



LEADERS IN MOBILITY



RESULTS
PRESENTATION
FOR THE YEAR ENDED
30 JUNE 2015



AGENDA



OVERVIEW



REVENUE ↑ 7% R110 487 million	OPERATING PROFIT ↑ 1% R6 235 million	HEPS → 1 624 cents PER SHARE
CORE EPS¹ ↓ 3% 1 754 cents PER SHARE	FINAL DIVIDEND ↑ 6% 445 CPS	CASH FLOW FROM OPERATING ACTIVITIES ↑ 68% R5 billion

ROIC OF 12% VS WACC OF 9%

NET DEBT: EQUITY RATIO OF 69%
(INCL PREF SHARES AS EQUITY & REGENT'S CASH RESOURCES)

1. Core EPS excludes once-off & non-operational items, mainly: amortisation of intangibles arising on acquisitions of R415m (up R79m); re-measurement of contingent consideration & put option liabilities R47m; foreign exchange gain on inter-group monetary items R104m (once-off)

OVERVIEW

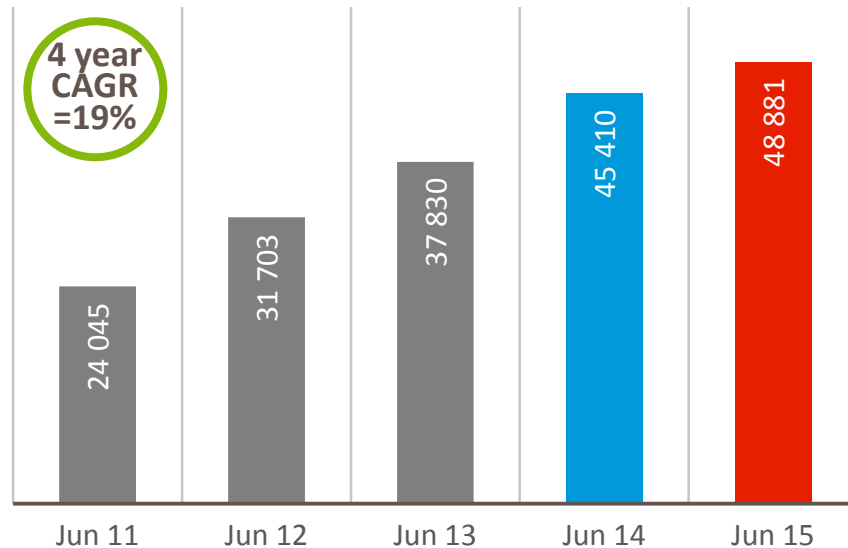


- > A strong recovery from H1 2015 (Rev. ↑ 9%; Op. profit ↓ 11%) to H2 2015 (Rev. ↑ 4%; Op. profit ↑ 11%)
- > Record FY revenue ↑ 7% to R110.5bn
- > Record FY operating profit ↑ 1% to R6.2bn
- > Record revenue & operating profit performance from 4 of 5 divisions
- > Increasing contribution of revenue & operating profit from non-vehicle & foreign operations

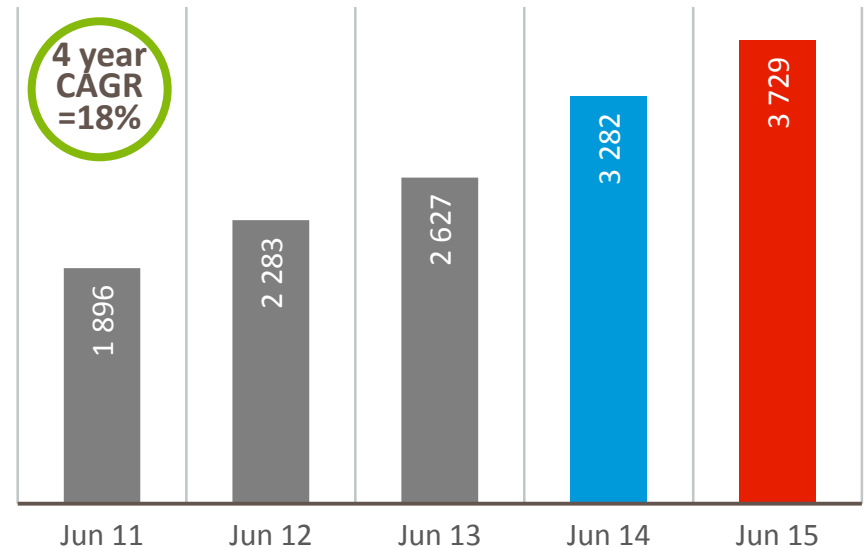
GROWTH TREND IN NON VEHICLE OPERATIONS



REVENUE* (Rm)



OPERATING PROFIT* (Rm)



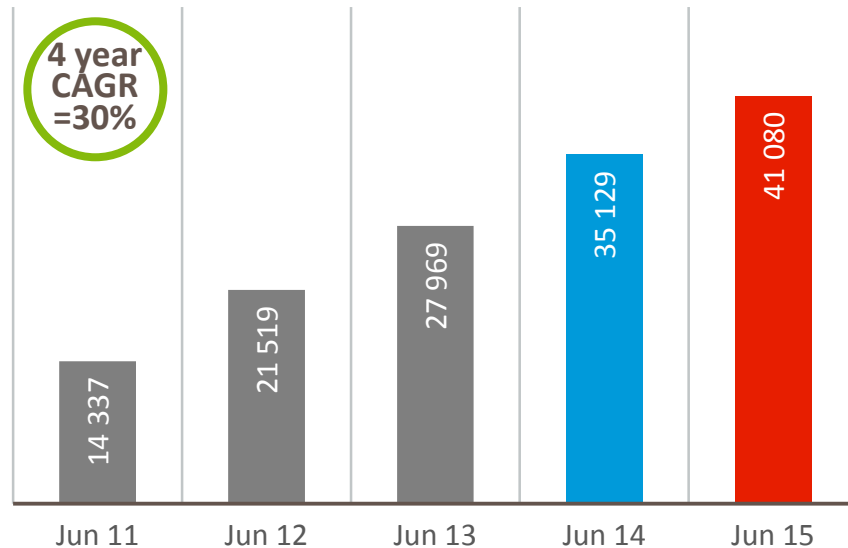
* Including Regent

- > Revenue not dependant on new vehicle sales up 8% to R48.9bn (now 43% of group revenue)
- > Operating profit not dependant on new vehicle sales increased 14% to R3.7bn (now 59% of group operating profit)
- > Imperative to grow non-vehicle profits in order to reduce currency effects on the Vehicle Import, Distribution & Dealerships division

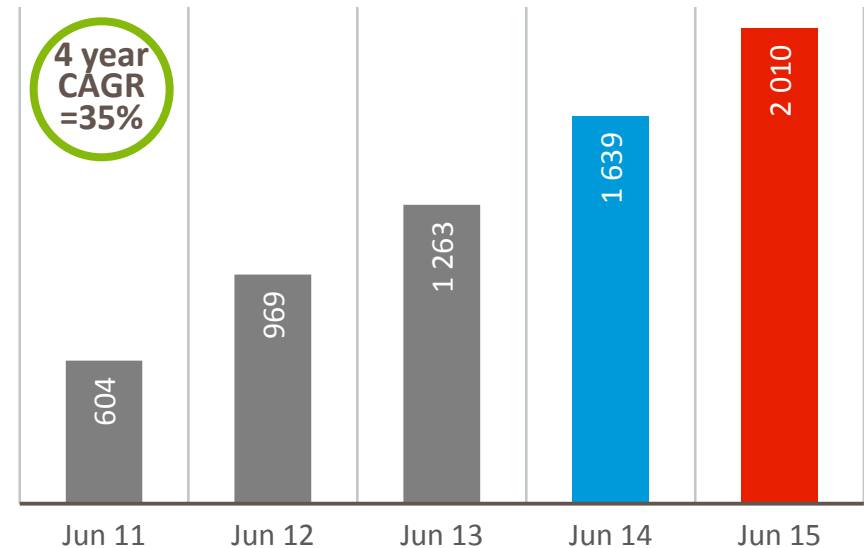
GROWTH TREND IN FOREIGN OPERATIONS



REVENUE* (Rm)



OPERATING PROFIT* (Rm)



* Including Regent

- > Foreign revenue up 17% to R41.1bn (now 37% of group)
- > Foreign operating profit up 23% to R2bn (now 32% of group)
- > Africa ex RSA revenue up 50% to R11.2bn (now 10% of group)
- > Africa ex RSA operating profit up 60% to R835m (now 13% of group)
- > Strategy to grow further to offset the limited growth opportunities dictated by Imperial's position as a South African market leader in logistics & motor vehicles

OVERVIEW



- > A strong recovery from H1 2015 (Rev. ↑ 9%; Op. profit ↓ 11%) to H2 2015 (Rev. ↑ 4%; Op. profit ↑ 11%)
- > Record FY revenue ↑ 7% to R110.5bn
- > Record FY operating profit ↑ 1% to R6.2bn
- > Record revenue & operating profit performance from 4 of 5 divisions
- > Increasing contribution of revenue & operating profit from non-vehicle & foreign operations
- > Free cash flow ↑ 111% to R4.5bn
- > Core EPS ↓ 3% to 1754 cps
- > HEPS unchanged at 1624 cps despite a Rand induced R558m decline in the Vehicle Import, Distribution & Dealerships division
- > ROIC 12%
- > ROE 17%
- > Final dividend ↑ 6% to 445 cps (FY ↓ 3% to 795 cps)

AGENDA



- > Despite “green shoots” in calendar 2014, global economic growth expectations for 2015 declined steadily since January 2015
 - developed markets recovered at a slower pace
 - China’s growth slowed
 - most developing markets were affected negatively by: lower commodity prices punishing exports, & US dollar strength exerting pressure on capital inflows & currencies
- > China
 - the 2nd & 3rd order effects of & responses to slowing Chinese growth have yet to be fully understood
- > Continued uncertainty & volatility

> South Africa (63% revenue; 68% operating profit)

- structural low economic growth; constant downward revisions of growth forecasts
- a victim of global developments (↓ commodity prices & exports; ↓ Rand)
- low consumer & business confidence (exacerbated by electricity shortages, socio economic & labour tensions, crime & corruption)
- softer demand for Imperial's products & services; aggressive competition; vehicle buyers trading down, consumer goods volume growth weak & bulk commodities in sharp decline

> Eurozone (24% revenue; 18% operating profit)

- slow recovery of the Eurozone & weak volumes in the industries we serve in Germany exerted pressure on Imperial's volumes, rates & utilization in Europe
- rising UK growth expectations supported our business

> Rest of Africa (10% revenue; 13% operating profit)

- higher growth of economies muted by lower commodity prices & softer currencies
- these factors have yet to impact our businesses

AGENDA



IMPERIAL'S THREE LINES OF MOBILITY



LOGISTICS



REVENUE

⬆️ 7%
R44.4 billion
39% contribution

OPERATING PROFIT

⬆️ 14%
R2.5 billion
40% contribution

4 YEAR CAGR 22%

VEHICLES



REVENUE

⬆️ 6%
R65.0 billion
57% contribution

OPERATING PROFIT

⬆️ 15%
R2.6 billion
41% contribution

4 YEAR CAGR -1%

FINANCIAL SERVICES



REVENUE

⬆️ 10%
R4.5 billion
4% contribution

OPERATING PROFIT

⬆️ 14%
R1.2 billion
19% contribution

4 YEAR CAGR 12%

DIVISIONAL OVERVIEW



Five divisions in three major lines of mobility, which operate under separate management structures to enable decentralised entrepreneurial creativity within the Group's clearly-defined strategic, capital, budgetary & governance principles

LOGISTICS



AFRICA (INC. RSA)

INTERNATIONAL

- > Leading logistics provider across entire supply chain in RSA
- > Leading distributor of pharmaceuticals & consumer goods in sub-Saharan Africa

- > Leading positions in inland shipping, terminal operations & bulk logistics, industrial contract logistics & chemical logistics

> **22%** group revenue

> **17%** group revenue

> **25%** group operating profit

> **15%** group operating profit

VEHICLES



VEHICLE IMPORT, DISTRIBUTION & DEALERSHIPS

VEHICLE RETAIL, RENTAL & AFTERMARKET PARTS

- > Exclusive importer of 16 automotive & industrial brands
- > Retailer & after-sales servicing & parts through 129 owned & 111 franchised dealerships

- > Represents 16 OEMs through 86 passenger & 60 commercial vehicle dealerships (38 UK)
- > Vehicle rental
- > Pre-owned retail outlets
- > Aftermarket parts distribution & wholesale

> **24%** group revenue

> **33%** group revenue

> **15%** group operating profit

> **26%** group operating profit

FINANCIAL SERVICES



LEVERAGE IMPERIAL'S VEHICLE EXPERTISE & DISTRIBUTION

- > Mainly motor related insurance & financial products & services
- > Full maintenance leasing

> **4%** group revenue

> **19%** group operating profit

IMPERIAL'S THREE LINES OF MOBILITY



LOGISTICS



REVENUE

⬆️ 7%
R44.4 billion
39% contribution

OPERATING PROFIT

⬆️ 14%
R2.5 billion
40% contribution

4 YEAR CAGR 22%

LOGISTICS AFRICA



REVENUE

(including inter-segment revenue)

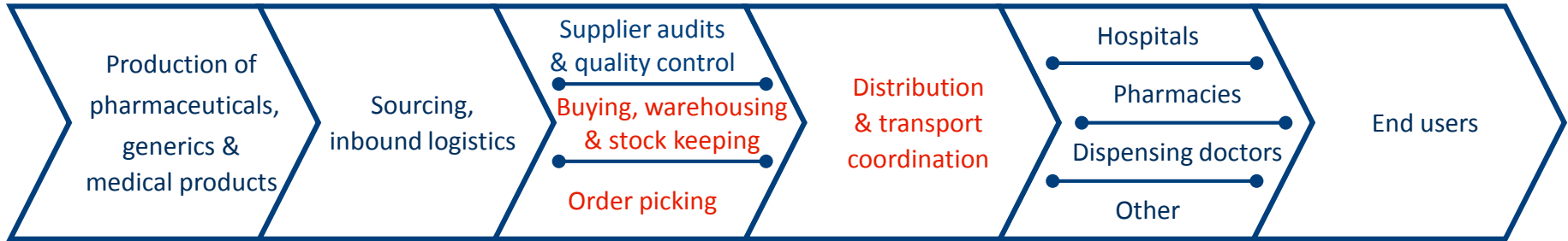
⬆️ 15%
R25.3 billion

OPERATING PROFIT

⬆️ 25%
R1.6 billion

- > An experienced provider of end-to-end logistics & integrated supply chain management services in Southern, West & East African markets through three regional hubs
- > Across sub-Saharan Africa, the division provides a comprehensive & integrated demand-driven route to market as a distributor of consumer goods & pharmaceutical brands
- > Strategy: Use scale, expertise & technology to provide high value logistics services across entire supply chain in selected industries, with fast growth in Rest of Africa distribution through: acquisition; more products from more principals; integrating infrastructure
- > Acquisition criteria: Preferably asset light logistics business; earnings accretive; target ROIC = WACC in first year; WACC + 4% (risk adjusted) in medium to long term
- > Value proposition: Reliable & high-quality service delivery, commitment to clients' business & innovation to drive improvement
 - R50bn in retail goods delivered across the continent
 - 600 000 full truckload deliveries made during 2015
 - More than 170 warehouses strategically located throughout continent; 1.5 million square meters of warehousing space
 - Infrastructure & representation in 12 Africa countries
 - Cross border transportation into 18 countries

