Imperial Holdings

Unaudited results

for the six months ended 31 December 2007

- Headline earnings per share down 25% to 535,5 cents (19% down on continuing operations)
- Revenue from continuing operations up 4% to R31,7 billion
- An attributable loss of R500 million following a once-off write down of R848 million on the discontinuation of aviation and R690 million on the discontinuation of commercial vehicle distribution

Overview of results

The disappointing growth in operating performance, with revenue up 4%, operating profit up 2,3% and headline earnings per share down 25% was caused principally by difficult trading conditions in the group's consumer-led motor retailing and related operations and weak investment returns on insurance portfolios. However, the operating margin from continuing operations remained virtually unchanged at 7,3%.

Our logistics, leasing and capital equipment operations performed well, showing good revenue and operating profit growth. Revenue in the car rental business grew by 24%, but higher interest charges on a larger fleet and accident costs impacted the bottom line.

Revenue in our motor dealership and distributorship businesses was 7% lower than last year, while the combined operating margin of these operations declined from 4,5% to 3,7%. New vehicle unit sales were 18% lower than last year and used vehicle sales were maintained. The decline in vehicle sales is a result of consumer belt-tightening following eight consecutive 50 point interest rate hikes between June 2006 and December 2007 and the introduction of the National Credit Act (NCA) in June 2007. The NCA also negatively impacted on new business in our vehicle related insurance companies, which further suffered from a weak equity market causing gains in our investment portfolios to be R222 million lower than last year.

Net finance charges were 46% higher due to higher interest rates and average debt levels, which were 35% higher than the comparable period.

Income from associates, at R83 million, was down from R127 million, mainly due to losses from our 49% holding in Renault. Our share of Imperial Bank's profit grew by 22% to R127 million.

The tax rate was unchanged at 31%.

Discontinuation of businesses

These results account for the discontinuation of our aviation and commercial vehicle distribution businesses at an aggregate once-off loss of R1,538 billion.

The sale of the Air Contractors group has been concluded and the purchase consideration of €22,5 million has been received. We are to receive repayments of loans of €18,7 million in May this year. Negotiations for the sale of the balance of the Aviation division are far advanced. In terms of these negotiations, certain aircraft and funding obligations will remain with Imperial for periods ranging from six months to five years. However, the whole division (excluding NAC which is now reported in the Distributorships division) is now treated as discontinued, and provision has been made for a loss on discontinuation of this business amounting to R848 million. The losses mainly stemmed from lower realisation values on aircraft, goodwill and deferred tax asset write-offs, and provisions for anticipated losses on the sale of aircraft spares.

Due to ongoing losses in our commercial vehicle distribution business, Commercial Vehicle Holdings (CVH), and our conclusion that CVH's business model would continuously cause mispricing and overstocking due to long order lead times, it was decided to discontinue this business. This business has been poorly managed and decisive action has now been taken. Accordingly, we chose to terminate the distributorship agreements for International, DAF, Renault trucks and VDL buses. A loss of R690 million after tax has been provided on the closure, which will arise from overhead costs in running down the business, provisions against buy-back and trade-back agreements, ongoing maintenance obligations, redundant spares inventories, and provisions for anticipated losses on the disposal of surplus new and used vehicles.

The truck brand distributorships are being transferred to the original equipment manufacturers (OEMs). We are working closely with the OEMs to ensure a smooth handover and the group will continue to hold key dealerships for these brands. In addition, we hold several strong commercial vehicle operations in our Dealerships division.

Review of business

During the period, the Imperial board and executive management carefully assessed the performance of the group and are taking corrective steps where businesses have underperformed. A number of businesses are being sold or closed where returns are viewed as inadequate.

Change in year end

In order to align the financial year end to the month end, it was decided to change the company's financial year end from 25 June to 30 June and the half year end from 25 December to 31 December.

Cash flow and debt levels

Cash generated by operations for the period was 70% lower caused mainly by unfavourable working capital movements of R2,5 billion compared to R230 million last year. Net working capital in the Leasing and Capital Equipment division was R1 052 million higher than at June 2007, primarily due to the establishment of an inventory base for the new Terex and New Holland Construction distributorship franchises. In the combined motor dealerships and distributorships businesses, net working capital increased by R1 046 million since June and by R478 million in Logistics.

As is typical from a slowdown in activity in motor retailing, working capital levels increased as inventories built up beyond levels which are funded by suppliers.

Net capital expenditure, at R2 819 million, was 19% higher with the main contributors being Leasing and Capital Equipment, which responded to strong demand for its open-cast mining services with R933 million in capital expenditure. To a lesser extent, the Logistics and the Car Rental and Tourism divisions incurred capital expenditure to increase their operational fleets.

The group's net interest bearing debt increased from R11,1 billion to R14,7 billion from June to December 2007 and the net debt/equity ratio increased to 119% from 82% in June. Debt levels are seasonally higher in December than in June, and the change in year end also contributed to higher debt on a comparative basis.

The IPL2 bond of R1,2 billion, which matures tomorrow, will be settled by mainly internal sources and the balance from existing bank facilities. Imperial has significant unutilised liquidity facilities.

New initiatives

Several new initiatives are under way in Imperial Logistics International. These include a new spare parts centre in Herten with a total capacity of 25 000 m², expansion of the terminal facilities in Cologne, doubling of terminal space in Düsseldorf and Duisburg, and the establishment of two new container terminals in the Lower Rhine region. In addition Imperial Logistics International acquired Food Tankers and Laabs, both liquid bulk transport companies in Europe, as well as Rijnaarde, an inland waterway chartering company in the Netherlands. All these initiatives started positively. In addition, a strategic alliance has been formed with Toepfer and ThyssenKrupp in Deep Sea brokerage, pursuant to which a 30% interest in Brouwer Shipping was sold to each.

