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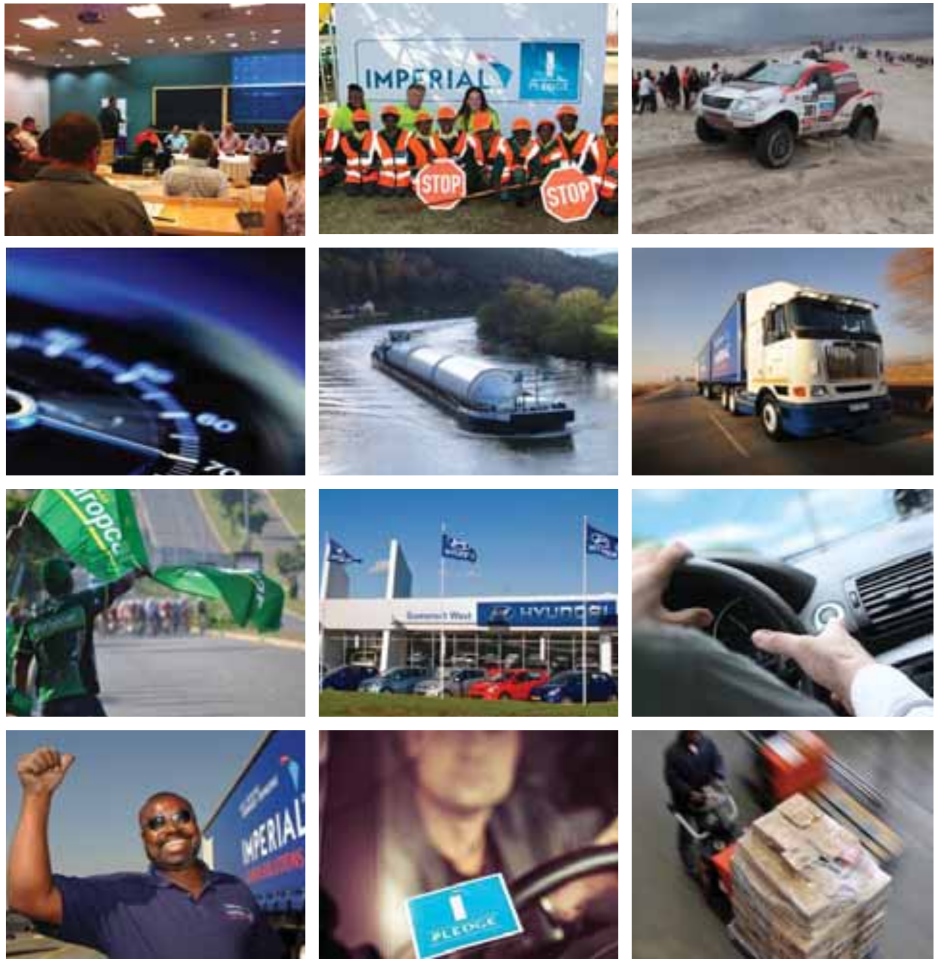


SUPPORTING PEOPLE THROUGH MOBILITY

# Interim results presentation

For the six months ended 31 December 2012

# Agenda

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» Highlights

» Divisional performance

» Financial Review

» Group prospects and strategy

» Questions

» Appendix

# Highlights

| | | |
|---|---|---|
| Revenue | 18% | R45 262m |
| Operating profit | 12% | R2 939m |
| HEPS | 14% | 829 cps |
| Core EPS * | 15% | 872 cps |
| Interim dividend per share | 27% | 380 cps |

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)

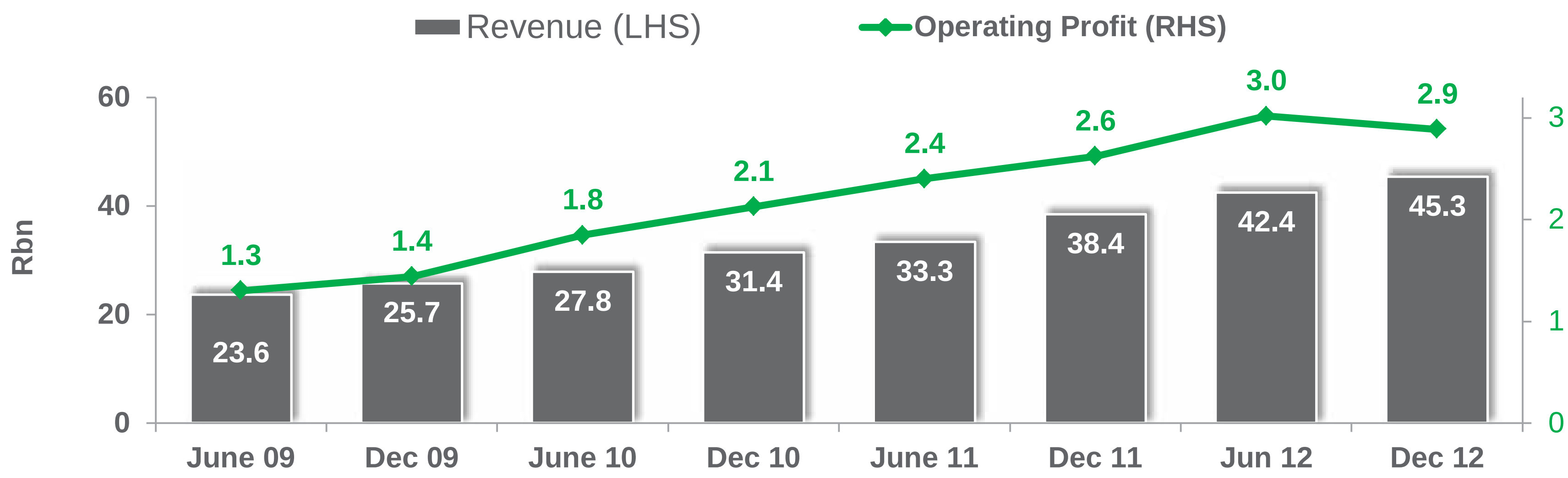
» Excellent  returns : ROE = 22% (annualised)

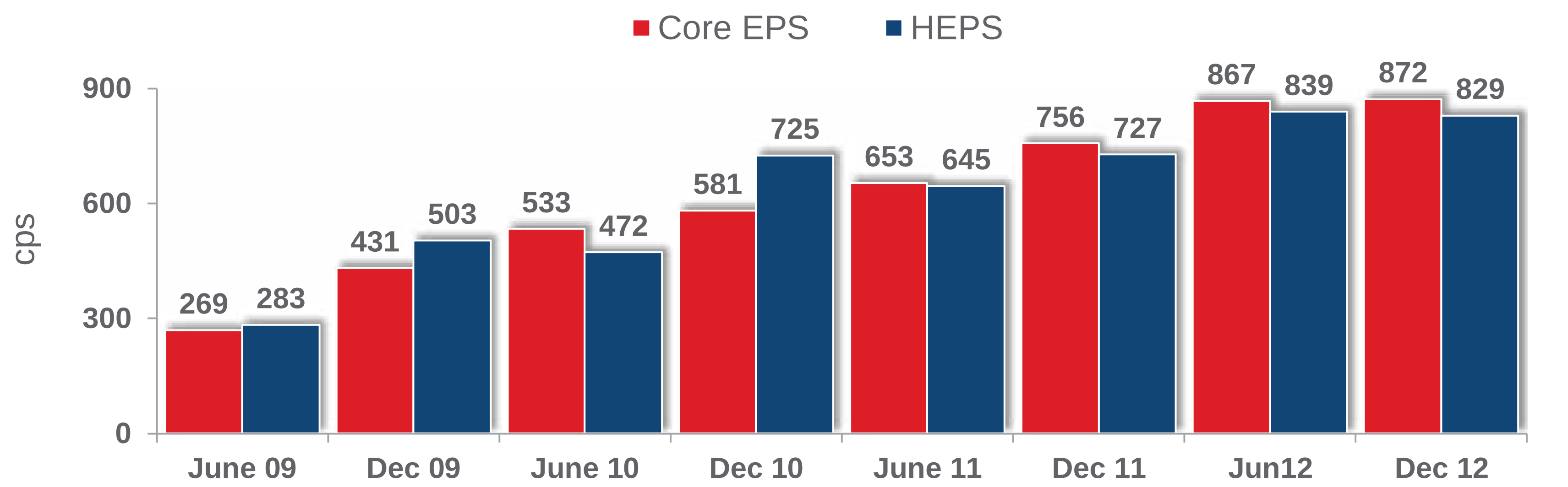
# Performance of the three business pillars

| Logistics | Car Rental & Tourism | Distribution, Retail & Financial Services |
| --- | --- | --- |
|   |  |   |
| Revenue = R15,9 bn<br>27% | Revenue = R1,9 bn<br>-1% | Revenue = R28,9 bn<br>14% |
| Operating profit = R707m<br>-1% | Operating profit = R183m<br>-13% | Operating profit = R2,1 bn<br>19% |

**The Three Pillars of Imperial**

# Group profit trend



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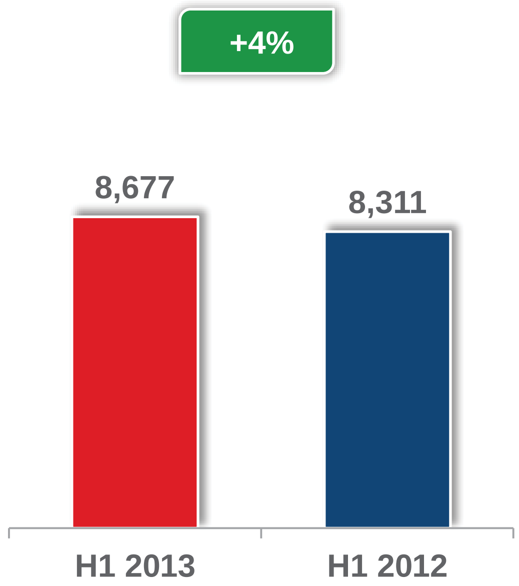
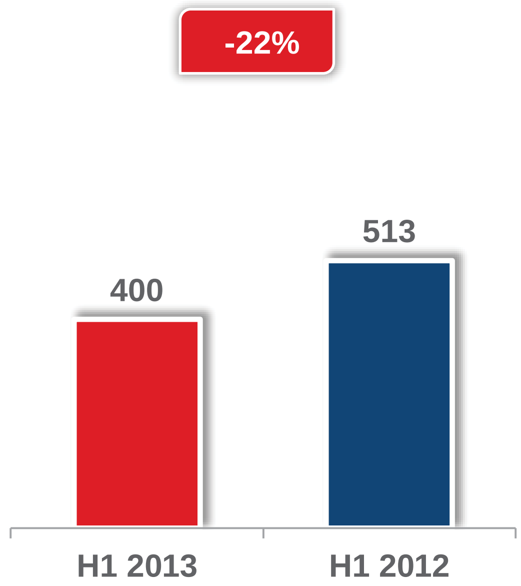
# Southern Africa logistics

# Southern Africa logistics

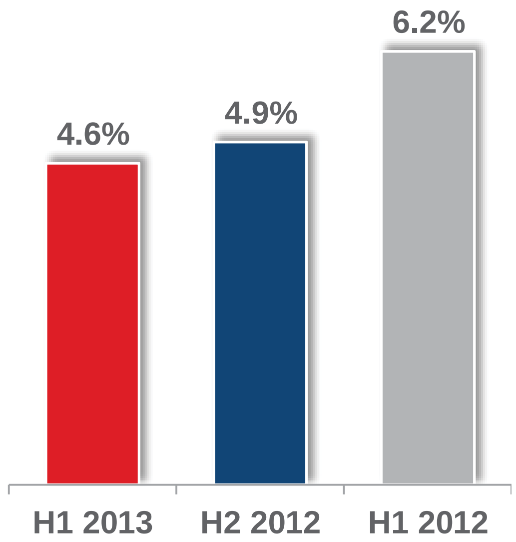
Revenue (Rm)




Operating profit (Rm)




Operating Margins




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

» Strike had a material impact across all South African businesses

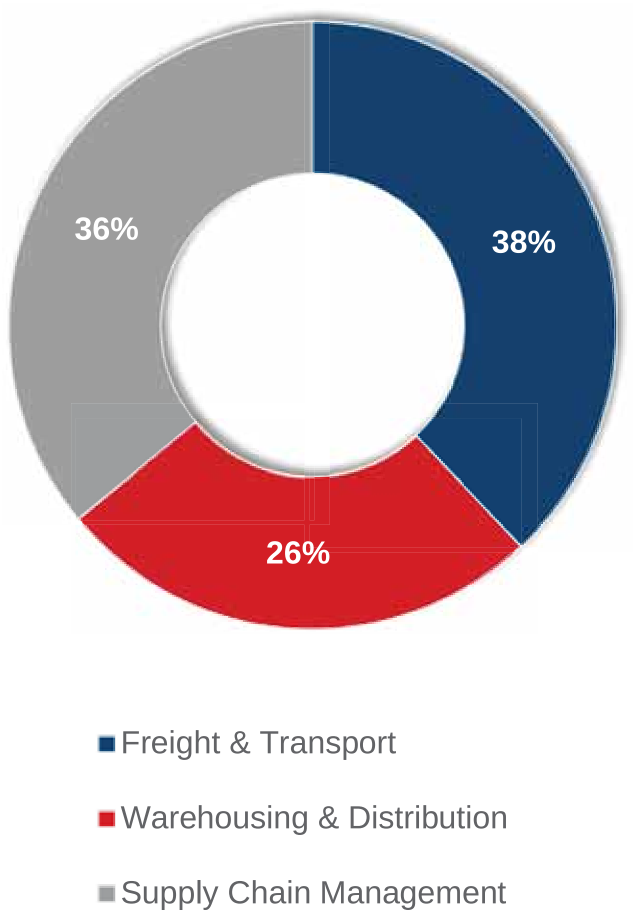
» Volumes and rates, especially in manufacturing were depressed

