IMPERIAL
LEADERS IN MOBILITY

RESULTS PRESENTATION

FOR THE YEAR ENDED
30 JUNE 2017

AGENDA

OVERVIEW	CONTEXT	STRATEGY	OPERATIONS REVIEW	FINANCIAL REVIEW	LOOKING FORWARD

GROUP OVERVIEW

IMPERIAL

GROUP REVENUE

1%
R119 517 million

ONGOING REVENUE[1]

5%
R115 530 million

OPERATING PROFIT

2%
R6 538 million

ONGOING OPERATING PROFIT[1]

3%
R6 091 million

HEPS[2]

10%
1 390 cents
PER SHARE

EPS[2]

14%
1 339 cents
PER SHARE

CORE EPS[2,3]

5%
1 626 cents
PER SHARE

FULL YEAR DIVIDEND

18%
650 cents
FINAL DIVIDEND: 330 cents

ROIC OF 12.4% VS WACC OF 9.0%

NET DEBT:EQUITY RATIO OF 71%
(INCL PREF SHARES AS EQUITY)

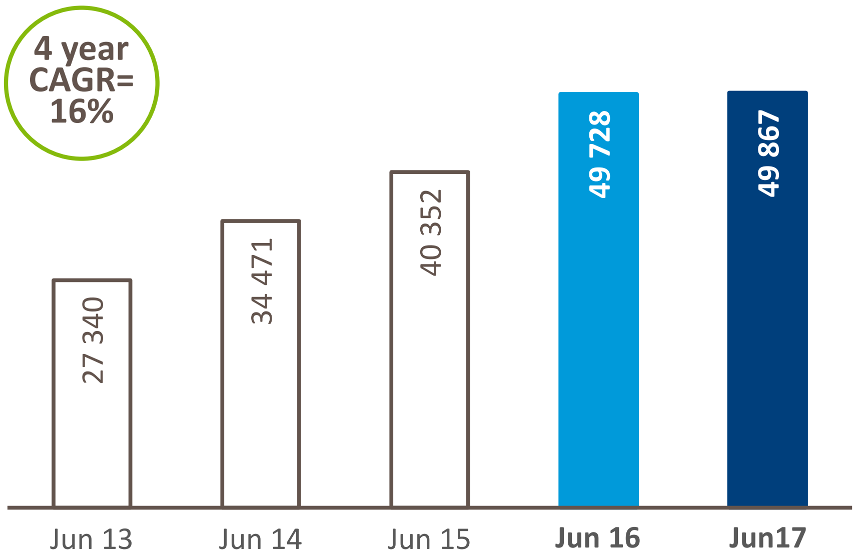
1 *Excludes discontinued operations & businesses held for sale*
2 *2016 restated*
3 *Core EPS excludes once-off & non-operational items, mainly: amortisation of intangibles arising on acquisitions of R521m; re-measurement of contingent consideration, put option liabilities & business acquisition costs of R119m*

OVERVIEW

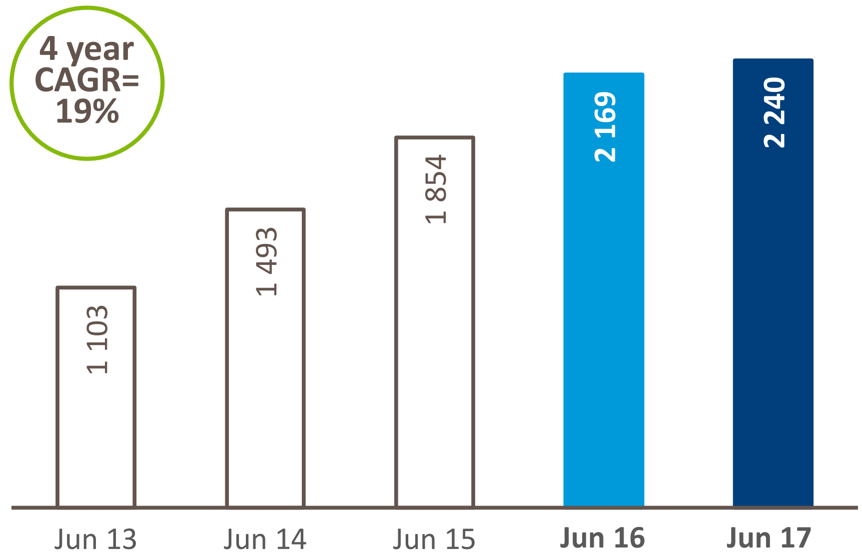
- Achieved all strategic, operational & financial objectives announced at start of F 2017
- All activities consolidated into two large, increasingly self-sufficient divisions: **Imperial Logistics** & **Motus**
  - divisional structures in place & ahead of original plans
  - reporting according to the new divisional structure
- Record revenue & operating profit, supported by the Palletways acquisition, Logistics South Africa & Motor Related Financial Services
- Currency movements resulted in significant foreign exchange losses that depressed headline earnings
- Net debt to equity ratio improved to 71%; appropriate capital structure & balance sheet largely in place
- Foreign revenue unchanged, foreign operating profit up 3%

GROWTH TREND IN **FOREIGN** OPERATIONS

REVENUE (Rm)



OPERATING PROFIT (Rm)



- Foreign revenue unchanged at R49.9bn **(43% of group)**
- Foreign operating profit up 3% to R2.2bn **(37% of group)**
- Negatively impacted by the strengthening Rand in F 2017

Growth in foreign operations to offset the limited growth opportunities dictated by Imperial's position as a South African market leader in logistics & motor vehicles

Note: Excludes discontinued operations

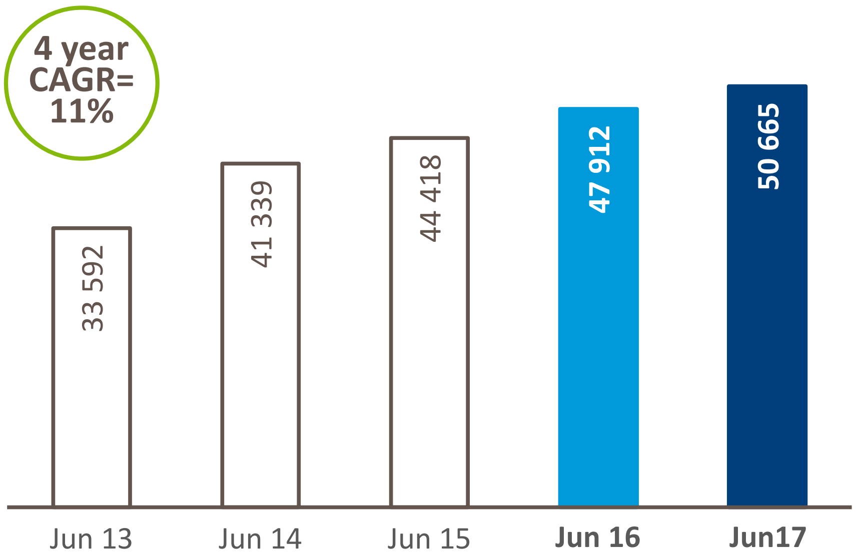
OVERVIEW

- Achieved all strategic, operational & financial objectives announced at start of F 2017
- All activities consolidated into two large, increasingly self-sufficient divisions: **Imperial Logistics** & **Motus**
  - divisional structures in place & ahead of original plans
  - reporting according to the new divisional structure
- Record revenue & operating profit, supported by the Palletways acquisition, Logistics South Africa & Motor Related Financial Services
- Currency movements resulted in significant foreign exchange losses that depressed headline earnings
- Net debt to equity ratio improved to 71%; appropriate capital structure & balance sheet largely in place
- Foreign revenue unchanged, foreign operating profit up 3%
- Non-vehicle revenue & operating profit up

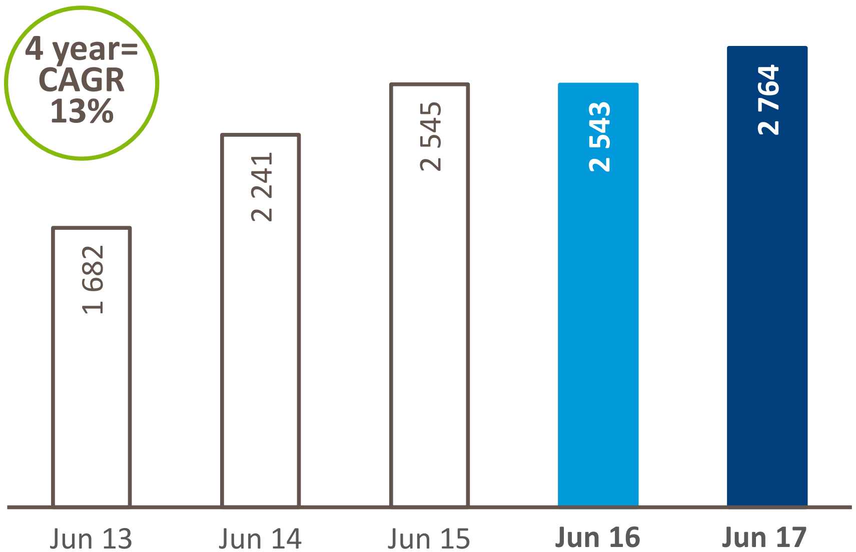
GROWTH TREND IN **NON VEHICLE** OPERATIONS

IMPERIAL

REVENUE (Rm)



OPERATING PROFIT (Rm)



- Revenue not related to Vehicles up 6% to R50.7bn **(43% of group revenue)**
- Operating profit not related to Vehicles up 9% to R2.8bn **(now 45% of group operating profit)**

Imperative to grow revenues & profits less susceptible to currency volatility, in order to reduce the group's exposure to exchange rate sensitive operating profits attributable mainly to directly imported vehicles

Note: Excludes discontinued operations

AGENDA

OVERVIEW	**CONTEXT**	STRATEGY	OPERATIONS REVIEW	FINANCIAL REVIEW	LOOKING FORWARD

OPERATING CONTEXT – IMPERIAL REGIONS

South Africa (57% revenue; 63% operating profit)

> Low economic growth (technical recession in F 2017 3rd quarter)
> Rising unemployment (27.6%)
> Low business confidence
> Fragile consumer health depressing personal income expenditure
> Reduction in logistics volumes
> 7% decline in national new vehicle sales (NAAMSA)
> Volatile Rand & slowing vehicle market resulted in significant foreign exchange hedging losses

African Regions (10% revenue; 13% operating profit)

> Slowing GDP growth rates & rising inflation & interest costs depressed consumer demand
> Currency volatility, specifically devaluation of Naira (41% on average) & Metical (37% on average) created foreign exchange losses on monetary items
> Naira parallel rate strengthened materially late in H2 2017 & access to foreign currency improved

OPERATING CONTEXT – IMPERIAL REGIONS

Eurozone, UK & Australia (33% revenue; 24% operating profit)

> 80-year low water levels on the Rhine

> Lower demand & pricing pressures in steel, energy, commodities & construction sectors in Germany

> Steady UK economy supporting logistics & vehicles businesses (no Brexit impact to date)

