Agenda

• Overview of Imperial
  • Organisational Structure
  • Brief history
• Key financial highlights - Interim Results 2012
• Recent track record
• Divisional performance and outlooks
• Group prospects and strategy
Organisational structure

Imperial Holdings

Logistics
- Southern Africa
- International

Car Rental and Tourism
- Europcar, coach touring and charter, used car sales

Distribution, Retail and Financial Services
- Automotive retail
- Distributorships
- Financial Services
  - Regent Insurance group
  - Vehicle related financial services

Automotive retail
- Car and Truck dealerships in SA and UK, after-market products

Distributorships
- Hyundai, Kia and other auto imports and distribution and dealerships in Australia

Financial Services
- Industrial distribution, Autoparts general aviation
Who is Imperial?

• An integrated transport, logistics and vehicle retailer and distributor with a market capitalisation of more than $4 billion
• South Africa and Africa
  – 12th largest company by turnover
  – Largest privately held logistics company in South Africa
  – Largest auto distributor
  – Largest aftermarket parts distributor
  – 2nd largest vehicle rental company
  – Represented in 14 countries in Africa
  – Approximately 20 warehouses across Africa distributing FMCG
• The sole shareholder in Imperial Logistics International
  – A leading inland waterway shipping company in Europe
  – A major operator of bulk and container ports in Germany’s industrial centres along its inland waterways
• An employer of 41 000 people
Financial review
### Highlights

<table>
<thead>
<tr>
<th></th>
<th>22%</th>
<th>R38 385m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>23%</td>
<td>R2 621m</td>
</tr>
<tr>
<td>(Margin maintained at 6.8%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEPS</td>
<td>0%</td>
<td>727c</td>
</tr>
<tr>
<td>Core EPS*</td>
<td>30%</td>
<td>756c</td>
</tr>
<tr>
<td>Interim dividend(^) per share</td>
<td>36%</td>
<td>300c</td>
</tr>
</tbody>
</table>

* Core EPS excludes once-off non-operational items, the most significant being:
  - 148cps income from the Lereko BEE structure in the prior period
  - 28cps in business acquisition costs in the current period

\(^\) Dividend pay out ratio of 40% of Core EPS
<table>
<thead>
<tr>
<th>Ratios</th>
<th>H1 F2012</th>
<th>H1 F2011</th>
<th>F2011</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group operating margin</td>
<td>6.8%</td>
<td>6.8%</td>
<td>7.0%</td>
<td>- *</td>
</tr>
<tr>
<td>Net D:E ratio (excl. prefs)</td>
<td>39%</td>
<td>48%</td>
<td>30%</td>
<td>60-80%</td>
</tr>
<tr>
<td>Interest cover</td>
<td>8.4x</td>
<td>7.2x</td>
<td>8.2x</td>
<td></td>
</tr>
<tr>
<td>Net debt : EBITDA</td>
<td>0.8x</td>
<td>1.0x</td>
<td>0.8x</td>
<td></td>
</tr>
<tr>
<td>ROIC (annualised)</td>
<td>15.9%</td>
<td>16.0%</td>
<td>16.5%</td>
<td>WACC +4%^</td>
</tr>
<tr>
<td>ROE# (annualised)</td>
<td>22.5%</td>
<td>19.9%</td>
<td>20.3%</td>
<td></td>
</tr>
</tbody>
</table>

* Group is measured on ROIC
^ WACC = 10.1%
# Based on core earnings
Divisional statistics

Revenue

- SA logistics: 25%
- International Logistics: 4%
- Car Rental and Tourism: 21%
- Distributorships: 11%
- Automotive Retail: 5%
- Financial Services: 34%

Operating Profit

- SA logistics: 20%
- International Logistics: 7%
- Car Rental and Tourism: 10%
- Distributorships: 13%
- Automotive Retail: 43%
- Financial Services: 20%