» Rest of Africa business performed well and continues to grow – operating profit up 22%

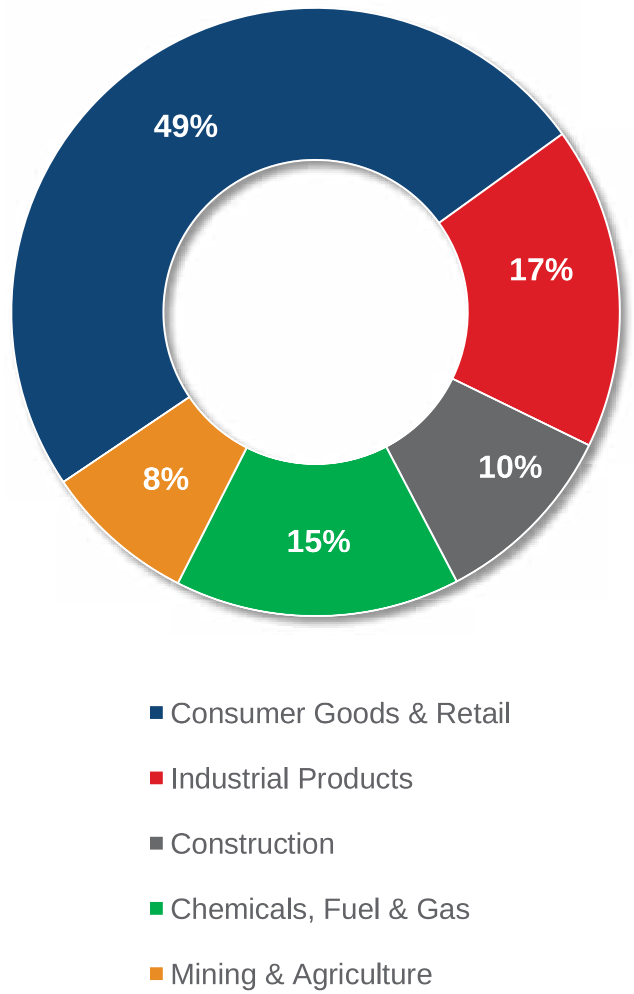
» RTT health sciences will contribute significantly to distribution footprint in Africa

# Southern Africa logistics

## Revenue by activity




## Revenue by sector

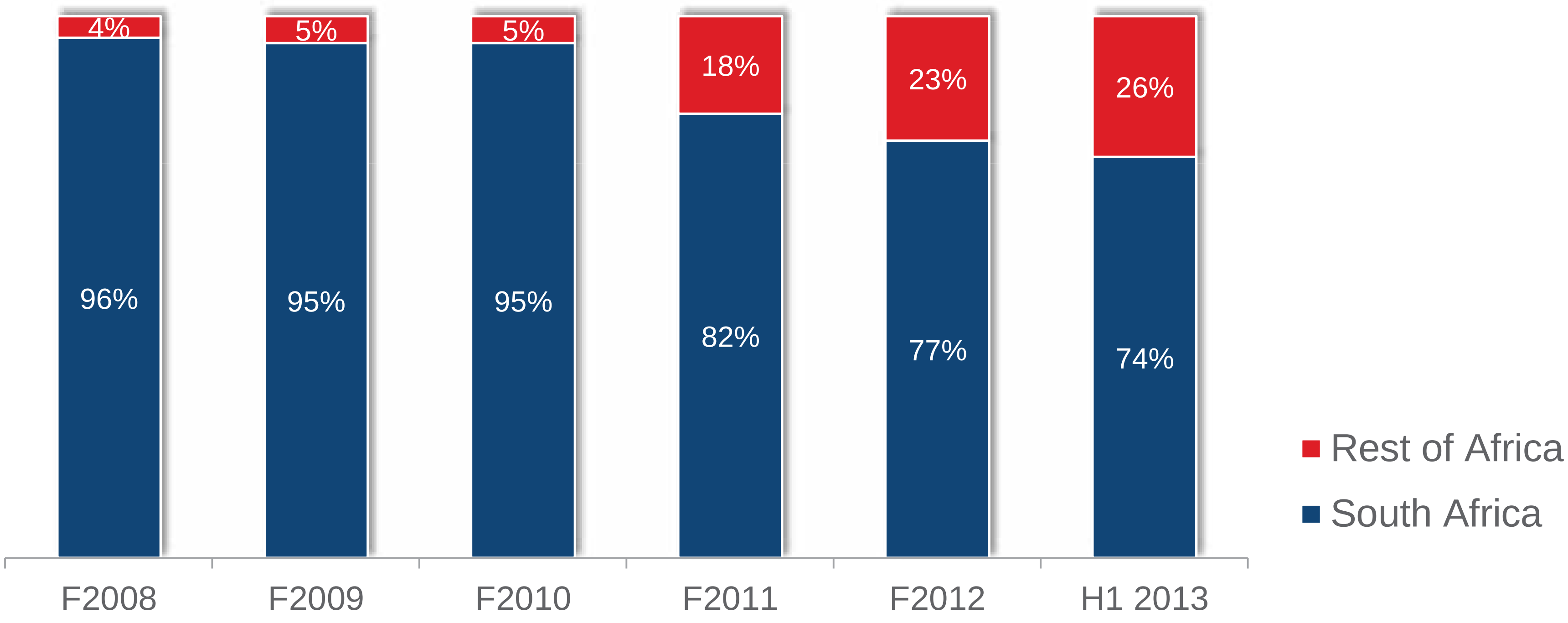


# Revenue split between SA and ROA

» 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

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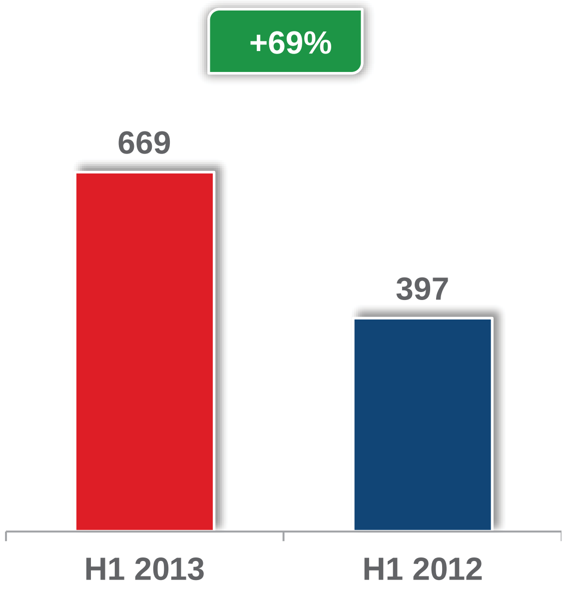
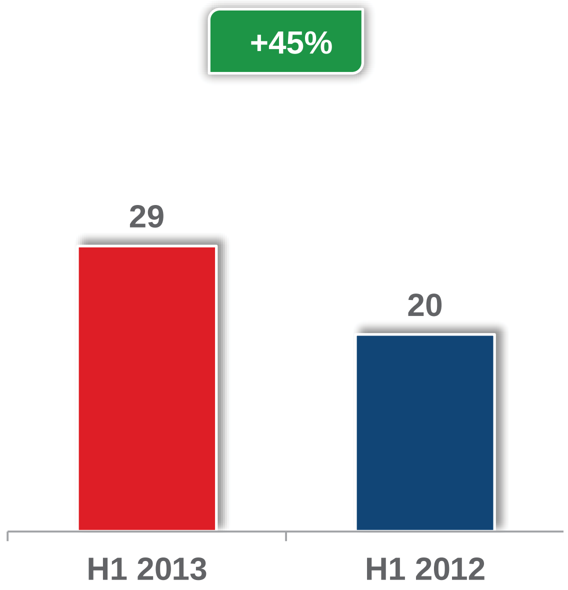
# International logistics

# International logistics (EURO)

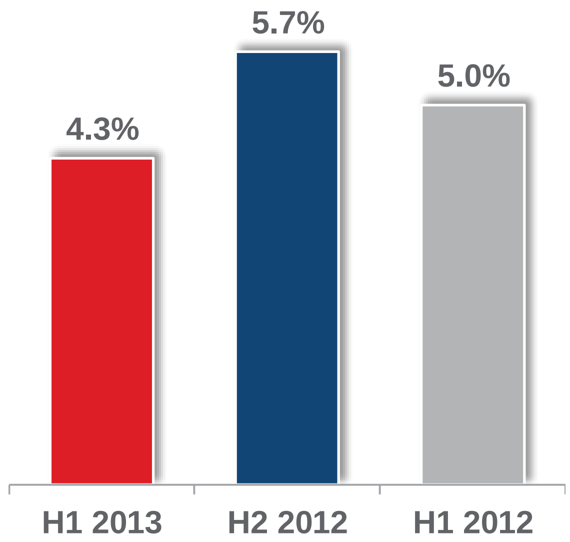
### Revenue (€m)




### Operating profit (€m)



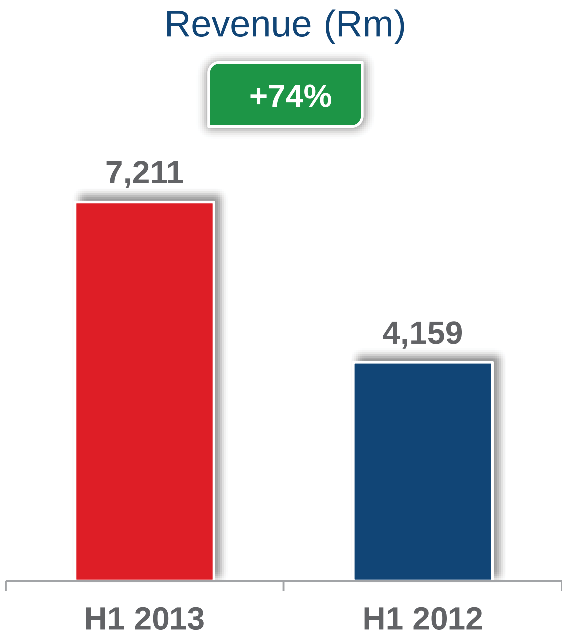

### Operating Margins

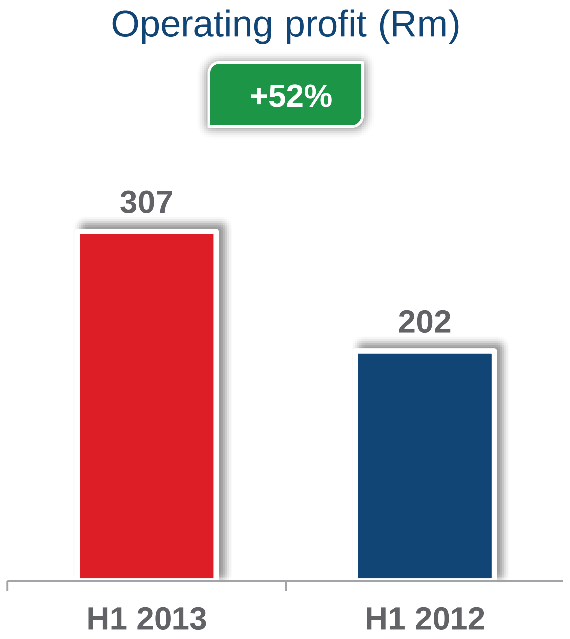


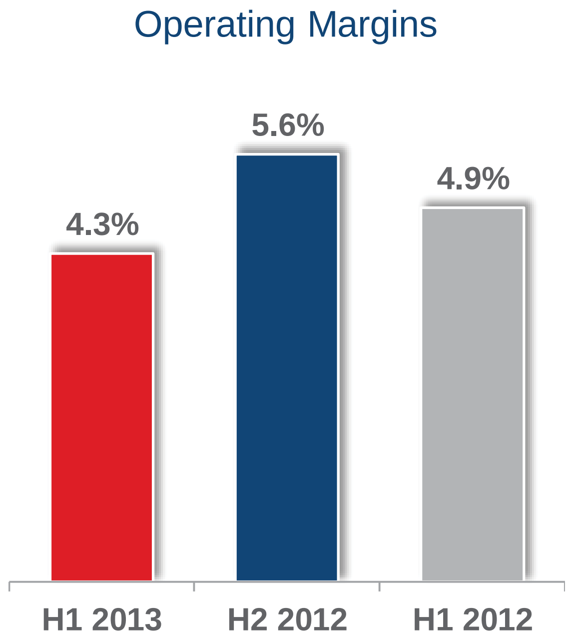

## Slowing German economy

- » 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)