Other strategic initiatives

Leasing and Capital Equipment

As previously stated, the group has decided to refine its business focus and reduce its exposure to capital intensive businesses. In addition to the discontinuation of aviation referred to above, it was decided to unbundle the leasing and capital equipment business to shareholders. The unbundling creates a new entity with a sharp focus on capital intensive leasing and infrastructure related activities which will be able to capitalise on fixed investment spending and the demand for commodities. This business which will be named Eqstra, consists of full maintenance leasing of passenger and light to medium commercial vehicles and forklifts, as well as the rental and operation of earthmoving equipment, primarily in open-cast mining and construction. It is also the distributor of Toyota forklifts and Terex and New Holland Construction equipment. It can operate on a standalone basis and attract higher financial leverage than as a division of Imperial. Growth potential for the leasing operations will thereby be unlocked, and debt levels in Imperial reduced with a relatively small reduction in equity capital.

A detailed cautionary announcement regarding the unbundling will be published separately.

Tourvest

We also announced our intention to dispose of our 66% interest in Tourvest because we regard it as falling outside of our chosen frame of tourism activities. Negotiations are in progress with more than one interested bidder for the company.

Imperial's future focus

Subsequent to the aforementioned transactions and the unbundling, Imperial will be focused on logistics in southern Africa and Europe, car rental and related tourism services and on motor vehicle importation, retailing and related financial services on an integrated basis. The group has significant market leading positions in each of these areas which will serve as a platform for future value creation and growth. Returns on investment will be further enhanced by an emphasis on service related operations, which are closely aligned to and based on its core activities.

Skills development and social investment

A training centre has been established through a skills development and training fund. The facility will be aimed at improving managerial and other skills levels throughout the organisation and promote transformation. Formal leadership training will start in March. In addition, two apprenticeship training centres are being established, in Germiston and Cape Town, to recruit and improve the technical ability of apprentices.

The social investment programmes of Imperial and its associate Ukhamba Holdings are proving to be very successful. Three schools in Gauteng have been funded by the Community Development Trust, with more than R10,5 million of financial assistance. The schools are provided with comprehensive support for their facilities, textbooks, teacher training and curriculum development services. Health awareness among truck drivers is a critical priority to our group. More than 16 clinics are supported and comprehensive health awareness programmes exist.

Lereko Mobility

A negative fair value adjustment of R83 million has been made in respect of Imperial's investment in Lereko Mobility (Pty) Limited arising from the reduction in value of Lereko Mobility's 14,5 million shares in Imperial Holdings to R104 per share, the market price at the close of the period under review. The carrying value of Imperial's investment in Lereko Mobility after the abovementioned adjustment is R586 million. Any reduction in the Imperial share price below R104, applied to Lereko Mobility's 14,5 million shares will attract a further fair value adjustment.

Imperial's interest in Lereko Mobility was consolidated until November 2006. Thereafter it was equity accounted because the company's risk in the investment was sufficiently low in view of the company's share price to warrant deconsolidation. The share price is now at a level where the investment may have been required to be consolidated, but since the risk will now be shared between Imperial and Eqstra, the equity accounting treatment will be maintained.

Divisional reports

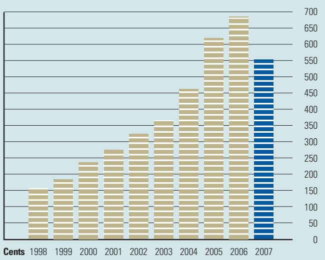
Logistics

R'million	2007	2006	change
Revenue	**8 516**	7 321	16,3%
Operating profit	**555**	425	30,6%
Operating asset	**9 846**	8 201	20,1%
Operating margin (%)	**6,5**	5,8	

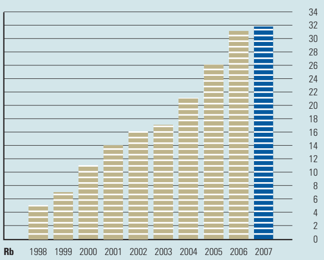
South and southern Africa

Operating profit grew by 13,9%, on an increased margin of 8,0%, up from 7,9% a year ago. The margin improvement is more significant in view of the fact that revenue increased by R91 million due to a 31% higher fuel price, without an increase in operating profit. Revenue grew by 12,4% to R4,6 billion.

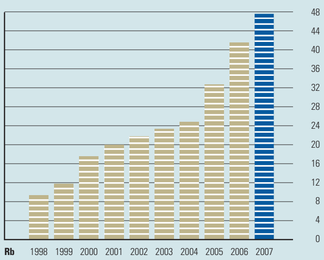
Headline earnings per share*



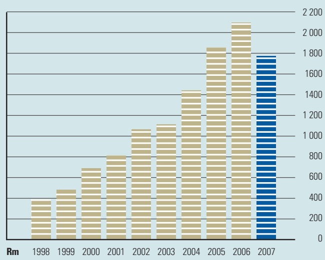
Revenue*



Total assets



Pre-tax profits*



* 2006 and 2007 continuing operations only

The overall performance of the division was satisfactory, in spite of some operational problems in isolated areas, as well as working capital being in excess of desired levels. These are being addressed urgently.

The largest contributor to the division's revenue, at 38%, was derived from the FMCG sector. Our performance in this sector was good in the first half, but we expect some decline in growth during the second half.