> Strengthening Rand depressed translation value of foreign operations

AGENDA

IMPERIAL™

OVERVIEW	CONTEXT	**STRATEGY**	OPERATIONS REVIEW	FINANCIAL REVIEW	LOOKING FORWARD

IMPERIAL'S **STRATEGIC CHALLENGES**

> High market shares in logistics & vehicles in structurally low growth RSA

> Currency:

- R14.0bn imports (vehicles & parts); R8.0bn foreign debt; 4 major currencies (ZAR, US$, €, £, A$); 17 secondary currencies
- currency volatility affects competitiveness & hedging
- weakening Rand affects working capital, competitiveness & acquisition currency

> Capital intensity in logistics

> Transformation & succession in a low growth environment

> Medium term impact of disruptive technology & innovation on logistics & vehicle sectors

PROGRESS AGAINST STRATEGY

IMPERIAL

Since H1 2015, we have directed our efforts as a holding company to enhancing the sustainable competitive position of our subsidiaries through:

1. Portfolio coherence (logical agglomeration that facilitates value creation):
    - Disposals: 42 businesses & 52 properties that were under performing, of low return on effort or strategically incompatible. Generated revenues of R11.2bn & operating profit of R982m, & employed R4.2bn of capital at the time of sale
    - Acquisitions: Investment of R5.4bn to acquire 15 companies that generated revenue of R13.7bn & operating profit of R880m in their first full year of operation
2. Competitive strategy (defining a value proposition for each client facing company to compete and win in its chosen market):
    - Divisional & company leaders accurately defining their market, product & customer focus, & configuring those capabilities necessary to render competitive advantage, growth & returns

THE ROLE OF IMPERIAL HOLDINGS

IMPERIAL

The rationalisation of the portfolio & the clarification of strategy resulted in Imperial's activities being consolidated into two large, increasingly self-sufficient divisions: Imperial Logistics & Motus, now separately established & reported on as Imperial's only operating entities

> Imperial Holdings remains entry point for providers of debt & equity capital & the custodian of strategy, governance & succession

> Restructuring has enhanced management focus, capital allocation, intra-divisional collaboration & the elimination of complexity, duplication & cost within the divisions

> Further portfolio & competitive strategy refinements inevitable, but interventions have irrevocably altered the fundamental trajectory & future of the Imperial group

> Work is in process to determine the viability, & benefit to Imperial shareholders, of listing Imperial Logistics & Motus separately. Following due consultation with relevant stakeholders, the board will make an announcement on this decision on or before the release of the results to June 2018

> Our investment thesis is unchanged & steady progress was registered with each of our 5 capital allocation objectives

CAPITAL ALLOCATION OBJECTIVE 1

IMPERIAL™

We will release capital & sharpen executive focus, by disposing of non-core, strategically misaligned, underperforming or low return on effort assets

> Regent Group (excluding the retained VAPS business) for R1.8bn on 26 June 2017
> Non-strategic properties for which R900 million was received in F 2017
> Minority stake in Mix Telematics for R478m with payment received on 30 August 2016
> Jurgens & Prestige Safari for R253m in February 2017
> 51% (control) of 10 entities in AMH Group to related party for R55m, concluded on 30 August 2016
> LTS Kenzam for R10m cash in January 2017
> A 100% interest in Global Holdings (Botswana) in exchange for a 25% shareholding in PST, an entity that was merged with Global Holdings
> Interests in 6 smaller entities amounting to approximately R11m

Disposals of non-strategic businesses & properties during F 2017 generated proceeds in excess of R3.0 billion

CAPITAL ALLOCATION OBJECTIVE 1 (CONT.)

IMPERIAL

Disposals in progress:

- Non-strategic properties: 21 properties with carrying value of R979m held for sale
- Imperial has commenced a transaction process to introduce a direct 30% BBBEE shareholding (including Black Women) into Imperial Logistics South Africa, resulting in Imperial Logistics South Africa becoming a 51% Black Owned Enterprise

Although the bulk of identified disposals have been concluded, continual analysis of the strategic & financial performance of businesses will result in refinements to the portfolios of both divisions over the medium term

CAPITAL ALLOCATION OBJECTIVE 2

IMPERIAL

We will invest capital in South Africa to maintain the quality of our assets & our market leadership in logistics & motor vehicles

Acquisitions:

> Logistics South Africa acquired a 70% stake in Sasfin Premier Logistics for R38m in July 2016
> Logistics South Africa acquired 55% of Itumele Bus Lines for R147m in November 2016
> The remaining 10% minority stake was acquired in Midas for R87.5m

2017 Capex:

> R1.9bn

CAPITAL ALLOCATION OBJECTIVE 3

We will invest capital in Africa (ex RSA) primarily to achieve our 2020 objective for the revenue & profits generated by Logistics African Regions to equal those of Logistics RSA & secondarily to expand our Motus businesses in the region

Acquisitions:

> 70% of Surgipharm Limited for USD35m (ZAR470m), effective 1 July 2017

Expansion:

> The Imperial Managed Logistics business was expanded in Nigeria & Ghana

2017 Capex:

> R165m

CAPITAL ALLOCATION OBJECTIVE 4

IMPERIAL

We will invest capital generated from operations & divestments to grow our businesses beyond the continent, with an emphasis on logistics

Acquisitions:

> 95% of Palletways for R3.0bn* (£155m), effective 5th July 2016
> Palletways acquired 100% of Topco in Italy for R14m

Acquisitions post year end:

> Pentagon Motor Holdings (21 prime UK retail dealerships) announced 15 August 2017 for cash consideration of R493m (£28m), effective 1 September 2017
> 75% of SWT Group Pty Ltd (16 Australian dealerships) for cash consideration of R254m (AUD24.2m), subject to certain conditions precedent

2017 Capex:

> R645m

* *Includes purchase of debt at acquisition date*

CAPITAL ALLOCATION OBJECTIVE 5

IMPERIAL

The development & sustainability of Imperial will be underpinned by investment in human capital & information systems

2017 Capex on HC & IS

> R371m

Human Capital

- Investment in CPO's & HC practitioners, Enterprise Architecture & HC IS
- Foundations of Executive Talent Management established: data centric approach to executive development for skills & leadership capability, transformation & succession
- Now extended to second & third tiers of management
- Changes to roles or reporting lines of 23 of the 35 most senior Imperial executives.

CAPITAL ALLOCATION OBJECTIVE 5 (CONT.)

IMPERIAL

Information Systems

> Major systems implementations:
- Logistics Africa – SAP, Microsoft Dynamics & other
- Logistics International – Integration of SAP Finance, TalentSoft, Global unified Transport Management System, Imperial Fleet Management System
- Vehicle Retail & Rental – Europcar, Dealer Management System
- Aftermarket Parts: Alert & Midas

> Major development of online / social media capabilities

> Extensive use of technology in logistics: fleet management & control; driver monitoring; warehouse picking systems; distribution market segmentation etc.

2017 Capex:

> R371m*

AGENDA

OVERVIEW	CONTEXT	STRATEGY	**OPERATIONS REVIEW**	FINANCIAL REVIEW	LOOKING FORWARD

IMPERIAL'S DIVISIONS

IMPERIAL

IMPERIAL LOGISTICS

REVENUE

↑ **6%**

R50.7 billion

43% contribution

OPERATING PROFIT

↑ **9%**

R2.8 billion

45% contribution

4 YEAR CAGR 13%

MOTUS

REVENUE

↓ **3%**

R66.5 billion

57% contribution

OPERATING PROFIT

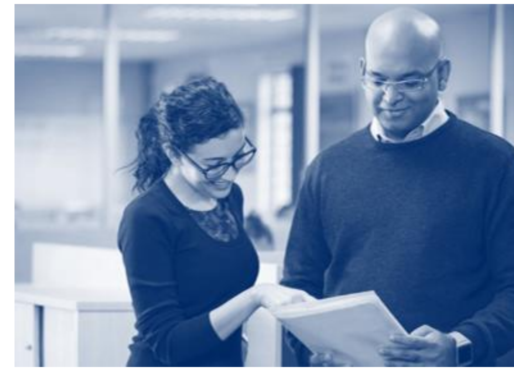
↓ **3%**

R3.3 billion

55% contribution

4 YEAR CAGR -5%

REGENT (discontinued)



REVENUE

↓ **12%**

R2.7 billion

OPERATING PROFIT

↑ **13%**

R489 million

Note: Excludes discontinued operations, head office & eliminations

DIVISIONAL OVERVIEW – IMPERIAL LOGISTICS

Imperial Logistics is active mainly in Africa & Europe, with established capabilities in transportation, warehousing & distribution management. Our expertise & experience in each of these enable us to provide integrated supply chain & route-to-market solutions to global & national market leaders. We focus across the value chains of consumer packaged-goods, chemicals, healthcare & automotive as well as within specialised sectors of mining, manufacturing & agriculture

IMPERIAL LOGISTICS

SOUTH AFRICA

- Leading logistics provider across entire supply chain in South Africa

> **14%** group revenue
> **15%** group operating profit

AFRICAN REGIONS

- Leading distributor of pharmaceuticals & consumer goods in Southern, East & West Africa

> **8%** group revenue
> **12%** group operating profit

INTERNATIONAL

- Leading positions in inland shipping & industrial contract logistics
- Operates as: Transport Solutions & Supply Chain Solutions