## Exchange rate benefit

» 2012 Average R/€: 10.79 vs 2011 Average R/€: 10.47

# International logistics

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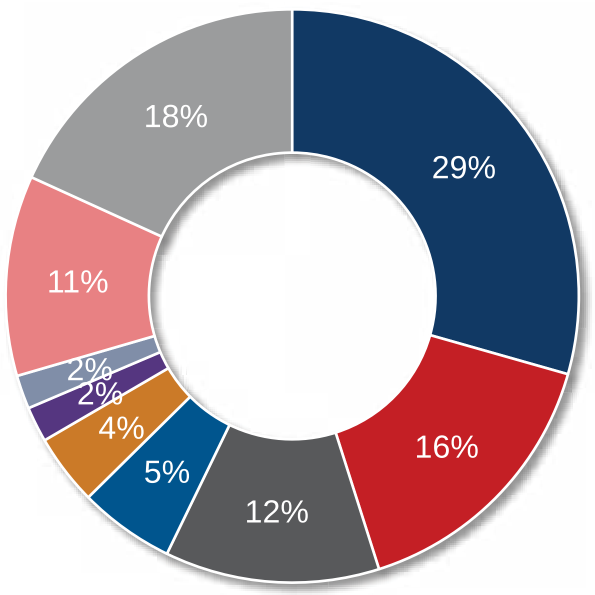
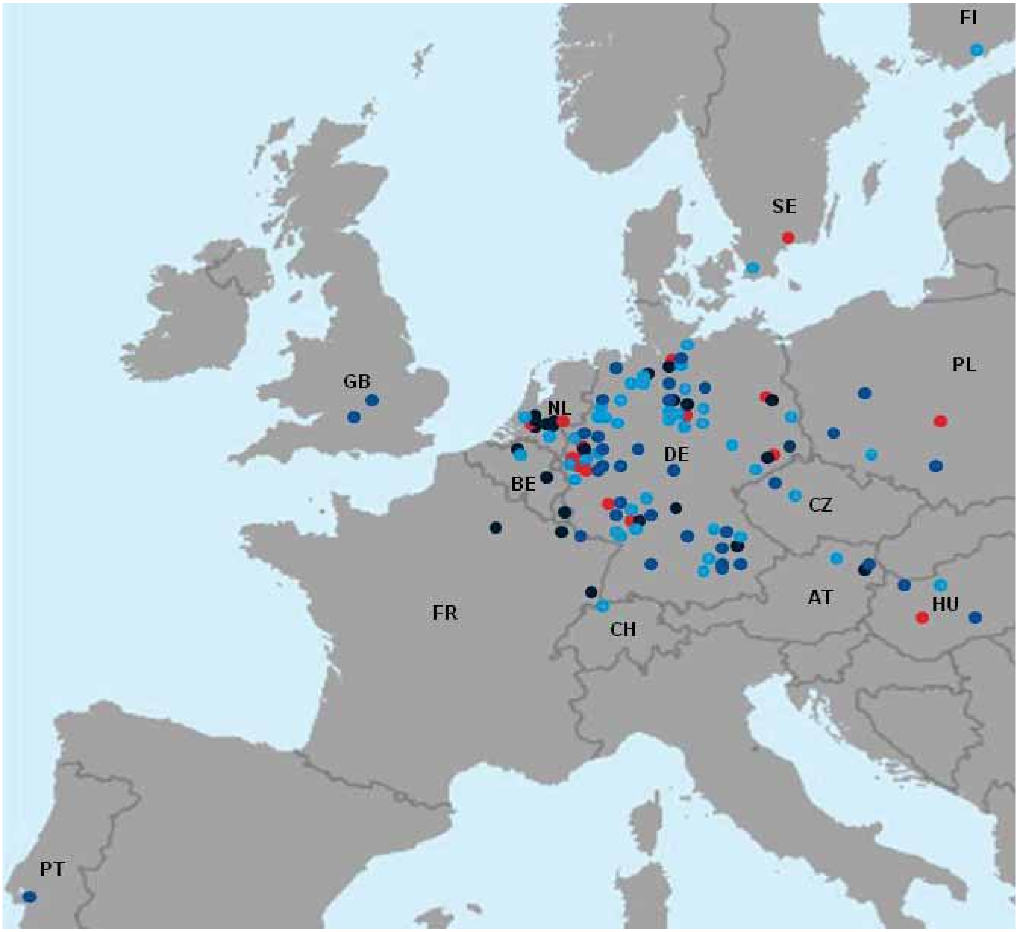
## Revenue by sector




- Chemicals
- Steel
- Automotive
- Energy
- Paper/Packaging
- Agricultural
- Food
- Other
- Services




- Imperial Shipping Group
- Lehnkering
- Panopa
- Neska
- Brouwer Shipping

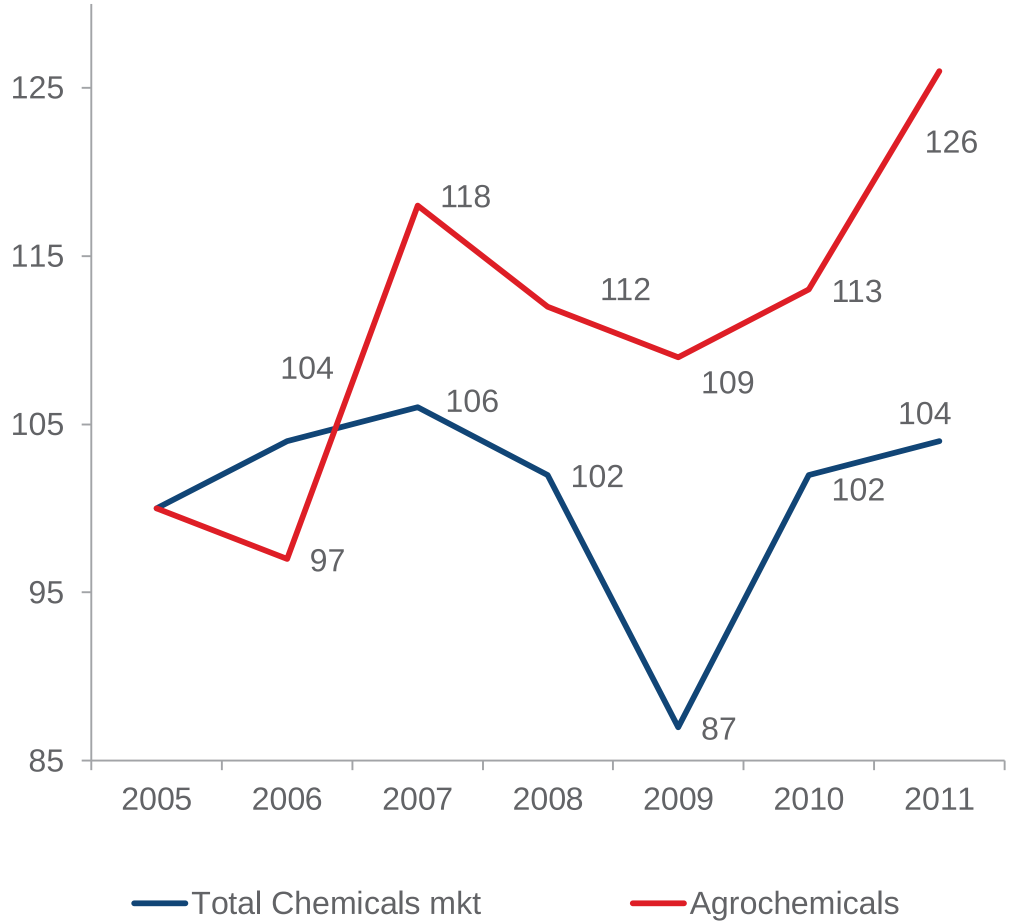
# German chemical production

**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

## Production Index (2005 = 100)




Source: VCI Chemical Industries Association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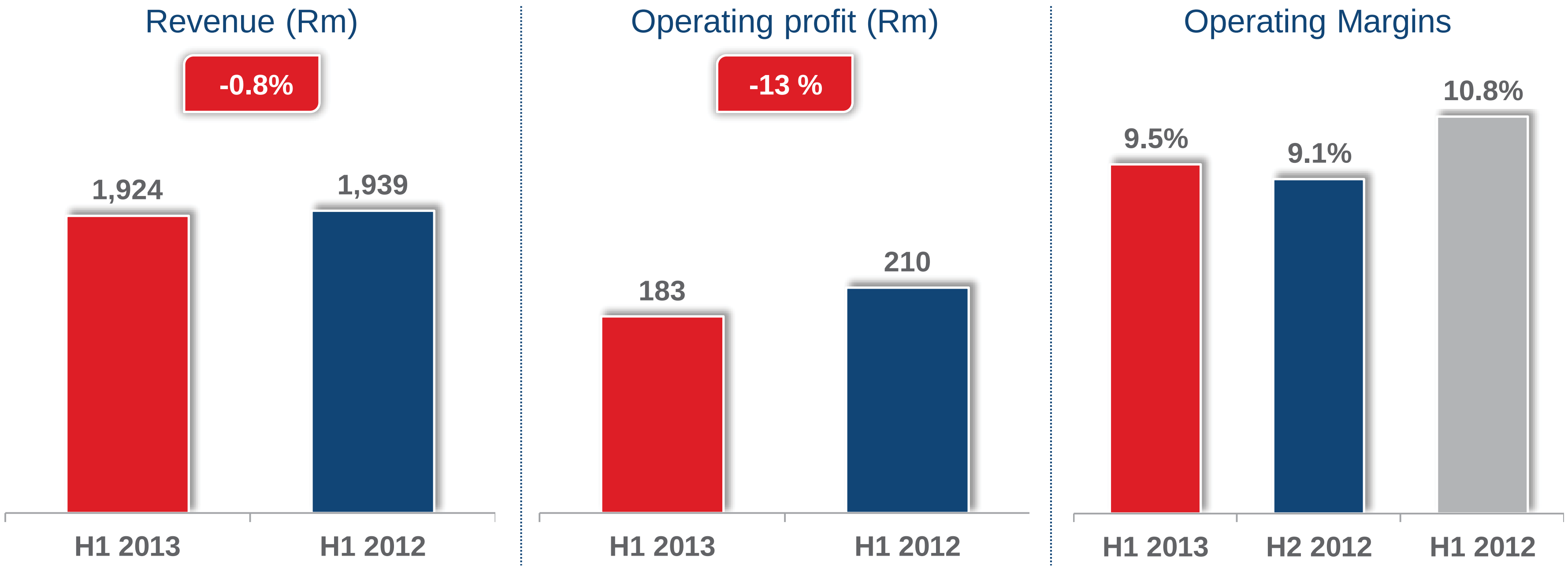
# Car rental and tourism

# Car Rental and Tourism




## 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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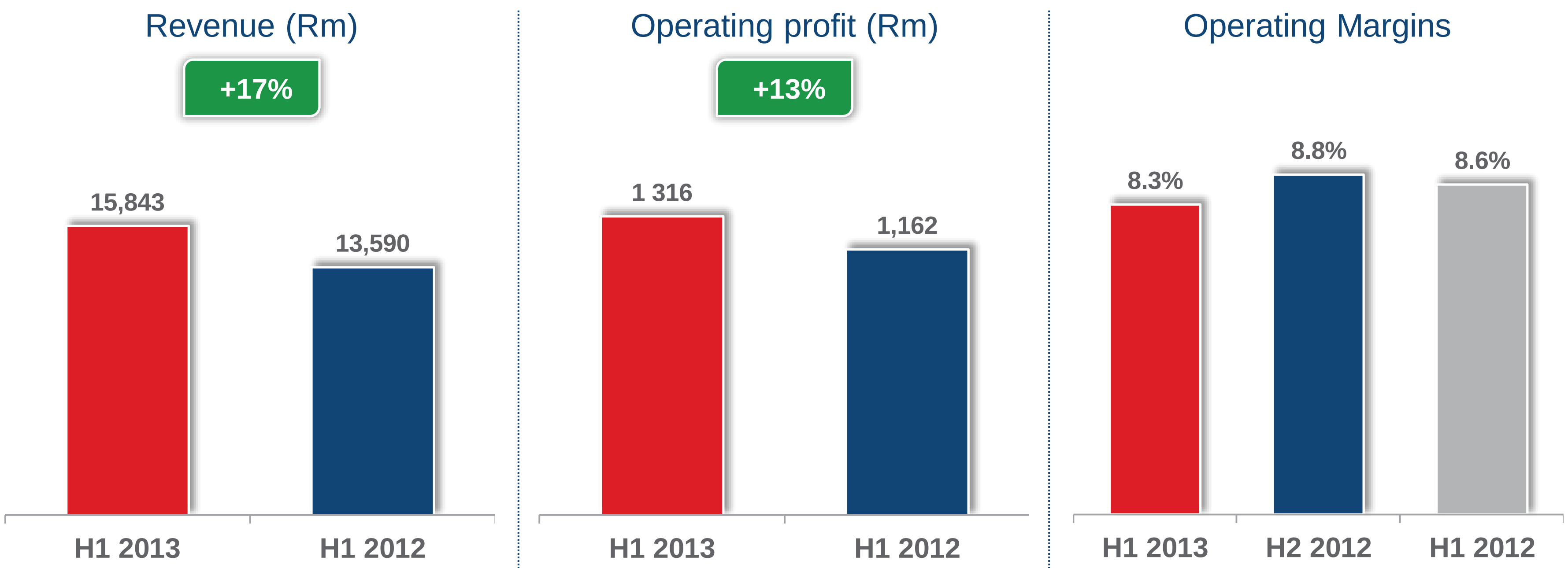
Distributorships

# Distributorships




## 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

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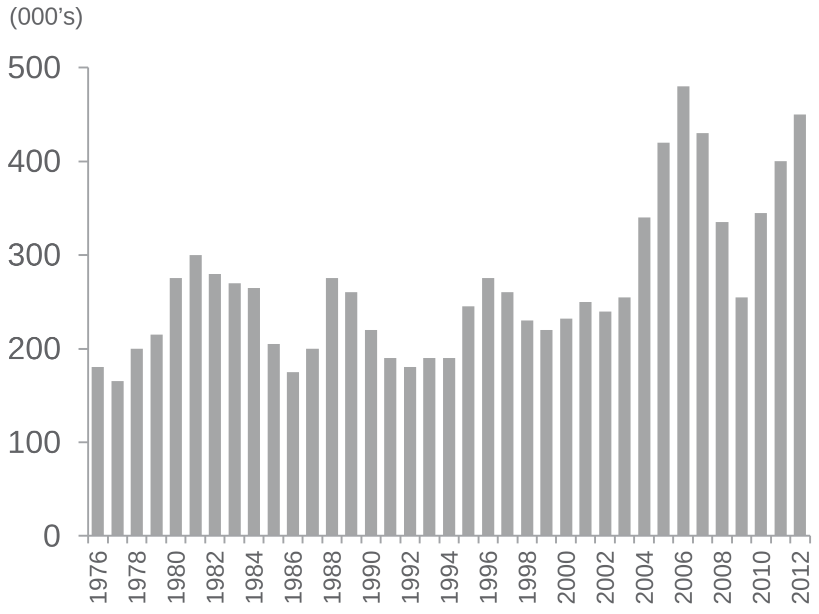
# Drivers of SA vehicle market