The division is steadily increasing its penetration into higher value added services as the investment in the fleet increased at a slower rate than revenue and operating profit.

Europe

Good growth in the German economy, particularly in the steel and automotive sectors provided the platform for strong growth and expansion of Imperial Logistics International.

The division had an excellent half year, despite the fact that the growth of 21% in revenue and 83% in operating profit included results for seven months trading due to the change in year end.

The inland waterway business, Imperial Reederei, and the bulk and container terminals in Neska performed well. Panopa Logistics was satisfactory.

Leasing and Capital Equipment

R'million	**2007**	2006	change
Revenue	**3 314**	2 135	55,2%
Operating profit	**635**	415	53,0%
Operating asset	**8 278**	5 709	45,0%
Operating margin (%)	**19,2**	19,4	

The division has continued its strong growth path of last year, reporting increases in revenue of 55% and operating profit of 53%.

The strongest profit contribution came from the capital equipment business which is engaged in contract open-cast mining operations, mainly in the platinum industry. All the major contracts, situated in the Rustenburg area and at Ngezi in Zimbabwe are performing well. Attractive new mining contracts of considerable scale were won in the later part of the year. The plant hire division enjoyed strong demand and high plant utilisation. The distribution of Terex and New Holland Construction equipment has gained momentum. Terex sales of rigid trucks and cranes to the construction sector were good and the sale of high value face shovels to the mining sector contributed well to profit.

The passenger and commercial vehicle leasing business in the rest of Africa also contributed well, although partially from the de-fleeting of contracts that have terminated. Attractive new opportunities are being pursued in all areas of operation, including Botswana, Nigeria, Rwanda and Swaziland.

Car Rental and Tourism

R'million	**2007**	2006	change
Revenue	**1 362**	1 097	24,2%
Operating profit	**186**	166	12,0%
Operating asset	**2 232**	1 895	17,8%
Operating margin (%)	**13,7**	15,1	

Tourvest has been excluded from the divisional results since the investment is now treated as a discontinued operation in view of the sale process under way. There are still two tourism related interests in the division, Springbok Atlas and Grosvenor Tours.

Revenue in the division grew by 24% and operating profit by 12%. After higher interest charges due to an increase in the average fleet value of 15% and higher interest rates, the pre-tax profit growth was confined to 5%. Revenue days increased by 11%.

The car rental business managed to maintain operating margins despite fierce pricing pressure and significant increases in accident costs.

A major brand repositioning is under way after the renewal of the Europcar franchise agreement for a long period, as well as exclusive inbound and outbound referral agreements with both the National and Alamo car rental brands.

Significant new business was gained with government departments, and in the construction and energy sectors, and we remain the leading supplier of car rental services to low cost airlines. The brand repositioning will facilitate global partnerships.

Used car margins in Auto Pedigree were weaker due to generally weak trading conditions in the motor market, although unit sales increased strongly. The company's technology platforms have been enhanced to allow consumers greater opportunity to view product and apply for finance online.

Turnover in Springbok Atlas was up by 16% on last year and profitability was good. The company is working very closely with the 2010 soccer organisers and sponsors. The division is also developing new markets in China, Taiwan, Portugal, Spain and the Middle East.

Distributorships

R'million	**2007**	2006	change
Revenue	**8 318**	9 323	(10,8%)
Operating profit	**448**	618	(27,5%)
Operating asset	**7 787**	7 479	4,1%
Operating margin (%)	**5,4**	6,6	

Revenue in the division, which now consists of Associated Motor Holdings, NAC and the South African and UK parts businesses, declined by 11% and operating profit by 28%.

Associated Motor Holdings experienced difficult trading conditions due to higher interest rates, the implementation of the NCA and negative economic factors influencing customer confidence.

Renault, in which we hold a 49% equity accounted interest, performed poorly, returning a loss to us of R87 million. Management changes were effected and Imperial will in future take a more active role in the business.

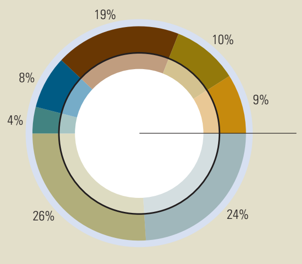
Despite flat market conditions with possible further contraction in the short term, we are optimistic that we have taken appropriate measures to streamline the business to improve efficiencies and ensure that it continues to deliver acceptable returns whilst exploring further opportunities for growth.

Results for the Australian Ford dealerships are improving, having achieved a small operating profit.

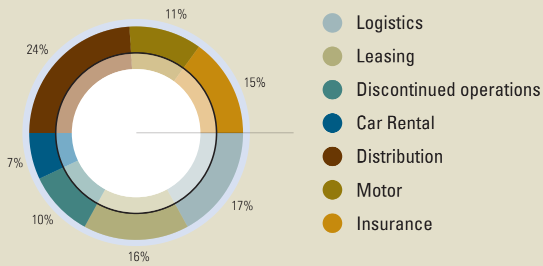
NAC has been transferred into the Distributorships division following the discontinuation of the Aviation division. The business performed well as previous problem areas in the contracts and maintenance divisions have now been rectified. Aircraft sales performed well and the order book is good.

The UK parts business, Multipart, was recently notified of the termination of a significant contract, and we have been disappointed at the low number of meaningful new contracts gained since acquisition. This would put

Divisional operating profit December 2007



Divisional operating profit December 2006



pressure on profitability, and accordingly, we are reviewing the future of our parts distribution activities in the UK. The goodwill paid on this acquisition has been impaired and it is likely that losses on discontinuation would be incurred.