> **21%** group revenue
> **18%** group operating profit

Note: Based on external revenue for the sub-divisions

IMPERIAL'S DIVISIONS

IMPERIAL

LOGISTICS

REVENUE

↑ **6%**

R50.7 billion

43% contribution

4 YEAR CAGR 11%

OPERATING PROFIT

↑ **9%**

R2.8 billion

45% contribution

4 YEAR CAGR 13%

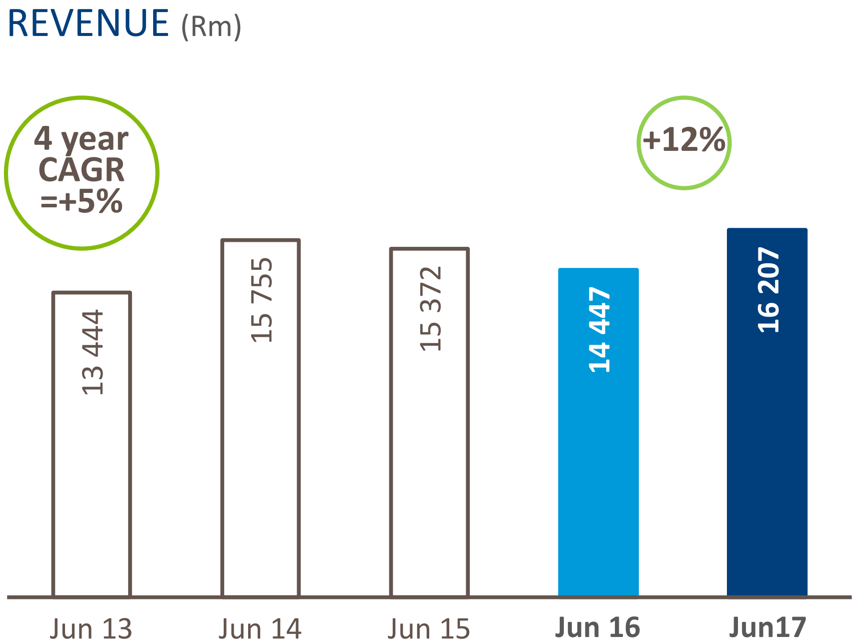
Strategic objectives

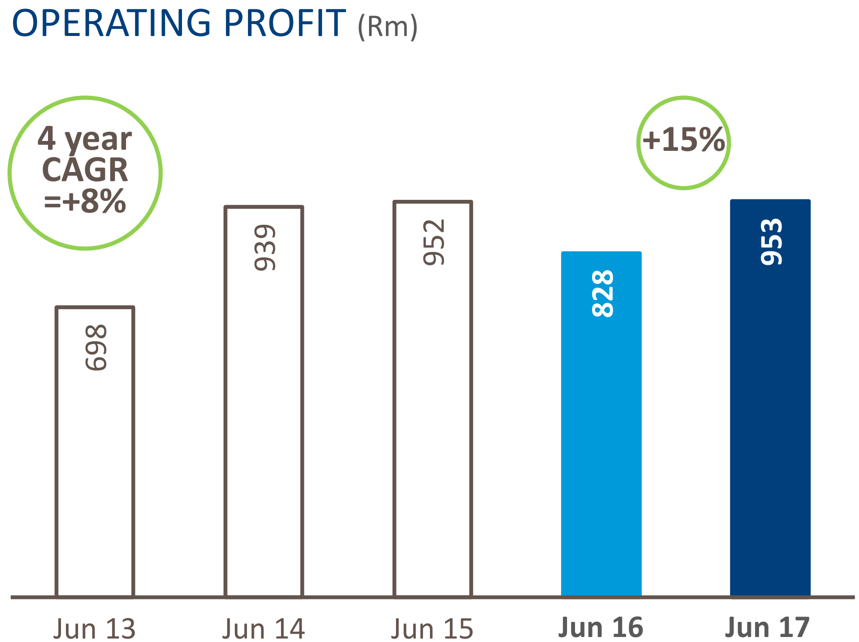
- To grow revenues, profits & returns by increasing principals, products & markets within & adjacent to our spheres of competence
- To develop & acquire less capital-intensive higher return businesses with strong revenue growth potential & cash flows
- To grow organically through a deep understanding & penetration of our chosen sectors, carefully staged integration & collaboration, & the development & deployment of executive talent
- To embrace relevant information, digital positioning, & automation technologies across value chains & sectors, to increase transactional & operational efficiency, productivity & client value
- Imperial Logistics' strong market presence in South Africa favours foreign capital deployment & acquisitive growth

Performance

- Revenue & operating profit growth supported by the Palletways & Itumele acquisitions, a solid performance from Logistics South Africa & an excellent performance from Ecohealth in Nigeria
- Excluding acquisitions & disposals, revenue & operating profit declined by 3% & 7% respectively, partly due to the strengthening of the Rand by 8% against the Euro & by 6% against the US Dollar

GROWTH TREND **LOGISTICS SOUTH AFRICA**





> Strong performance supported by increased volumes in the commodities, fuel & gas operations & solid performances from Managed Logistics & Resolve

> The acquisition of Itumele Bus Lines, included for eight months, performed in line with expectations & contributed positively

> The consumer logistics businesses recorded revenue & operating profit growth supported by a strong performance from Imperial Health Sciences & an improved result from Imperial Cold Logistics, which reduced its losses from the prior year

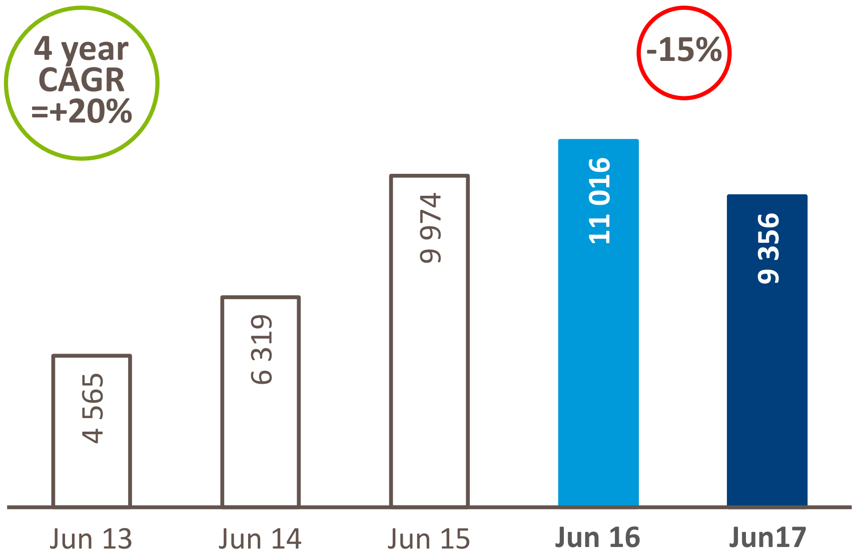
Note: Excludes businesses held for sale

GROWTH TREND

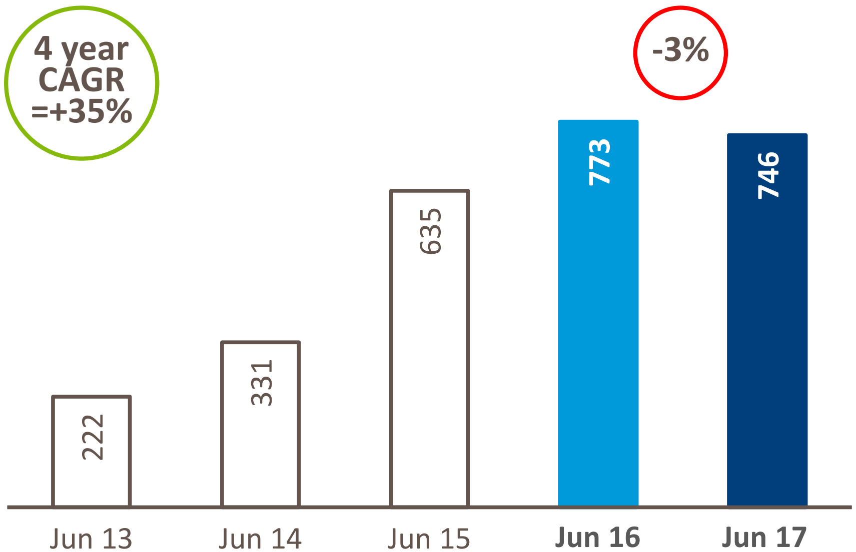
LOGISTICS AFRICAN REGIONS

IMPERIAL

REVENUE (Rm)



OPERATING PROFIT (Rm)



> Performance depressed by slowing economic growth rates & rising inflation & interest rates, which resulted in lower consumer demand in many of its African markets

> Revenue & operating profit declined by 15% & 3% respectively mainly due to the significant weakening of the Naira (41% on average) & the Metical (37% on average), subdued demand from Imres' key markets & a weak performance from CIC

> Results were supported by an excellent performance from EcoHealth, Nigeria's leading distributor of ethical pharmaceuticals

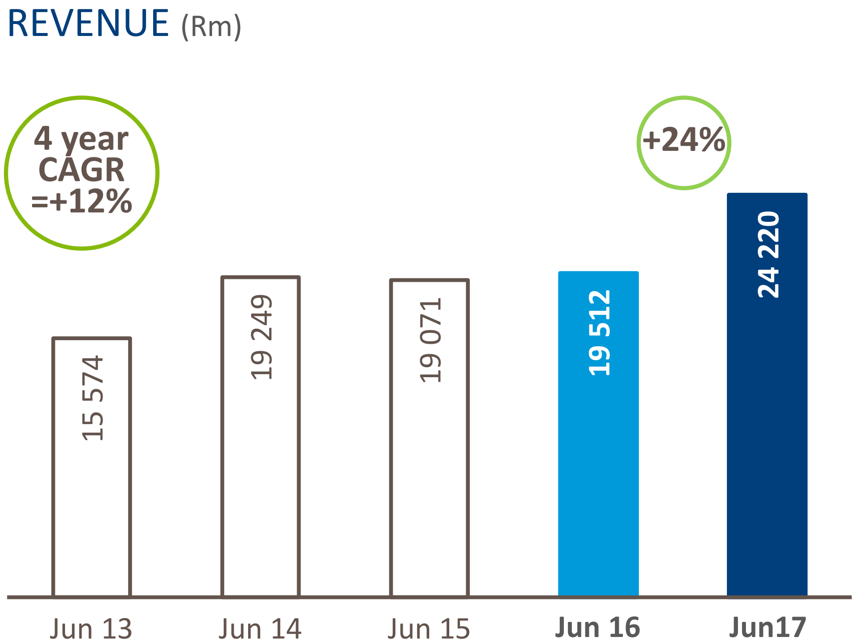
> Expansion into new markets & partnerships with new principals continues to deliver favourable results

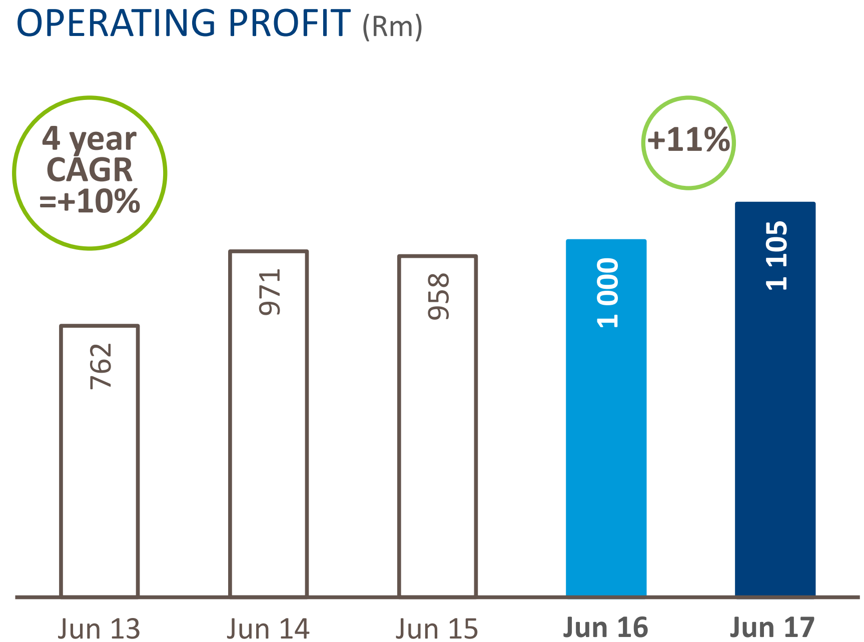
> Revenue was down 3% & operating profit was up 10% in constant currency terms