PHARMED ACQUISITION



■ Pharmed activities

OVERVIEW

- > Acquired on 9 July 2014
- > Purchase price – R148m for 62.5% shareholding
- > Durban & Johannesburg based wholesaler of pharmaceuticals
- > Warehouses, distributes & sells to hospitals, private pharmacies & dispensing doctors
- > Annual turnover R612m

RATIONALE

- > Strategically aligned
- > Integrates pharmaceutical wholesaling & distribution into Imperial's logistics business offering
- > Mutually advantageous synergies between Pharmed & Imperial's existing network, capabilities & customer base in South Africa

IMRES ACQUISITION



■ Imres activities

OVERVIEW

- > Acquired on 1 September 2014
- > Purchase price – R647m (€46m) for 70% shareholding
- > Netherlands based wholesaler of broad range medical supplies (generic pharmaceuticals, medical kits, hospital equipment & related medical products)
- > Diversified client base in international medical relief industry, targeting mainly African & emerging countries
- > Annual turnover R1.1bn (€83m)

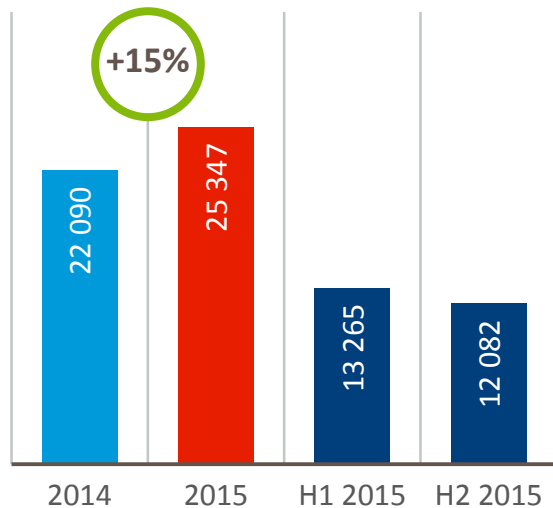
RATIONALE

- > Strategically aligned
- > Adds sourcing & procurement capabilities to Imperial's service offering
- > Complements recent acquisitions of Imperial Health Sciences, Eco Health & MDS
- > Potential to leverage off Imperial's existing network, capabilities & customer base on the African continent

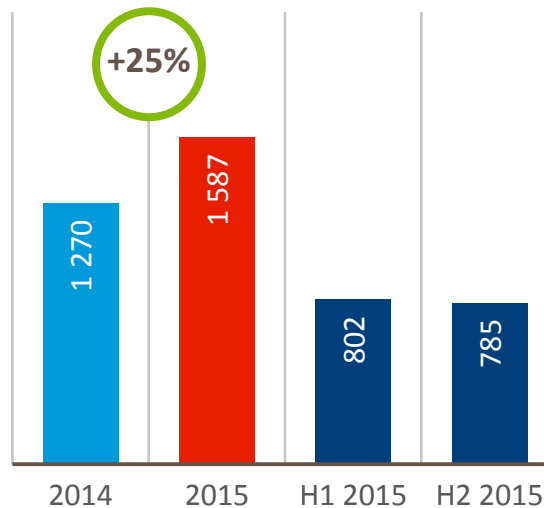
2015 LOGISTICS AFRICA



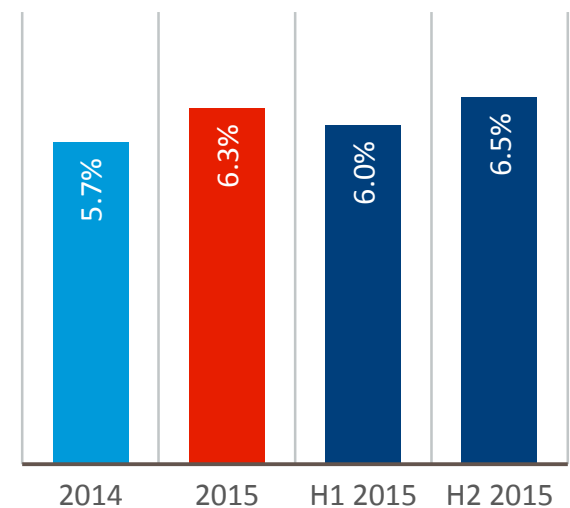
REVENUE (Rm)



OPERATING PROFIT (Rm)



OPERATING MARGINS (%)

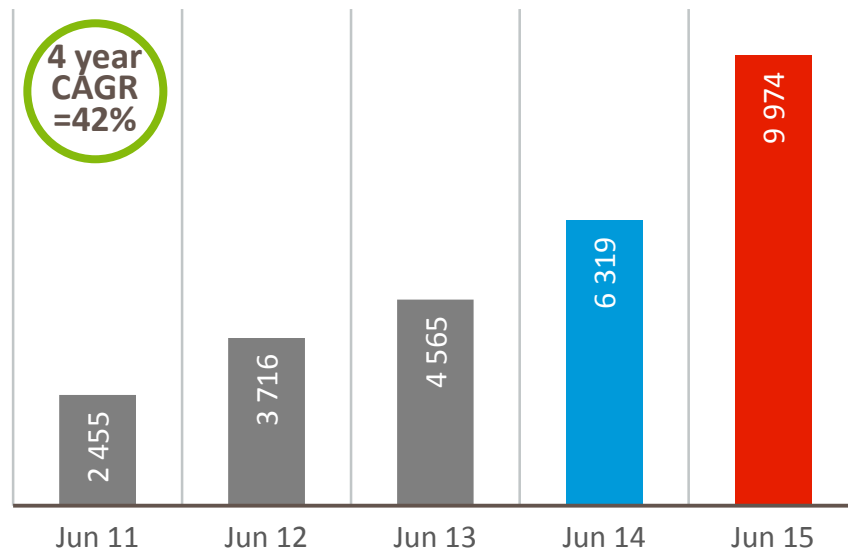


- > Delivered strong revenue & operating profit growth in difficult trading environment
- > Recent acquisitions (R795m investment) & contract gains (10:1) contributed to revenue growth
- > In SA the division performed satisfactorily in a testing environment, benefitting from operational efficiencies & its favourable market position
- > The consumer logistics businesses showed muted revenue & good operating profit growth, mainly due to the acquisition of Pharmed & a turnaround at Imperial Cold Logistics
- > The industrial logistics businesses experienced declining volumes (sharply in manganese, coal & steel production related commodities) which depressed revenue growth & operating margins
- > Rest of Africa (RoA) continued its strong performance buoyed by acquisitions

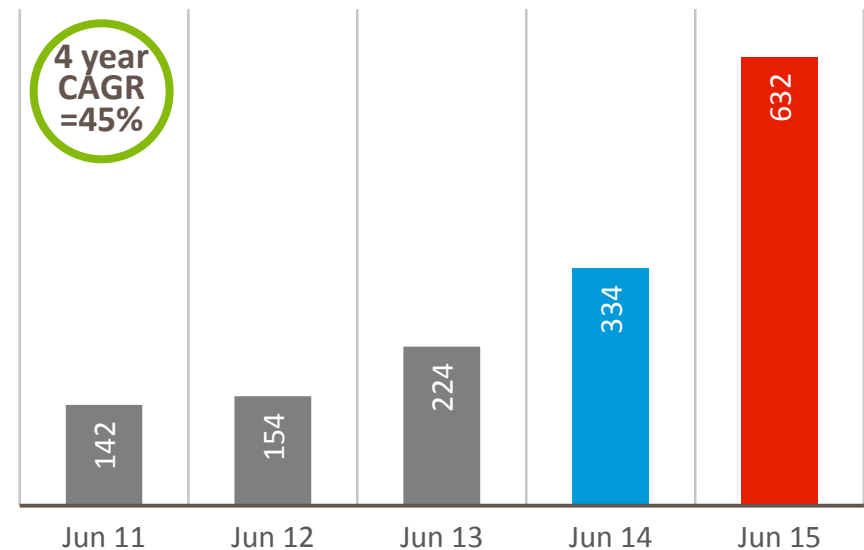
GROWTH TREND LOGISTICS RoA



REVENUE (Rm)



OPERATING PROFIT (Rm)

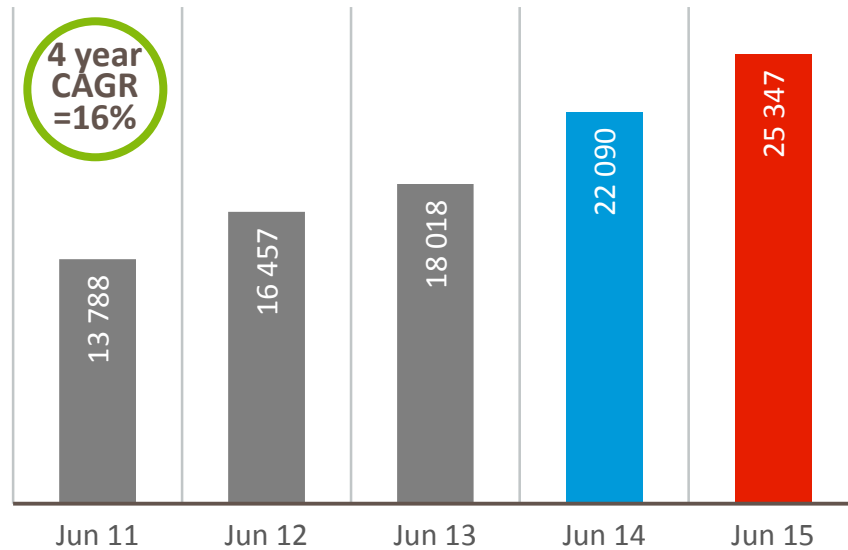


- > Revenue & operating profit grew by 58% & 89% respectively, mainly due to the acquisitions of Ecohealth & Imres
- > Now 9% & 39% respectively of Group & Logistics Africa revenue
- > Now 10% & 40% respectively of Group & Logistics Africa operating profit
- > Active pipeline of acquisitions, new principals & new products

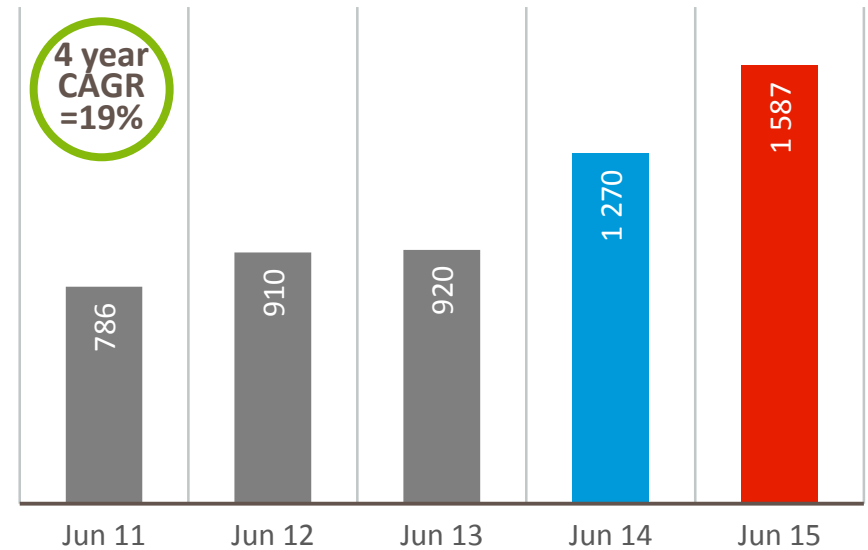
GROWTH TREND LOGISTICS AFRICA



REVENUE (Rm)



OPERATING PROFIT (Rm)



2016 Guidance: We expect Logistics Africa to produce real growth of revenues & operating profit

DIVISIONAL REVIEW



LOGISTICS INTERNATIONAL

Europe: Germany (mainly): Netherlands, Sweden, Luxemburg, Belgium, Poland, Austria, China, USA, South America

REVENUE

(including inter-segment revenue)

↓ 1%
R19.1 billion

OPERATING

PROFIT

↓ 1%
R1.0 billion



- > Estimated market size of €650bn in Imperial International sectors in Europe (IPL ranked 8th)
- > Industry structure: Highly developed infrastructure; fragmented & competitive market, process & technology driven clients
- > Strategy: Aggressive organic & acquisitive growth by extending logistics expertise in automotive, chemical, steel, aluminium, paper & chemicals to other industries, & through following clients into new markets
- > Value proposition: “One Face Logistics Solutions” for leading industries by offering integrated services & critical capabilities in Transport Solutions (Shipping, Road, Intermodal) & Supply Chain Solutions (Automotive, Industrial, Retail & Chemicals)
- > Assets:
 - operates 600 inland vessels (240 own vessels)
 - 2 million m² of storage capacity (including 20 hazardous goods warehouses)
 - 100 million tonnes handled per year
 - world class expertise in auto & chemical contract logistics
 - established relationships with world leaders: Mercedes, BMW, Volkswagen, Bayer, BASF

IMPERIAL INTERNATIONAL PROFILE & 2015 PERFORMANCE

(RESTRUCTURED JULY 2016)



INLAND SHIPPING



Profile

- > Leading inland shipping company in Europe
- > Transport iron ore, coal, gas, liquid bulk, chemicals

Performance

- > Performed satisfactorily
- > South American inland shipping contract (4 push boats & 48 barges) in line with expectations & contributed positively

PANOPA



Profile

- > Contract Logistics
 - automotive
 - machinery & equipment
 - steel
 - logistics & services

Performance

- > Despite new contract gains & a stronger H2 2015, margins depressed by start up costs & operational inefficiencies on new project

LEHNKERING



Profile

- > Logistics services & contract manufacturing (synthesis/formulation) for the chemical industry

Performance

- > Good performance from the transport, warehousing & distribution businesses depressed by drought & lower volumes in chemical manufacturing

NESKA



Profile

- > Leading player in inland port operations

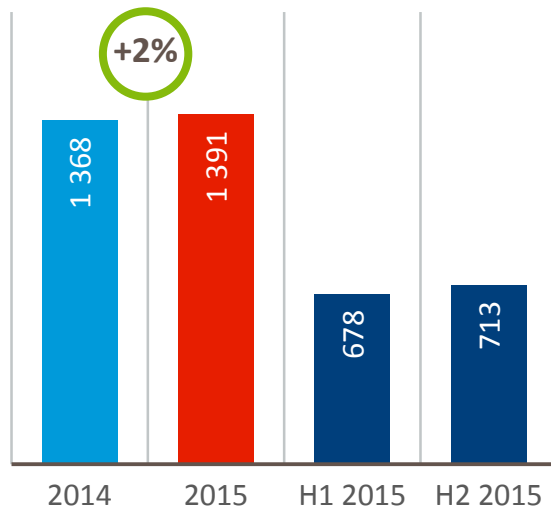
Performance

- > Neska experienced declining volumes due to increased competition & muted activity levels