Dealerships

R'million	**2007**	2006	change
Revenue	**9 958**	10 270	(3,0%)
Operating profit	**223**	268	(16,8%)
Operating asset	**5 055**	4 553	11,0%
Operating margin (%)	**2,2**	2,6	

Revenue in the division, which now includes 24 commercial vehicle dealerships and service centres in the UK, declined by 3% and operating profit by 17%. Interest cost on higher borrowings was 48% higher, leaving pre-tax profit down by 33%.

The decline is a direct result of pressure on the affordability of new and used vehicles due to higher interest rates, as well as the introduction of the NCA. The weak market also needs to be seen against three prior years of extraordinary growth in vehicle sales.

Investment in facilities continued during the period in the knowledge that increasing numbers of vehicles will need to be serviced following high sales volumes in the recent past. This investment positions the group to expand the after sales revenue stream.

Margins on used vehicles were weak, but are starting to improve as dealers have now cleared over-valued stock caused by the sharp sales decline in the last six months.

Demand for commercial vehicles remained high, especially in the extra heavy category. We are well represented in these categories of vehicles, which are expected to continue performing well.

A good performance has been achieved by the UK dealerships and we are satisfied by the performance of Jurgens Caravans and Beekmans Canopies.

Insurance

R'million	**2007**	2006	change
Revenue	**1 317**	1 581	(16,7%)
Operating profit	**202**	375	(46,1%)
Operating asset	**4 185**	3 542	18,2%
Operating margin (%)	**15,3**	23,7	

The combined premium income of Regent Insurance and Regent Life was 17,5% lower. The decline in premium income is a result of the introduction of the NCA (through which monthly policies are now written instead of annual or term policies) and the downturn in the motor market.

Regent Insurance wrote R1,008 billion in gross premiums against R1,042 billion in the comparable period, but the effect of the NCA was more pronounced in Regent Life, where premium income at R272 million was down from R511 million last year. This was in line with expectations. The number of policies written declined sharply after the introduction of the NCA, but has since grown to approach levels reached before the NCA introduction.

Underwriting results remained strong, with the combined insurance result being 62% higher than last year at R139 million. After investment income, which was significantly down as a result of weak equity markets, operating income was 46% lower at R202 million.

The investigation of the LOA and the FSB into previous practices followed in the credit insurance industry is ongoing. A fine of R50 000 for non-disclosure has been imposed by the LOA

Dividend

In view of the loss for this period, the board has decided not to pay an interim ordinary dividend but intends to resume the normal dividend policy at year-end.

Directorate

The board and all our employees were saddened by the death on 21 January 2008 of our former CEO, Bill Lynch, who had served the group for 36 years. Our condolences go to his family. His colleagues will miss him, as a friend and as a mentor, and he will be remembered for the enormous contribution he made to the development of the Imperial group.

We also announce the retirement from the board of Carol Scott and Phil Erasmus. Carol was the founder of Imperial Car Rental and the Car Rental division in 1979 and Phil joined the group in 1995 with the acquisition of Tanker Services. He headed up the Transport division until his retirement when he became a non-executive director. We wish to thank Carol and Phil for the crucial roles they have played in the development of the group.

Prospects

Trading conditions in the motor sector will remain difficult for the remainder of the financial year and beyond, until the upward cycle in interest rates is reversed. Whilst the Logistics and Leasing and Capital Equipment divisions have continued to perform well, we expect growth in these divisions to slow down. The Car Rental division will be affected by investment in the rebranding process.

With the discontinuation of the aviation and commercial vehicle distributorship businesses and the unbundling of the Leasing and Capital Equipment division, the group's balance sheet will regain much capacity to facilitate the pursuit of opportunities for further growth. The board believes that the three pillars on which the group, after its present restructuring, will be built, namely logistics, car rental and motor vehicle dealerships and distribution with their related financial services, is a base that is exposed to strongly growing sectors of the South African and global economies.

By order of the board

L Boyd, Chairman
HR Brody, Chief executive
AH Mahomed, Financial director

Declaration of distributions

Preference shareholders

Notice is hereby given that a preference dividend of 512,05 cents per preference share has been declared payable to holders of non-redeemable, non-participating preference shares.

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

	2008
Last day for preference shares to trade cum-preference dividend	Wednesday, 19 March
Preference shares commence trading ex-preference dividend	Thursday, 20 March
Record date	Friday, 28 March
Payment date	Monday, 31 March

Share certificates may not be dematerialised/rematerialised between Thursday, 20 March 2008 and Friday, 28 March 2008, both days inclusive.

On Monday, 31 March 2008, amounts due in respect of the preference dividend will be electronically transferred to the bank accounts of certificated preference shareholders who utilise this facility. For those who do not, cheques dated 31 March 2008 will be posted on or about that date. Preference shareholders who have dematerialised their shares will have their accounts, held at their CSDP or broker, credited on Monday, 31 March 2007.

Preferred ordinary shareholders (unlisted)

Notice is hereby further given that a capital distribution of 267,5 cents per preferred ordinary share has been declared and is payable to preferred ordinary shareholders recorded in the registers of the company at the close of business on Thursday, 27 March 2008.

On Friday, 28 March 2008 the capital distribution will be electronically transferred to the bank accounts of preferred ordinary shareholders.