Operating Margin

- SA Logistics: 6.2 (H1 2012), 6.7 (H1 2011)
- International Logistics: 4.9 (H1 2012), 4.9 (H1 2011)
- Car Rental & Tourism: 10.8 (H1 2012), 11.9 (H1 2011)
- Distributorships: 8.6 (H1 2012), 7.4 (H1 2011)
- Automotive Retail: 2.6 (H1 2012), 2.5 (H1 2011)
- Insurance: 9.0 (H1 2012), 7.9 (H1 2011)

* Underwriting margin
### Improving profit trend

Excl. businesses sold or unbundled

<table>
<thead>
<tr>
<th></th>
<th>Revenue (LHS)</th>
<th>Operating Profit (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 08</td>
<td>28.6</td>
<td>1.2</td>
</tr>
<tr>
<td>June 09</td>
<td>23.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Dec 09</td>
<td>25.7</td>
<td>1.4</td>
</tr>
<tr>
<td>June 10</td>
<td>27.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Dec 10</td>
<td>31.4</td>
<td>2.1</td>
</tr>
<tr>
<td>June 11</td>
<td>33.3</td>
<td>2.4</td>
</tr>
<tr>
<td>Dec 11</td>
<td>38.4</td>
<td>2.6</td>
</tr>
</tbody>
</table>

### Core EPS

- Dec 08: 222
- June 09: 269
- Dec 09: 283
- June 10: 503
- Dec 10: 533
- June 11: 472
- Dec 11: 581

### HEPS

- Dec 08: 756
- June 09: 645
- Dec 11: 727
Gearing

**Net debt : equity (excl. prefs)**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2008</td>
<td>81</td>
</tr>
<tr>
<td>F2009</td>
<td>50</td>
</tr>
<tr>
<td>F2010</td>
<td>39</td>
</tr>
<tr>
<td>F2011</td>
<td>30</td>
</tr>
<tr>
<td>1H F2012</td>
<td>39</td>
</tr>
</tbody>
</table>

- **60-80% net D:E target**

**NOTE: Further breakdown in appendix 1**

- Excludes R441m of perpetual preference shares
- Net D:E after Lehnkering acquisition = 59%
- Short term debt as % of gross debt = 18%
- 48% of Group’s debt subject to fixed interest rates
- Moody’s Ratings:
  - Domestic short term credit rating P-1.za
  - Domestic long term credit rating A2.za
  - International scale rating Baa3
  - Imperial Capital domestic ratings P-1.za and A1.za

**Strong balance sheet**

- Capacity for further acquisitions and organic growth
- Group has R7.0bn unutilised funding facilities (excludes asset-based finance facilities)
Improving returns

- Improving ROE over the past 4 years
  - More asset-light business mix
  - Strong balance sheet management and focus on returns

- Objective: Average ROIC > than WACC + 4% through the cycles
- Target returns now being achieved

# based on core earnings

ROE#

<table>
<thead>
<tr>
<th>Year</th>
<th>ROE#</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2008</td>
<td>12.0</td>
</tr>
<tr>
<td>F2009</td>
<td>9.4</td>
</tr>
<tr>
<td>F2010</td>
<td>17.1</td>
</tr>
<tr>
<td>F2011</td>
<td>20.3</td>
</tr>
<tr>
<td>2012</td>
<td>22.5</td>
</tr>
</tbody>
</table>

10-yr avg. of 18.8%

ROIC vs WACC

<table>
<thead>
<tr>
<th>Year</th>
<th>ROIC vs WACC</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2008</td>
<td>9.6</td>
</tr>
<tr>
<td>F2009</td>
<td>10.9</td>
</tr>
<tr>
<td>F2010</td>
<td>10.5</td>
</tr>
<tr>
<td>F2011</td>
<td>10.1</td>
</tr>
<tr>
<td>2012</td>
<td>10.1</td>
</tr>
</tbody>
</table>

# based on core earnings
Strategy and prospects
Strategic intentions

• Emphasis on businesses which generate higher returns and have annuity income streams

• In pursuit of this strategy, the majority of expansion capital will be applied to:
  – Expanding logistics business into Africa
  – Growing European & southern African logistics businesses
  – Acquisition and organic expansion of industrial and automotive distribution businesses
  – Grow motor-related financial services offering