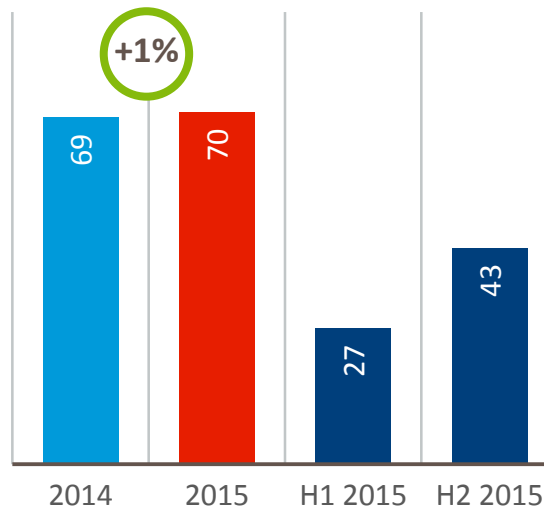
2015 LOGISTICS INTERNATIONAL (EURO)



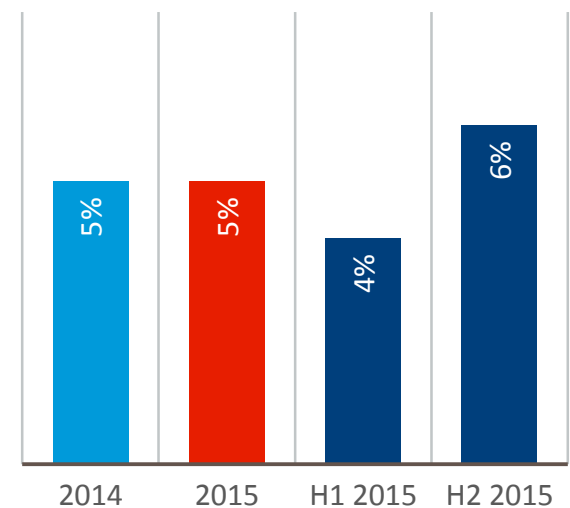
REVENUE (€m)



OPERATING PROFIT (€m)



OPERATING MARGINS (%)

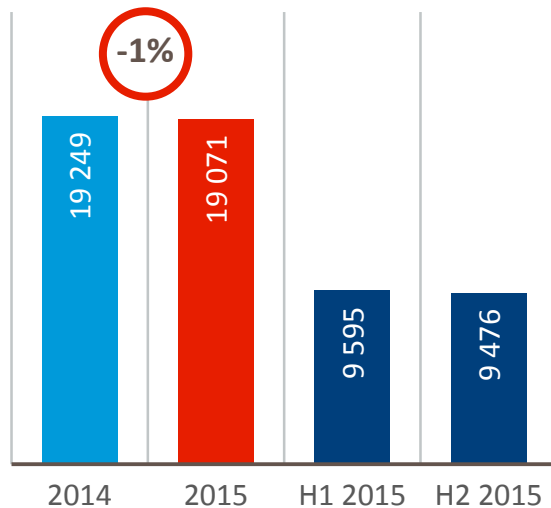


- > Revenue & operating profit slightly up, impacted by a decline in European inland shipping dry freight rate market & generally muted activity levels in most European Logistics sectors
- > Capital expenditure of €86m (R1.2bn). €70m (R1bn) invested in two additional convoys in South America
- > Stronger H2 2015 performance with 13% increase in operating profit compared to H2 2014
- > New CEO Carsten Taucke appointed 1st January 2015
- > Completed major restructuring of organisation & executive team to effect integrated client centric “One Face Logistics Solutions” in Transport Solutions & Supply Chain Solutions

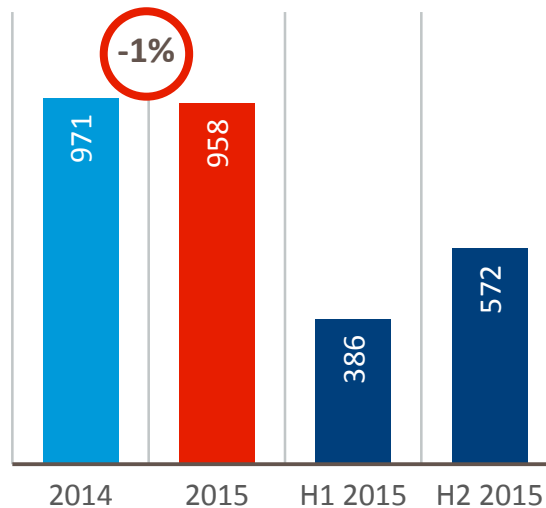
2015 LOGISTICS INTERNATIONAL (ZAR)



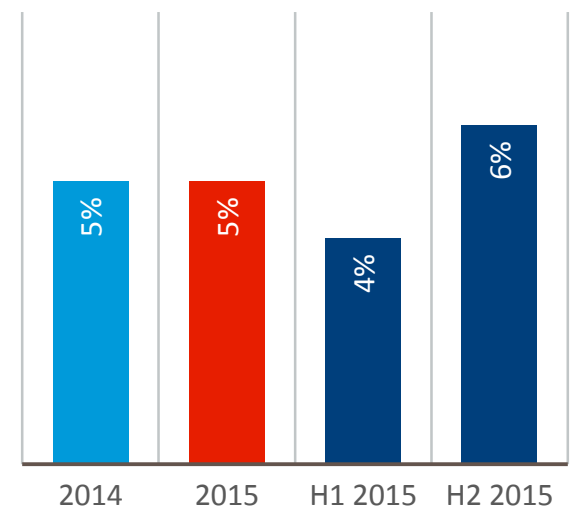
REVENUE (Rm)



OPERATING PROFIT (Rm)



OPERATING MARGINS (%)

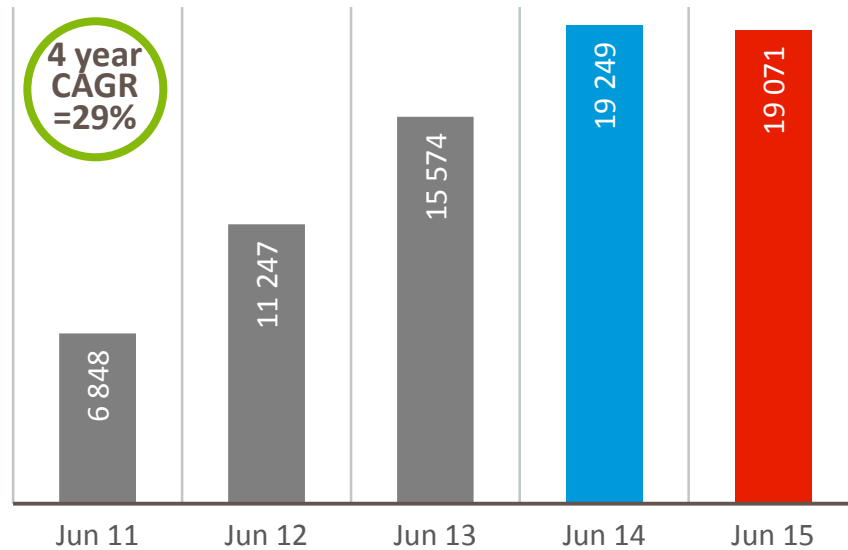


- > The strengthening of the Rand against the Euro negatively impacted the Rand-denominated results
- > 2015 average R/€: 13.73 vs 2014 average R/€: 14.07
- > Effective currency & diversification hedge in Group portfolio

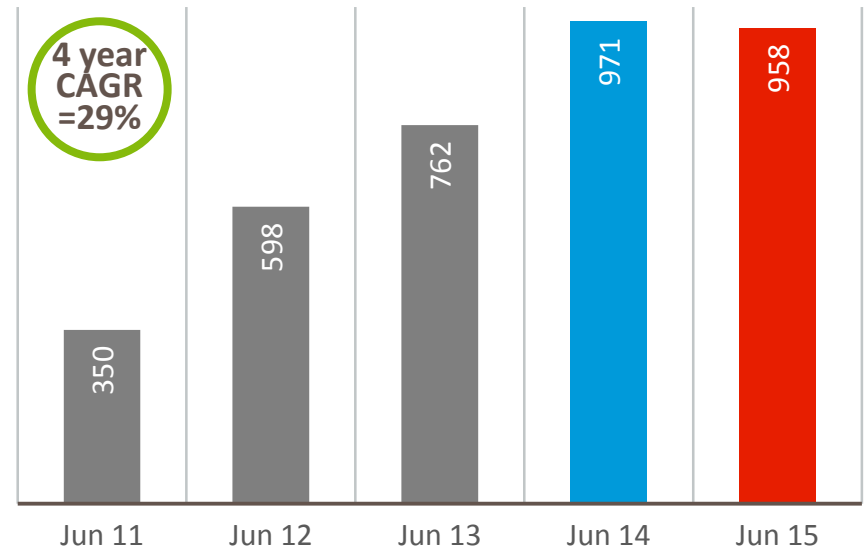
GROWTH TREND LOGISTICS INTERNATIONAL



REVENUE (Rm)

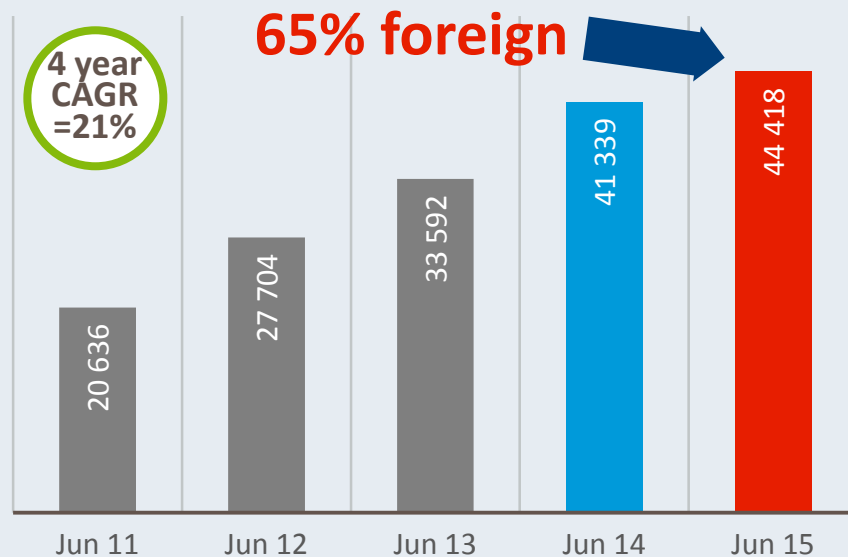


OPERATING PROFIT (Rm)

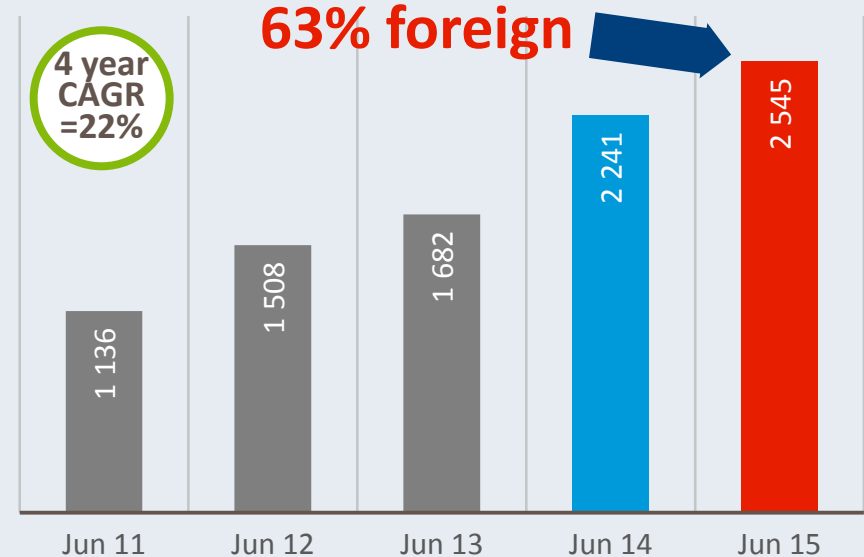


2016 Guidance: We expect Logistics International to produce real growth of revenues & operating profit in Euro's

REVENUE (Rm)



OPERATING PROFIT (Rm)



- > Solid revenue & operating profit growth trend
- > Comprised R44.4bn (39%) of Group revenue for the year
- > Comprised R2.5bn (40%) of Group operating profit for the year

“Logistics” is Imperial’s major growth vector. Strict capital allocation disciplines will be applied in pursuit of focussed organic & acquisitive growth opportunities