On behalf of the board

RA Venter
Group company secretary

26 February 2008

Condensed income statement

For the half year ended 31 December	Unaudited 2007 31 Dec Rm	Unaudited 2006 25 Dec Rm	% change	Unaudited 2007 25 Jun Rm
CONTINUING OPERATIONS				
Revenue	31 670	30 526	4	60 367
Net operating expenses	(28 341)	(27 398)		(53 927)
Profit from operations before depreciation and recoupments	3 329	3 128		6 440
Depreciation, amortisation and recoupments	(1 029)	(879)		(1 782)
Operating profit	2 300	2 249	2	4 658
Foreign exchange gains		58		11
Fair value gains (losses) to foreign exchange derivatives	14	(13)		(11)
Fair value (losses) gains on other financial instruments	(83)	10		19
Exceptional items	(5)	27		13
Profit before net financing costs	2 226	2 331	(5)	4 690
Net financing costs	(542)	(372)		(753)
Income from associates and joint ventures	83	127		236
Profit before taxation	1 767	2 086	(15)	4 173
Income tax expense	517	616		1 153
Profit from continuing operations	1 250	1 470	(15)	3 020
DISCONTINUED OPERATIONS	(1 583)	106		93
– Trading (loss) profit from discontinued operations	(45)	106		93
– Fair value loss on discontinued operations	(1 538)			
Net (loss) profit for the period	(333)	1 576		3 113
Attributable to:				
Equity holders of Imperial Holdings Limited	(500)	1 429		2 776
Minority interest	167	147		337
	(333)	1 576		3 113
Earnings per share	cents	cents		cents
Ordinary shares				
– Basic				
Total	(289,6)	764,0	(138)	1 470,5
Discontinued operations	(852,1)	57,3		50,4
Continuing operations	562,5	706,7	(20)	1 420,1
– Diluted				
Total	(246,3)	700,5	(135)	1 337,4
Discontinued operations	(781,1)	52,0		45,8
Continuing operations	534,8	648,5	(18)	1 291,6
Preferred ordinary shares				
– Basic	267,5	89,4		356,0
Additional information	Rm	Rm		Rm
Headline earnings reconciliation				
Attributable (loss) profit	(500)	1 429		2 776
Attributable to preferred ordinary shareholders	(39)	(13)		(52)
Attributable to ordinary shareholders	(539)	1 416		2 724
Profit on sale of property, plant and equipment, net of taxation	(25)	(75)		(173)
Impairment of property, plant and equipment, net of taxation	3			26
Exceptional items, net of taxation	1 556	(22)		(8)
Headline earnings	995	1 319		2 569
Headline earnings per share	cents	cents		cents
– Basic				
Total	535,5	712,1	(25)	1 386,9
Discontinued operations	(15,1)	29,1		11,2
Continuing operations	550,6	683,0	(19)	1 375,7
– Diluted				
Total	510,0	653,4	(22)	1 286,8
Discontinued operations	(13,8)	26,5		10,2
Continuing operations	523,8	626,9	(16)	1 276,6
*Based on the weighted average number of shares in issue for the period				
Net asset value per share (cents)	5 544,0	5 825,5		6 223,2
Number of ordinary shares (million)				
– in issue	189,2	186,7		186,7
– weighted average	185,8	185,3		185,2
Number of other shares in issue (million)				
– Preferred ordinary	14,5	14,5		14,5
– Deferred ordinary	16,7	19,2		19,2
Net finance cost	Rm	Rm		Rm
Net interest paid	551	371		756
Foreign exchange loss (gain) on monetary items	50	(15)		60
Fair value (gains) losses on borrowings and interest swaps	(59)	16		(63)
	542	372		753
Exceptional items				
Impairment of goodwill	(44)	(1)		(14)
Profit on disposal of investments in subsidiaries	39	28		42
Loss on closure of business				(15)
	(5)	27		13

Condensed balance sheet

For the half year ended 31 December	Unaudited 2007 31 Dec Rm	Unaudited 2006 25 Dec Rm	Audited 2007 25 Jun Rm
ASSETS			
Intangible assets	997	1 024	1 238
Investments in associates and joint ventures	2 373	2 458	2 732
Property, plant and equipment	5 693	5 003	5 441
Transport fleet	3 136	2 649	2 789
Leasing assets	5 690	6 707	6 990
Vehicles for hire	1 449	1 213	1 012
Deferred tax assets	593	394	450
Assets classified as held for sale	5 300		
Other investments and loans	2 389	2 369	2 793
Other non-current financial assets	881	782	842
Inventories	7 717	8 177	9 436
Taxation in advance	120	215	140
Trade and other receivables	8 862	8 591	8 883
Cash resources	2 568	1 686	2 788
Total assets	47 768	41 268	45 534
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	241	1 212	876
Shares repurchased and consolidated shares	(1 995)	(1 992)	(1 955)
Other reserves	1 171	1 157	1 203
Retained earnings	11 877	11 344	12 397
Attributable to Imperial Holdings' shareholders	11 294	11 721	12 521
Minority interest	1 009	820	946
Total shareholders' equity	12 303	12 541	13 467
Liabilities			
Non-redeemable, non-participating preference shares	441	300	441
Retirement benefit obligations	239	218	230
Interest-bearing borrowings	17 251	12 326	13 845
Liabilities under insurance contracts	1 604	1 515	1 722
Deferred tax liabilities	1 052	1 014	1 196
Liabilities directly associated with assets held for sale	2 469		
Other non-current financial liabilities	91	31	13
Trade and other payables and provisions	11 269	12 301	13 680
Current tax liabilities	1 049	1 022	940
Total liabilities	35 465	28 727	32 067
Total equity and liabilities	47 768	41 268	45 534
Capital commitments	1 035	770	1 426
Contingent liabilities	771	786	600

Discontinued operations

The following have been identified as disposal groups:

- Aviation division, except NAC, is to be disposed of in its entirety
- Assets of Commercial Vehicle Holdings (CVH) are being sold
- Tourvest, a JSE listed entity, subject to negotiations for sale

All associated assets and liabilities have been classified as discontinued operations.