• Expansion will be through acquisition, partnerships & grassroots development
  – Depending on skills requirement

• Growth into Africa to be driven by selective acquisitions & following our customer base into the continent
Current footprint and potential future markets

Physical presence

Cross border only

Potential Growth markets

CIC’s warehouse operations
Improvement in household finances and credit extension—a vital ingredient for car sales

Interest on household debt as % of personal disposable income

Retail credit excl. mortgages

- Retail credit growth still strong
- Credit approval rates in dealer network have improved

Source: CITI Bank
Vehicle Penetration in SA

- SA’s PPP-adjusted GDP per capita of appr. $10 000 supports accelerating vehicle demand in future.
- Vehicle penetration, at 150 vehicles per 1 000, shows substantial potential for growth.
- The S-Curve begins at per capita income levels of $8 000 and approaches saturation point at $50 000 - $60 000.
Integrated Motor Business value chain should compensate to some extent against potentially weaker new vehicle market

**Trade in/ Aftermarket**
- Aftermarket Parts
- Accessories
- Panel shops
- Used Cars

**Insurance Event**
- Insurance
- Towing
- Car rental
- Parts
- Panel shops

**Vehicle Maintenance**
- Service
- Courtesy cars
- Parts

Non-motor retail businesses contribute 9% to operating profit

Group retailed appr. 50 000 – 60 000 used cars p.a.

Financial Services contribute 13% to operating profit

After sales parts and service becoming a significant contributor to the group
Automotive parts and industrial products

- The group pursued a strategy to add aftermarket vehicle parts, components, industrial equipment and new areas of distribution to its portfolio
- Recent acquisitions of Midas, Turbo Exchange, Goscor, E-Z-GO, Datadot and Segway are part of this strategy
- In total, across the group, such businesses contributed R 3,5 billion of turnover and R 237 million operating profit for the period (9% of group operating profit)
- We continue to pursue opportunities in these segments due to their asset-light nature and good returns on capital

<table>
<thead>
<tr>
<th></th>
<th>Revenue (Rm)</th>
<th>Operating Profit (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1 2012</strong></td>
<td>3,455</td>
<td><strong>H1 2012</strong></td>
</tr>
<tr>
<td><strong>H1 2011</strong></td>
<td>2,948</td>
<td><strong>H1 2011</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>237</td>
</tr>
<tr>
<td></td>
<td></td>
<td>226</td>
</tr>
</tbody>
</table>

Includes: Jurgens, Beekmans, Midas, Alert, Turbo Exchange, Engine Parts, Goscor, E-Z-GO, Graffiti, NAC, DataDot, Segway
Prospects

• Positioned to continue performing well in most markets
  – Increasing contribution from annuity-type income
  – Strong positioning of brands

• Rate of growth in vehicle sales likely to slow down

• Economic environment will continue to be challenging in some areas

• Balance sheet is strong
  – Can take advantage of attractive acquisition opportunities
  – Expansion strategy progressing, particularly in Africa

• Lehnkering will make a meaningful contribution

• Strong performance should continue into the second half
Lehnkering acquisition

2010 Revenue: €506m
2010 EBITDA: €44m
Enterprise value: €270m
EV/EBITDA multiple: 6.1x
ROIC (incl. goodwill): 7.3%

Materially earnings enhancing acquisition; meets internal acquisition criteria
Adds appr. €10m annualised after tax profit
Rationale for Lehnkering acquisition

- Expansion in inland waterway shipping
  - Inland waterway fleet to grow by 140 vessels – especially in liquid cargo shipping

- Leadership in hazardous goods warehousing
  - Distribution network of 18 warehouses for chemicals

- Diversification of product portfolio
  - Gas tanker fleet of 16 owned vessels
  - Distribution network for chemical products

- Broadening customer base
  - Strong footprint in the chemical industry

- Combination of logistics services with value added services
  - Outsourcing manufacturer for agro and fine chemicals (Synthesis, formulation and packaging)
Divisional performance
Southern Africa logistics