# South African new vehicle sales

» Fundamentals continue to be good

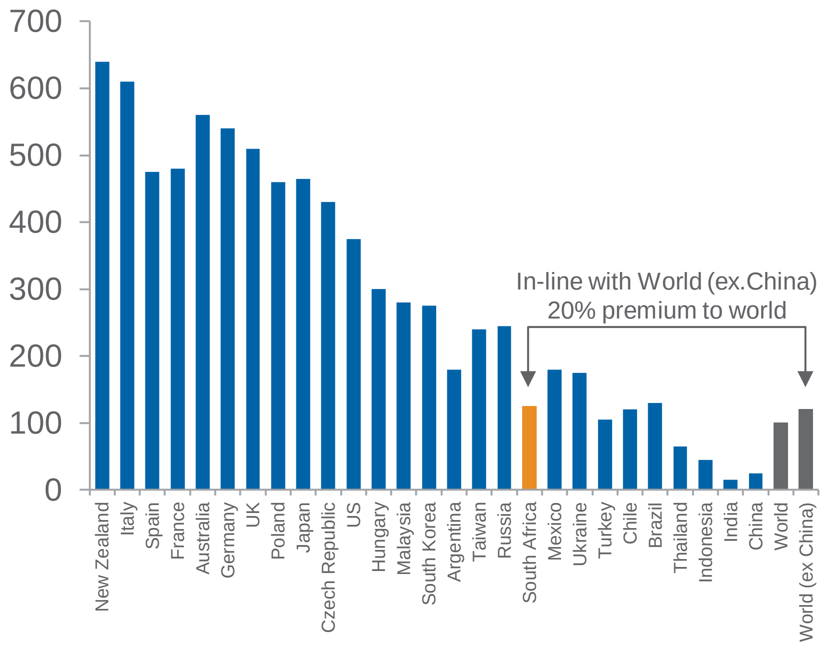
- Good levels of credit availability
- Low interest rates
- Still below peak of 2006
- Underpenetrated market relative to developed world – in line with emerging market peers

## Passenger car sales
(units)




Source: NCR, SBG Securities

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




Source: NCR, SBG Securities

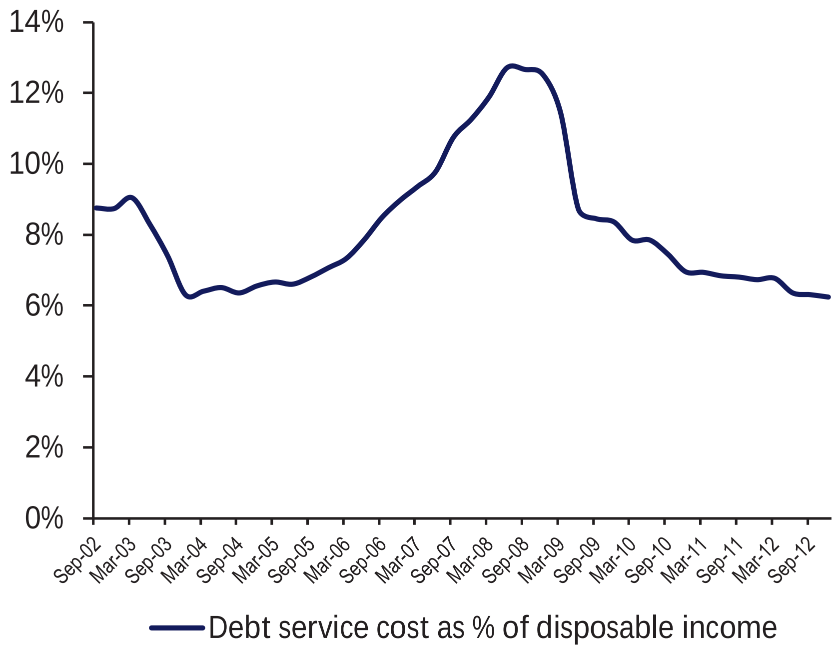
# Vehicle affordability good

» Debt servicing costs have declined

» Consumers are changing their cars much earlier

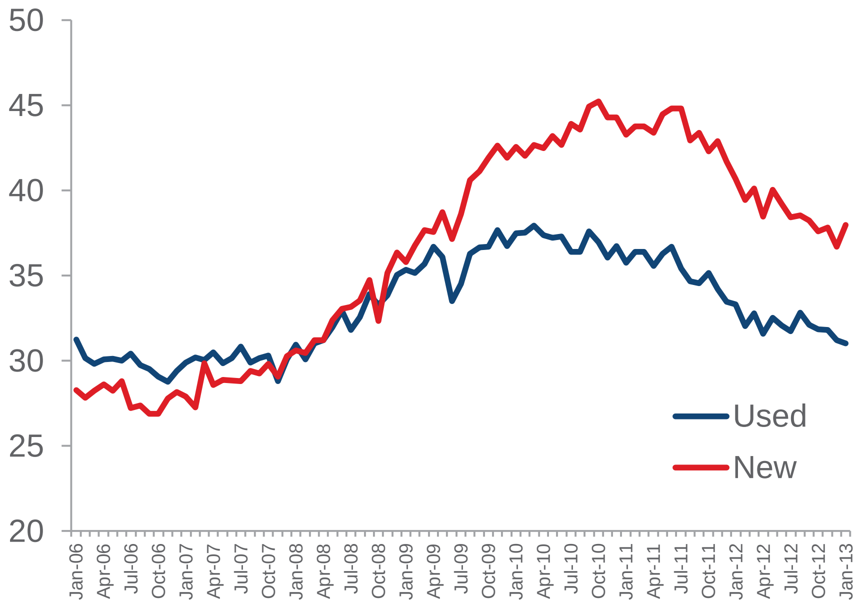
» Will support demand

## Debt service cost as a percent of disposable income




Source: NCR,UBSe

## Replacement cycles getting shorter (loan duration)



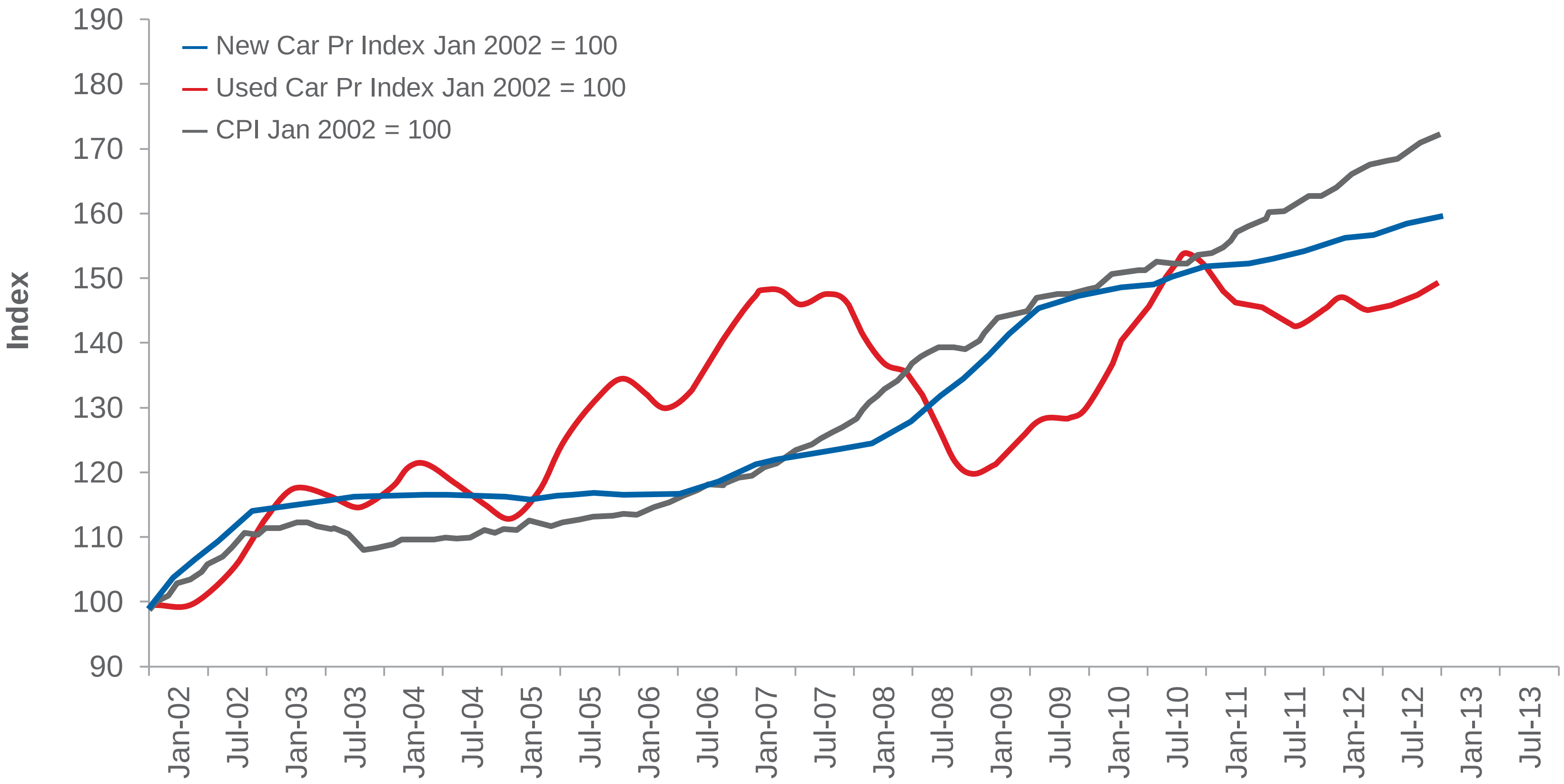

Source: Wesbank,UBSe

# Vehicle affordability good

» New car prices have lagged inflation

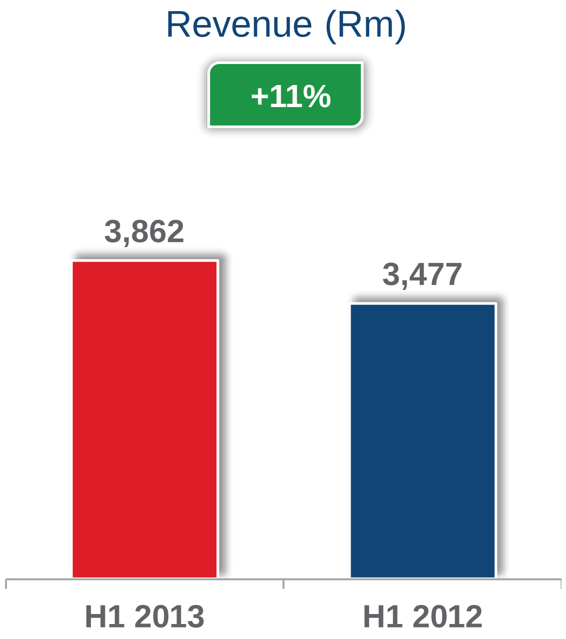
» Weaker currency poses a risk but low interest rates will assist

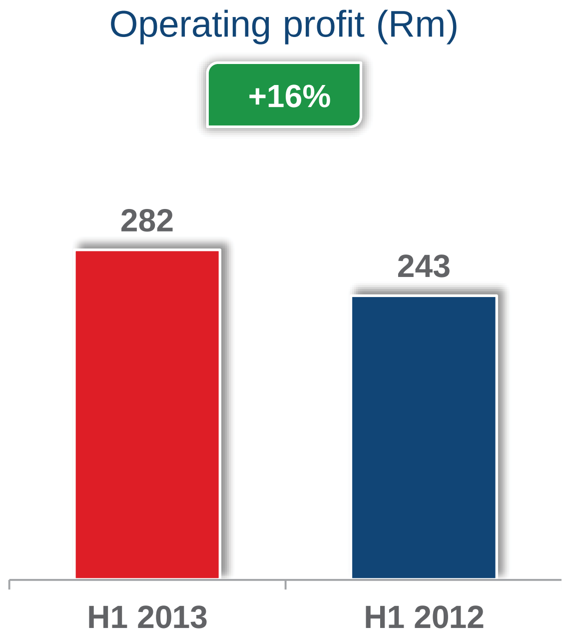
## New Car Pricing vs Used Car Pricing vs CPI (Jan 2002 = 100)