The prior year income statement and segment report has been reclassified for discontinued operations and for certain divisional reclassifications.

Basis of preparation

This condensed consolidated financial information has been prepared in accordance with IAS 34 – Interim Financial Reporting and has not been audited or reviewed by our auditors.

The condensed consolidated financial information should be read in conjunction with the audited annual financial statements for the year ended 25 June 2007.

Accounting policies

The accounting policies adopted in preparation of the condensed consolidated financial information are consistent with those of the annual financial statements for the year ended 25 June 2007. Circular 2007/08 issued by the South African Institute of Chartered Accountants became applicable during the reporting period.

This has the impact of excluding any realised gains or losses on our fleets from headline earnings.

The prior year headline earnings per share figures have been restated accordingly.

Executive share purchase scheme

The group has a loan receivable of R503 million owing by the executive share purchase scheme to the company. The executives participating in the purchase scheme are indebted to the Trust for this amount and have pledged 3 508 800 shares in Imperial Holdings as security. The outstanding loan balance is interest bearing and dividends received are credited to the loan account. The loan of each participant is to be settled within 10 years of the offer date, and the company has the right, in certain circumstances, to extend the period for a further five years. The value of the shares pledged at the reporting date amounted to R365 million. No impairment charge has been recognised for the possible shortfall, as it is likely that over the longer term the amount will be recoverable. However interest amounting to R22 million for this period has not been recognised in income.

New acquisitions

The group did not make any individual acquisitions that are considered material to the group results. The following amounts are disclosed:

	Purchase consideration Rm	Fair value of net assets acquired Rm	Goodwill Rm	Contribution since acquisition Revenue Rm	Contribution since acquisition Profit before tax Rm
New acquisitions	201	45	156	277	15

Condensed statement of changes in equity

	Share capital and premium Rm	Share repurchase consolidated shares Rm	Other reserves Rm	Retained earnings Rm	Minority interest Rm	Unaudited 31 Dec 2007 Rm	Unaudited 25 Dec 2006 Rm	Audited 25 June 2007 Rm
Balance at 25 June 2007	876	(1 955)	1 203	12 397	946	13 467	10 787	10 787
Net (losses) gains arising on translation of foreign operations			(30)			(30)	34	143
Movement in hedge accounting reserve			(26)		(6)	(32)	(535)	(646)
Movement on share based payment reserve			4			4	(63)	(66)
Net losses not recognised in the income statement			(52)		(6)	(58)	(564)	(569)
Net attributable (loss) profit for the period				(500)		(500)	1 429	2 776
Minority share of attributable profits (continuing and discontinued operations)					185	185	170	378
Net increase in minority interest					(3)	(3)	1	25
Contingency reserve created in terms of the Insurance Act			6	(6)				
Transfer of Imperial Bank's credit risk reserve to statutory reserve			14	(14)				
Repurchase of ordinary shares		(104)				(104)	(298)	(298)
Deconsolidation of Lereko Mobility							1 558	1 558
Issue expenses	(1)					(1)		
Capital distribution	(634)	64				(570)	(462)	(761)
Dividend								(263)
Minority share of dividends					(113)	(113)	(80)	(166)
Balance at 31 December 2007	241	(1 995)	1 171	11 877	1 009	12 303	12 541	13 467

Condensed cash flow statement

For the half year ended 31 December	Unaudited 2007 31 Dec Rm	Unaudited 2006 25 Dec Rm	% Change	Audited 2007 25 Jun Rm
Cash flows from operating activities				
Cash generated by operations before changes in working capital	3 419	3 442		6 786
Net working capital movements	(2 459)	(230)		(775)
Cash generated by operations	960	3 212	(70)	6 011
Net financing costs	(701)	(498)		(1 026)
Taxation paid	(511)	(727)		(1 106)
Net cash flows from operating activities	(252)	1 987	(113)	3 879
Cash flows from investing activities				
Net disposal (acquisition) of subsidiaries and businesses	58	(108)		(462)
Expansion capital expenditure	(1 867)	(1 724)		(2 616)
Net replacement capital expenditure	(952)	(645)		(1 208)
Investments, equities and loans	(280)	(397)		(462)
Net cash flows from investing activities	(3 041)	(2 874)		(4 748)
Cash flows from financing activities				
Cash flow from financing activities	108	864		1 513
Dividends paid	(113)	(80)		(429)
Capital distribution	(570)	(462)		(761)
Net cash flows from financing activities	(575)	322		323
Net decrease in cash and cash equivalents	(3 868)	(565)		(546)
Cash and cash equivalents at beginning of year	(2 189)	(1 643)		(1 643)
Cash and cash equivalents at end of period	(6 057)	(2 208)		(2 189)