IMPERIAL'S THREE LINES OF MOBILITY



VEHICLES



REVENUE

↑ 6%

R65.0 billion

57% contribution

OPERATING PROFIT

↓ 15%

R2.6 billion

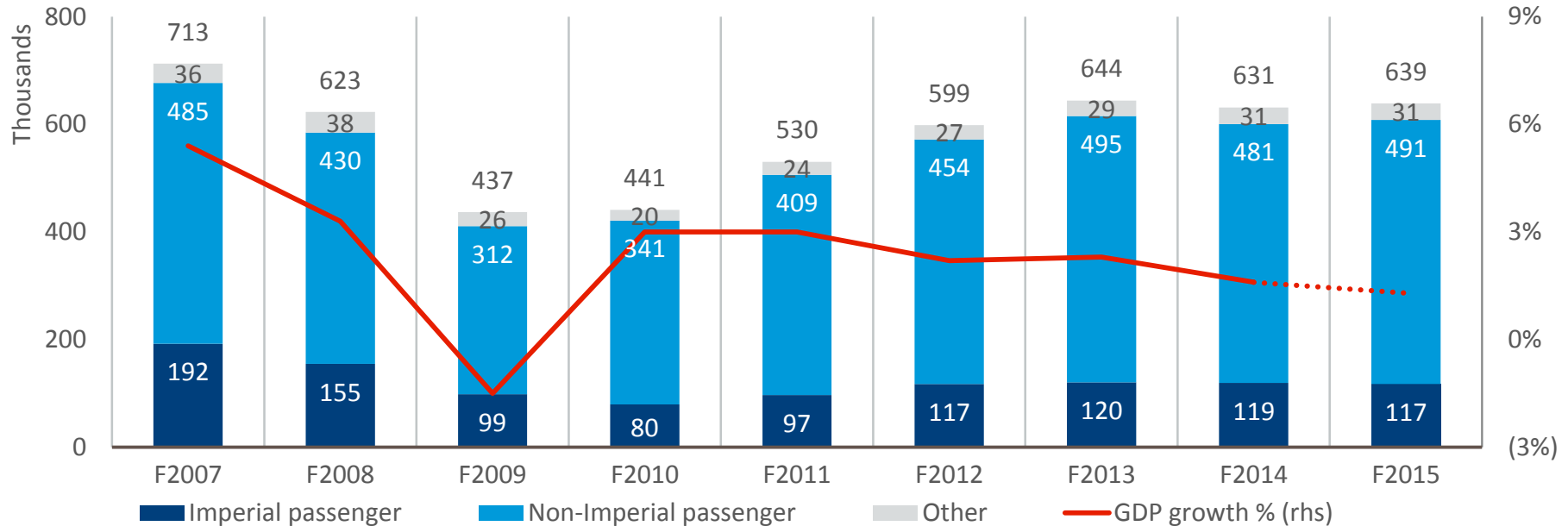
41% contribution

4 YEAR CAGR -1%

NATIONAL VEHICLE SALES 2007 – 2015



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



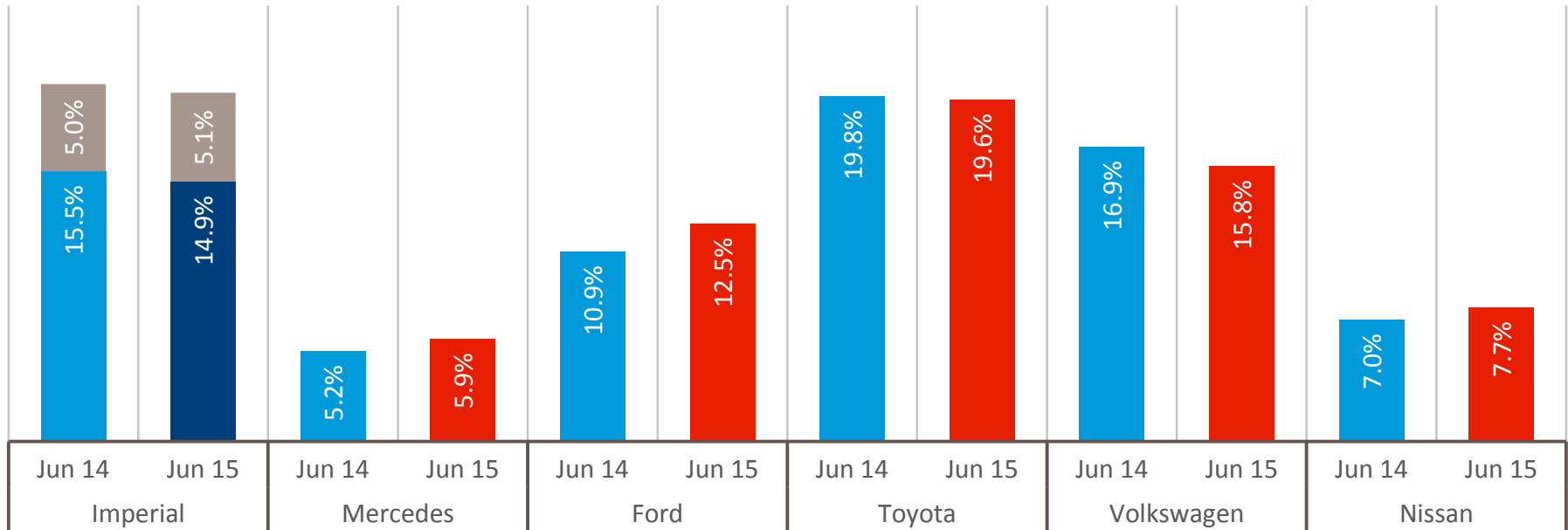
- > South African new passenger & commercial vehicles tracks economic & consumption growth
- > Calendar 2015; NAAMSA 595 000; Imperial 590 000
- > Imperial total sales FY 2015*
 - New
 - Passenger: 123 561 (-2%)
 - Commercial: 9 934 (+19%)
 - Preowned
 - Passenger: 71 050 (+2%)
 - Commercial: 1 740 (+68%)
- > Industry structure: dominated by multi national original equipment manufacturers (OEM) & manufacturer controlled distributors who franchise dealership networks; direct imported brands represent ~15% of passenger vehicle market in RSA
 - National motor vehicle sales negative or very low growth for at least 2-3 years
 - Consumers trading down
 - Limited growth of dealerships
 - Competitiveness & profitability of distributors who only import vehicles remains vulnerable to Rand weakness

* Includes International

IMPERIAL'S MARKET SHARE VS OEMS



MARKET SHARE* (%)



■ AMH
 ■ Imperial Vehicle Retail

* Includes Renault

- > Imperial's market share decreased marginally compared to the prior year
- > Imperial's direct imports comprise the third largest market share

DIVISIONAL REVIEW



VEHICLE IMPORT, DISTRIBUTION & DEALERSHIPS



- > Strategy: Increase sustainable market share & car parc of major brands through dedicated & multi-franchise customer focussed dealerships; capture revenue & margin across entire motor value chain (import, distribution, retail, after-sales service, parts & financial services)
- > Value proposition: Distribution capability for international manufacturers; alternative vehicle brands for South African motorists
- > Assets: Exclusive importer of 16 automotive & industrial vehicle brands (including Hyundai, Kia, Renault, Mitsubishi & Crown forklifts); distributes through 129 owned & 111 franchised dealerships

REVENUE

(including inter-segment revenue)

↑ 1%

R27.4 billion

OPERATING

↓ 37%

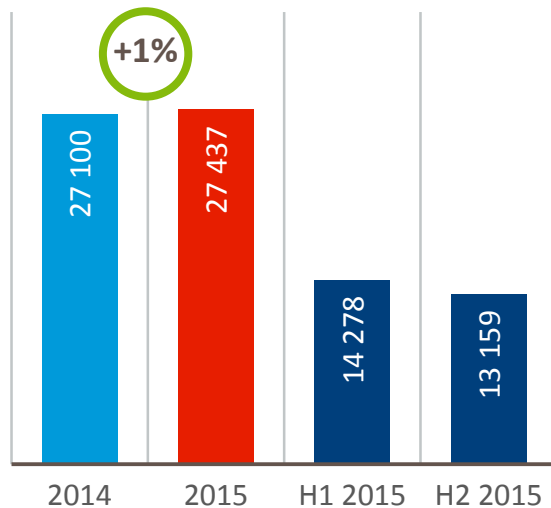
37%

R1.0 billion

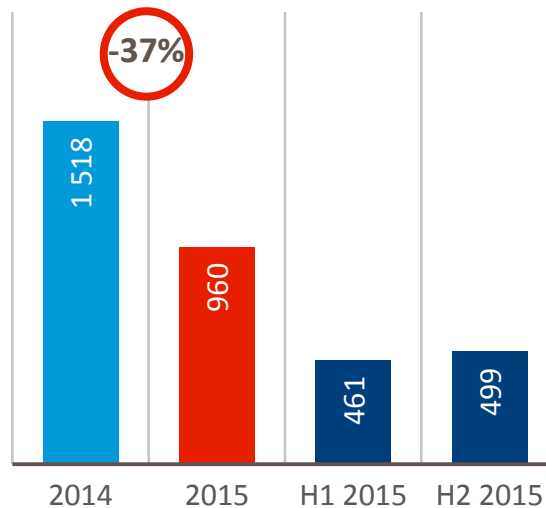
VEHICLE IMPORT, DISTRIBUTION & DEALERSHIPS



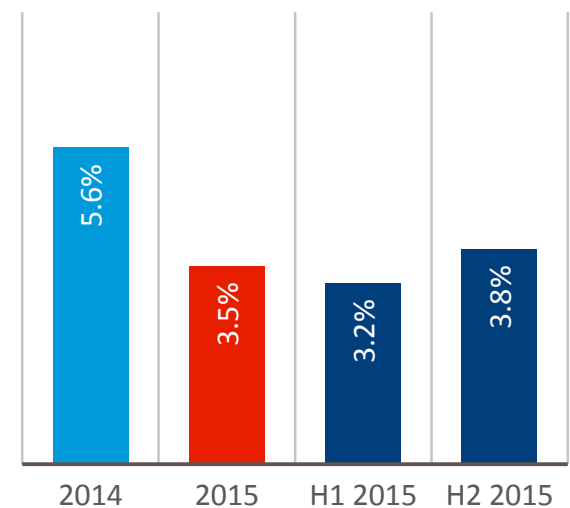
REVENUE (Rm)



OPERATING PROFIT (Rm)



OPERATING MARGINS (%)

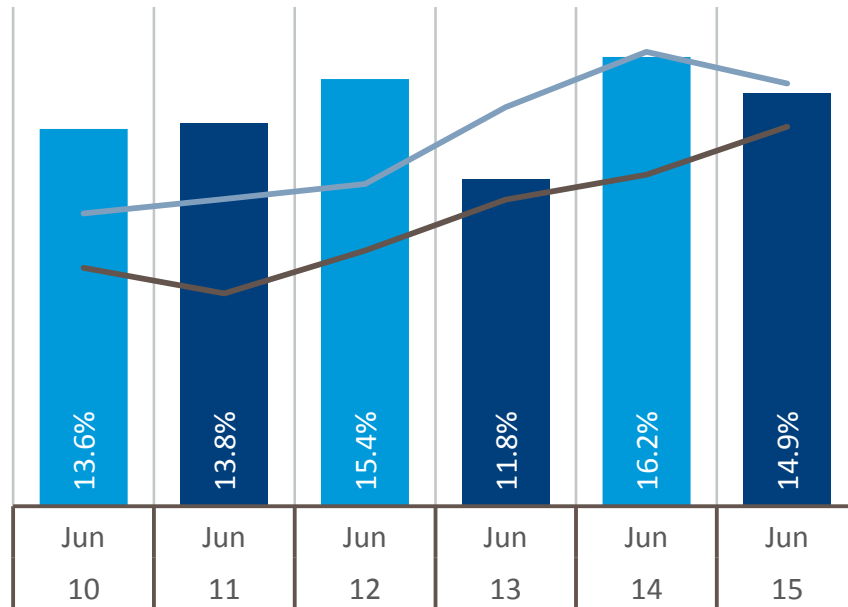


- > Revenue growth of 1% enhanced 12% by Renault (in for only 7 months in 2014)
- > Operating profit down R558m due directly to the impact of a weakening Rand sequentially on: imported vehicles landed cost, narrowing gross margins, reduced competitiveness, lower sales & higher inventories
- > Competitiveness further undermined by OEM APDP benefits
- > Improved performance in H2 2015 as pricing increased & margins widened, with operating profit increasing by 8% & operating margins improving to 3.8% from 3.2% in H1 2015

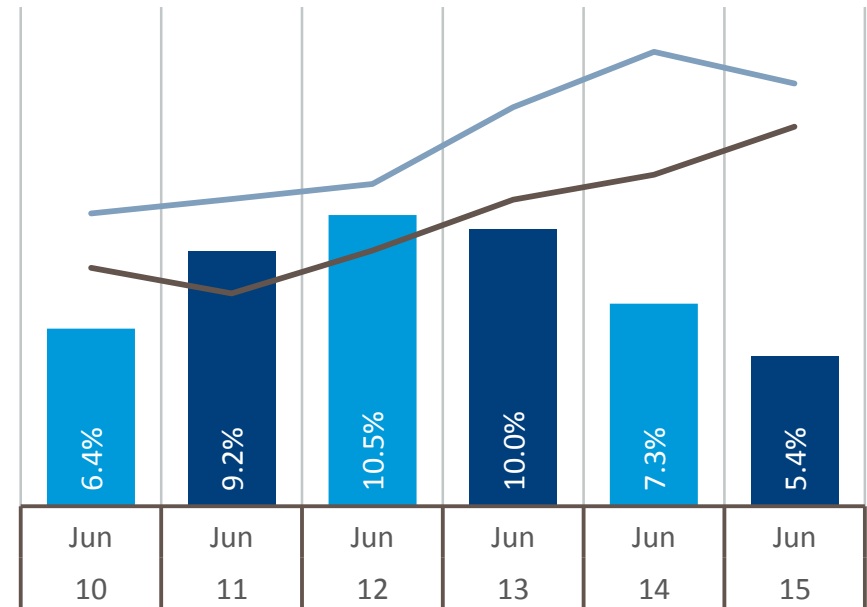
CURRENCY, MARKET SHARE & OPERATING MARGINS



MARKET SHARE¹ (%)



OPERATING MARGIN² (%)



— Exchange rates (USDZAR) — Exchange rates (EURZAR)

Based to 100

— Exchange rates (USDZAR) — Exchange rates (EURZAR)

Based to 100

- > The ZAR has depreciated 43% against the \$ since May 2012
- > Operating margin has been adversely impacted by currency depreciation since June 2012
- > Market share has remained below the highs of June 2012

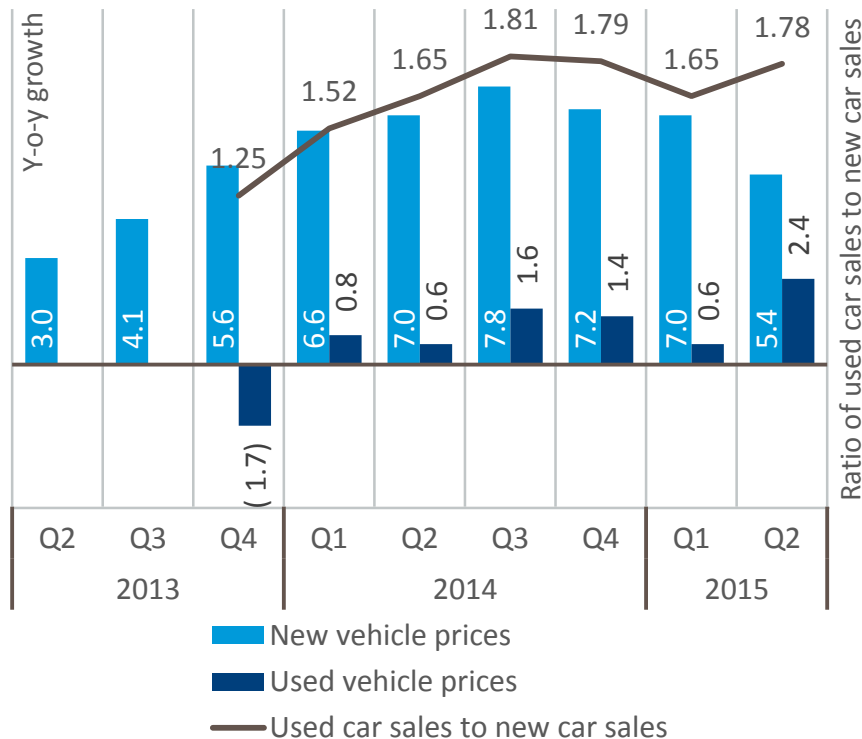
1. Includes Renault from June 2014

2. Includes financial services

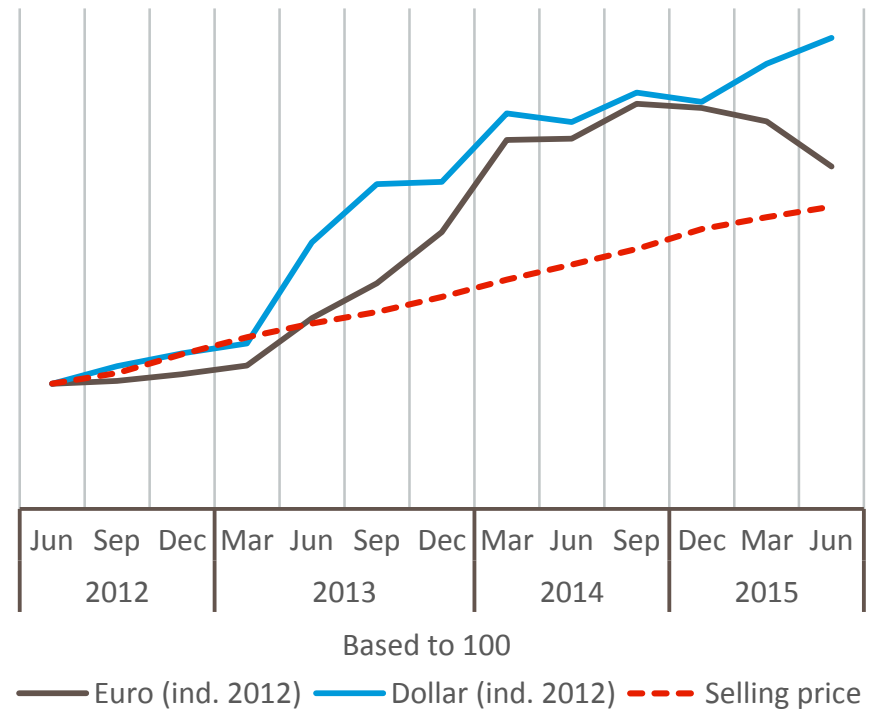
SOUTH AFRICAN NEW VEHICLE PRICES



VEHICLE PRICE INCREASES (YOY GROWTH)
NEW & PRE OWNED (%)