Note: Excludes businesses held for sale

GROWTH TREND **LOGISTICS INTERNATIONAL**

IMPERIAL

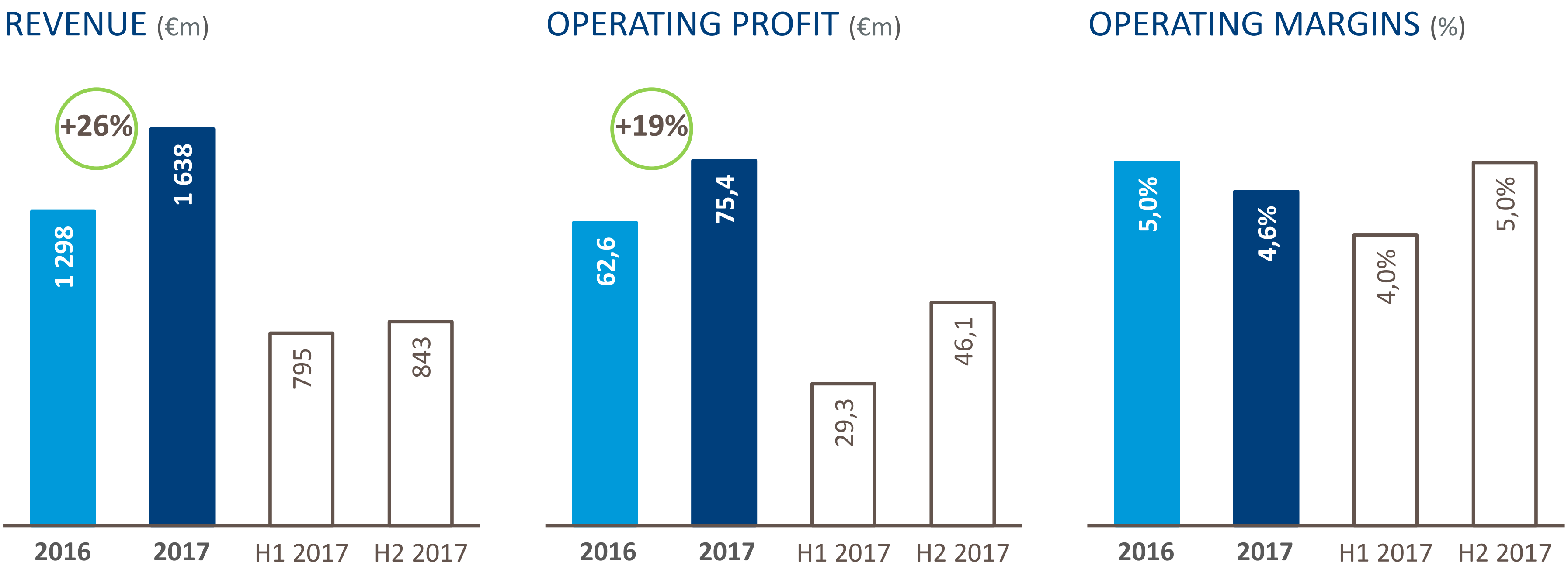




- Revenue & operating profit increased 24% & 11% respectively, boosted by the acquisition of Palletways, which was included for 12 months & performed ahead of expectations
- The Transport Solutions business was negatively affected by lower shipping volumes in South America resulting from a poor corn harvest in Brazil, delayed soya harvest & lower iron ore volumes; & lower bulk-shipping volumes in Germany due to 80-year low water levels on the River Rhine & lower demand
- Revenue & operating profit in the Supply Chain Solutions business declined due to lower volumes from key customers in the retail, industrial & contract chemical operations

Note: Excludes businesses held for sale

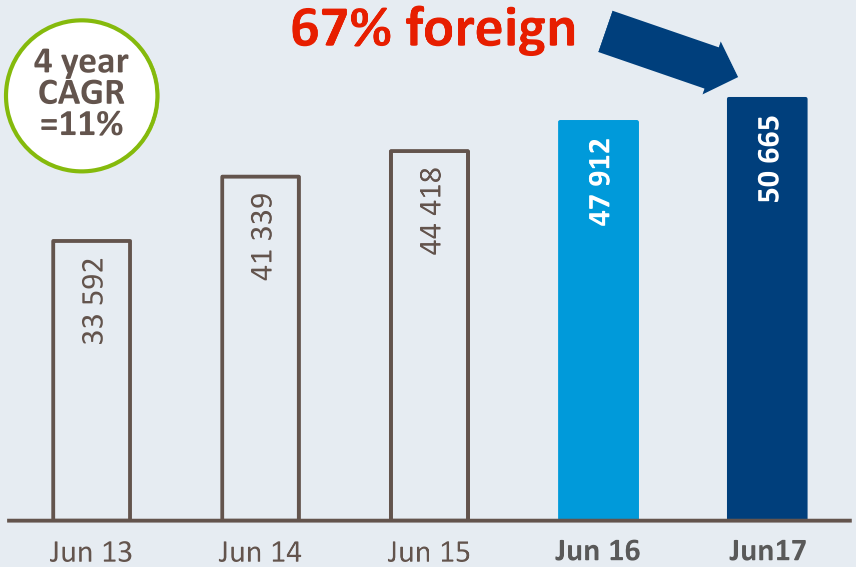
LOGISTICS INTERNATIONAL (EURO)



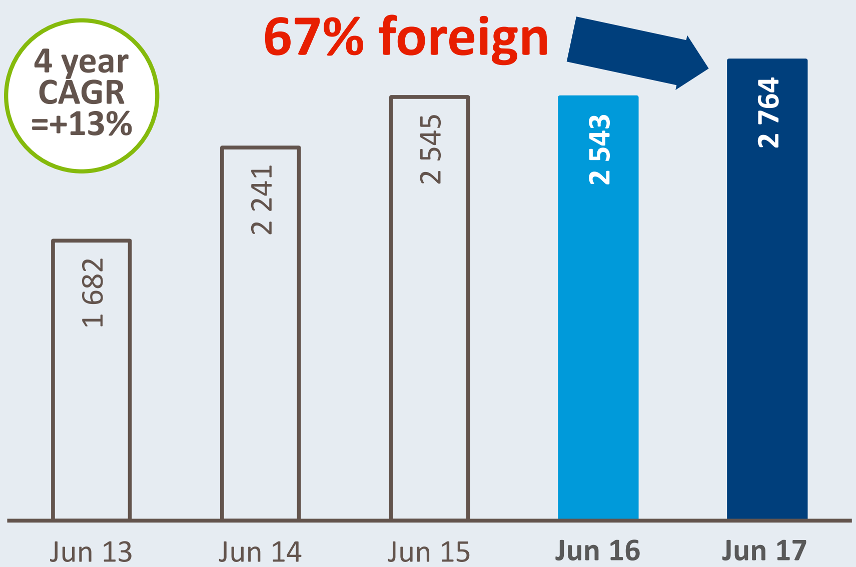
- The performance in Rand terms was depressed by an 8% stronger average R/€ exchange rate
- Effective currency hedge & diversification in group portfolio

IMPERIAL LOGISTICS (TOTAL)

REVENUE (Rm)



OPERATING PROFIT (Rm)



- Solid revenue growth trend
- Comprised R50.7bn (43%) of group revenue for the year
- Comprised R2.8bn (45%) of group operating profit for the year
- Globally the 27th largest 3PL logistics group

Strict discipline will be applied in pursuit of aggressive capital light, organic & acquisitive growth of integrated supply chain & route-to-market solutions for global & national market leaders, primarily in consumer packaged-goods, chemicals, healthcare & automotive

Note: Excludes discontinued operations

IMPERIAL'S DIVISIONS

MOTUS

REVENUE

↓ 3%

R66.5 billion

57% contribution

4 YEAR CAGR 3%

OPERATING PROFIT

↓ 3%

R3.3 billion

55% contribution

4 YEAR CAGR -5%

Strategic objectives

> To secure growth & returns through deep direct relationships with leading OEM's, optimal distribution techniques, creative marketing, new dealership & client interface models, shared support facilities & loyalty engendering financial services

> To continually enhance Motus' asset portfolio by disposing of or rationalising underperforming businesses dealerships & brands, & by acquiring & rapidly integrating like businesses & assets that can be enhanced by Motus' capabilities & resources

> Resulting from Motus' leading market shares in South Africa, & the largely unregulated pre-owned vehicle imports into sub-Saharan Africa, acquisitive growth will be beyond the continent, targeted to enhance & leverage the current dealership network in existing geographies

> To seek greater alignment with our customer base in South Africa by investing in the development of previously disadvantaged managers & entrepreneurs in our vehicle distribution, rental, retailing & aftermarket parts franchising businesses

Performance

> Revenue & operating profit declined due mainly to a slowing vehicle market and higher cost of inventory in the Vehicle Import & Distribution sub-division in H1 F2017, partially offset by a strong performance from Financial Services

> Excluding acquisitions & disposals, revenue & operating profit increased by 2% & 3% respectively

DIVISIONAL OVERVIEW – MOTUS

IMPERIAL

Motus operates across the value chain importing, distributing, retailing & renting vehicles & aftermarket parts, supported & augmented by motor related financial services

MOTUS

VEHICLE IMPORT & DISTRIBUTION

- > Exclusive RSA importer of Hyundai, Kia, Renault, Mitsubishi & 5 smaller automotive brands
- > Nissan distributorships in 6 African countries

> **6%** group revenue
> **12%** group operating profit

VEHICLE RETAIL & RENTAL

- > RSA:
  - Represents 22 OEMs through 358 vehicle dealerships (inc. 94 pre-owned), 245 franchised dealerships & 19 commercial vehicle dealerships
  - 113 Car rental outlets in SA (Europcar & Tempest) & 16 in Southern Africa
- > UK 58 commercial dealerships
- > Australia 18 dealerships

> **45%** group revenue
> **24%** group operating profit

AFTERMARKET PARTS

- > Distributor, wholesaler & retailer of accessories & parts for older vehicles, through 700 Midas (AAAS) & Alert Engine Parts & Turbo Exchange owned & franchised stores

> **5%** group revenue
> **6%** group operating profit

MOTOR-RELATED FINANCIAL SERVICES

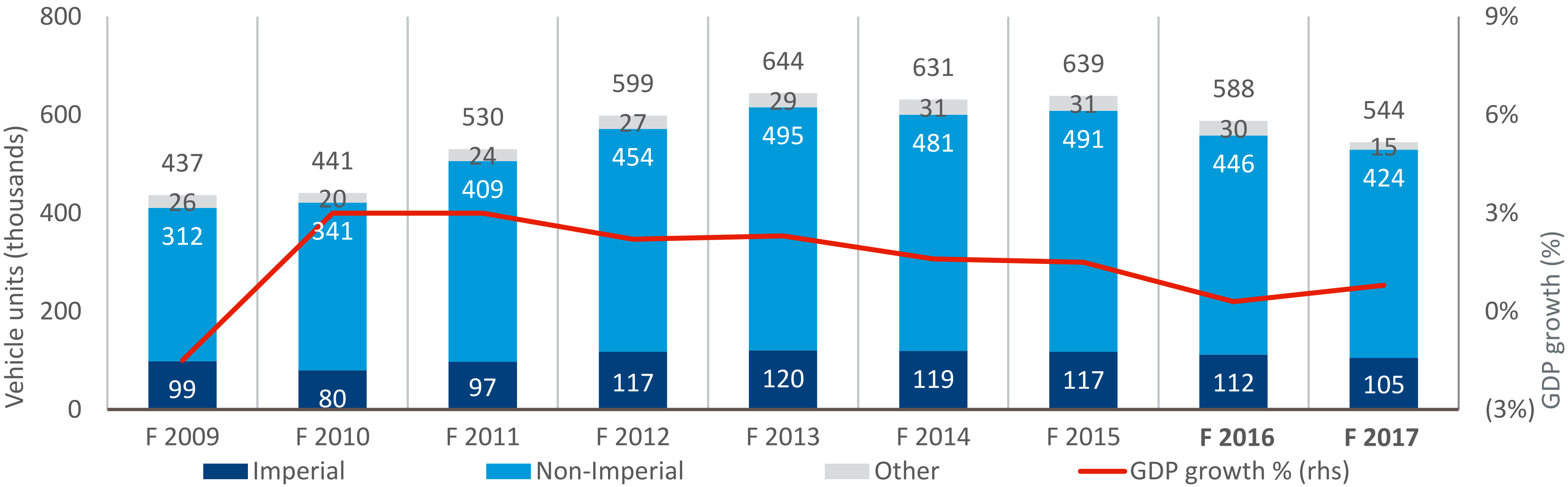
- > Manager & administrator of Service & Warranty plans for ~480 000 vehicles
- > Developer & distributor of innovative vehicle-related financial products & services through dealer & vehicle finance channels, & a national call centre
- > Fleet management services