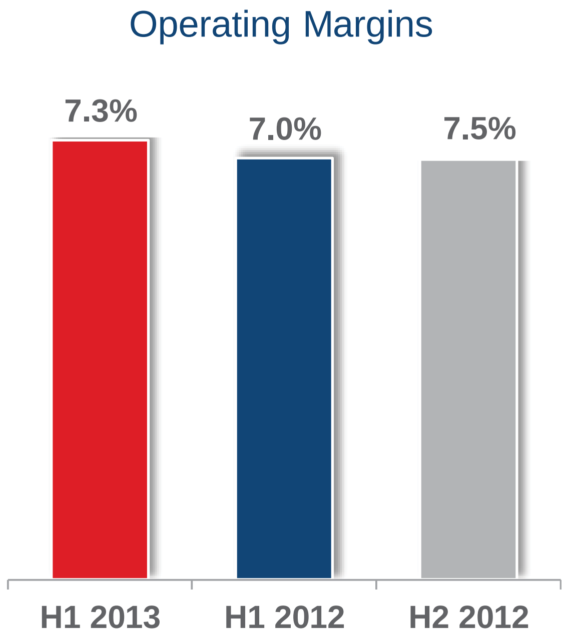



Source: NAAMSA, Stats SA, I-Net Bridge, SBG Securities

# 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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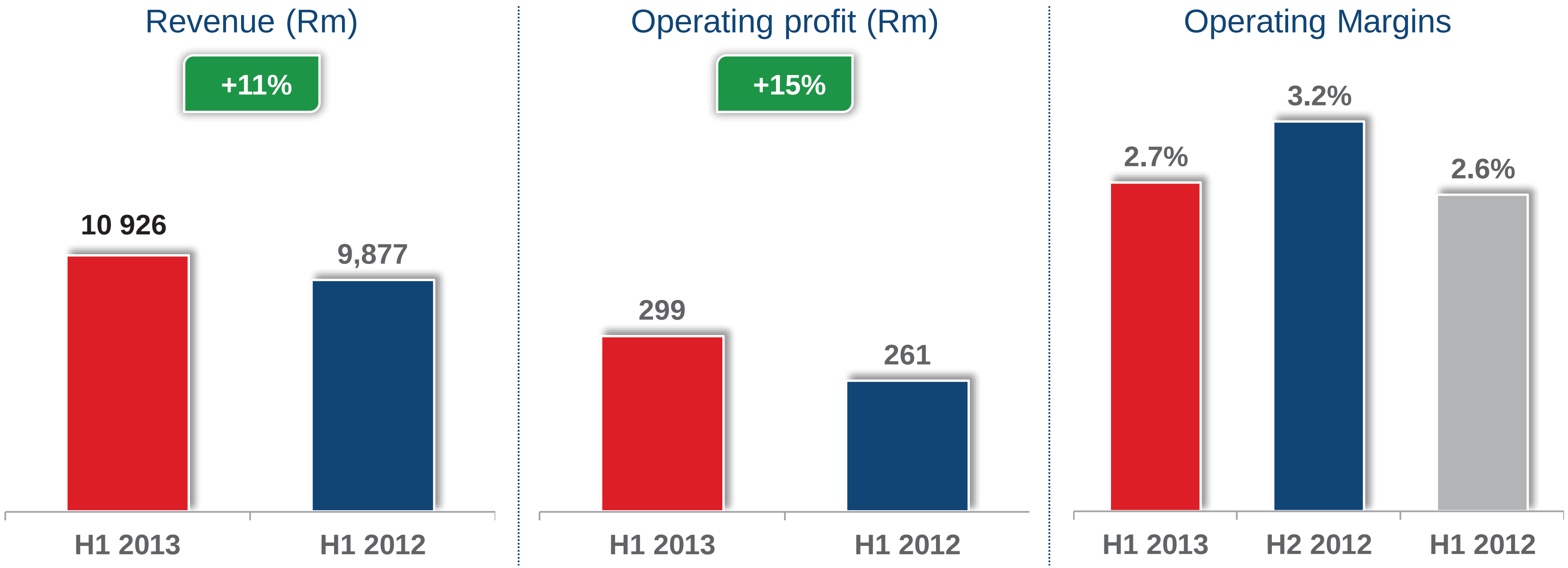
# Automotive Retail

# Automotive Retail




## Good growth in operating profit

» 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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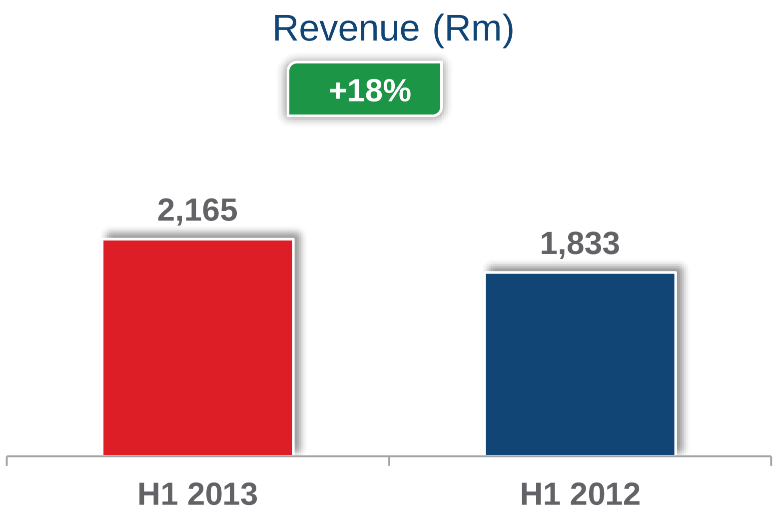
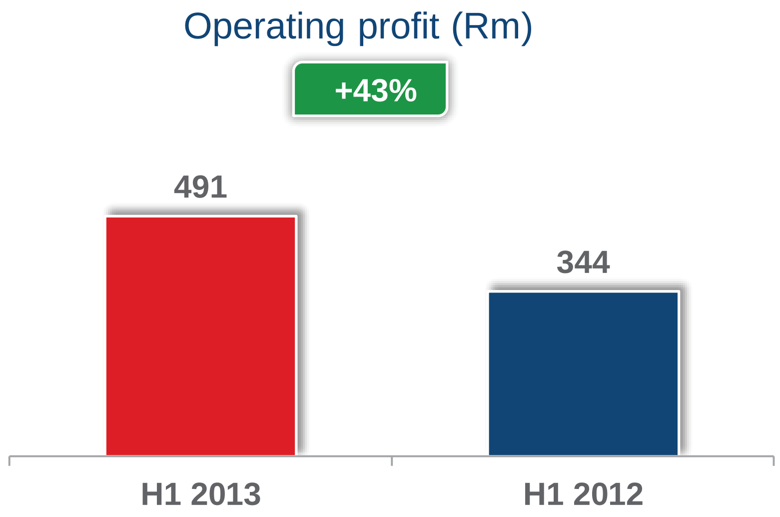
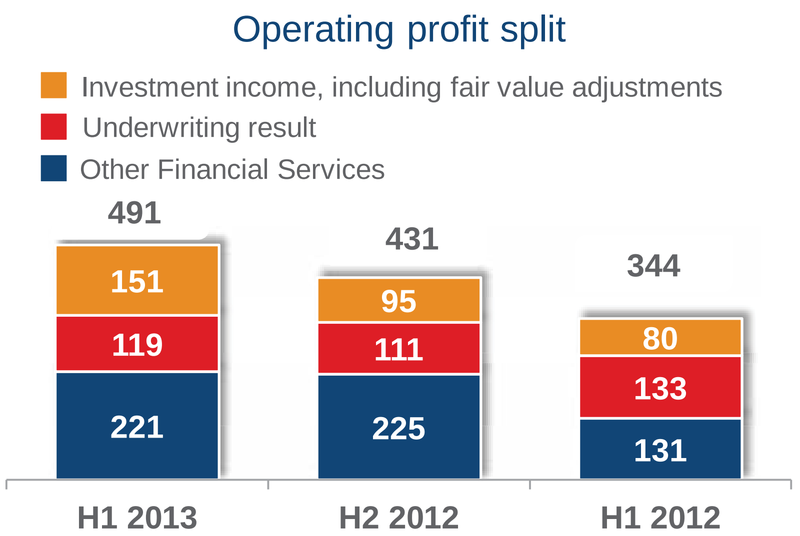
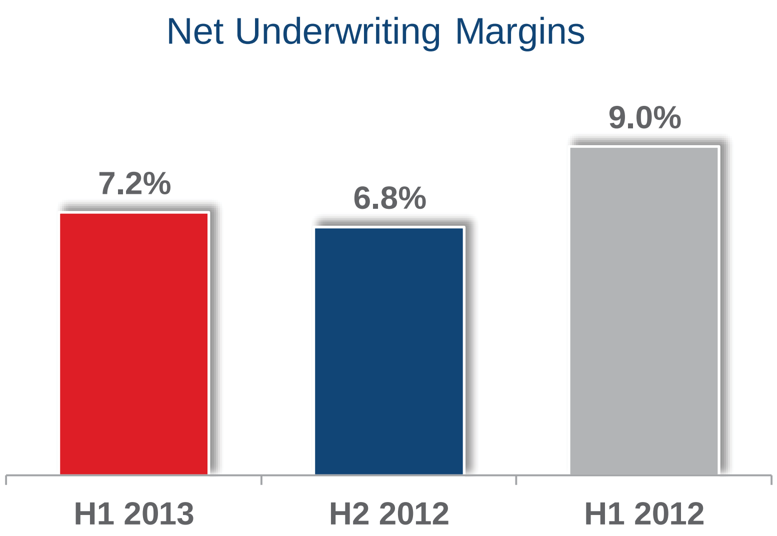
# Financial Services

# Financial Services



# 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

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# Financial Review

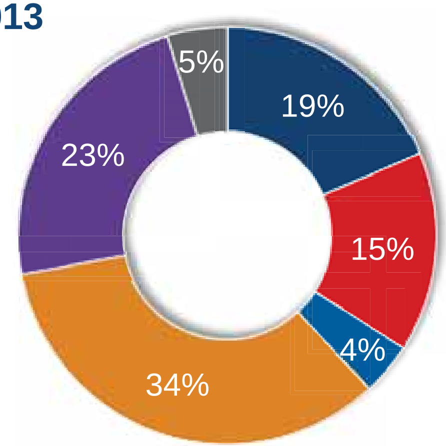
# Income statement

| Rm | H1 2013 | H1 2012 | % Change |
|---|---|---|---|
| Revenue | **45 262** | 38 385 | 18% |

- » 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

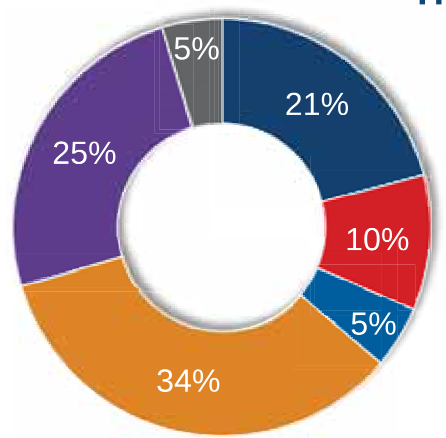
## Revenue contribution per division

**H1 2013**




SA logistics
International Logistics
Car Rental and Tourism
Distributorships
Automotive Retail
Financial Services

**H1 2012**



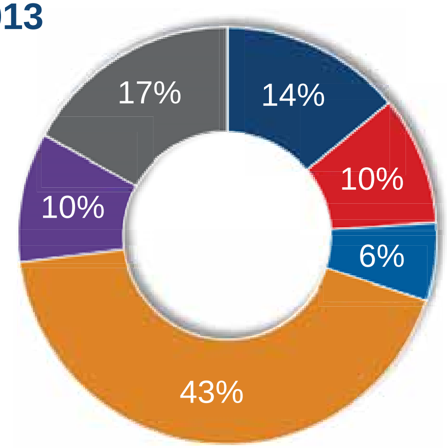
# Income statement

| Rm | H1 2013 | H1 2012 | % Change |
|---|---|---|---|
| Revenue | **45 262** | 38 385 | 18% |
| Operating profit | **2 939** | 2 621 | 12% |
| Operating profit margin | **6,5%** | 6,8% | |

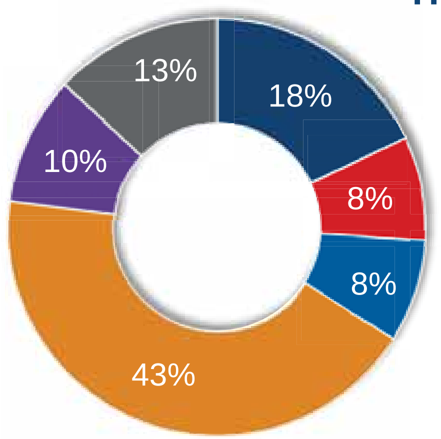
- » Strike had an adverse impact in SA Logistics; Car Rental and tourism margins under pressure
- » Volume pressure in International Logistics; slower German economy
- » Insufficient supply of inventories due to strike in Korea impacted product mix in Distributorships adversely
- » Margin improvement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