SELLING PRICE VS CURRENCY COST OF
IMPORTED PRODUCT (%)



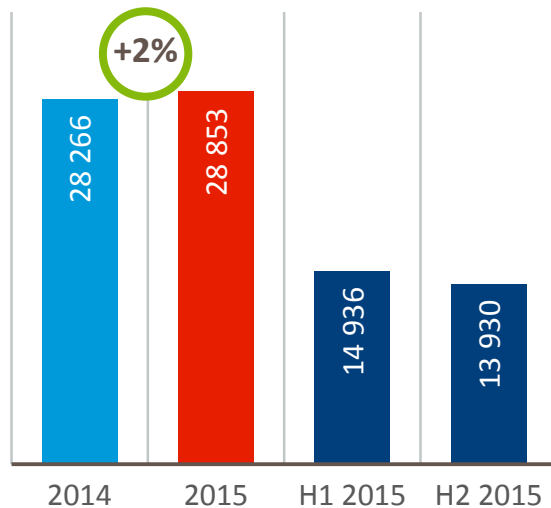
Source: Econometrix

- > 60% imports in USD
- > 40% imports in EUR

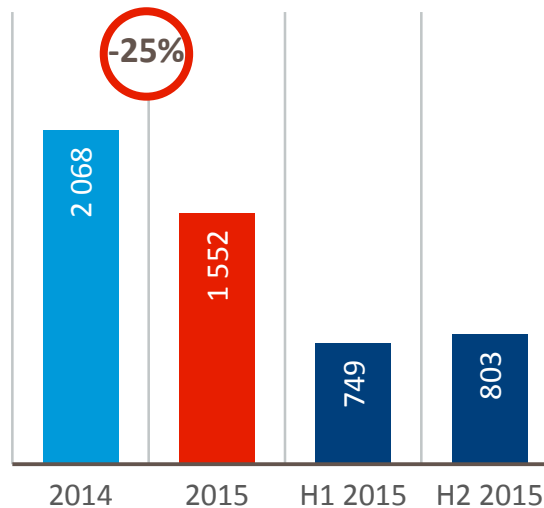
VEHICLE IMPORT, DISTRIBUTION & DEALERSHIPS (INC. FINANCIAL SERVICES)



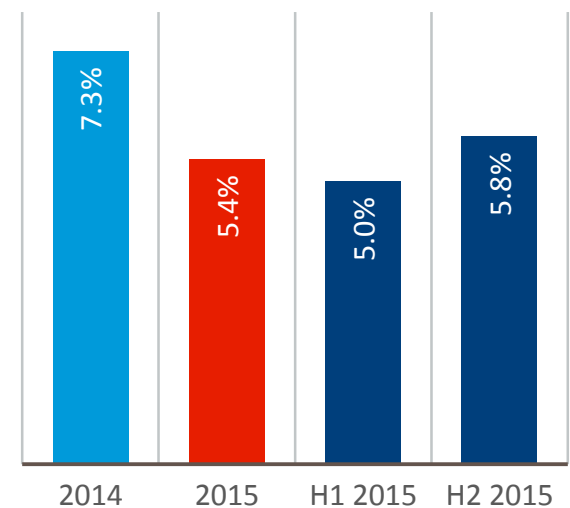
REVENUE (Rm)



OPERATING PROFIT (Rm)



OPERATING MARGINS (%)



- > Motor Related Financial Services is an integral part of the value chain
- > Motor Related Financial Services contributed R1.4bn to revenue & R591m to operating profit
- > Operating margin of 5.4% in 2015, including Motor Related Financial Services
- > ROIC of 11.5% in 2015, including Motor Related Financial Services

2016 Guidance: In the absence of a marked deterioration of the Rand relative to our current forward cover position, we expect the Vehicle Import, Distribution & Dealerships division to grow revenue & operating profit

DIVISIONAL REVIEW



VEHICLE RETAIL, RENTAL & AFTERMARKET PARTS



- > Industry structures: Mature, highly competitive & price sensitive car rental sector dominated by local franchises of major international brands; Aftermarket Parts industry mature but stable, based on 10 million vehicles in the vehicle parc
- > Value proposition: Distribution capability for local OEM's & franchisors

REVENUE

(including inter-segment revenue)

↑ 10%
R37.5 billion

OPERATING

PROFIT

↑ 7%
R1.7 billion

VEHICLE RETAIL RENTAL & AFTERMARKET PARTS PROFILE & 2015 PERFORMANCE



VEHICLE RETAIL

Profile

- > Extensive footprint of 86 passenger vehicle dealerships (65% owned) representing 16 locally based OEMs
- > 22 commercial vehicle dealerships & workshops representing 12 brands in RSA, with 38 truck & van dealerships & workshops in the United Kingdom
- > Beekman canopies (manufacturing & retail)
- > Jurgens caravans (manufacturing & wholesale)

Performance

- > In SA new & pre-owned vehicle retail businesses delivered solid performances
- > SA commercial vehicle sales & operating profit declined but good growth in the UK (enhanced by acquisition of S&B Commercials)
- > After sales parts & services revenue grew 20% (13% ex UK)

RENTAL

Profile

- > Car Rental (Europcar & Tempest)
- > 63 dedicated Pre-owned retail outlets (Auto Pedigree)
- > Panel shops

Performance

- > Car rental saw lower volumes in most segments due to strong competition & spending cuts by government & corporations
- > Auto Pedigree sales declined depressed by NCA amendments

AFTERMARKET PARTS

Profile

- > Distributor, wholesaler & retailer through approximately 764 owned & franchised stores
- > Midas, Alert Engine Parts & Turbo Exchange
- > Focus on parts & accessories for vehicles between five & ten years old

Performance

- > Aftermarket Parts revenue grew 8% with operating profit flat due to low market growth

ACQUISITIONS



S&B Commercials

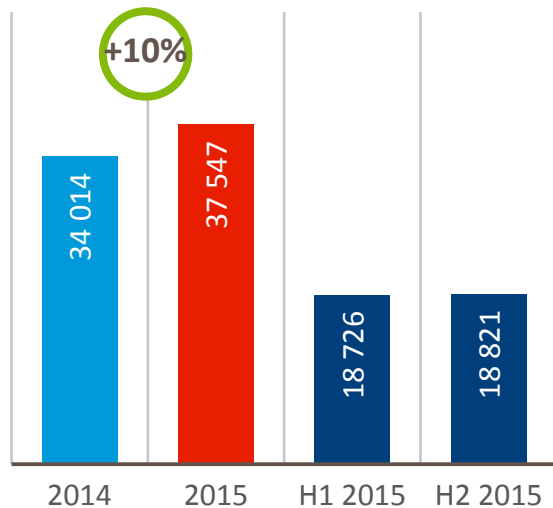


- > Acquired 1 September 2014
- > Purchase price – R167m (£9m) for 100% shareholding
- > UK based commercial vehicle dealership
- > Specialises in Mercedes Benz (Commercial & Van) & Fuso
- > Further diversifies Imperial's brand representation & extends its geographic footprint in United Kingdom
- > Annual turnover of R1.7bn (£96m)

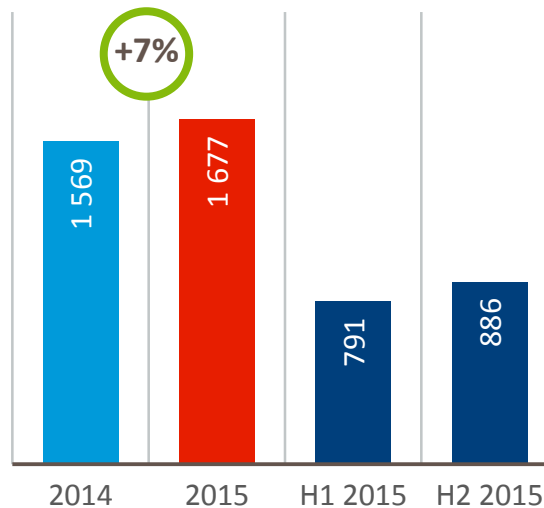
VEHICLE RETAIL, RENTAL & AFTERMARKET PARTS



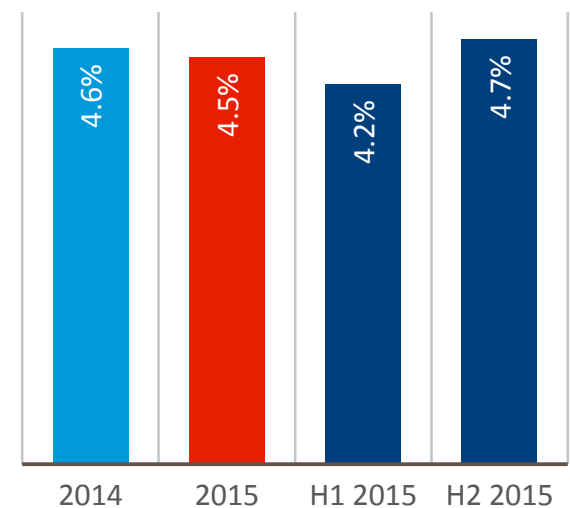
REVENUE (Rm)



OPERATING PROFIT (Rm)



OPERATING MARGINS (%)



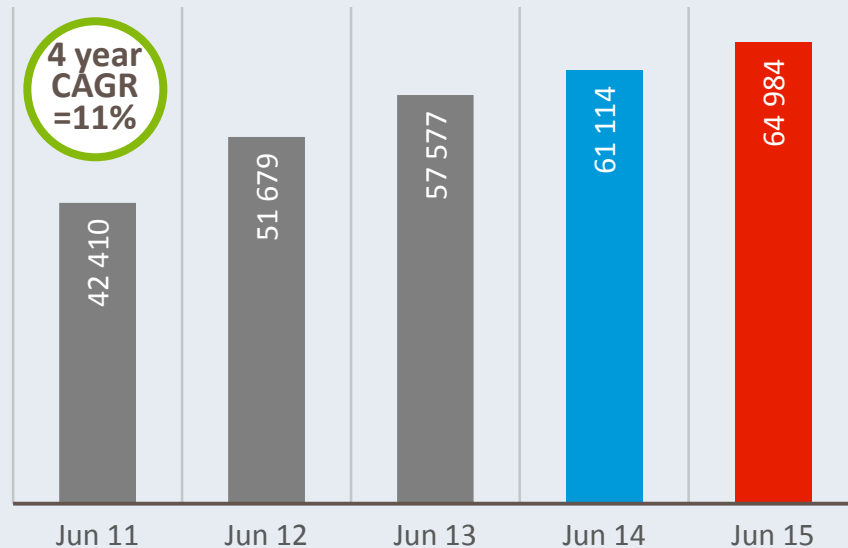
- > Good growth of revenue & operating profit from Imperial's largest division
- > Industry leading margins

2016 Guidance: We expect the Vehicle Retail & Rental & Aftermarket Parts division to produce single digit growth of revenues & operating profit

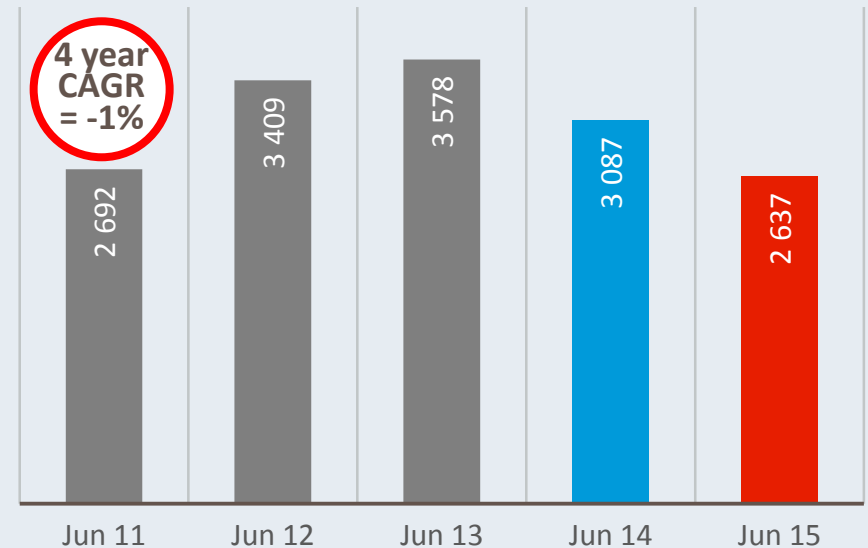
GROWTH IMPERIAL GROUP VEHICLES



REVENUE (Rm)



OPERATING PROFIT (Rm)



> Represents 42% of group operating profit (total operations)

“Vehicles” is Imperial’s major source of operating cash flow. Strict operating disciplines will be applied to mitigate consumer & currency volatility in a low growth environment

IMPERIAL'S THREE LINES OF MOBILITY



FINANCIAL SERVICES



REVENUE

⬆️ 10%
R4.5 billion
4% contribution

OPERATING PROFIT

⬆️ 14%
R1.2 billion
19% contribution

4 YEAR CAGR 12%

FINANCIAL SERVICES



REVENUE

⬆️ 10%
R4.5 billion

OPERATING PROFIT

⬆️ 14%
R1.2 billion

- > Strategy: Leverage Imperial's capabilities as SA's leading motor vehicle distributor & retailer to provide the motoring public & vehicle users with relevant, cost-effective motor related financial services & products (insurance, finance & FML through banking alliances, service & maintenance plans & warranties); Deploy Imperial's proven record of product & channel innovation & development to sustain annuity income & a positive growth trend in revenue & funds under management
- > Value proposition: Centred on responsive engagement at all stages of the vehicle lifecycle through Imperial & independent dealerships, banks, direct sales & niche intermediaries
- > Assets: Access to Imperial's distribution & vehicle expertise; joint ventures with leading banks & other motor groups; expertise in vehicle related finance, value added products (VAPS) & insurance

- > Exclusive negotiations for the sale of Regent are currently progressing positively – extended to end of Sep 2015
- > If consummated the Regent transaction will be structured to allow the Group to retain access to the income flows generated by the distribution of vehicle-related insurance & value-added products through cell captives
- > Regardless of the outcome of these negotiations motor related financial services will remain an integral part of Imperial's strategic focus on the full automotive value chain

FINANCIAL SERVICES PROFILE & 2015 PERFORMANCE



REGENT

Profile

- > Provides regulated life & short term insurance products & services in South Africa, Lesotho, Botswana, & Zambia