> **1%** group revenue
> **13%** group operating profit

Note: Based on external revenue for the sub-divisions

NATIONAL VEHICLE SALES 2009 – 2017

IMPERIAL'S SHARE OF TOTAL NAAMSA VEHICLE SALES & GDP GROWTH

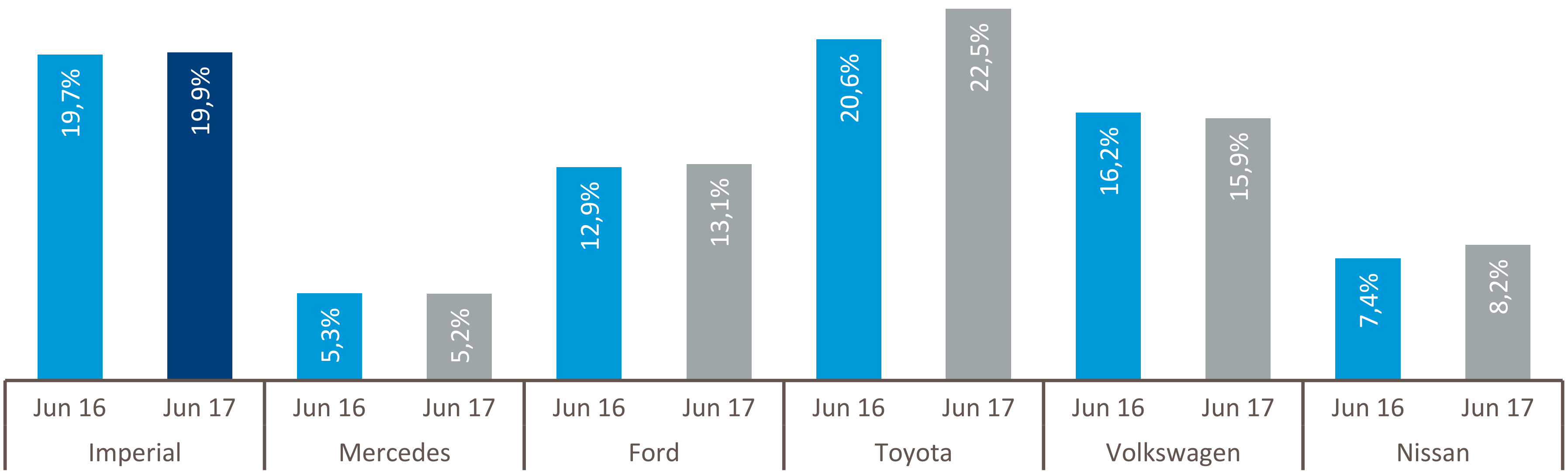


- > RSA new passenger & commercial sales track GDP growth
- > Calendar 2017 forecast: Imperial ~520 000
- > NAAMSA total market F 2017: 544 313 (587 870) (-7%)
- > Imperial total sales F 2017*
  - New
    - Passenger: 98 843 (103 970) (-5%)
    - Commercial: 14 231 (14 817) (-4%)
  - Preowned
    - Passenger: 67 920 (67 407) (1%)
    - Commercial: 2 238 (2 230) (0%)
- > Industry structure: multi national OEMs & manufacturer controlled distributors who franchise dealerships
- > Imperial's direct imported brands represents ~14% of passenger vehicle market in SA

* *Passenger includes Australia & Commercial includes UK*

IMPERIAL'S MARKET SHARE VS OEMS

MARKET SHARE* (%)



- Imperial's total market share was maintained compared to the prior year at 20%
- Imperial's direct imports remained at 14% compared to the prior year, & comprises the third largest share of the total SA vehicle market
- In South Africa, Imperial sold 108 157 new vehicles & 65 817 pre-owned vehicles in F 2017

* *Graph is presented on a 12 months basis from July 2016 to June 2017. Numbers include Passenger, LCV, MCV & HCV*

DIVISIONAL REVIEW

VEHICLE **IMPORT & DISTRIBUTION**

REVENUE

↓ **1%**
R18.2 billion

OPERATING PROFIT

↓ **20%**
R728 million

> Revenue & operating profit declined due to:
- lower vehicle sales volumes resulting from market contraction; &
- underperformance from Renault

Partially offset by:
- solid performances from Hyundai & Kia;
- assistance from manufacturers;
- a change in the vehicle mix & price increases

> Importer unit sales of passenger & light commercial vehicles (LCVs)* decreased by 7% due to the decrease in sales through the dealer network

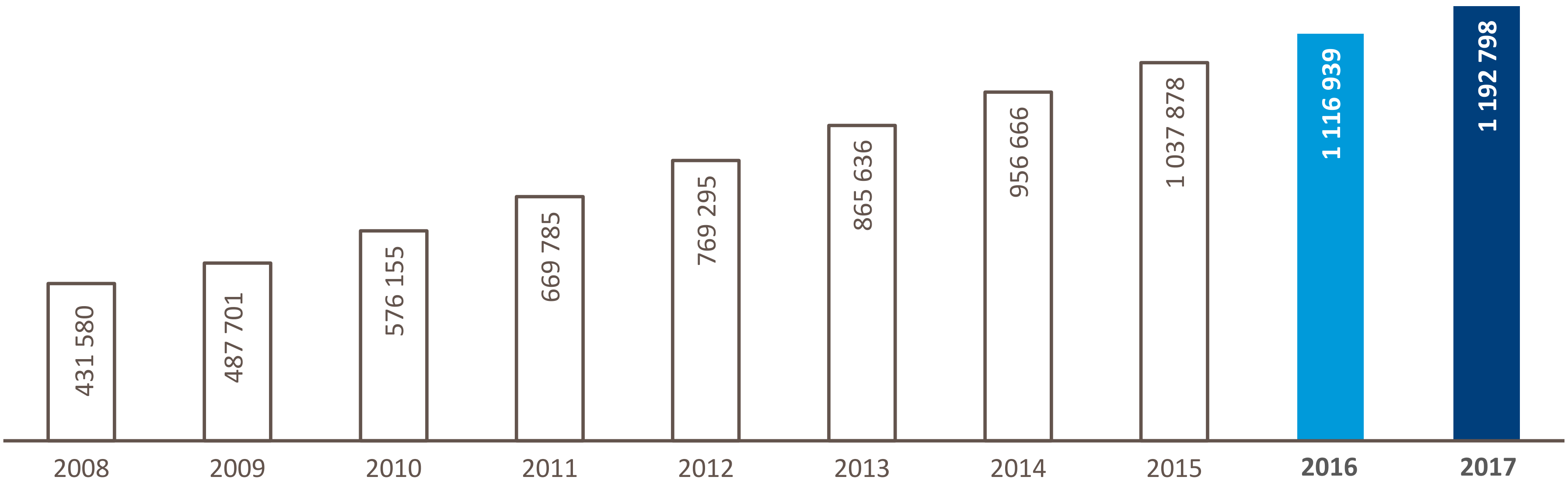
> Our market share was maintained at 14% compared to the prior year

> Forward cover on the US Dollar & Euro imports extends up to February 2017

> African Regions operations performed below expectations, decreasing operating profit. The capital deployed in these operations is being reduced

Note: Retail dealerships that were previously part of the Vehicle Import, Distribution & Dealerships division are now included in the Vehicle Retail & Rental sub-division
The African distributorship operations from the Vehicle Retail and Rental sub-division is now included in this sub-division
** As defined by NAAMSA*

CAR PARC OF IMPERIAL IMPORTED BRANDS

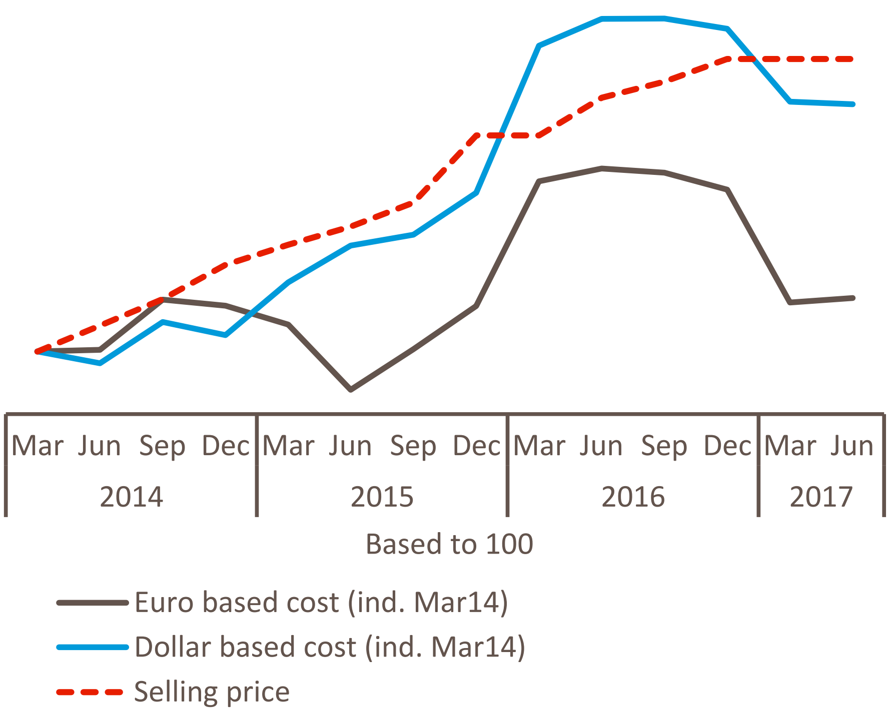


- Car parc of approximately 1.2 million vehicles, continues to grow at a steady pace
- The growing car parc provides an underpin to earnings by delivering good levels of after-market activity for the dealerships
- 53% of revenue & 78% of operating profit in Motus is not vulnerable to vehicle sales

Note: Includes PC & LCV

SOUTH AFRICAN NEW VEHICLE PRICES

SELLING PRICE VS CURRENCY COST OF IMPORTED PRODUCT (%)