**Revenue (Rm)**
- H1 2012: 8,311
- H1 2011: 6,502

**Operating profit (Rm)**
- H1 2012: 513
- H1 2011: 437

**Operating Margins**
- H1 2012: 6.2%
- H1 2011: 6.7%
- H2 2011: 4.8%

Good growth, with acquisitions contributing well
Southern Africa logistics

Revenue by activity

H1 F2012
- Distribution Logistics: 37%
- 4 PL: 31%
- Warehousing: 9%
- Transport: 24%

H1 F2011
- Distribution Logistics: 40%
- 4 PL: 22%
- Warehousing: 11%
- Transport: 26%

Revenue by sector

- FMCG/ Retail: 46%
- Petrochemicals: 6%
- Paper/Packaging: 7%
- Mining and Minerals: 8%
- Construction: 10%
- Agriculture: 13%
- Chemicals: 5%
- Other: 5%
Southern Africa logistics

Prospects

• Year on year growth will benefit partly from low base in H2 F2011
• Current transport volumes are under pressure
• Trend to outsourcing
  – 60-70% of all transport in SA still performed in-house
• Leading private sector transport and warehousing operation
  – Economies of scale
  – Given infrastructure and network, well positioned to capitalise on growth opportunities
• Exposed to diverse industries, markets, countries and clients - offers resilience

Strategic objectives

• Expansion into Africa is a priority; will continue gaining momentum
• Grow revenue – both organic and acquisitive
  – New business gains from existing clients
  – New contract gains (trend to outsourcing)
• Capitalise on integration services capability
  – Acquisition of 60% of Synchronised Logistics Solutions strengthens our position in the automotive logistics industry
International logistics (EURO)

Results exceeded expectations

Revenue (€m)

- H1 2012: 397
- H1 2011: 339

Change: +17%

Operating profit (€m)

- H1 2012: 20
- H1 2011: 16

Change: +25%

Operating Margins

- H1 2012: 5.0%
- H1 2011: 4.7%
- H2 2011: 5.8%
Revenue (Rm)

- H1 2012: 4,159
- H1 2011: 3,209

Operating profit (Rm)

- H1 2012: 203
- H1 2011: 156

Operating Margins

- H1 2012: 4.9%
- H1 2011: 4.9%
- H2 2011: 5.3%

Exchange rate benefit

R/€ exchange rates: H1 F2012 average: R10.78 vs H1 F2011 average: R9.06
International logistics

Revenue by sector

Steel manufacturing: 36%
Automotive: 28%
Paper/Packaging: 14%
Logistics: 13%
Mechanical engineering: 6%
Chemicals / Commodities: 3%

Pre Lehnkering

conventional
intermodal
truck forwarding

Core Neska Locations:
- Neska Cologne
- Neska Düsseldorf
- Neska Bingen
- Neska Mannheim
- Neska Dormagen/Neuss
- Neska Dormagen/Neuss
- Neska Bingen
- Neska Mannheim

Operations and Locations:
- Foodtankers Karlshamn
- Neska Cologne
- Neska Düsseldorf
- Neska Bingen
- Neska Mannheim
- Neska Dormagen/Neuss
- Neska Bingen
- Neska Mannheim

Conventional and Intermodal Services:
- Conventional
- Intermodal
- Truck forwarding

Map showing the spread of operations across Germany.
Prospects

• Lehnkering will make a positive impact
• Despite debt crisis in Europe, German economy appears to be steady
  − Conditions in sectors and industries in which we operate are still good
  − Initial signs of a slowdown in the steel industry

Strategic objectives

• Maximise position in current niches & segments
• Take advantage of trend to outsourcing
• Pursue bolt-on acquisitions in areas we currently operate
  − Mainly through consolidation & diversification
• Follow our customer base into other geographies, eg Eastern Europe, South America
Car Rental and Tourism

Revenue (Rm)

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,939</td>
<td>1,667</td>
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</tbody>
</table>

Operating profit (Rm)

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>210</td>
<td>198</td>
</tr>
</tbody>
</table>

Operating Margins

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
<th>H2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.8%</td>
<td>11.9%</td>
<td>9.3%</td>
</tr>
</tbody>
</table>