Performance

- > Underwriting profit increased by 46% & underwriting margins improved to 15.8% (2014: 11.3%)
- > Short term Insurance underwriting profit up 28%
 - benefited from more effective risk management resulting in improved loss ratios
 - focussing on core markets & distribution channels, increase in new business volumes in VAPS
- > Lower investment returns - equity markets less favourable
- > Rest of Africa continues to contribute meaningfully
- > Due diligence as part of the process to dispose of Regent is progressing positively

LIQUID CAPITAL

Profile

- > Provides maintenance & warranty products associated with the automotive market

Performance

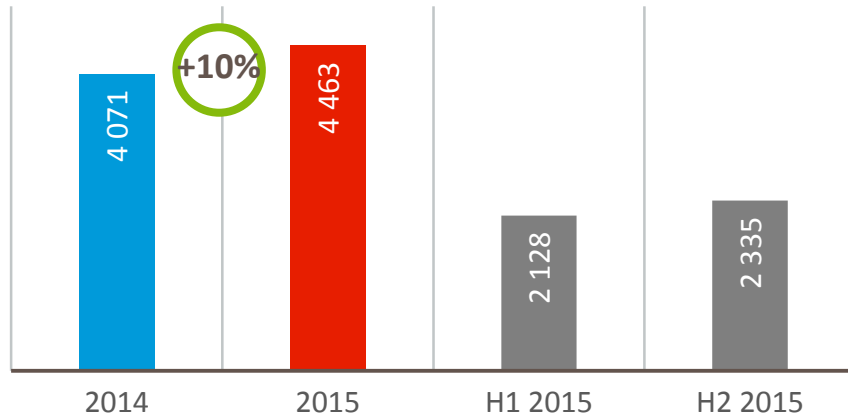
- > Grew operating profit by 6%
- > Finance alliances continue to grow; more conservative impairment provisions
- > Good growth in funds held under service, maintenance plans, warranties & roadside assistance, up 10%

2016 Guidance: We expect the Financial Services to grow revenue & operating profit (excluding Regent)

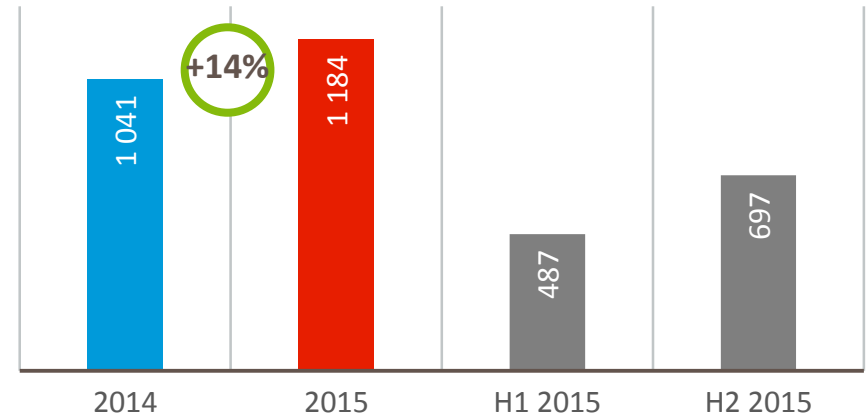
FINANCIAL SERVICES



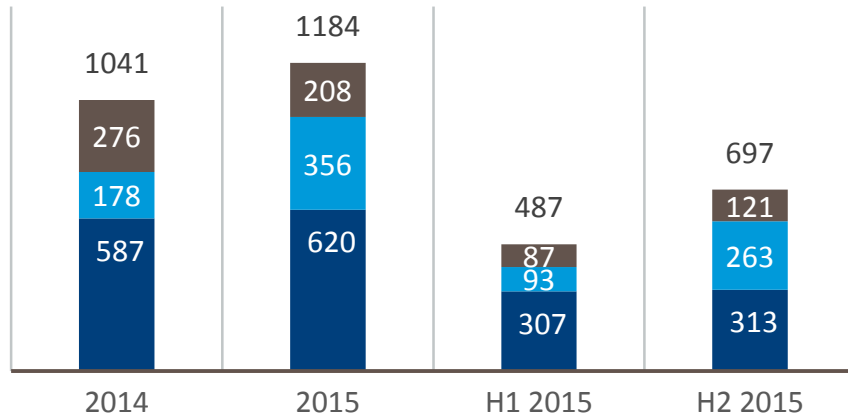
REVENUE (Rm)



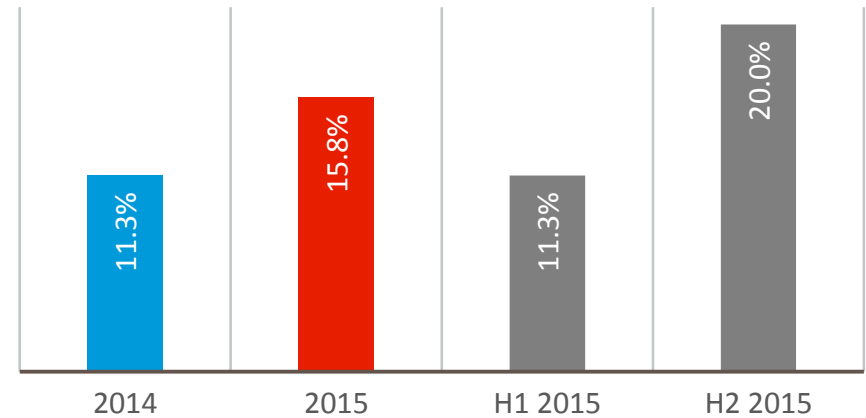
OPERATING PROFIT (Rm)



OPERATING PROFIT SPLIT (Rm)



NET UNDERWRITING MARGIN (%)



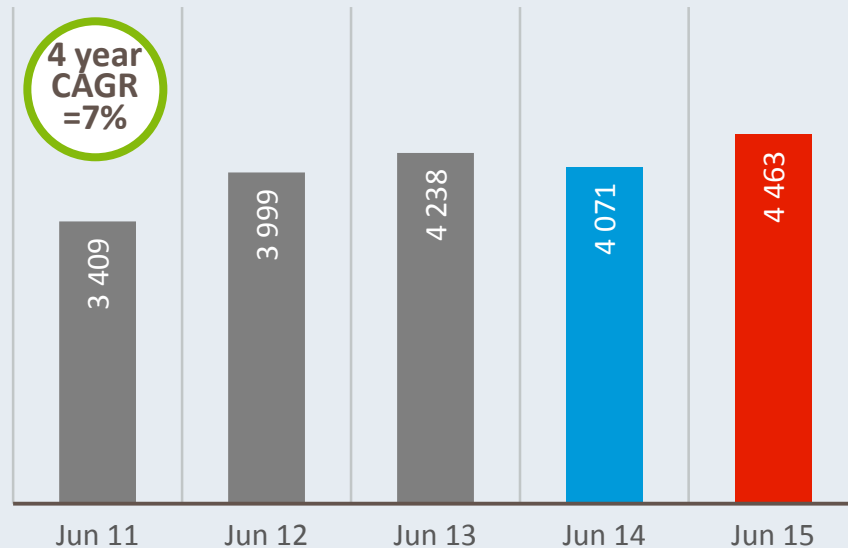
- Investment income, including fair value adjustments
- Underwriting result
- Motor related financial services and products

GROWTH IMPERIAL GROUP

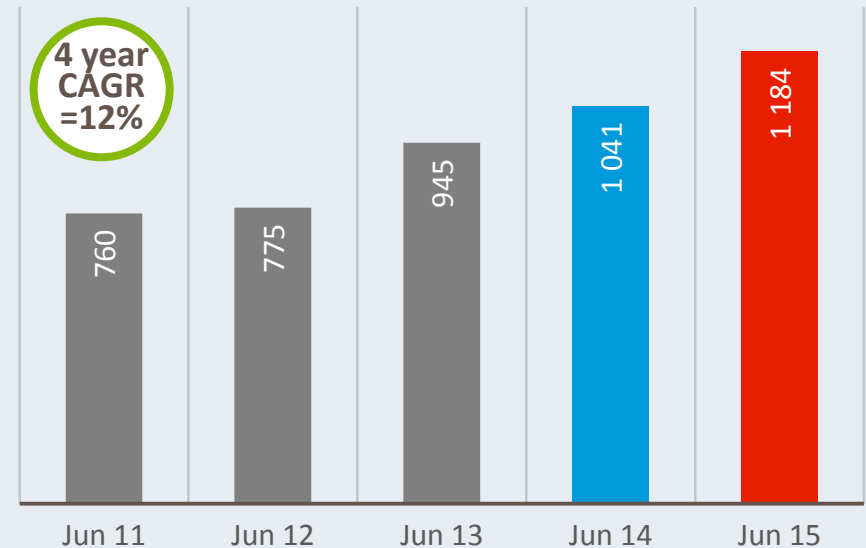
FINANCIAL SERVICES



REVENUE (Rm)



OPERATING PROFIT (Rm)



Financial services, founded on Imperial's motor related innovation & distribution capabilities, is a core growth vector

AGENDA



INCOME STATEMENT



	2014 Rm	2015 Rm	% CHANGE
Revenue	103 567	110 487	7%

LOGISTICS

↑ 7%

new contract gains, strong growth in Rest of Africa from acquisitions & organic growth

VEHICLES

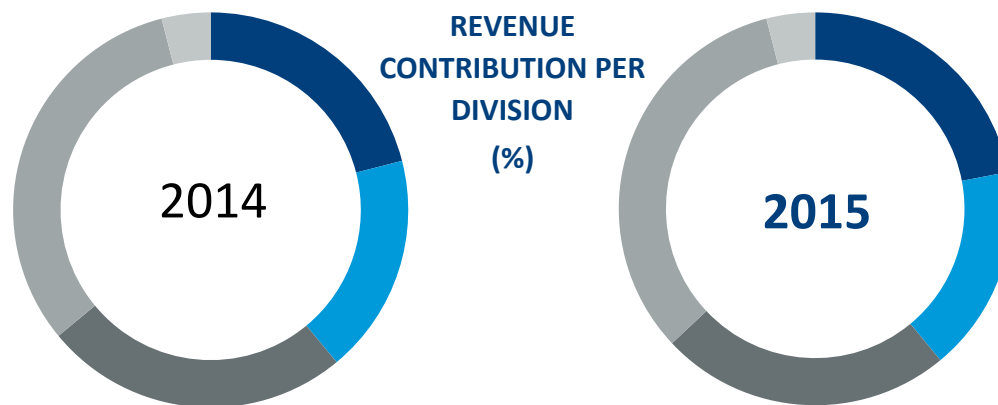
↑ 6%

impacted by currency weakness in Vehicle Import, Distribution & Dealerships business, reduced volumes; price increases

FINANCIAL SERVICES

↑ 10%

good growth in Motor-Related Financial Services & new business volumes in Regent Life & Short term



	2014 %	2015 %
■ LOGISTICS AFRICA	21	22
■ LOGISTICS INTERNATIONAL	18	17
■ VEHICLE IMPORT, DISTRIBUTION AND DEALERSHIPS	25	24
■ VEHICLE RETAIL, RENTAL AND AFTERMARKET PARTS	32	33
■ FINANCIAL SERVICES	4	4

INCOME STATEMENT



	2014 Rm	2015 Rm	% CHANGE
Revenue	103 567	110 487	7%
Operating profit	6 185	6 235	1%
Operating profit margin	6.0%	5.6%	

LOGISTICS

↑ 14%

improved margins & acquisitions contributed to excellent performance from Rest of Africa

VEHICLES

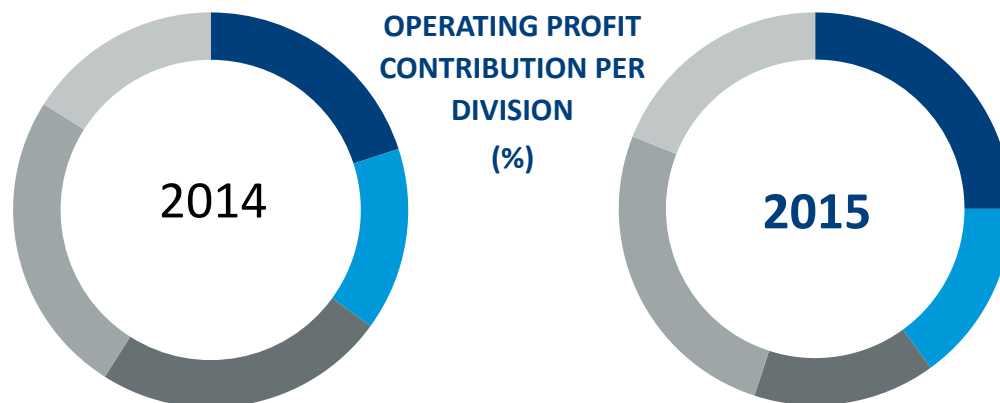
↓ 15%

impacted by currency weakness in Vehicle Import, Distribution & Dealerships business, reduced volumes & margins

FINANCIAL SERVICES

↑ 14%

increase in underwriting income, good risk management, aggressive fund management & tight cost control

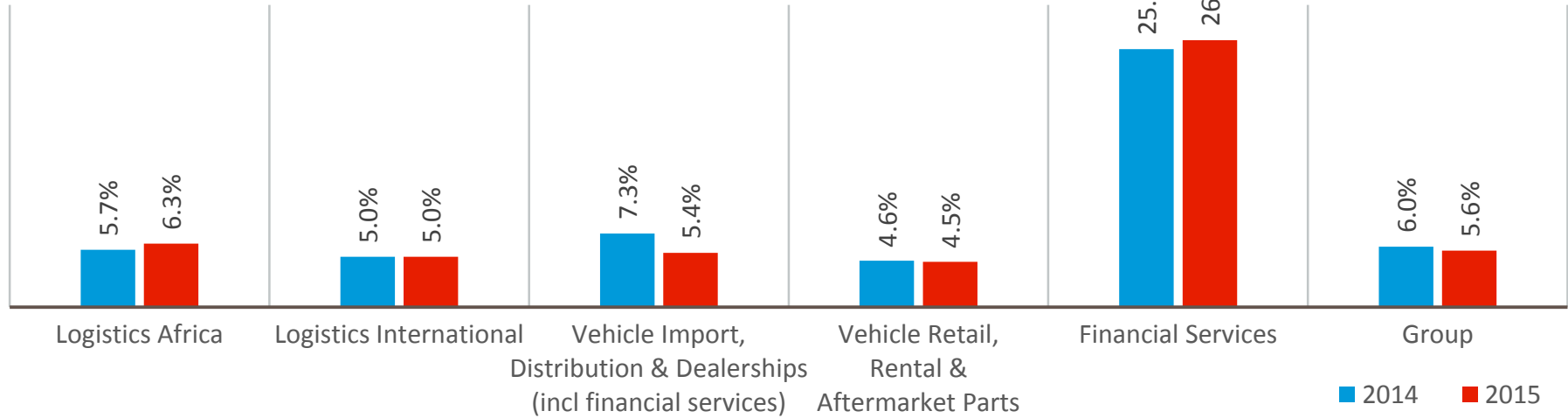


	2014 %	2015 %
LOGISTICS AFRICA	20	25
LOGISTICS INTERNATIONAL	15	15
VEHICLE IMPORT, DISTRIBUTION AND DEALERSHIPS	24	15
VEHICLE RETAIL, RENTAL AND AFTERMARKET PARTS	25	26
FINANCIAL SERVICES	16	19