- > 41% imports in USD
- > 59% imports in EUR

DIVISIONAL REVIEW

IMPERIAL™

VEHICLE **RETAIL & RENTAL**


REVENUE

1%
R55.6 billion

OPERATING PROFIT

4%
R1.5 billion

- Revenue & operating profit increased assisted by price increases & cost containment, despite subdued vehicle sales volumes
- Across the year 15 dealerships were closed in RSA
- Passenger, LCVs & commercial vehicles experienced a 6% decline in new vehicle sales in South Africa
- Total pre-owned retail unit sales increased by 4% as consumers traded down
- Revenue & operating profit in the UK Commercial business increased by 12% & 13% respectively in Pounds Sterling, but a 20% stronger Rand reduced the Rand denominated results
- Car rental increased its revenue & operating profit by 11% & 10% respectively & grew market share
- The Australian operations returned a strong performance off a low base, increasing revenue & operating profit by 11% & 22% respectively in AUD

Note: Retail dealerships that were previously part of the Vehicle Import, Distribution & Dealerships division are now included in this sub-division

DIVISIONAL REVIEW

AFTERMARKET PARTS

REVENUE

6%

R6.2 billion

OPERATING PROFIT

6%

R406 million

> Grew revenue & operating profit enhanced by:
- price increases;
- change in the sales mix; &
- a good performance from Alert Engine Parts

> AAAS (Midas) recorded a marginal increase in revenue & operating profit as the business was negatively impacted by the disruption from the move to a new warehouse facility

> The Jurgens & Prestige Safari business was sold during the year

DIVISIONAL REVIEW

MOTOR RELATED FINANCIAL SERVICES

REVENUE

11%

R2.0 billion

OPERATING PROFIT

15%

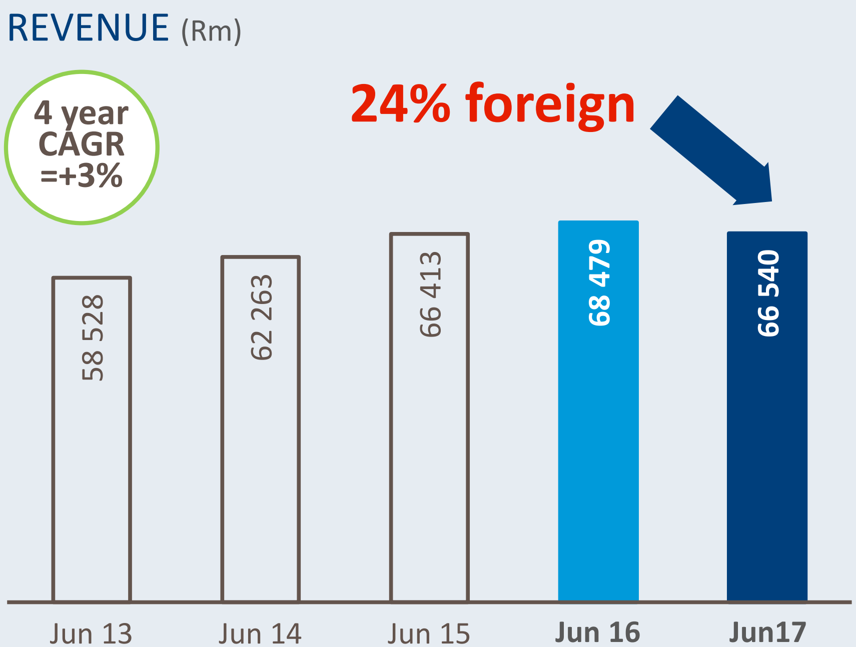
R833 million

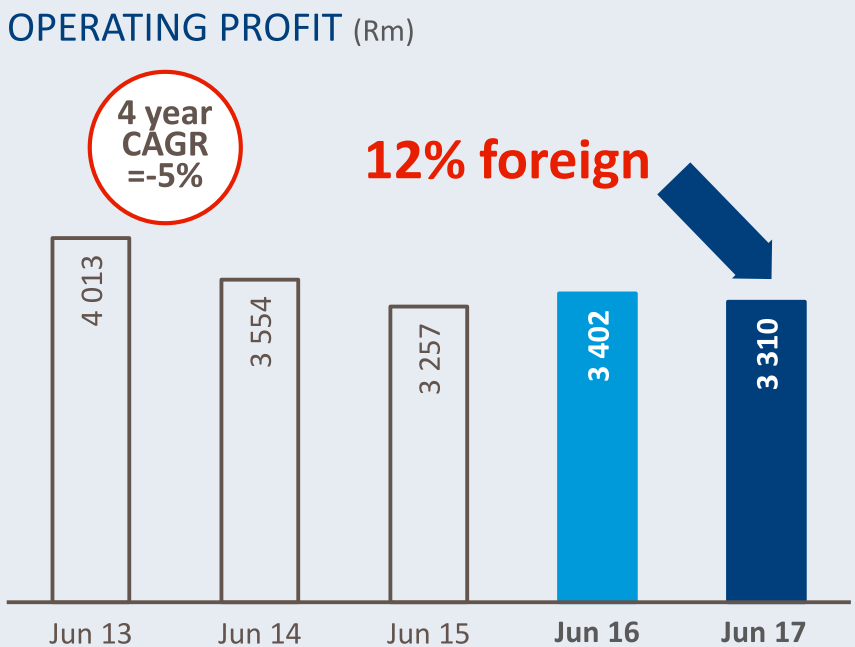
- Grew revenue & operating profit despite declining new vehicle sales
- Higher profitability was experienced in demo sales & rental income due to higher business volumes & an increase in sales by vehicle importers to car rental companies
- Profitability of the maintenance funds increased as cost increases did not materialise
- Book growth & returns from the alliances increased

Note: Includes retained Regent VAPS business

MOTUS (TOTAL)

IMPERIAL





- Comprised R66.5bn (57%) of group revenue for the year
- Comprised R3.3bn (55%) of group operating profit for the year

The assets & capabilities of Motus comprise the entire vehicle value chain from OEM to user. Its current structure & focus will enhance its predecessor's record of high cash generation, returns & dividends, through greater value to clients & more disciplined management of capital, operations & currency

Note: Excludes discontinued operations.

AGENDA

OVERVIEW	CONTEXT	STRATEGY	OPERATIONS REVIEW	**FINANCIAL REVIEW**	LOOKING FORWARD

INCOME STATEMENT

	2016 Rm	2017 Rm	% CHANGE
Revenue (including discontinued)	118 849	119 517	1%

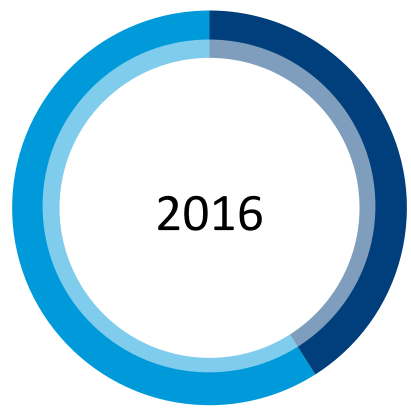
LOGISTICS 6%

Assisted by the Palletways & Itumele acquisitions; a strong performance from Logistics South Africa; offset by currency impacts (strong Rand, weak Naira & Metical)

MOTUS 3%

Price increases & a strong performance from Motor-Related Financial Services were offset by lower vehicle sales & currency impacts

REVENUE* CONTRIBUTION PER DIVISION (%)



	2016 %	2017 %
LOGISTICS	41	43
MOTUS	59	57

* *Excludes discontinued operations*

INCOME STATEMENT

IMPERIAL

	2016 Rm	**2017 Rm**	% CHANGE
Revenue (including discontinued operations)	118 849	119 517	1
Operating profit (including discontinued operations)	6 382	6 538	2
Operating profit margin	5.4%	5.5%	

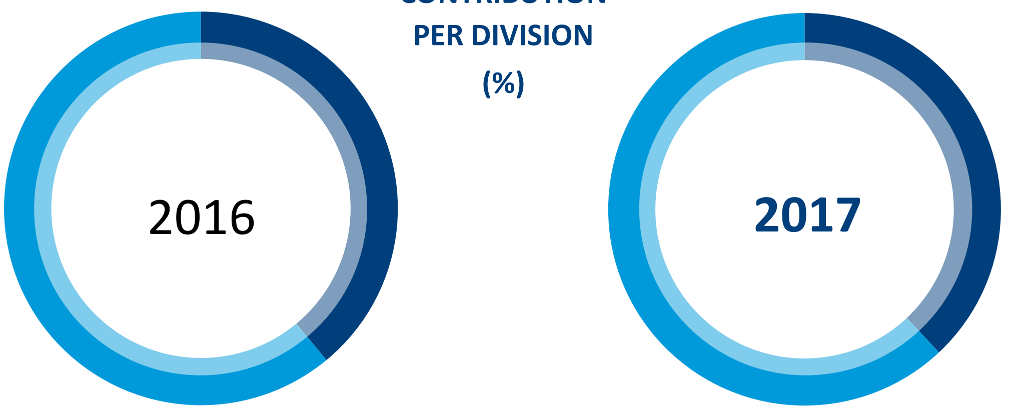
LOGISTICS 9%

Assisted by the Palletways & Itumele acquisitions; excellent performance from Logistics South Africa & improved operating margins in Logistics African Regions; offset by Rand strength & challenging trading conditions in Logistics Int

MOTUS 3%

Strong performance from Motor Related Financial Services; offset by lower SA volumes, higher cost of inventory in H1 F2017 and Rand strength

OPERATING PROFIT* CONTRIBUTION PER DIVISION (%)