Segment information – Balance sheet

For the half year ended 31 December	Group		Logistics		Leasing and Capital Equipment		Car Rental and Tourism		Distributorships*		Motor Vehicle Dealerships**		Insurance		Head office and eliminations		Discontinued operations	
	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm
BUSINESS SEGMENTATION – CONTINUING AND DISCONTINUED OPERATIONS																		
Assets																		
Intangible assets	1 310	1 024	657	358	61	57	82	34	28	21	60	142	15	10	94	140	313	262
Investments, loans and associates	4 465	3 966	69	71	24	18	4	3	173	183	9	15	1 880	1 847	1 997	1 426	309	403
Property, plant and equipment	6 082	5 003	1 526	1 297	278	183	146	122	1 946	1 688	1 480	1 160	161	85	156	123	389	345
Transport fleet	3 136	2 649	3 204	2 746											(68)	(97)		
Leasing assets	7 029	6 707			5 351	4 398			347	395					(8)	(22)	1 339	1 936
Vehicles for hire	1 449	1 213					1 453	1 208							(4)	5		
Other non-current financial assets	881	782											493	447	388	335		
Inventories	9 083	8 177	96	176	1 478	356	307	281	3 466	3 467	2 438	2 249			(68)	(120)	1 366	1 768
Trade and other receivables	9 953	8 591	4 294	3 553	1 086	697	240	247	1 827	1 725	1 068	987	526	390	(179)	41	1 091	951
Cash in financial services businesses	1 110	763											1 110	763				
Operating assets	44 498	38 875	9 846	8 201	8 278	5 709	2 232	1 895	7 787	7 479	5 055	4 553	4 185	3 542	2 308	1 831	4 807	5 665
Deferred tax assets	595	394																
Loans to associates and other investments	625	861																
Taxation in advance	437	215																
Cash and cash equivalents	1 613	923																
Total assets per balance sheet	47 768	41 268																
Liabilities																		
Retirement benefit obligations	239	218	239	218														
Liabilities under insurance contracts	1 604	1 515											1 582	1 515	22			
Accounts payable and provisions	13 214	12 301	3 721	3 390	1 348	900	404	530	2 858	3 111	1 861	2 058	1 128	940	(52)	72	1 946	1 300
Other non-current financial liabilities	91	31													91	31		
Non-interest-bearing liabilities	15 148	14 065	3 960	3 608	1 348	900	404	530	2 858	3 111	1 861	2 058	2 710	2 455	61	103	1 946	1 300
Non-redeemable, non-participating preference shares	441	300																
Interest-bearing borrowings	17 575	12 326																
Deferred tax liabilities	1 236	1 014																
Current tax liabilities	1 065	1 022																
Total liabilities per balance sheet	35 465	28 727																
GEOGRAPHIC SEGMENTATION – CONTINUING OPERATIONS																		
Operating assets	39 691	33 210	9 846	8 201	8 278	5 709	2 232	1 895	7 787	7 479	5 055	4 553	4 185	3 542	2 308	1 831		
– South Africa	32 310	27 302	6 567	5 947	7 488	4 887	2 180	1 845	6 203	5 815	4 070	3 750	3 515	3 234	2 287	1 824		
– Rest of Africa	1 298	998	224	223	296	341	52	50					670	308	6			
– Rest of world	6 083	4 910	3 055	2 031	494	481			1 534	1 588	985	803			15	7		
Non-interest-bearing liabilities	13 202	12 765	3 960	3 608	1 348	900	404	530	2 858	3 111	1 861	2 058	2 710	2 455	61	103		
– South Africa	10 148	9 821	2 614	2 467	1 238	777	388	514	2 288	2 385	1 441	1 572	2 292	2 148	(113)	(42)		
– Rest of Africa	597	481	67	62	74	66	16	16	18	29			418	307	4	1		
– Rest of world	2 457	2 463	1 279	1 079	36	57			552	697	420	486			170	144		
Interest-bearing borrowings	17 251	12 326	2 271	1 246	5 164	3 411	737	471	1 764	1 748	1 630	997			5 685	4 453		
– South Africa	13 201	9 300	1 286	985	4 534	2 798	745	501	1 260	1 243	1 239	830			4 137	2 943		
– Rest of Africa	467	420	100	104	270	248	(8)	(30)	85	82					20	16		
– Rest of world	3 583	2 606	885	157	360	365			419	423	391	167			1 528	1 494		
Gross capital expenditure	4 044	3 675	663	460	1 436	1 175	904	821	753	928	265	234	21	19	2	38		
– South Africa	3 621	3 163	469	368	1 321	1 037	900	818	662	670	246	214	21	19	2	37		
– Rest of Africa	67	72	30	36	32	32	4	3							1	1		
– Rest of world	356	440	164	56	83	106			91	258	19	20			(1)			
Gross capital expenditure	4 044	3 675	663	460	1 436	1 175	904	821	753	928	265	234	21	19	2	38		
Less: proceeds on disposal	(1 334)	(1 383)	(92)	(145)	(503)	(366)	(318)	(379)	(392)	(437)	(22)	(12)	(1)	(9)	(6)	(35)		
Net capital expenditure	2 710	2 292	571	315	933	809	586	442	361	491	243	222	20	10	(4)	3		

RECONCILIATION OF ITEMS OF SEGMENT INFORMATION TO CONDENSED BALANCE SHEET

	Operating assets		Non-interest-bearing liabilities	
	2007 Rm	2006 Rm	2007 Rm	2006 Rm
Total	44 498	38 875	15 148	14 065
Continuing operations	39 691	33 210	13 202	12 765
Discontinued operations	4 807	5 665	1 946	1 300
– Aviation	2 210	3 050	522	357
– Tourvest	1 194	857	532	442
– CVH	1 403	1 758	892	501

* Distributorships now includes NAC, previously included in the Aviation division.
** Motor vehicle dealerships now includes our United Kingdom commercial vehicle business, previously included in Distributorships
The comparative information for the above has been restated.