## Operating profit contribution per division

**H1 2013**



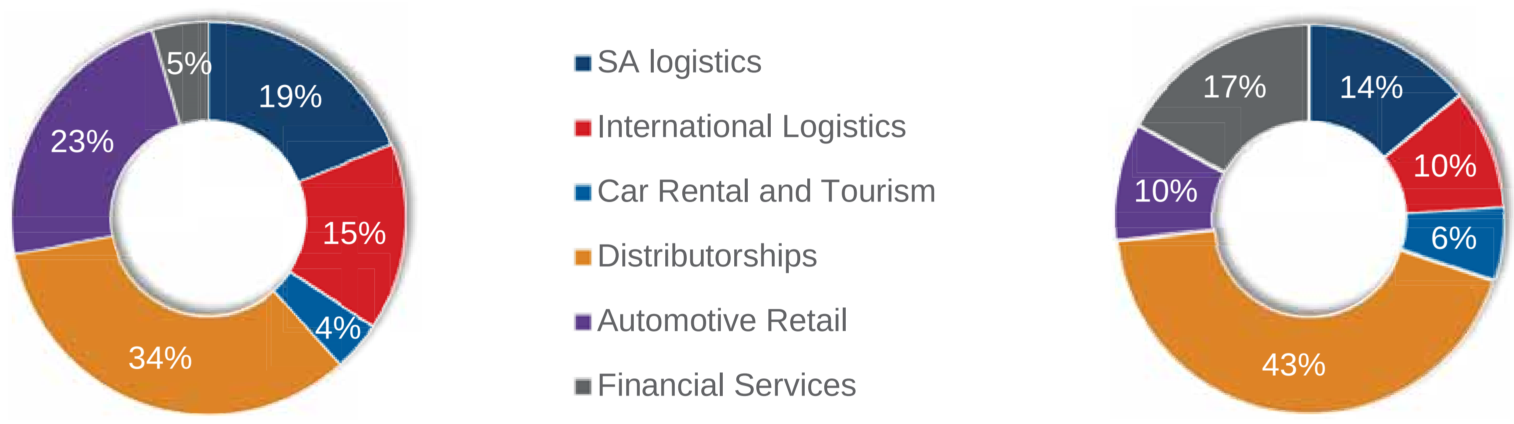

**H1 2012**



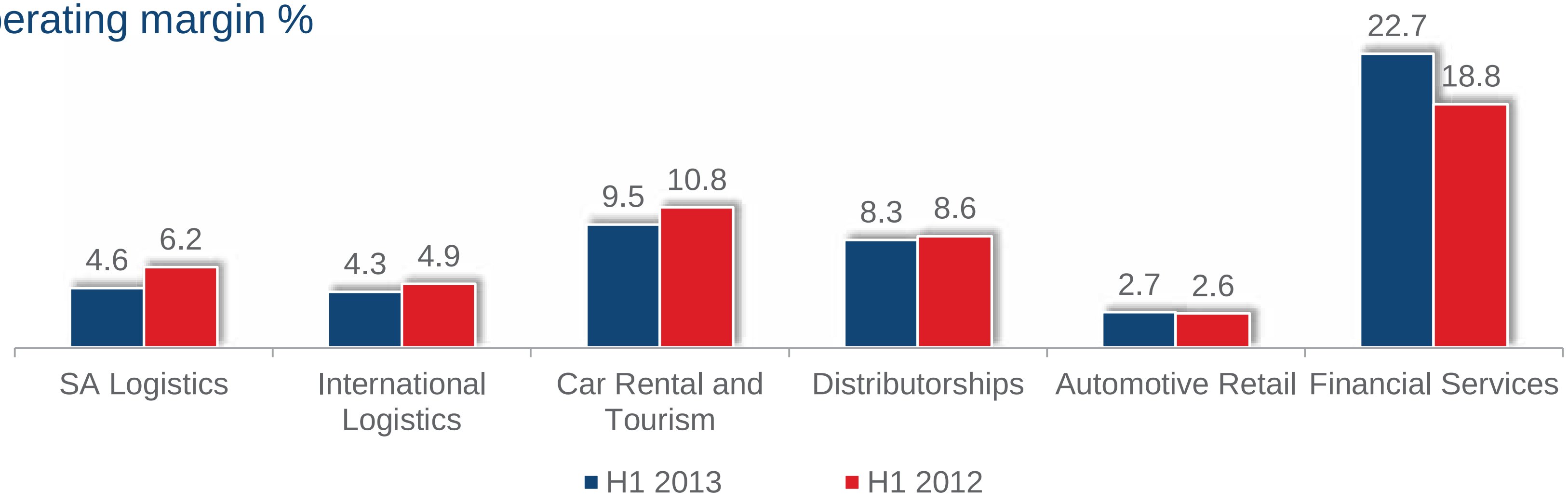
# Divisional statistics

Revenue

Operating profit




## Operating margin %



# Income statement

| Rm | H1 2013 | H1 2012 | % Change |
|---|---|---|---|
| Revenue | **45 262** | 38 385 | 18% |
| Operating profit | **2 939** | 2 621 | 12% |
| Amortisation of intangible assets | **(110)** | (13) | |
| Foreign exchange (losses) / gains | **5** | - | |
| Business acquisition costs | **(5)** | (53) | |
| Recoupments/(impairments) from sale of properties | **19** | (38) | |
| Gain on sale of financial instruments | **10** | - | |

» Amortisation of intangibles relate largely to the Lehnkering acquisition

# Income statement

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| Recoupments/(impairments) from sale of properties | **19** | (38) | |
| Gain on sale of financial instruments | **10** | - | |
| Net financing costs | **(362)** | (305) | 19% |
| **Interest cover** | **8.1x** | 8.6x | |

# Income statement

| Rm | H1 2013 | H1 2012 | % Change |
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| Revenue | **45 262** | 38 385 | 18% |
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| Recoupments/(impairments) from sale of properties | **19** | (38) | |
| Gain on sale of financial instruments | **10** | - | |
| Net financing costs | **(362)** | (305) | 19% |
| Income from associates | 3 | (17) | |

» 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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| Gain on sale of financial instruments | **10** | - | |
| Net financing costs | **(362)** | (305) | 19% |
| Income from associates | **3** | (17) | |
| Tax | **(703)** | (664) | |
| Effective tax rate | **28%** | 30% | |
| Net profit for the period | **1 787** | 1 534 | 16% |
| Attributable to Imperial shareholders | **1 579** | 1 350 | |
| Attributable to minorities | **208** | 184 | 13% |

# Significant minorities' share of earnings

| | H1 2013 vs H1 2012 |
|---|---|
| Distributorships | ↑ |
| International Logistics | ↓ |
| SA Logistics | ↓ |
| Other | ↓ |
| Net Minority earnings | ↑ |

# Balance sheet

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

- 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

# Balance sheet

| Rm | Dec 2012 | Jun 2012 | % change | Dec 2011 |
|---|---|---|---|---|
| Property, plant and equipment | **8 545** | 8 080 | | 6 970 |
| Transport fleet | **4 399** | 4 336 | | 3 999 |
| Vehicles for hire | **2 688** | 2 321 | | 2 587 |
| Intangible assets | **4 420** | 4 234 | 4% | 1 921 |
| Other non-current assets | **3 115** | 2 256 | 38% | 1 976 |
| Investments and loans | **3 236** | 2 433 | 33% | 2 604 |
| Net working capital | **5 586** | 4 607 | 21% | 5 960 |
| Cash resources | **2 590** | 3 545 | | 2 203 |
| **Assets** | **34 579** | **31 812** | | **28 220** |

» Net working capital well managed
» Seasonally higher in December compared to June
» Decreased when compared to December 2011 despite 18% revenue growth

# Balance sheet

| Rm | Dec 2012 | Jun 2012 | % change | Dec 2011 |
|---|---|---|---|---|
| Total shareholders' interest | **16 494** | 15 889 | 4% | 14 954 |
| Interest bearing borrowings | **11 088** | 9 747 | | 8 099 |
| Other liabilities | **6 997** | 6 176 | | 5 167 |
| **Equity and liabilities** | **34 579** | **31 812** | | **28 220** |

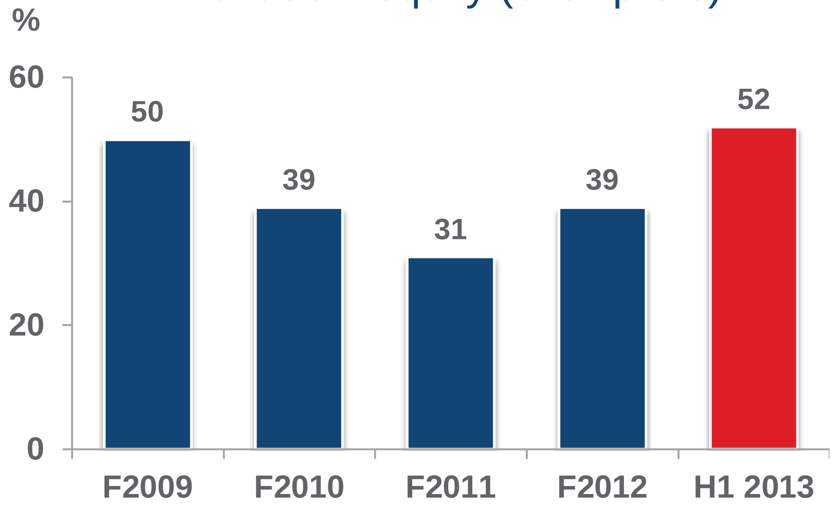
» Equity Impacted by:

- 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

Net debt : equity (excl. prefs)




» 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

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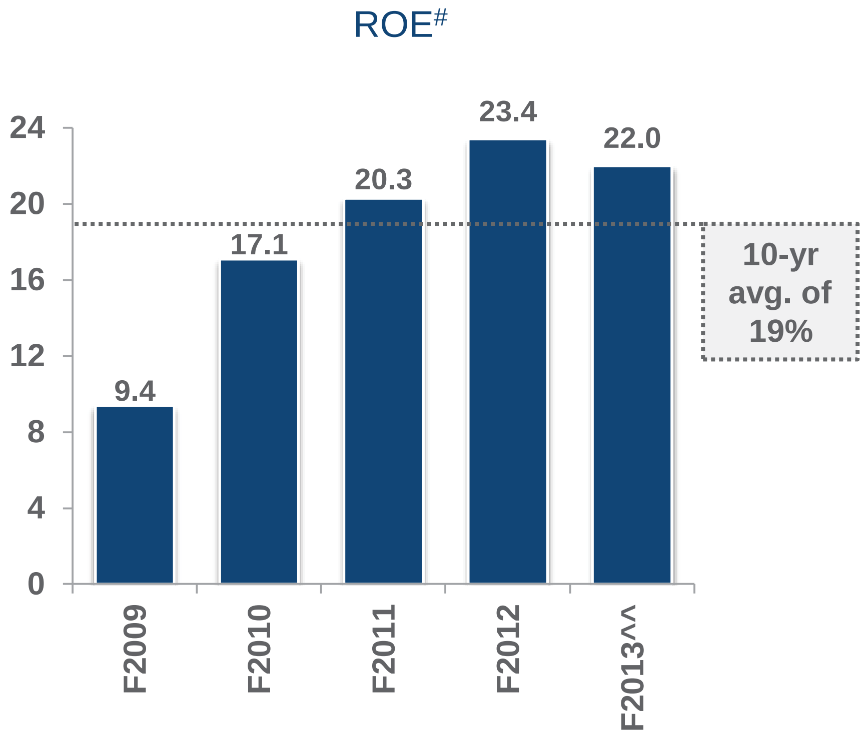


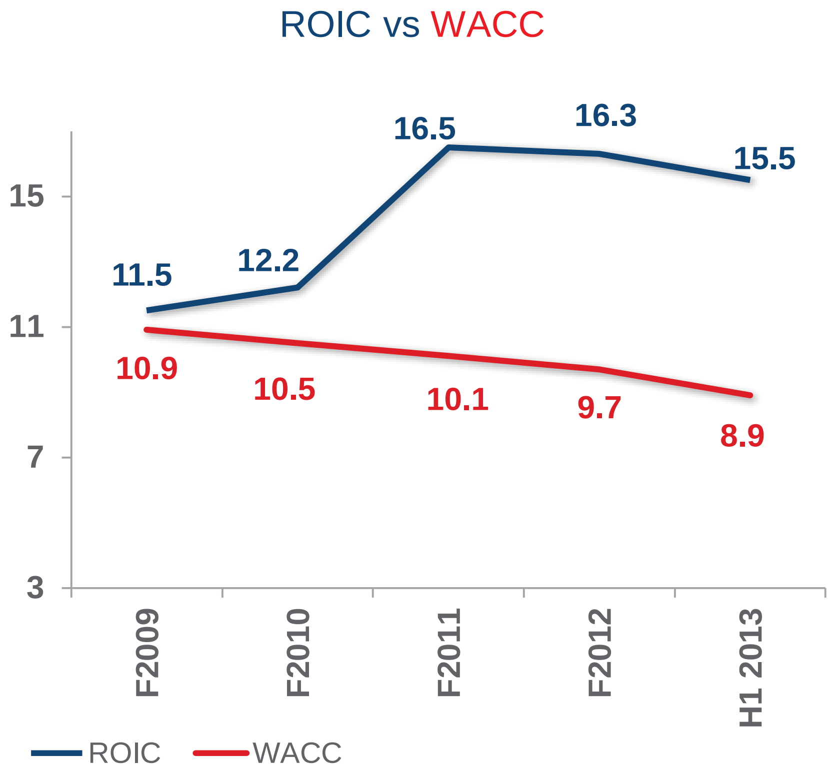


*# based on core earnings*
*^^ annualised*

» ROE is healthy

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

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

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

# Cash flow – operating activities

| Rm | 2012 | 2011 | % Change |
|---|---|---|---|
| Cash generated by operations (pre working capital) | **4 285** | 3 842 | 12% |
| Net working capital movements | **(1 489)** | (2 021) | -26% |
| Cash generated by operations pre-capital expenditure | **2 796** | 1 821 | |
| Net finance costs and tax paid | **(960)** | (806) | |
| Cash flow from operating activities pre rental assets capex | **1 836** | 1 015 | 81% |
| Expansion capex rental assets | **(439)** | (671) | |
| Net replacement capex rental assets | **(296)** | (174) | |
| Cash flow from operating activities | **1 101** | 170 | |

» 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

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

» 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

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| Rm | 2012 | 2011 |
|---|---|---|
| Cash flow from operating activities | **1 101** | 170 |
| Cash flow from investing activities | **(1 969)** | (901) |
| Cash flow from financing activities | **(1 361)** | (757) |
| Shares repurchased | **(474)** | - |
| Dividends paid | **(877)** | (620) |
| Other | **(10)** | (137) |
| (Increase) / Decrease in net debt | **(2 229)** | 1 488 |
| Free cash flow – total operations | **1 009** | 186 |
| Free cash conversion ratio | **63%** | 13% |

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# Strategy and Prospects

# Strategy

- » Focused on generating higher returns on capital
- » Seeking growth opportunities in and adjacent to existing industries and geographies
- » Focused on expanding our footprint in logistics industry in Africa and abroad
  - Specific focus on consumer logistics in Africa
  - Europe to expand around existing themes
- » 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

IMPERIAL HEALTH SCIENCES

2 110 employees

**Medical**

**Trans Africa**

**Consumer Health**

**Essentials**

| 2012 Revenue: | 2012 EBITDA: | Enterprise value: | EV/EBITDA | 1st year ROIC* |
|---|---|---|---|---|
| R1.1bn | R101m | R515m | multiple: 5.1x | (incl. goodwill): 10.0% |

Earnings enhancing acquisition; meets internal acquisition criteria

* Pre any synergies and amortization of intangibles

# RTT Health Sciences presence in Africa

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**Presence in 6 Sub – Saharan countries**