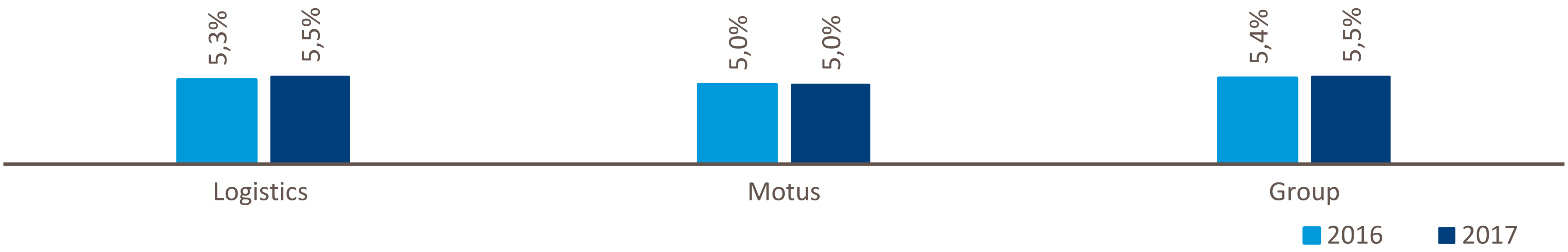


	2016 %	**2017 %**
LOGISTICS	43	45
MOTUS	57	55

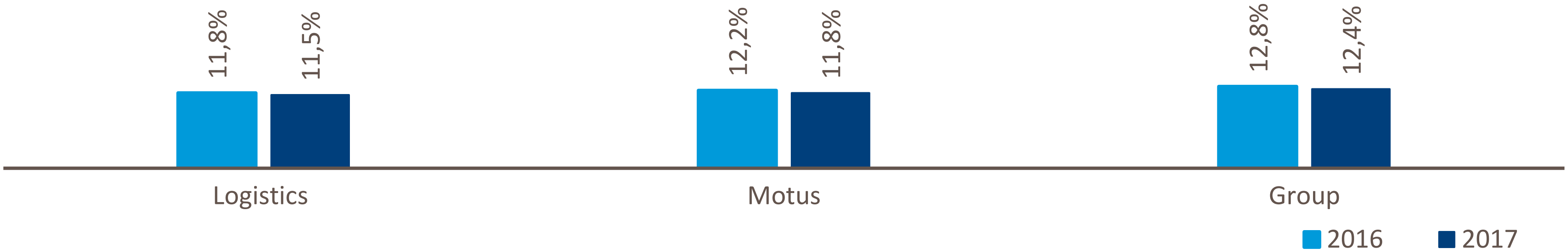
* *Excludes discontinued operations*

DIVISIONAL STATISTICS

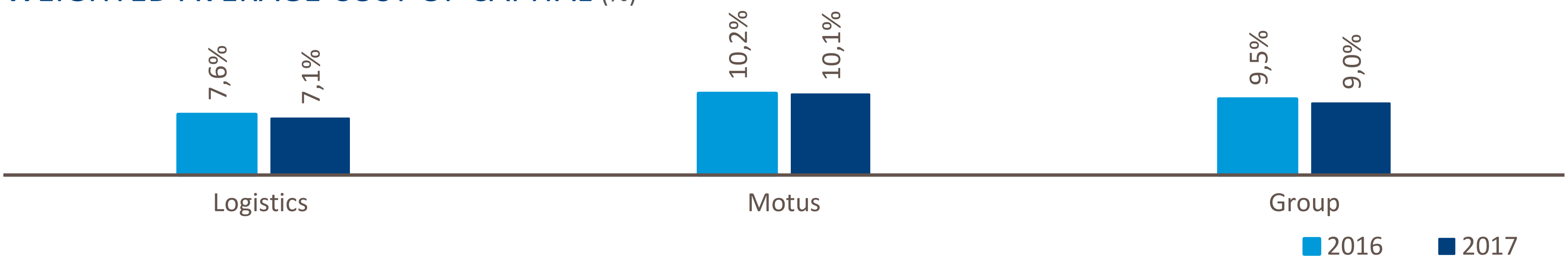
OPERATING MARGIN (%)



RETURN ON INVESTED CAPITAL (%)



WEIGHTED AVERAGE COST OF CAPITAL (%)



INCOME STATEMENT

	2016 Rm	**2017 Rm**	% CHANGE
Revenue	118 849	119 517	1
Operating profit	6 382*	6 538	2
Amortisation of intangible assets arising on business combinations	(437)	(521)	19
Profit / (loss) on disposal of properties, net of impairments	28	212	
Impairments of goodwill and other assets	(498)	(157)	
Profit on sale of businesses	430	(151)	
Foreign exchange gains / (loss)	(72)	(619)	
Re-measurement of contingent consideration, put option liabilities and business acquisition costs	(113)	(119)	
Other	(16)	19	
Profit before financing costs	5 704*	5 202	(9)

- Acquisitions resulted in higher amortisation of intangible assets - up 19%
- Profit on sale of properties (net of impairments) increased - higher number of non-strategic properties sold in F 2017
- Impairments of goodwill/other assets declined - prior year included impairment of goodwill and intangibles mainly in Renault (R249m)
- Profit on sale of businesses in the prior period includes profit on sale of Neska; current year includes loss on sale of Regent (R62m)
- Foreign exchange losses of R619m, the most significant of which were:
  - the unwinding of uneconomical and excessive forward cover in Motus, mainly Renault; &
  - mark to market valuation of monetary items in Logistics African Regions (significant devaluation of the Naira & Metical)
- Imperial’s current policy is to cover forward on average up to seven months on a rolling basis, depending on the brand of vehicle

* *Restated*

INCOME STATEMENT

IMPERIAL

	2016 Rm	2017 Rm	% CHANGE
Net financing costs	(1 440)	(1 680)	17
Income from associates	138	103	(25)
Tax	(1 221)	(1 060)	
Net profit for the year	3 181	2 565	(19)
Attributable to minorities	(184)	36	
Attributable to Imperial shareholders	2 997	2 601	(13)

- Net financing costs increased 17% - higher costs of funding & higher average debt levels during the year (reduced in H2 F2017)
- Income from associates decreased 25% - sale of Mix Telematics in H1 2017
- Effective tax rate of 30.1% increased from 28.6%, mainly due to over provisions reversed in 2016
- Minorities declined due to losses recorded by underperforming subsidiaries, mainly Renault, the purchase of the non-controlling shareholders' interest in AMH & Midas, & the sale of Goscor in H2 F2016

FINANCIAL POSITION

	2016 Rm	**2017 Rm**	% CHANGE
Property, plant & equipment	11 602	10 371	(11)
Transport fleet	5 953	5 560	
Vehicles for hire	3 469	3 963	14
Goodwill & intangible assets	7 501	9 529	27
Associates, investments & loans	1 397	1 807	29
Other assets	1 871	1 839	
Net working capital	9 804	8 956	(9)
Assets classified as held for sale	6 287	979	
Total	47 884	43 004	(10)

- Property, plant & equipment decreased R1.2bn - disposal of properties & reclassification of properties to "assets held for sale"
- Vehicles for hire increased - car price increases & higher sales to car rental companies by importers
- Goodwill & intangible assets rose 27% - acquisition of Palletways & Itumele Bus Lines, partially offset by the amortisation of intangibles of R634m & Rand strength of R922m
- Associates, investments & loans increased 29% - investment in cell captive arrangements due to retention of the Regent VAPS business
- Net working capital improved by 9% due to excellent working capital management in H2 F2017
  - Net working capital turn improved to 12.7 times from 12.5 times
- Assets held for sale includes non-strategic properties that have been identified for sale

FINANCIAL POSITION

	2016 Rm	**2017 Rm**	% CHANGE
Total shareholders' interest	19 775	20 261	2
Net interest bearing borrowings (including preference shares)	16 516	15 088	(9)
Other liabilities	8 576	7 655	
Liabilities directly associated with assets classified as held for sale	3 017	-	
Equity & liabilities	47 884	43 004	(10)

> Shareholders' interest impacted by:
- Rand strengthening:
  - the foreign currency translation reserve reduced equity by R659m
  - an increase in the hedge accounting reserve by R159m, resulting from a favourable forward cover position of Motus at year end
- dividends paid of R1.7bn

> Interest bearing borrowings reduced 9%, despite the Palletways and Itumele acquisitions, due to:
- proceeds from the sale of Regent and non-strategic properties;
- lower capital expenditure; &
- excellent working capital in H2 F2017

> Liabilities directly associated with assets classified as held for sale reduced - sale of the businesses (Regent, Imperial Express, LTS & Global Holdings) concluded during F 2017

CASH FLOW – OPERATING ACTIVITIES

	2016* Rm	**2017 Rm**	% CHANGE
Cash generated by operations	8 931	8 388	(6)
Net working capital movements (excludes currency movements & net acquisitions)	(788)	688	
Interest & tax paid	(3 371)	(3 190)	
Cash flow from operating activities before rental assets capex	4 772	5 886	23
Capex: rental assets	(1 611)	(1 709)	
Cash flow from operating activities	3 161	4 177	32

- Net working capital improved at year end due to excellent working capital management in H2 F2017
- Lower tax payments offset by higher interest
- Cash flow from operating activities increased by R1.0bn, supported mainly by improved working capital position

* *Restated*

CASH FLOW SUMMARY

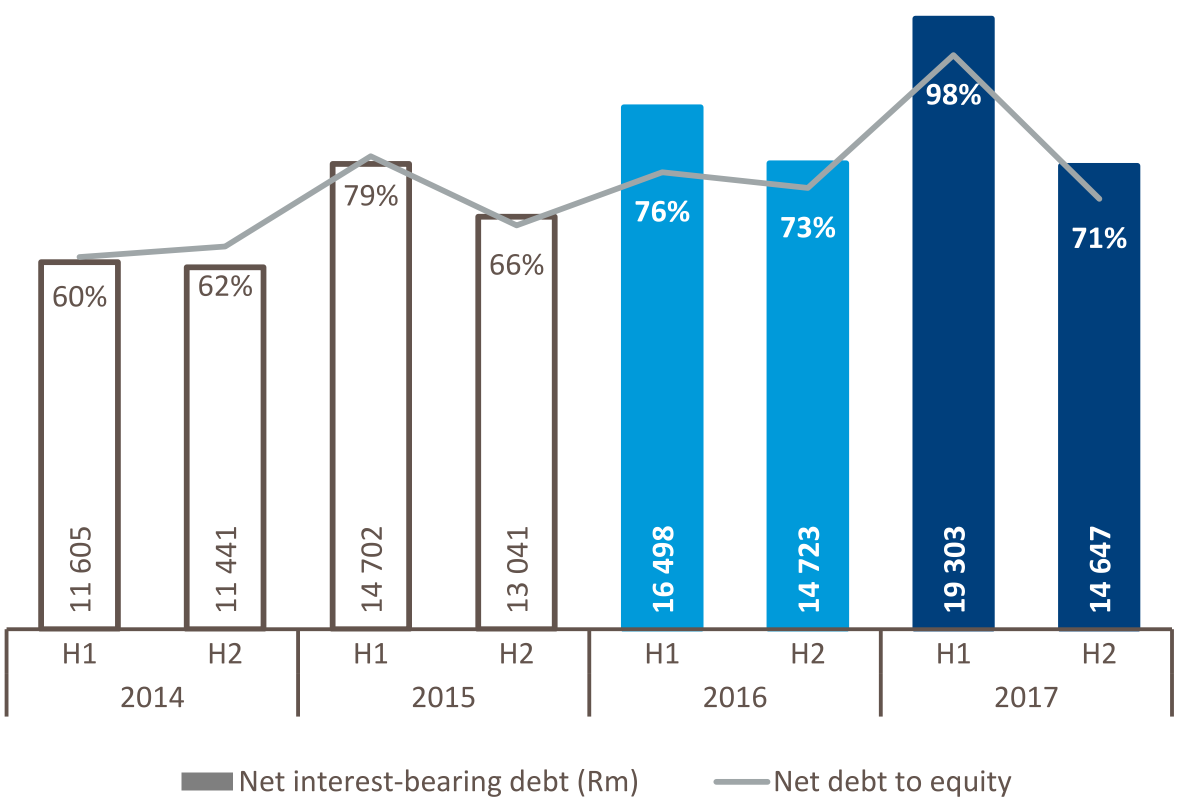
	2016* Rm	2017 Rm
Cash flow from operating activities	3 161	4 177
Investing activities:	(1 588)	(1 939)
Net disposals / (acquisitions) of subsidiaries & businesses	760	(1 687)
Capital expenditure - non-rental assets	(2 527)	(954)
Net movement in associates, JVs, investments, loans & other financial instruments	179	702
Financing activities:	(3 230)	(1 801)
Dividends paid	(1 909)	(1 688)
Other financing activities	(1 321)	(113)
(Decrease) / increase in net borrowings	(1 657)	437
Free cash flow - total operations	2 536	4 296
Free cash flow to headline earnings (times)	0.85	1.59