Segment information – Income statement

For the half year ended 31 December	Group		Logistics		Leasing and Capital Equipment		Car Rental and Tourism		Distributorships*		Motor Vehicle Dealerships**		Insurance		Head office and eliminations		Discontinued operations	
	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm
BUSINESS SEGMENTATION – CONTINUING AND DISCONTINUED OPERATIONS																		
Revenue																		
– Sales of goods	20 143	20 250	535	427	1 186	485	483	346	7 596	8 565	8 861	9 042			(1)		1 483	1 385
– Rendering of services	13 154	11 622	7 763	6 696	2 091	1 623	853	698	464	605	728	659	6	13	29	51	1 220	1 277
– Gross premiums received	1 193	1 473											1 193	1 473				
– Other	49	43	46	40	(1)	1		(1)	2					1	3		(1)	2
	34 539	33 388	8 344	7 163	3 276	2 109	1 336	1 043	8 062	9 170	9 589	9 701	1 199	1 487	31	51	2 702	2 664
Inter-segment revenue			172	158	38	26	26	54	256	153	369	569	118	94	(1 146)	(1 252)	167	198
	34 539	33 388	8 516	7 321	3 314	2 135	1 362	1 097	8 318	9 323	9 958	10 270	1 317	1 581	(1 115)	(1 201)	2 869	2 862
Operating expenses	31 038	30 240	7 691	6 657	2 170	1 304	1 032	813	7 795	8 631	9 694	9 968	1 178	1 495	(1 145)	(1 174)	2 623	2 546
Investment income	(78)	(64)											(78)	(64)				
Fair value losses (gains) on investments	4	(232)			(1)								5	(232)				
Depreciation and amortisation	1 222	1 046	285	251	556	435	145	120	75	74	40	34	10	7	(22)	(9)	133	134
Recoupments	(33)	(101)	(15)	(12)	(46)	(19)	(1)	(2)			1				1		27	(68)
Operating profit	2 386	2 499	555	425	635	415	186	166	448	618	223	268	202	375	51	(18)	86	250
Foreign exchange (losses) gains	(12)	50	(1)	(1)	(14)	3			14	53				4	1	(1)	(12)	(8)
Fair value gains (losses) on foreign exchange derivatives	21	(13)			7	(11)				(2)					7		7	
Fair value (losses) gains on other Financial instruments (Leroko Mobility)	(83)	10													(83)	10		
Profit before net financing costs and exceptional items	2 312	2 546	554	424	628	407	186	166	462	669	223	268	202	379	(24)	(9)	81	242
Net financing costs	(701)	(498)	(54)	(31)	(224)	(143)	(30)	(18)	(92)	(64)	(83)	(56)	5	1	(64)	(62)	(159)	(125)
Income from associates and joint ventures	108	165	20	8				1	(87)	(1)	1				149	119	25	38
Profit before taxation and exceptional items	1 719	2 213	520	401	404	264	156	149	283	604	141	212	207	380	61	48	(53)	155
GEOGRAPHIC SEGMENTATION – CONTINUING OPERATIONS																		
Revenue	31 670	30 526	8 516	7 321	3 314	2 135	1 362	1 097	8 318	9 323	9 958	10 270	1 317	1 581	(1 115)	(1 201)		
– South Africa	23 624	23 031	4 405	3 920	2 938	1 868	1 291	1 036	6 493	7 154	8 468	8 801	1 144	1 454	(1 115)	(1 202)		
– Rest of Africa	748	589	213	189	210	112	71	61	82	100			173	127	(1)			
– Rest of world	7 298	6 906	3 898	3 212	166	155			1 743	2 069	1 490	1 469			1	1		
Operating profit	2 300	2 249	555	425	635	415	186	166	448	618	223	268	202	375	51	(18)		
– South Africa	1 950	2 052	351	310	580	367	180	157	431	655	195	238	159	342	54	(17)		
– Rest of Africa	102	82	17	13	39	29	6	9	(4)	(2)			43	33	1			
– Rest of world	248	115	187	102	16	19			21	(35)	28	30			(4)	(1)		
Net financing costs	542	373	54	31	224	143	30	18	92	64	83	56	(5)	(1)	64	62		
– South Africa	496	335	62	41	211	127	30	19	78	57	74	51	(5)	(1)	46	41		
– Rest of Africa	19	20	5	4	10	13		(1)	4	3						1		
– Rest of world	27	18	(13)	(14)	3	3			10	4	9	5			18	20		

RECONCILIATION OF ITEMS OF SEGMENT INFORMATION TO CONDENSED INCOME STATEMENT

	Revenue		Operating profits		Profit before exceptionals		Fair value loss on discontinued operations	
	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm
Total	34 539	33 388	2 386	2 499	1 719	2 213	(1 538)	
Continuing operations	31 670	30 526	2 300	2 249	1 772	2 058		
Discontinued operations	2 869	2 862	86	250	(53)	155	(1 538)	
– Aviation	797	1 008	(27)	149	(54)	112	(848)	
– Tourvest	1 006	790	114	99	101	95		
– CVH	1 066	1 064	(1)	2	(100)	(52)	(690)	

The results announcement is available for viewing on the Imperial Holdings website: www.imperial.co.za and on SENS.

Corporate information

Non-executive directors
L Boyd (chairman), TS Gcabashe (deputy chairman), PL Erasmus, P Langeni, MJ Leeming, JR McAlpine, VJ Mokoena, PS Molefe, MV Moosa, CE Scott, M Sisulu, RJA Sparks, A Tugendhaft, Y Waja

Executive directors
HR Brody (chief executive), OS Arbee, MP de Canha, RL Hiemstra, WS Hill, N Hoosen, AH Mahomed, GW Riemann (German)

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 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001

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

Imperial Holdings Limited
Imperial Holdings Limited
Registration number (1946/021048/06)
Ordinary share code: IPL ISIN: ZAE000067211
Preference share code: IPLP ISIN: ZAE000088076

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