Difficult trading conditions but satisfactory result
### Prospects

- Car rental industry will continue to be fiercely competitive
- Lower volumes in international and local leisure segments persist
- New vehicle price increases could relieve pressure on used car sales
- Challenging conditions are expected to continue in Tourism

### Strategic objectives

- Continue to build on the global Europcar brand
- Improve return on invested capital
- Maximise positioning in commercial vehicle rental
- Grow unit sales and market share in Auto Pedigree’s specific target market
- Improve contribution from panelshops to divisional results
- Grow coach transport into more diverse markets
Distributorships

Revenue (Rm)

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13,590</td>
<td>11,043</td>
</tr>
</tbody>
</table>

+23%

Operating profit (Rm)

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,162</td>
<td>816</td>
</tr>
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</table>

+42%

Operating Margins

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
<th>H2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.6%</td>
<td>7.4%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

Strong growth continues
Distributorships

Prospects

• Slowing rate of growth expected for new vehicle sales
  • Largely offset by
    – Strong positioning of our products
    – Significantly improved product supply
    – Benefits flowing from parts and service revenue streams as car parc grows strongly
  • Medium to longer term potential headwinds: High consumer debt levels, possible interest rate hikes and any prolonged currency weakness
• Autoparts resilient through the cycles
  – Will benefit from growing car parc
• Goscor expected to continue its good performance

Strategic objectives

• Increase market share in the SA vehicle market
• Grow annuity-type income from parts, service & after-sales activity
• Expand product range in auto parts & industrial distribution businesses
• Add more industrial brands to current distribution network
• Identify acquisition opportunities in new areas of distribution and services related to existing activities
Automotive parts and industrial products

- The group pursued a strategy to add aftermarket vehicle parts, components, industrial equipment and new areas of distribution to its portfolio.
- Recent acquisitions of Midas, Turbo Exchange, Goscor, E-Z-GO, Datadot and Segway are part of this strategy.
- In total, across the group, such businesses contributed R 3.5 billion of turnover and R 237 million operating profit for the period (9% of group operating profit).
- We continue to pursue opportunities in these segments due to their asset-light nature and good returns on capital.

![Bar chart showing revenue and operating profit for H1 2012 and H1 2011.](chart.png)

Automotive Retail

Revenue (Rm)

- H1 2012: 9,877
- H1 2011: 8,522

Operating profit (Rm)

- H1 2012: 261
- H1 2011: 217

Operating Margins

- H1 2012: 2.6%
- H1 2011: 2.5%
- H2 2011: 3.2%

Good growth in operating profit
Prospects

• Rate of growth in new vehicle market likely to moderate
• Streamlined network of dealerships & well-balanced portfolio
• Well positioned to take advantage of any growth opportunities presented
• Growing annuity-type income will compensate to some extent

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 in Jurgens
• Beekman to improve distribution model
Financial Services

Revenue (Rm)

- **H1 2012**: 1,833 (12% increase)
- **H1 2011**: 1,639

Operating profit (Rm)

- **H1 2012**: 344
- **H1 2011**: 345

Operating profit split

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
<th>H2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income, including fair value adjustments</td>
<td>80</td>
<td>143</td>
<td>63</td>
</tr>
<tr>
<td>Underwriting result</td>
<td>133</td>
<td>107</td>
<td>212</td>
</tr>
<tr>
<td>Other Financial Services</td>
<td>131</td>
<td>95</td>
<td>140</td>
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</tbody>
</table>

Net Underwriting Margins

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2011</th>
<th>H2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.0%</td>
<td>7.9%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

Performed satisfactorily
Prospects

- Whilst underwriting conditions are unpredictable, earnings in Financial Services should be robust in H2
- Investment portfolio continues to be conservatively managed
- Maintenance & service plans written during the strong new vehicle market provide valuable annuity underpin to future earnings

Strategic objectives

- Regent will focus on growing revenues & expanding its distribution channels
- LiquidCapital will continue to develop new products & partnerships to create new sources of growth
- Increase market share by providing affordable financial products & services
- Find alternative finance for entry-level car buyers to grow the vehicle market