- R1.7bn relating to acquisitions & disposals - acquisition of Palletways (R1.7bn), offset by R1.8bn proceeds from the Regent sale (less Regent cash of R1.9bn)
- Capital expenditure reduced by 36% to R2.7bn, due to:
  - capital expenditure in the prior year included the bulk of the contributions towards the chemical manufacturing plant & additional convoys in South America in Logistics International; &
  - the current year capital expenditure was reduced by the proceeds from the property disposals of R900m
- Inflows from equities, investments & loans of R702m increased mainly due to the sale of Mix Telematics
- Other significant cash flow items included share buy backs (R558m) in the prior year which did not recur in F 2017

* *Restated*

GEARING

Net debt to equity



> Net debt includes cash in discontinued operations & in disposal groups

> Equity includes preference shares

> Net debt to equity reduced from 73% to 71% (98% at December 2016), supported by:
- cash proceeds from the sale of Regent & non-strategic properties;
- an improvement in working capital;
- a reduction in capital expenditure;
- partially offset by the acquisition of Palletways

> Within the target gearing range of 60% to 80%

> The net debt to total EBITDA ratio of 1.7 times in line with the prior year

> The Group has R12.4bn unutilised funding facilities (excluding asset backed finance facilities)

> Mix of fixed & floating debt (45% fixed)

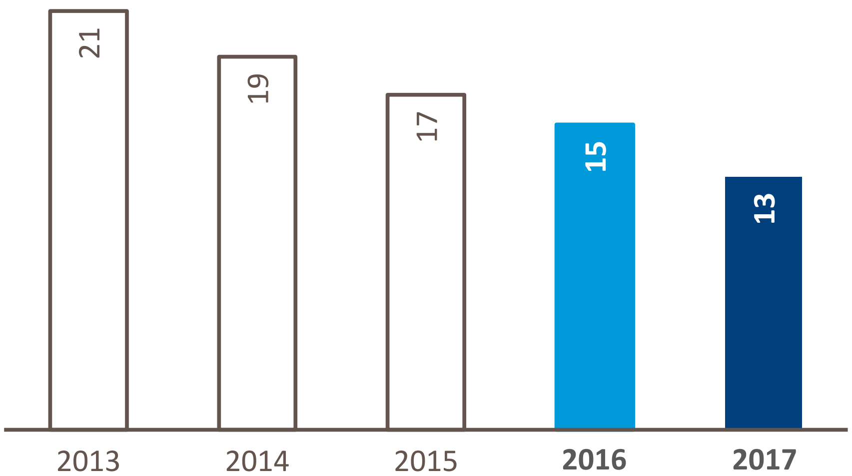
> Debt maturity profile: 69% long term (longer than 12 months)

> The group's international scale credit rating by Moody's is Baa3 with a negative outlook

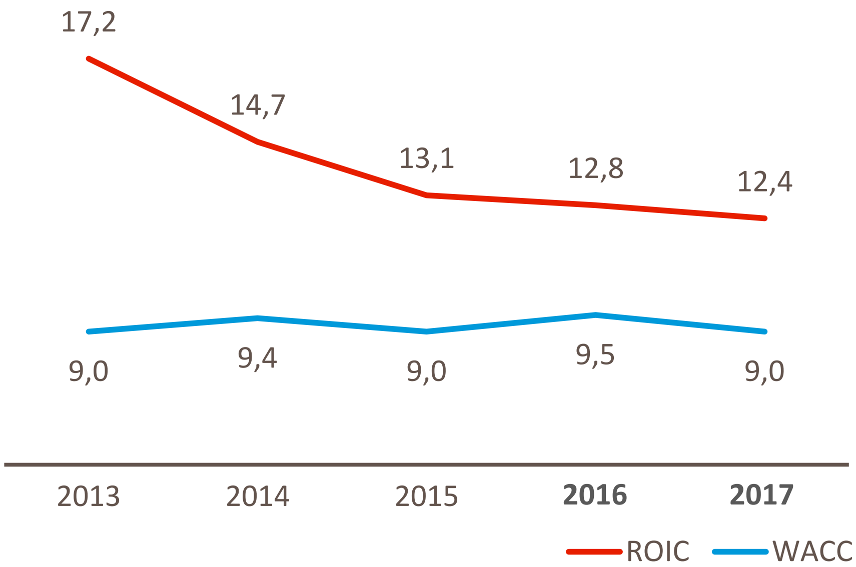
> The group's national scale rating was upgraded by Moody's to Aa1.za

RETURNS

ROE (%)



ROIC vs WACC



ROE affected by:

- Attributable profits down 13%
- An increase of 3% in Equity on prior year

ROIC impacted by:

- Increase in average invested capital

AGENDA

IMPERIAL

OVERVIEW	CONTEXT	STRATEGY	OPERATIONS REVIEW	FINANCIAL REVIEW	**LOOKING FORWARD**

PROSPECTS FOR 2018

> Conditions remain challenging
  - South Africa's socio-political & economic outlook is fragile
  - Internationally, geopolitics & central banks could dampen growth & influence capital flows

> The impact of this unpredictable environment on sentiment, economic activity & the volatility of the Rand is unlikely to assist Imperial's performance

> Despite this, we anticipate solid operating & financial results in the year to June 2018, subject to stable currencies in the economies in which we operate & South Africa retaining its investment grade

We expect:

› ***The self-sufficiency & effectiveness of both divisions to be further entrenched with balance sheet efficiency & independence a priority***

› ***Imperial Logistics and Motus to grow revenues & operating profit from continuing operations***

› ***Imperial Holdings' continuing operations to increase revenues & operating profit with a double-digit growth in HEPS, stronger in the second half***

"We will continue to execute on our espoused strategies"

IMPERIAL™
LEADERS IN MOBILITY

THANK YOU

IMPERIAL
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ANNEXURES

IMPERIAL LOGISTICS AFRICAN REGIONS

West Africa

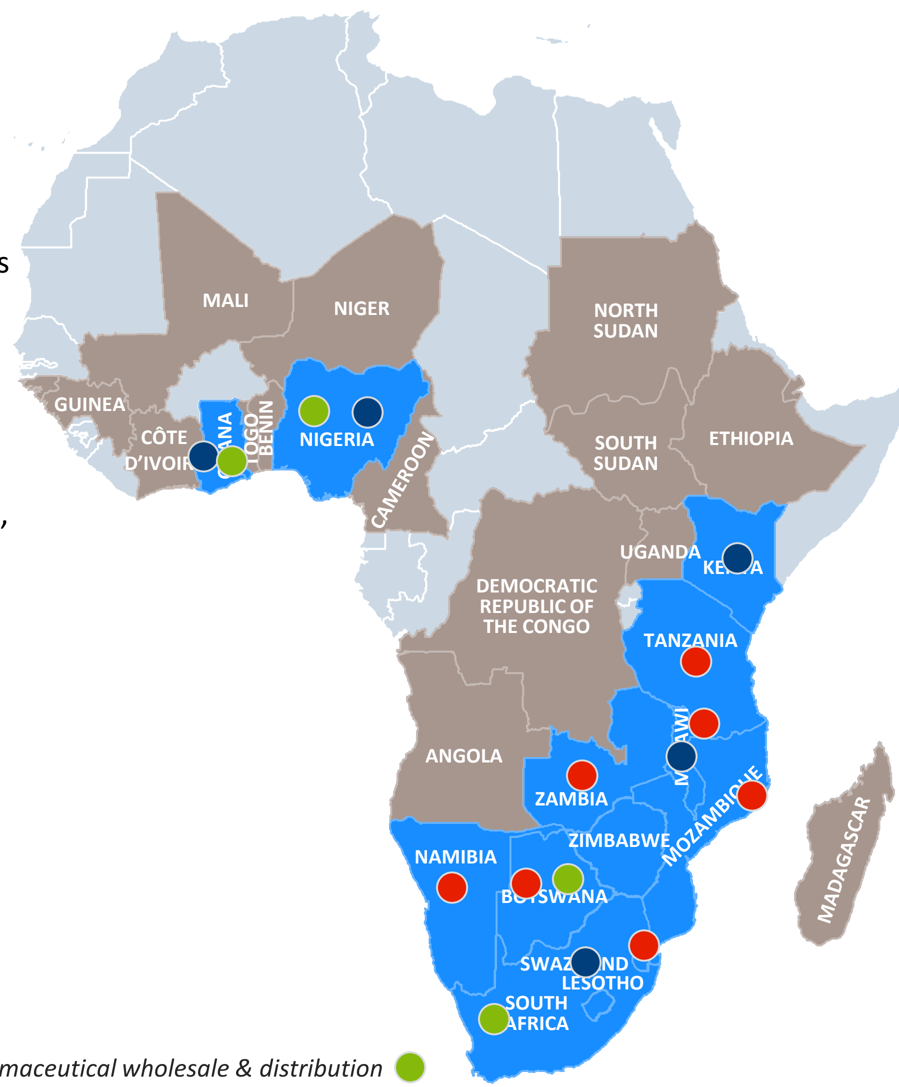
- Imperial Health Sciences – pharma logistics, supply chain management, warehousing
- MDS Logistics – transport, distribution, warehousing (FMCG, pharma, telecoms)
- Eco Health – distribution, sales, marketing of pharma products
- Imres – a wholesaler of pharmaceutical & medical supplies

East Africa

- Imperial Health Sciences – warehousing & distribution in health & pharma (facilities being expanded in Nairobi)
- Surgipharm – a leading distributor of pharmaceutical, medical, surgical & allied supplies in Kenya
- Tanzania & Malawi – FMCG distribution, sales & marketing
- Imres – a wholesaler of pharmaceutical & medical supplies

Southern Africa

- FMCG distribution, sales & marketing
- Further expansion of facilities
- Transport operations – cross border, load consolidation, warehouse management, cross border documentation
- Key corridors across SADC
- Imres – a wholesaler of pharmaceutical & medical supplies



Warehousing & distribution · *Consumer products distributors* · *Pharmaceutical wholesale & distribution*

Countries serviced by agents of Imperial Health Sciences · *Imperial Logistics owns facilities*

DIVISIONAL REVIEW

REGENT

(Sold)

REVIEW

REVENUE

12%

R2.7 billion

OPERATING PROFIT

13%

R489 million

> The sale of Regent Group was approved by the Financial Services Board on 26 June 2017

Performance

> Regent's underwriting result decreased by 8% mainly due to the sale of the African operations in January 2017

> Performance was supported by an improved result in the Life business & lower loss ratios in the short-term business

DISCLAIMER

Certain statements made in this presentation constitute forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as ‘believes’, ‘expects’, ‘may’, ‘will’, ‘could’, ‘should’, ‘intends’, ‘estimates’, ‘plans’, ‘assumes’ or ‘anticipates’ or the negative thereof or other variations thereon or comparable terminology, or by discussions of, e.g. future plans, present or future events, or strategy that involve risks and uncertainties. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the company's control and all of which are based on the company's current beliefs and expectations about future events. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the company and its subsidiaries. The forward-looking statements contained in this presentation speak only as of the date of this presentation.
and the company undertakes no duty to, and will not necessarily, update any of them in light of new information or future events, except to the extent required by applicable law or regulation.