» South Africa

- Jet Park 30 000m2
- 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

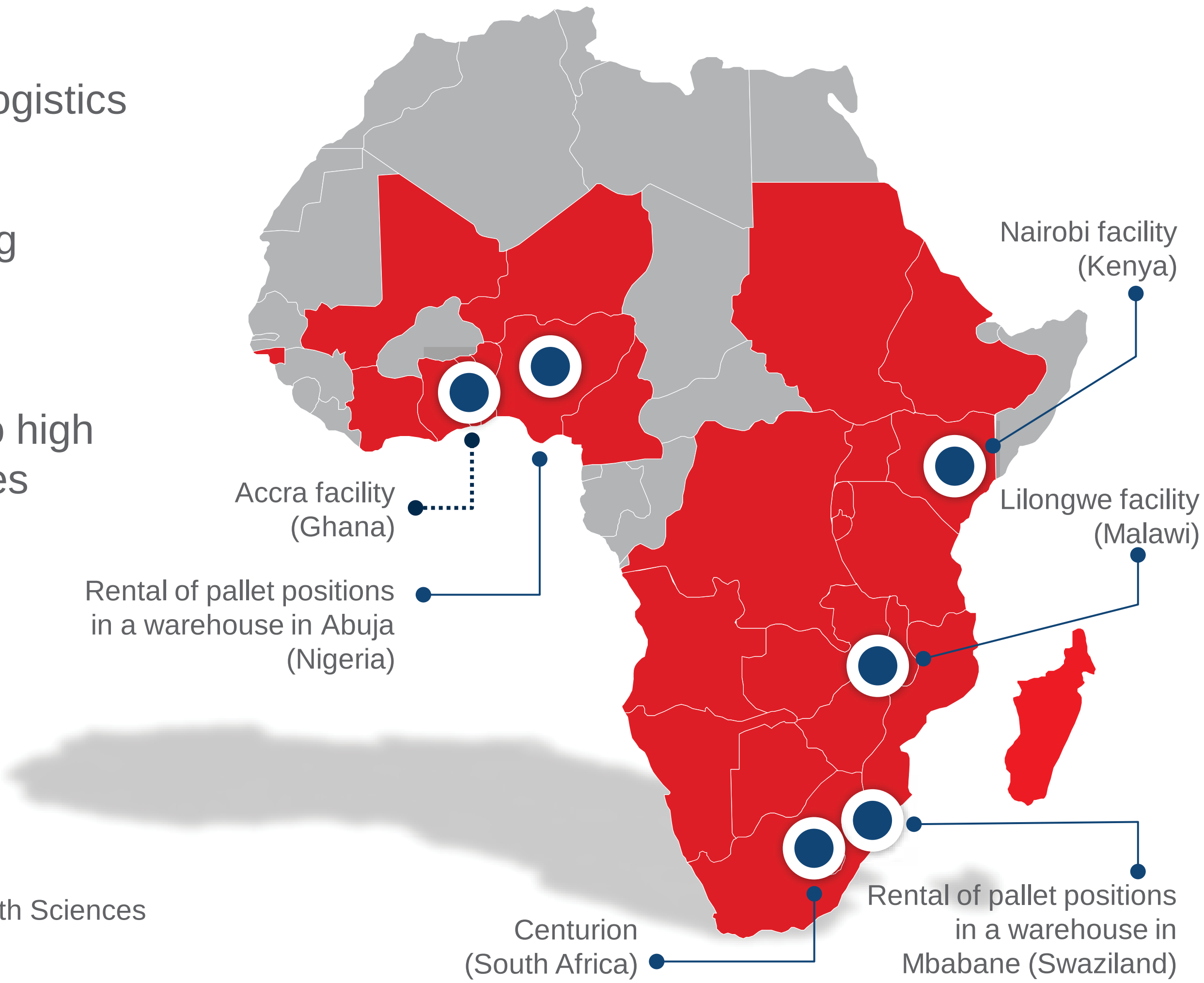
# Rationale for RTT Health Sciences acquisition

» 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




Countries serviced by RTT Health Sciences

# 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

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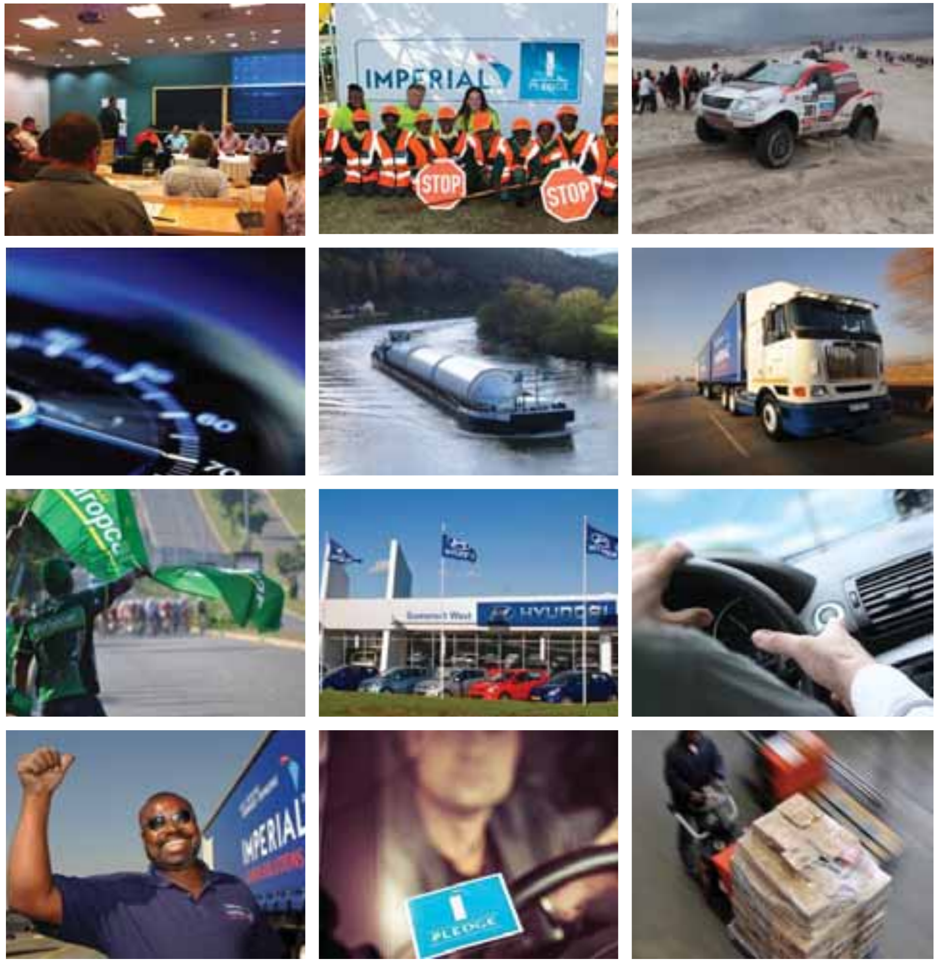


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# Appendix

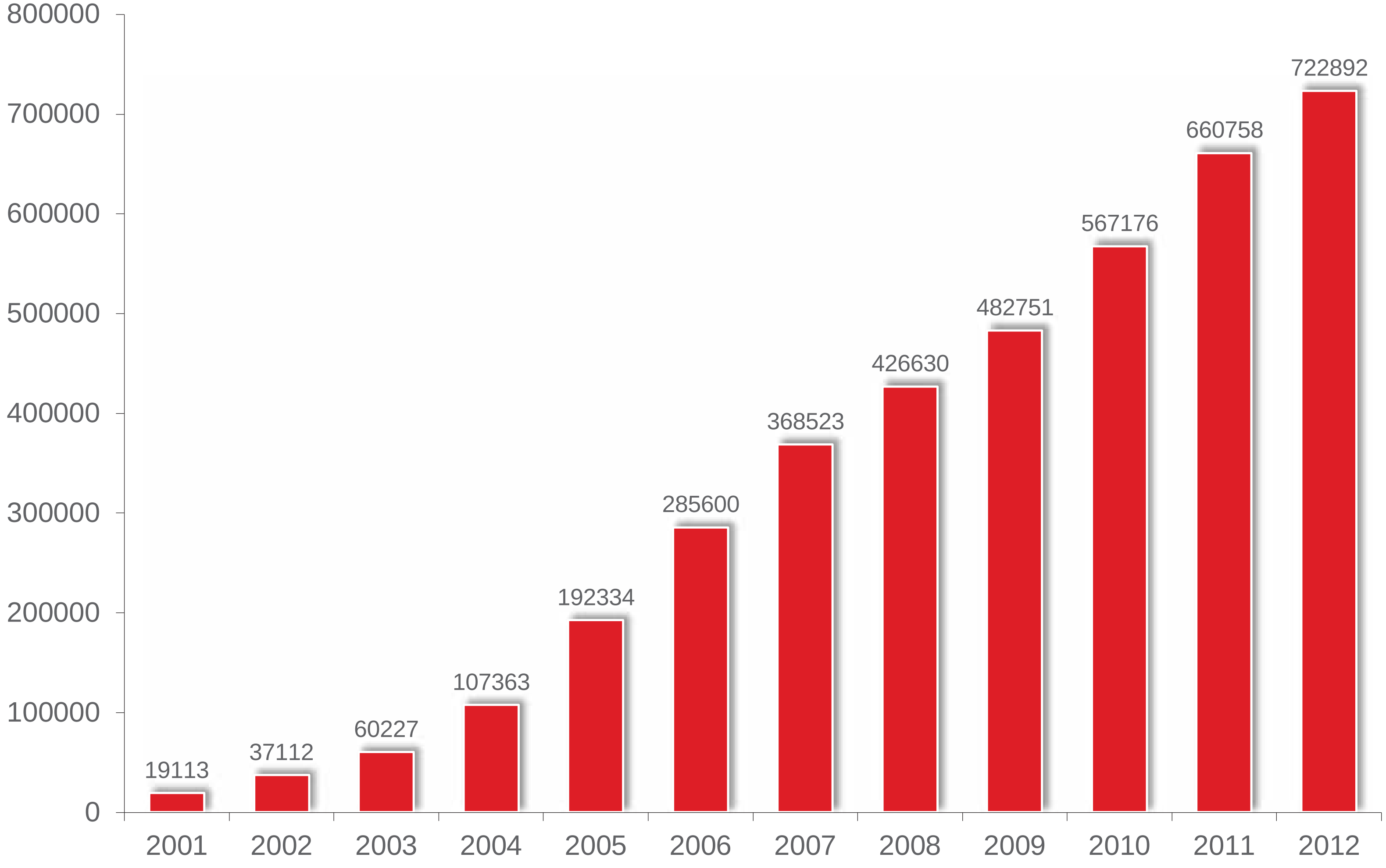
# Key financial ratios

| Ratios | H1 2013 | H1 2012 | F2012 |
|---|---|---|---|
| Group operating margin | **6,5%** | 6,8% | 7,0% |
| Net D:E ratio (excl. prefs) | **52%** | 39% | 39% |
| ROIC^ | **15,5%** | 15,9% | 16,3% |
| ROE # | **22%** | 22.5% | 23% |

*^ 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

Vehicle purchase

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

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

Aftermarket Parts

- Aftermarket Parts – Midas, Alert Engine parts, Afintapart

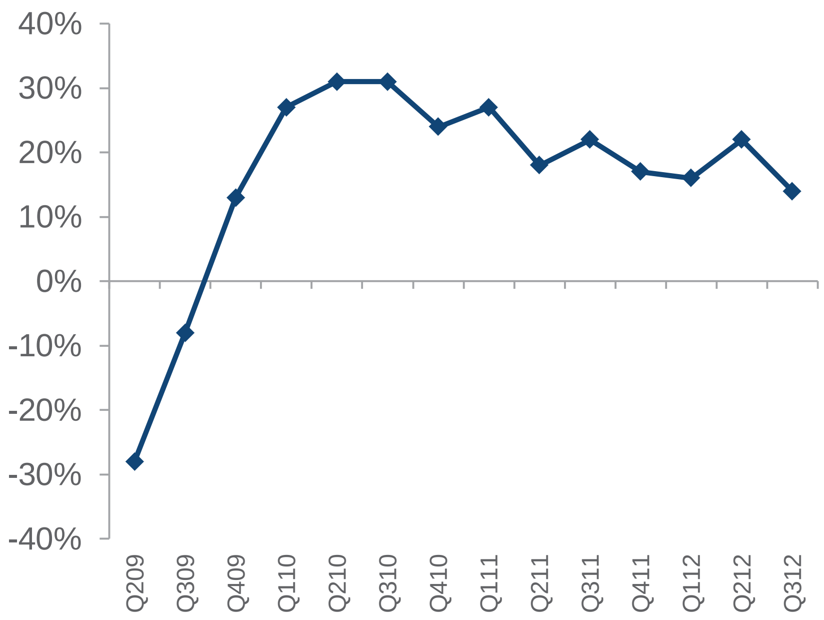
Trade in

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

# South African vehicle credit growth

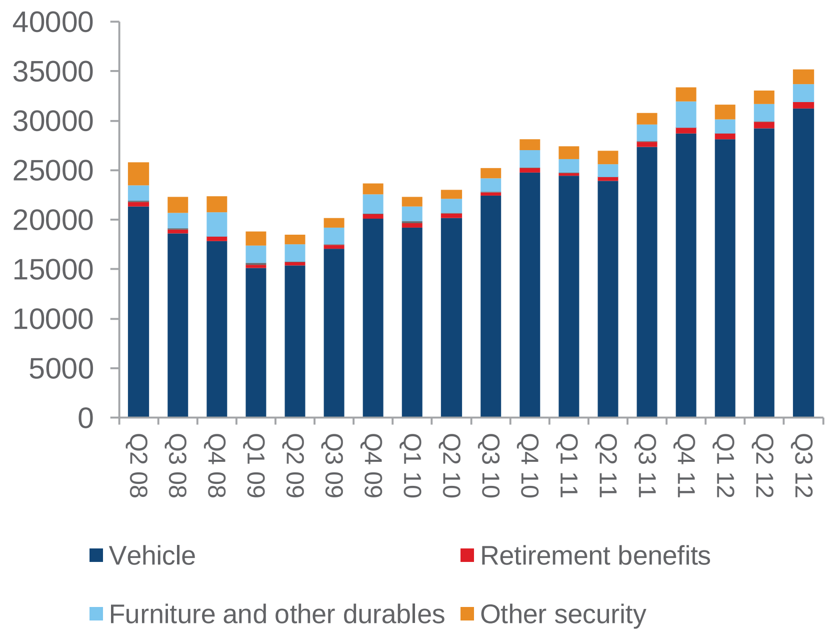
- » Credit availability is key for vehicle sales growth
- » Motor vehicle finance dominates secured credit agreements – 88%
- » Credit growth in vehicles underpin growth in car sales
- » Despite moderation in growth, vehicle credit remains in double digit territory