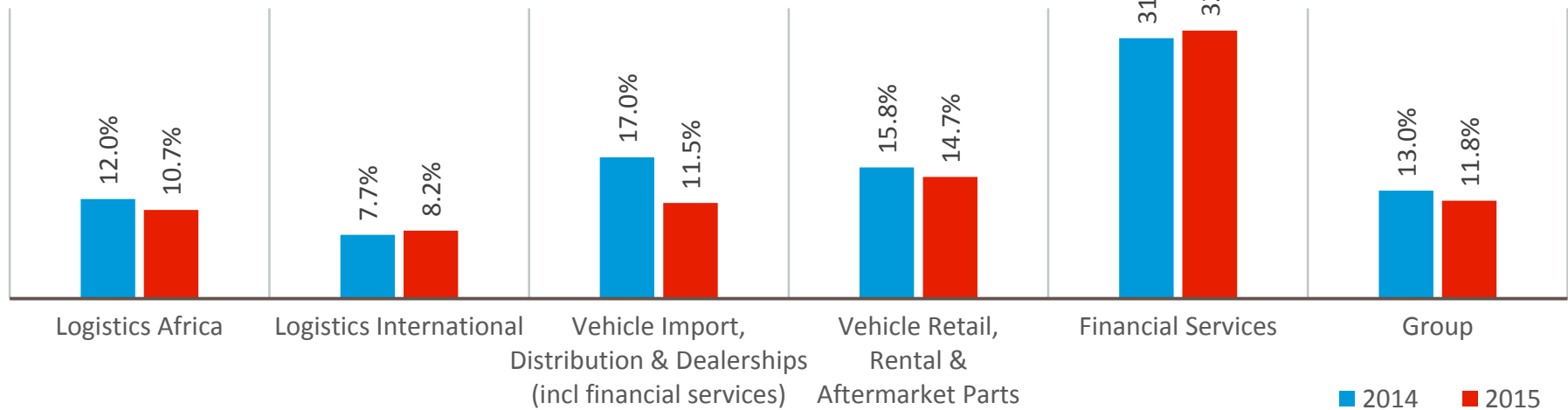
DIVISIONAL STATISTICS



OPERATING MARGIN (%)



RETURN ON INVESTED CAPITAL (%)



INCOME STATEMENT



	2014 Rm	2015 Rm	% CHANGE
Revenue	103 567	110 487	7%
Operating profit	6 185	6 235	1%
Recoupments from disposal of properties	113	29	
Amortisation of intangible assets	(336)	(415)	24%
Foreign exchange (losses)/gains on foreign currency monetary items	(31)	75	
Loss on remeasurement of put option liability	(16)	(49)	
Realised gain/(loss) on disposal of available-for-sale investments	1	(43)	
Charge for amending conversion profile of deferred ordinary shares	(70)	-	
Onerous contracts	(64)	-	
Capital items	13	(65)	
Other	18	(6)	

- > Amortisation of intangibles increased due to recent acquisitions & currency effects
- > Foreign exchange (losses)/gains includes a once-off gain of R104m on Intergroup monetary items, converting Dollar loans to Euros; this exposure has been hedged & therefore no future adjustments are expected
- > Capital items - profit on sale of Tourism business (in prior year) & impairment of goodwill as a result of the acquisitions

INCOME STATEMENT



	2014 Rm	2015 Rm	% CHANGE
Net financing costs	(926)	(1 194)	29%
Income from associates	76	32	(58%)
Tax	(1 330)	(1 213)	
Net profit for the year	3 627	3 386	(7%)
Attributable to Imperial shareholders	3 272	3 054	(7%)
Attributable to minorities	355	332	(7%)

- > Net finance costs increased as a result of higher debt & an increase in the Group's blended cost of debt
 - increased debt levels are mainly due to:
 - acquisitions
 - additional working capital
 - capital expenditure
- > Reduction in Income from associates due to
 - the impairment of Ukhamba's investment in DAWN
- > Effective tax rate of 26.6% (2014: 27.2%)
- > Minorities declined due to the reduced contribution from the Vehicle Import, Distribution & Dealerships division

BALANCE SHEET



	2014 Rm	2015 Rm	% CHANGE
Property, plant & equipment	10 469	10 967	5%
Transport fleet	5 322	5 610	5%
Vehicles for hire	2 945	3 603	
Goodwill & intangible assets	6 766	7 193	6%
Associates, investments & loans	3 886	1 708	(56%)
Other assets	1 516	1 428	
Net working capital	8 033	9 874	23%
Assets classified as held for sale	-	4 618	
Assets	38 937	45 001	

- > Goodwill & intangible assets rose due to the acquisitions of Imres & S&B Commercials
- > Investments & loans decreased mainly due to the Regent investments included in assets classified as held for sale
- > Net working capital increased mainly due to:
 - acquisitions
 - higher inventory & accounts receivables
 - decrease in payables in the Logistics International division

BALANCE SHEET



	2014 Rm	2015 Rm	% CHANGE
Total shareholders' interest	18 109	19 233	
Net interest bearing borrowings	11 441	14 493	27%
Other liabilities	9 387	8 562	(9%)
Liabilities directly associated with assets classified as held for sale	-	2 713	
Equity & liabilities	38 937	45 001	

- > Shareholders' interest impacted by:
 - attributable earnings of R3 118m
 - put option liability of R473m
 - losses on foreign currency translation of R312m
 - dividends paid of R1 724m
 - remeasurement of defined benefit pension plans of R96m (European operations)
- > Interest bearing borrowings increased due to:
 - acquisitions
 - higher capital expenditure
 - higher levels of working capital

CASH FLOW – OPERATING ACTIVITIES



	2014 Rm	2015 Rm	% CHANGE
Cash generated by operations	8 674	9 049	
Net working capital movements	(2 701)	(50)	
Cash generated by operations after working capital movements	5 973	8 999	51%
Net finance costs & tax paid	(2 193)	(2 481)	
Cash flow from operating activities before rental assets capex	3 780	6 518	
Capex: rental assets	(811)	(1 531)	89%
Expansion capex rental assets	(331)	(772)	
Net replacement capex rental assets	(480)	(759)	
Cash flow from operating activities	2 969	4 987	68%

- > Cash generated by operations increased 51% due to lower investment in working capital
- > Capex: rental assets up 89% largely due to vehicles leased to car rental companies & demo vehicles
- > Cash flow from operating activities increased 68% to R5bn

CASH FLOW – INVESTING ACTIVITIES



	2014 Rm	2015 Rm	% CHANGE
Net acquisition & disposals of subsidiaries & businesses	(297)	(938)	
Capital expenditure	(2 788)	(2 988)	7%
Expansion	(1 626)	(1 743)	
Replacement	(1 162)	(1 245)	
Net movement in associates & JVs	(144)	178	
Net movement in investments, loans & other financial instruments	1 113	(1 203)	
Total investing activities	(2 116)	(4 951)	134%

- > Net acquisition of subsidiaries relates to the acquisitions of Imres, S&B Commercial & Pharmed
- > Capital expenditure 7% higher due to:
 - increased investment by the Logistics International division in South America
 - investment in fleet in the Logistics Africa division
 - higher property investments by the South African businesses
- > Movement in investments, loans & other financial instruments mainly due to investments in longer term deposits

CASH FLOW – SUMMARY



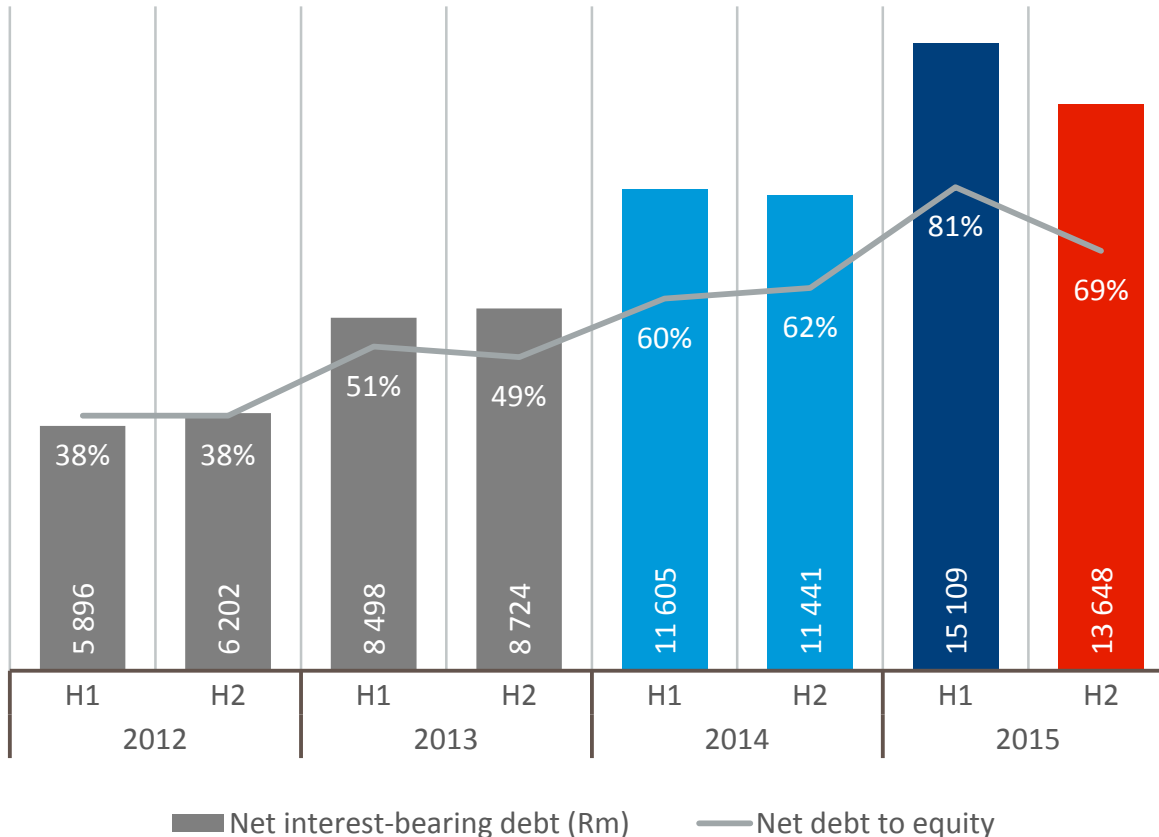
	2014 Rm	2015 Rm	% CHANGE
Cash flow from operating activities	2 969	4 987	68%
Total investing activities	(2 116)	(4 951)	134%
Financing activities			
Dividends paid	(1 940)	(1 724)	
Other financing activities	(885)	(273)	
Increase in net borrowings	(1 972)	(1 961)	
Free cash flow - total operations	2 138	4 514	
Free cash conversion ratio to core earnings	61%	133%	

- > Free cash flow equals: cash flow from operating activities adjusted for expansion capex on rental assets, & reduced by net replacement capex (non-rental)
- > Free cash flow improved mainly due to lower investment in working capital

GEARING



Net debt to equity



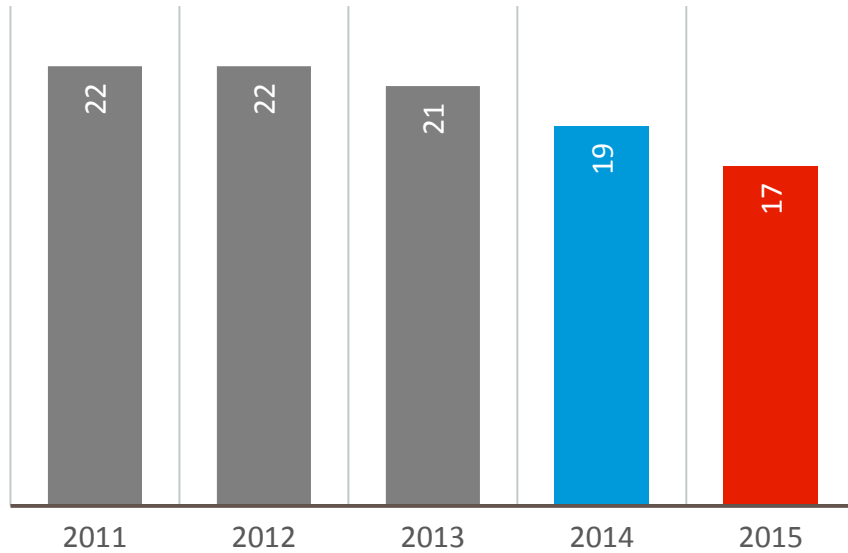
- > Net debt includes Regent's cash resources
- > Equity includes preference share capital

- > Higher net debt to fund:
 - acquisitions
 - higher working capital
 - expansion capex
- > Net debt:equity was higher at 69% (2014: 62%), also impacted by a put option liability of 473m relating to the minority shareholdings in Imres
- > The net debt level is within the target gearing range of 60% to 80%
- > Capacity for further acquisitions & organic growth
- > Group has R9.4bn unutilised funding facilities
- > Improved mix of fixed & floating debt (46% fixed)
- > Extended debt maturity profile
- > The Group's credit rating by Moody's was unchanged at Baa3, with a stable outlook

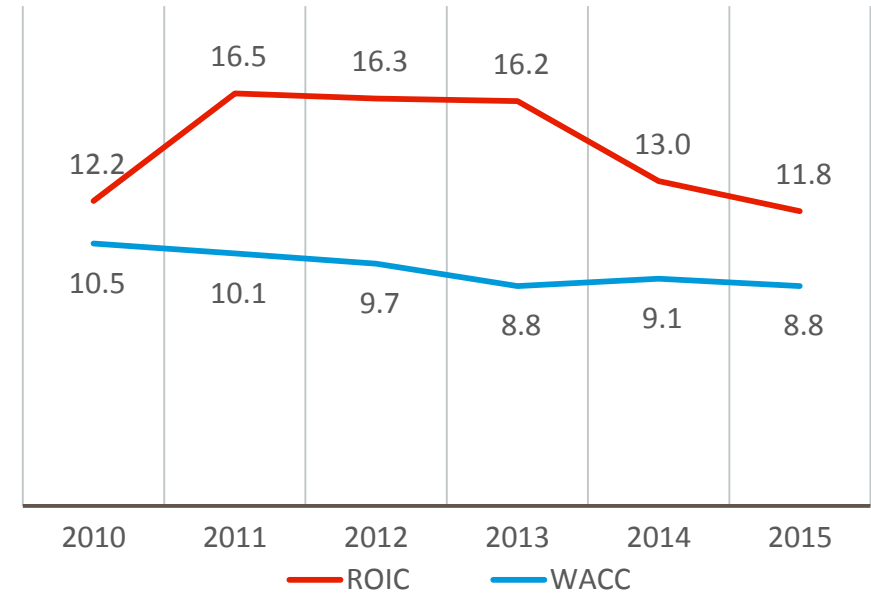
RETURNS



ROE (%)



ROIC vs WACC (%)



ROE is good

- > Impacted by:
 - significantly lower returns from Vehicle Import, Distribution & Dealerships division

- > ROIC affected by:
 - lower returns in Vehicle Import, Distribution & Dealerships division
 - investment in expansion capex & acquisitions

