td>
<td>22%</td>
<td>22.5%</td>
<td>23%</td>
</tr>
</tbody>
</table>

^ H1 2013 WACC = 8.9%
# Based on core earnings
Cumulative sales of vehicle brands distributed

Note: Includes AMH, Chery, Foton, Mitsubishi, Renault and Tata – PC and LCV
Integrated motor value chain

- **Trade in**
  - Used Cars – Auto Pedigree, Imperial Select (±60,000 units p.a.)

- **Vehicle purchase**
  - Finance – JV’s with Nedbank & MFC
  - Insurance - Regent
  - Vehicle tracking - Mix
  - Warranties – Liquidcapital/Regent
  - Maintenance/Service plans – Liquidcapital

- **Aftermarket Parts**
  - Aftermarket Parts – Midas, Alert Engine parts, Afintapart

- **Trade in**
  - Used Cars – Auto Pedigree, Imperial Select (±60,000 units p.a.)

- **Vehicle maintenance**
  - Parts & Services revenue growing faster than new car revenues
  - Car parc of brands growing
  - Higher margin revenues and annuity in nature
  - Own most of dealerships for imported brands

- **Insurance event**
  - Roadside assistance
  - Car rental
  - Parts
  - Panel shops
South African vehicle credit growth

» Credit availability is key for vehicle sales growth
» Motor vehicle finance dominates secured credit agreements – 88%
» Credit growth in vehicles underpin growth in car sales
» Despite moderation in growth, vehicle credit remains in double digit territory

Credit growth in vehicle finance

Secured credit agreements granted

Source: NCR, SBG Securities
Lower rates and extension of credit terms support demand

Loan bal up 37% but repayments up only 5%

Source: NCR, UBSe
No of vehicle loans granted per quarter

180,000
160,000
140,000
120,000
100,000
80,000
60,000

Q2-08 Q3-08 Q4-08 Q1-09 Q2-09 Q3-09 Q4-09 Q1-10 Q2-10 Q3-10 Q4-10 Q1-11 Q2-11 Q3-11 Q4-11 Q1-12 Q2-12 Q3-12

Source: NCR, UBS
» Outsourcing Potential

- Market size and outsourcing potential
- Estimated market size – R155bn
- Rail = R21bn
- Approximately 70-75% is still done in house
- Potential market is approximately 10x bigger than our current revenue from transport
Southern Africa logistics

Prospects

» Trading conditions in SA Logistics to remain challenging
» Trend to outsourcing to drive future growth
» With infrastructure and network, ideally positioned to capitalise on growth opportunities
» Expansion into Africa will continue gaining momentum
» RTT Health Sciences acquisition to make positive contribution in second half

Strategic objectives

» Expansion into Africa remains a key priority - emphasis on consumer growth opportunities
» Invest in African supply chain management capabilities as we follow our clients into Africa
» Support our customers to invest in route to market solutions
» Target a long-term return on invested capital – minimum of 4% above cost of capital
Share of German OEM's in World Cars Production: 18.4 %

- 12% of International Logistics revenue generated from auto industry
- Activities include in-plant logistics and sub-assembly of components in manufacturing plants
- German OEM’s outperforming the global average in production – good exposure to have
- Intend to follow the customer in the automotive sector

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>CAGR 2009:-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota</td>
<td>6,149</td>
<td>7,268</td>
<td>6,794</td>
<td>5.1%</td>
</tr>
<tr>
<td>General Motors (GM)</td>
<td>4,998</td>
<td>6,267</td>
<td>6,867</td>
<td>17.2%</td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>5,903</td>
<td>7,121</td>
<td>8,157</td>
<td>17.6%</td>
</tr>
<tr>
<td>Hyundai</td>
<td>4,223</td>
<td>5,247</td>
<td>6,118</td>
<td>20.4%</td>
</tr>
<tr>
<td>Ford</td>
<td>2,952</td>
<td>2,959</td>
<td>2,640</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Nissan</td>
<td>2,381</td>
<td>3,142</td>
<td>3,581</td>
<td>22.6%</td>
</tr>
<tr>
<td>Honda</td>
<td>2,984</td>
<td>3,592</td>
<td>2,885</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Suzuki</td>
<td>2,104</td>
<td>2,503</td>
<td>2,337</td>
<td>5.4%</td>
</tr>
<tr>
<td>Renault</td>
<td>2,044</td>
<td>2,396</td>
<td>2,443</td>
<td>9.3%</td>
</tr>
<tr>
<td>Fiat</td>
<td>1,958</td>
<td>1,781</td>
<td>1,805</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Daimler</td>
<td>1,055</td>
<td>1,351</td>
<td>1,443</td>
<td>17.0%</td>
</tr>
<tr>
<td>BMW</td>
<td>1,258</td>
<td>1,481</td>
<td>1,738</td>
<td>17.5%</td>
</tr>
<tr>
<td>Mazda</td>
<td>921</td>
<td>1,233</td>
<td>1,104</td>
<td>9.5%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>1,175</td>
<td>1,056</td>
<td>1,017</td>
<td>-7.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>51,075</td>
<td>60,344</td>
<td>61,703</td>
<td><strong>10.0%</strong></td>
</tr>
</tbody>
</table>

Source: OICA Annual World Motor Vehicle Production
International logistics

Prospects

» Future performance to be impacted by slowing German economy
» Lehnkering to have a positive impact on results as it will make a contribution for the full year
» Businesses remain well positioned in attractive niches in the logistics industry in Germany
» Acquisitions could be a further growth driver

Strategic objectives

» Maximise position in current niches & segments
» Take advantage of trend to outsourcing in key industries we serve
» Pursue bolt-on acquisitions in areas we have expertise
» Follow our customer base into other geographies, eg Eastern Europe, South America
Car Rental and Tourism

Prospects

» Conditions in car rental and tourism will continue to be tough
» Improvement expected in used car market as price differential between used and new cars widen
» Inbound travel demand expected to be slow

Strategic objectives

» Improve return on invested capital
» Maximise positioning in commercial vehicle rental market
» Grow unit sales and market share in Auto Pedigree’s specific target market
» Improve contribution from panelshops to divisional results
Distributorships

Prospects

» While inventory position has improved, product supply remains tight but stable
» Continue benefiting from growth in parts and service revenue streams as the car parc of imported brands grow
» Autoparts should perform solidly in competitive market
» Goscor will capitalise on strong order book, growth in rental business and after sales maintenance opportunities

Strategic objectives

» Increase market share in the SA vehicle market
» Continue to focus on optimizing the value chain in motor business
» Grow annuity-type income from parts, service & after-sales activities
» Distribution of products which carry strong brands in automotive and industrial markets remain a core focus
**Prospects**

» Outlook for new vehicle sales is for a slower growth

» Well balanced portfolio – ideally positioned to take advantage of any growth opportunities presented by market

» Used car market should improve further

---

**Strategic objectives**

» Target best in industry ROIC & operating margins

» Focus on organic growth & optimising synergies between vehicle sales, related financial services and parts and service

» Increase parts & accessory sales
Financial Services

Prospects

» Earnings in Financial Services division should be robust
  » Increasing annuity income due to new business being placed on its book
» Investment portfolio continues to be conservatively managed despite increased exposure to equity markets

Strategic objectives

» Increase market share in motor and non-motor related insurance by leveraging off the Imperial dealer network and using other innovative distribution channels
» Exploit the opportunity of selling more financial products to the growing car parc of vehicles we import
» Continue to develop life insurance business in the emerging market
» Seek new strategic partnerships where we can leverage off each other skills set and add value
SUPPORTING PEOPLE THROUGH MOBILITY