## Credit growth in vehicle finance



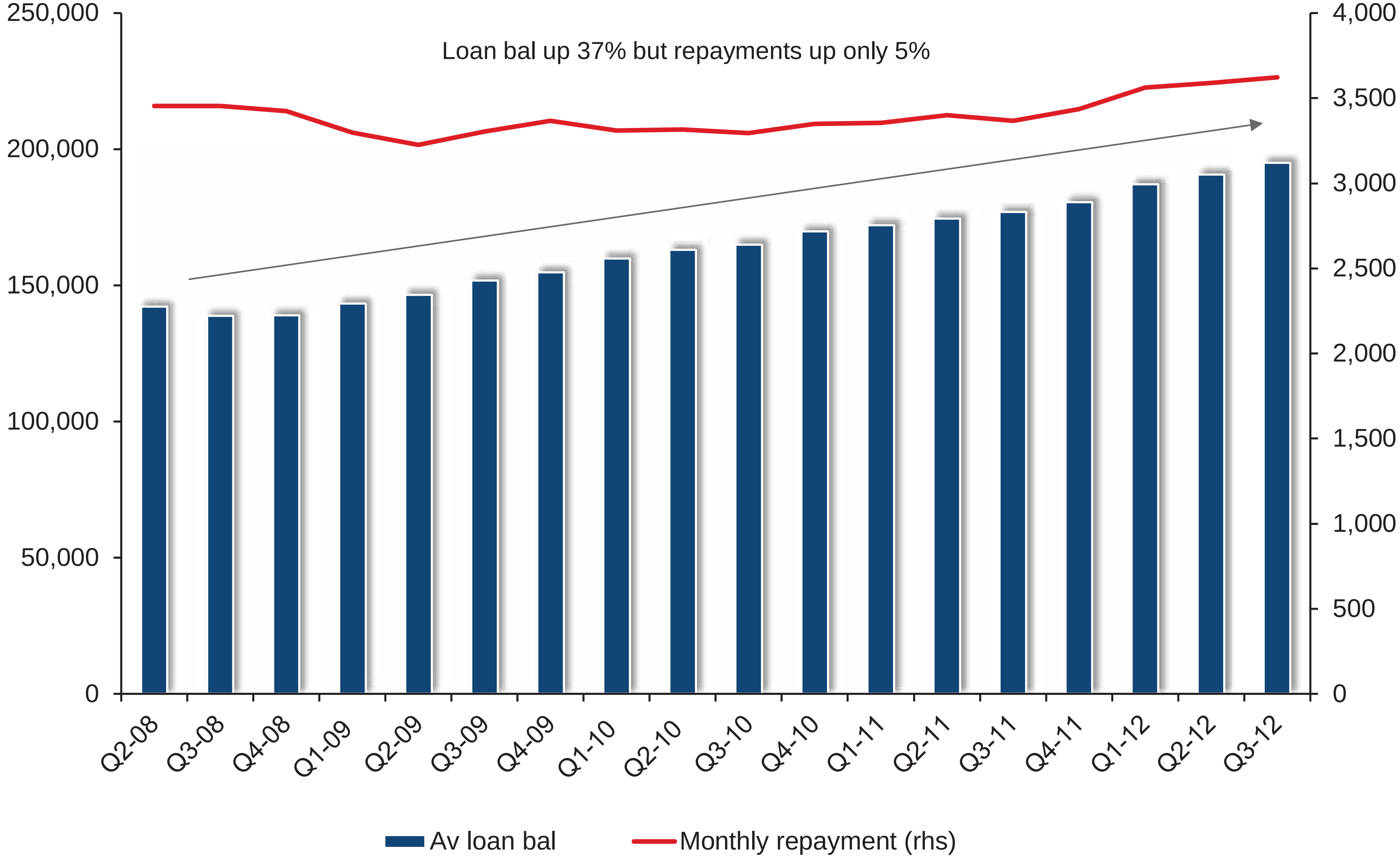

Source: NCR, SBG Securities

## Secured credit agreements granted



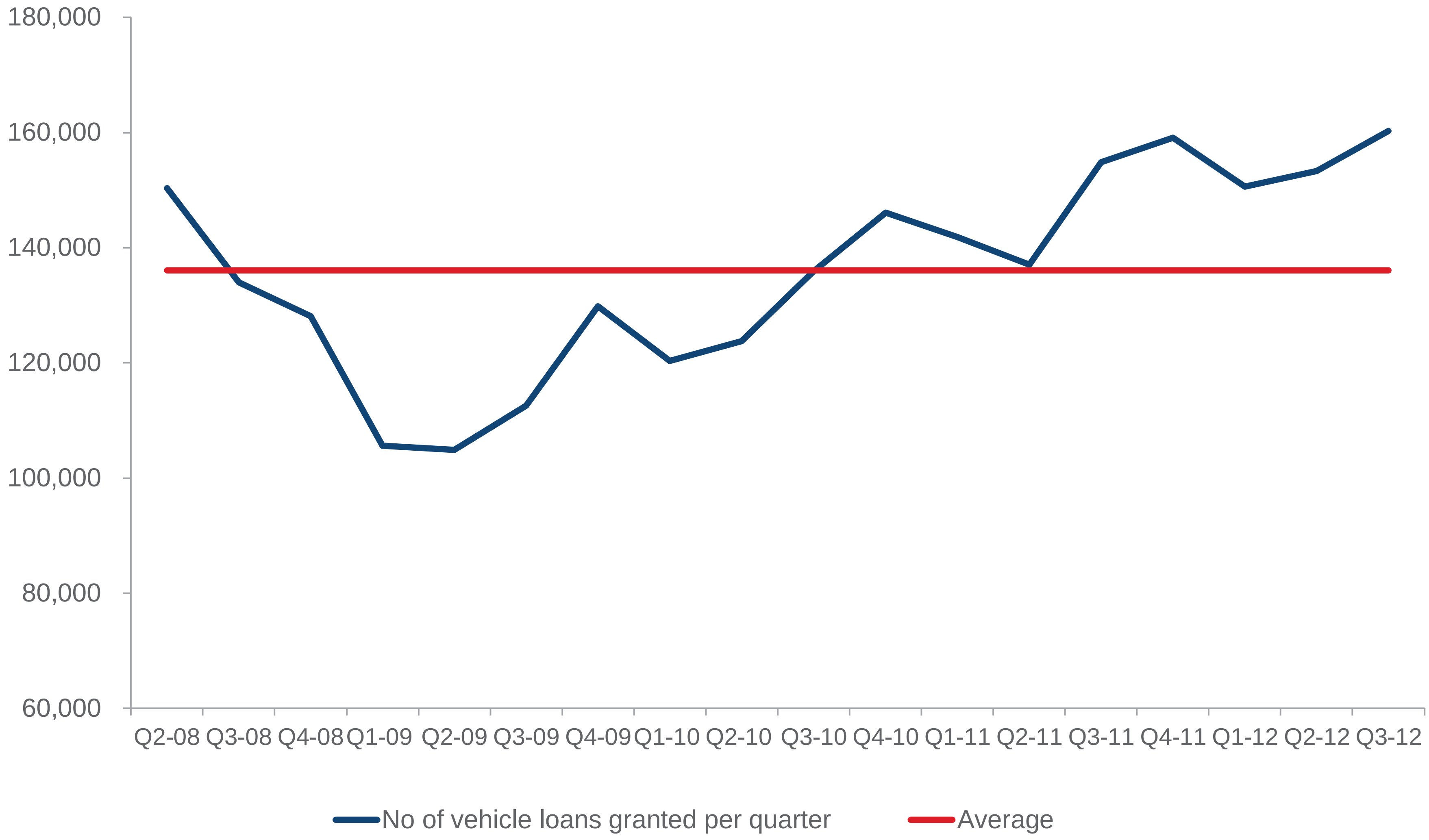

Source: NCR, SBG Securities

# Lower rates and extension of credit terms support demand




Source: NCR,UBSe

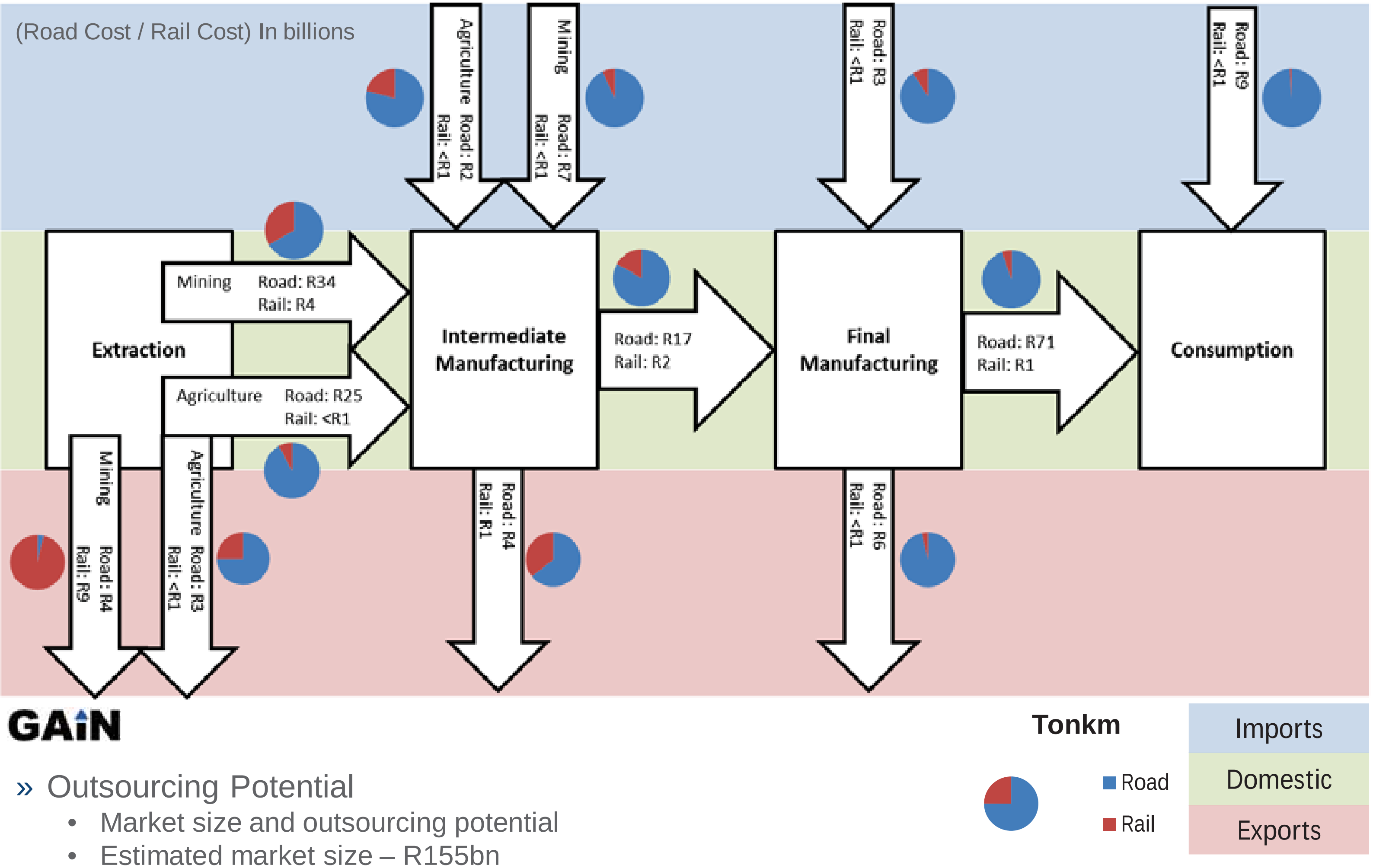
# No of vehicle loans granted per quarter




Source: NCR,UBSe

# Logistics transport modes across the supply chain

## Segmentation is based on the supply chain structure of an economy




» 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 %

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- 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

| in 1,000 | **2009** | **2010** | **2011** | **CAGR 2009:-2011** |
|---|---|---|---|---|
| Toyota | 6,149 | 7,268 | 6,794 | 5,1 % |
| General Motors (GM) | 4,998 | 6,267 | 6,867 | 17,2 % |
| Volkswagen Group | 5,903 | 7,121 | 8,157 | 17,6 % |
| Hyundai | 4,223 | 5,247 | 6,118 | 20.4 % |
| Ford | 2,952 | 2,959 | 2,640 | -5,4 % |
| Nissan | 2,381 | 3,142 | 3,581 | 22,6 % |
| Honda | 2,984 | 3,592 | 2,885 | -1,7 % |
| Suzuki | 2,104 | 2,503 | 2,337 | 5,4 % |
| Renault | 2,044 | 2,396 | 2,443 | 9,3 % |
| Fiat | 1,958 | 1,781 | 1,805 | -4,0 % |
| Daimler | 1,055 | 1,351 | 1,443 | 17,0 % |
| BMW | 1,258 | 1,481 | 1,738 | 17,5 % |
| Mazda | 921 | 1,233 | 1,104 | 9,5 % |
| Mitsubishi | 1,175 | 1,056 | 1,017 | -7,0 % |
| **Total** | **51,075** | **60,344** | **61,703** | **10,0 %** |

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

# Automotive Retail

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## 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

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## 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

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