AGENDA



- > Imperial's strategy seeks to drive capability-based growth & focused value creation through strategic clarity & financial discipline at group & divisional level
- > The refinement of the Imperial portfolio remains an imperative in pursuit of growth, sharper executive focus & higher returns on capital & effort in the medium term. This will be accomplished by disposing of assets that are non-core, strategically misaligned, underperforming, sub-scale or low return on effort assets while acquiring mainly foreign businesses to offset the limited growth opportunities dictated by Imperial's position as a South African market leader in logistics & motor vehicles
- > Sustainability & quality of earnings will be assured by higher investment in people, systems & governance

AGENDA



- > The factors most relevant to the fortunes of Imperial are:
 - the weakening of the **Rand** against the currencies in which we import new vehicles
 - a further deterioration in the **South African economy**
 - a much slower than expected recovery of the **German economy**
 - the impact of political uncertainty & a sustained low oil price on the economy & currency of Nigeria
- > In the absence of a marked deterioration in current conditions we expect Imperial to produce **single digit growth of revenue & operating profit** for continuing operations in 2016
- > 2016 performance to date is in line with expectations



LEADERS IN
MOBILITY



THANK YOU

IMPERIAL 

ADDENDA



FREIGHT &
TRANSPORT



WAREHOUSING
& STORAGE



DISTRIBUTION
& FULFILMENT



DEMAND
MANAGEMENT



INTEGRATION
SERVICES

SUPPLY CHAIN OUTSOURCING PARTNER

- > **Ability to reduce client's costs** – consolidation of transport & distribution facilities; economies of scale
- > **Ability to enhance client's competitiveness** – operational expertise & experience; consulting; integration
- > **Specialised operations** – company & industry dedicated specialised transport fleets & warehousing
- > **Extensive regional footprint** – ability to offer innovative solutions for principals (including SA manufacturers) to access point of sale in Africa
- > **End-to-end service offering** – tangible value-add through a fully integrated supply chain

LEADING LOGISTICS PROVIDER

Imperial provides a comprehensive & integrated demand-driven route-to-market for consumer products & pharmaceutical brand owners in sub-Saharan Africa

GET YOU THERE

SELL YOUR PRODUCT

BUILD YOUR BRAND



SUPPLY CHAIN INTEGRATION

- > Advisory services
- > Technology services
- > People enablement
- > Process outsourcing



MANAGED LOGISTICS & FREIGHT

- > Continuous flow management
- > Inter-modal solutions
- > International logistics
- > Demand-driven logistics



WAREHOUSING & DISTRIBUTION

- > Palletised storage & handling
- > Multi-principal & dedicated
- > Ambient, temp controlled & MCC spec
- > Consolidation



ROUTE-TO-MARKET SOLUTIONS

- > Agency & distributorships
- > Cash management on behalf of principal
- > Sales & merchandising
- > Trade intelligence
- > Traditional market development



BRAND ACTIVATION

- > Customised market understanding & intelligence
- > Advertising & promotion management
- > Experiential marketing
- > Digital bridge

ACQUIRE | OPTIMISE | INTEGRATE

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)
- > 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



Imperial Logistics owns facilities

Countries serviced by agents of Imperial Health Sciences

OUR KEY CLIENTS



- > Germany is the base
- > Strategy to follow customers/products to new markets
- > South America
 - profitable 10 year contract operating on Rio Parana, transporting iron ore from Brazil to steel mill in Argentina



IMPERIAL GROUP REVENUE CAPTURE



6. Pre Owned vehicle sales

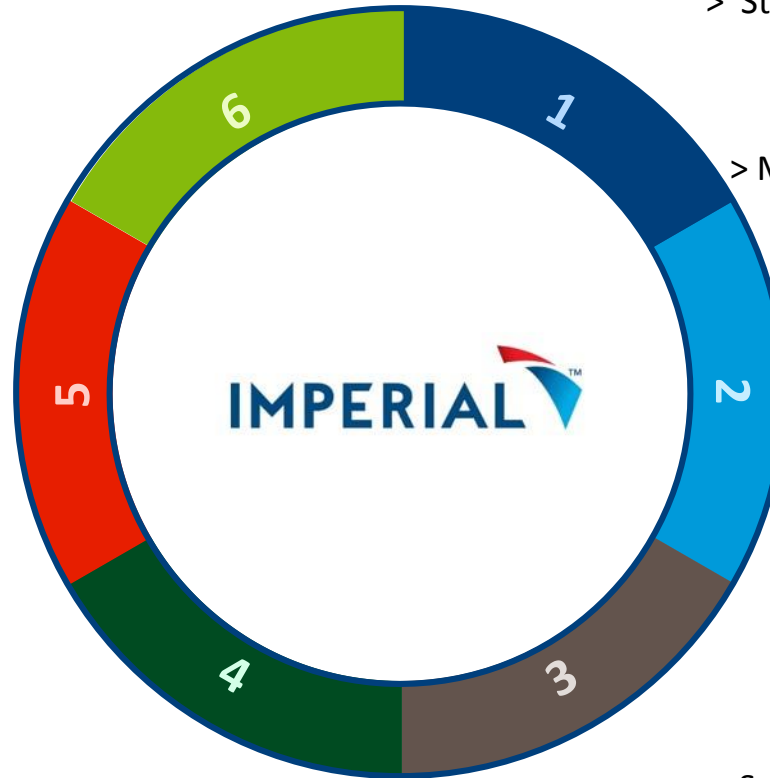
- > ±70 000 units p.a.

5. Aftermarket Parts

- > Parts, oils & accessories for vehicles outside maintenance & warranty plans

4. Car rental

- > Purchase vehicles from the Group & local OEMs
- > Rental of vehicles
- > Dispose of vehicles through group outlets (63 Auto Pedigree outlets)



1. Vehicle import & distribution

- > Represent 16 exclusive Automotive & Industrial brands
- > Strong after sales & service capability

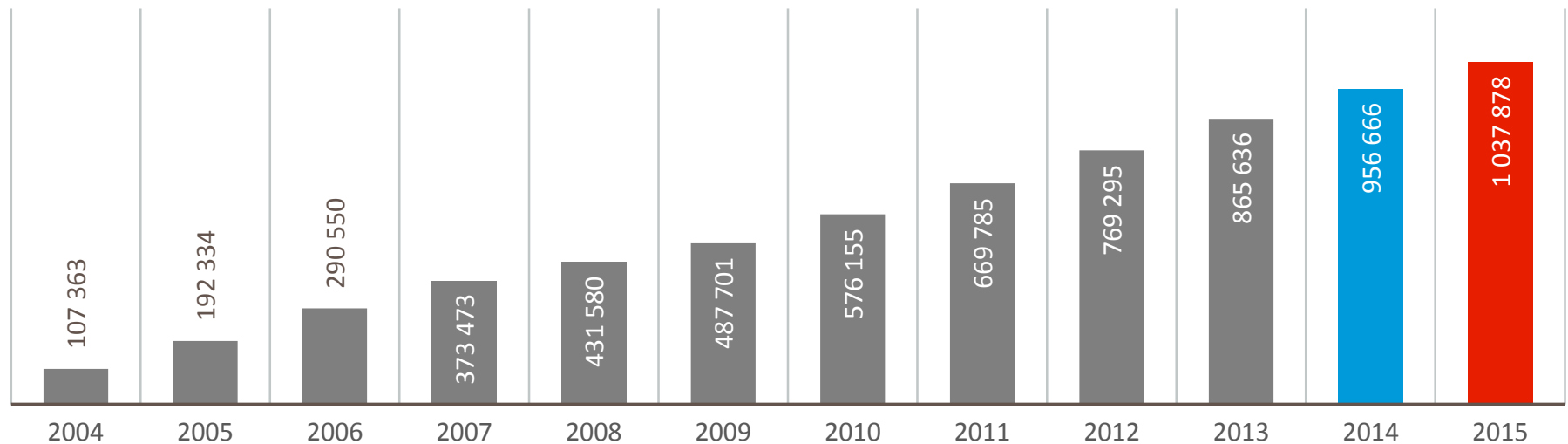
2. Vehicle retail

- > Most major local & imported brands
- > Extensive dealer network
- > Sell 1 in 5 new vehicles in SA
- > Commercial dealerships
- > POS for financial services

3. Vehicle maintenance

- > Growth in car parc
- > Annuity income
- > Service & maintenance at dealerships
- > Parts

CAR PARC OF IMPERIAL IMPORTED BRANDS



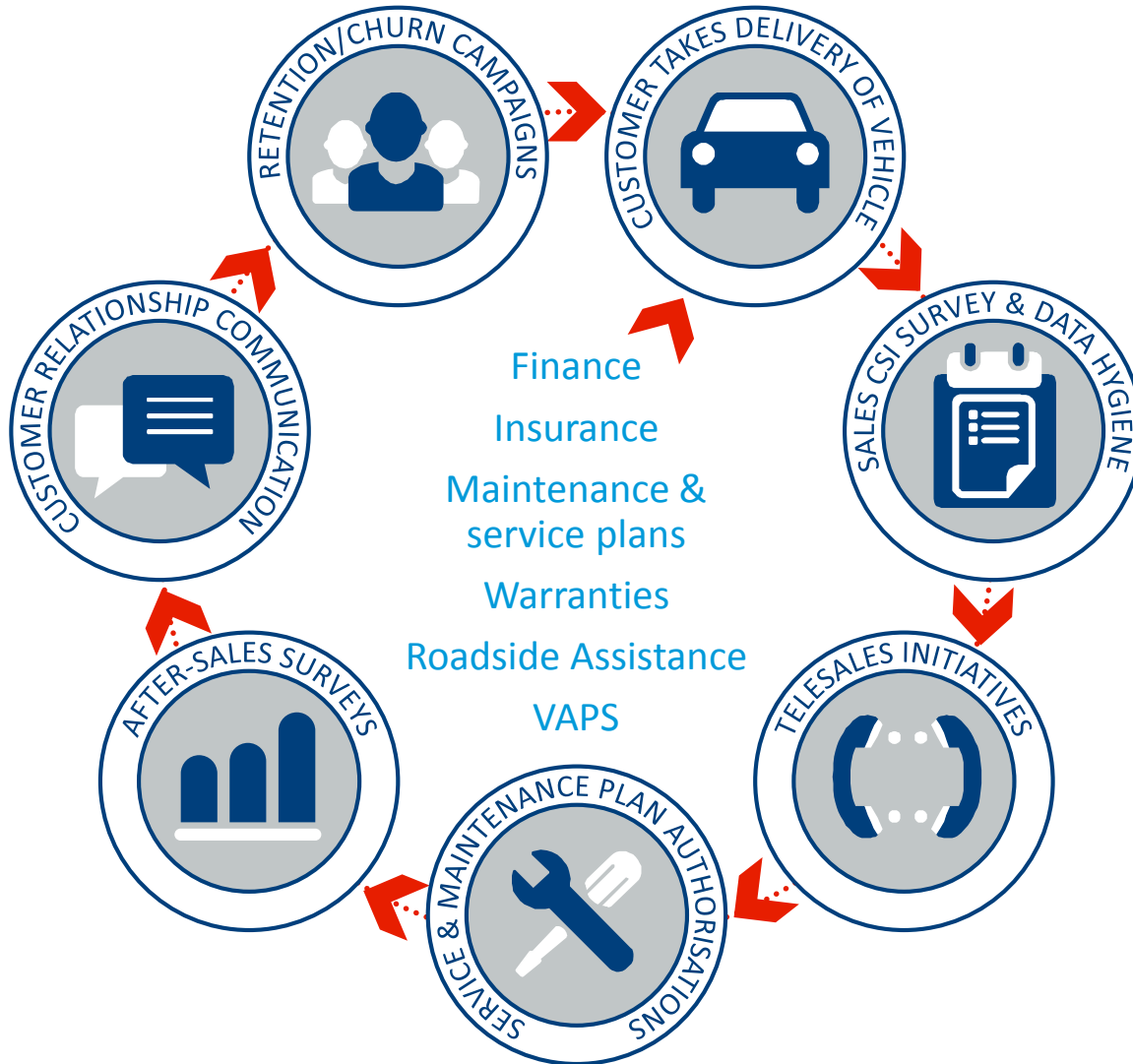
- > Car parc doubled over past 5 years & exceeded 1 million in 2015
- > Provides an underpin to earnings
- > Benefits of growing car parc - good growth in annuity revenue streams from after-sales parts & services (services revenue up 10%)

CONTEXTUALISING VEHICLE IMPORT DIVISION'S PERFORMANCE



- > Hyundai/Kia worldwide established on disruptive entry level pricing
- > Hyundai/Kia grown off a low base in SA
- > Beneficiary of “democracy dividend”: rapid growth of Black middle class; expansion of government employment; above inflation wage increases; NCA fuelled credit extension
- > Beneficiary of relatively stable R/\$ exchange rate & low forward cover costs
 - For 9 years (March 2003 to May 2012) apart from a sharp spike from September 2008 to May 2009, the R/\$ exchange rate was below R8.00
 - For 2 years from May 2009 to June 2011 it strengthened from R8.00 to R6.76
- > Korean products have consistently improved quality reducing relative price differentials
- > Since May 2012 R/\$ exchange rate has deteriorated 53%
- > OEM’s can mitigate currency movements with duty & manufacturing incentives (Automotive Production & Development Programme (APDP) & “hard” foreign currency income via exports)
- > AMH has traded wisely & innovated continually (multi franchise dealerships; Liquid Capital; property ownership, SKD) building an impressive business & car parc
- > Expected operating margins in future likely to be closer to those of the current financial year than to the average of the past five financial years
- > Profits will decline in periods when the Rand depreciation rate relative to the currencies in which we import vehicles is higher than the rate of South African new vehicle inflation

IMPERIAL'S APPROACH TO MOTOR RELATED FINANCIAL SERVICES



Insurance & motor related financial products & services

- > Extensive retail network provides scale & points of sale for the group's financial services business
- > Market intelligence & a basis from which to grow demand for existing products & services & develop new products

SHAPE THE GROUP'S PORTFOLIO TO ACHIEVE FOCUSED GROWTH

- > Deliberately shape the portfolio within our major areas of mobility, to achieve targeted returns on invested capital & executive effort
- > Acquire, merge, integrate & drive the profitability of businesses that are strategically aligned
- > Dispose of non-core, strategically misaligned & under-performing businesses

RAISE, ALLOCATE & CONTROL CAPITAL FOR VALUE ACCRETION

- > Access debt funding at competitive rates & value-accretive equity funding as appropriate
- > Evaluate existing businesses, & our investments in organic & acquisitive growth, according to targeted risk-adjusted returns
- > Lower capital intensity & control working capital within planned limits

ENSURE STRATEGIC CLARITY AT SUBSIDIARY LEVEL

- > Guide & approve subsidiary business strategies, ensuring competitiveness in their chosen markets over the medium to long term
- > Ensure each business has considered & will meet the reasonable expectations of its key stakeholders over time

DEVELOP EXECUTIVE CAPABILITY AS A GROUP RESOURCE

- > Identify, select, develop & reward exceptional executive leaders
- > Implement structures to ensure that leadership becomes a major determinant of strategic progress & sustainable performance
- > Inculcate a high-performance culture that balances entrepreneurial creativity with the best professional management practices