IMPERIAL™

FAST MOVING FORWARD THINKING

Interim results presentation

For the six months ended 31 December 2013

Agenda

- Highlights and Summary of Performance
- Divisional performance
- Financial review
- Group prospects and strategy
- Questions

Highlights

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Revenue	Operating profit	HEPS
+13% to	+8% to	Flat at
R51 357 million	R3 166 million	831 cps

Diluted Core EPS*	Dividend per share**	ROE
+10% to	Interim dividend + 5% to	
915 cps	400 cps	21%

* *Diluted Core EPS excludes once-off and non-operational items, mainly:*

- *charge for amending conversion profile of deferred ordinary shares issued to Ukhamba: R70m*
- *amortisation of intangibles on acquisitions*

** *Dividend*

- *historic dividend yield of 5% based on a share price of R165*

Business conditions in key markets

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» Challenging trading conditions in South Africa & Europe
  - SA economy sluggish: volumes still subdued, especially in manufacturing and consumer markets
  - Germany: steel industry remains depressed; activity levels across core markets (incl. shipping & chemicals) under pressure

» New vehicle market in SA
  - passenger market down; commercial vehicle market improved
  - inflationary pressures due to weakening currency and competitive market
  - adequate credit availability
  - industrial action

» Improved used car market

» Rest of Africa conditions good in our chosen markets

» Car rental market still under pressure; Autoparts market competitive but stable

» Insurance underwriting conditions challenging; equity markets favourable

Performance of the three business pillars

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Logistics

Revenue = R20 bn

26%

Operating profit = R1,1 bn

50%

Automotive & Industrial

Revenue = R31 bn

8%

Operating profit = R1,7 bn

-7%

Financial Services

Revenue = R2 bn

-5%

Operating profit= R0,5 bn

11%

Performance of Imperial

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- » Good first half performance; portfolio of businesses proved to be resilient
- » Operating profit from foreign operations up to R 712 million - 22% of operating profit
- » Profit from African operations outside of SA up 31% to R240m
- » Excellent performance from Africa Logistics up 62,5% or 22,6% excluding prior year strike
  - Rest of Africa logistics operating profit up 54%
- » Satisfactory performance from International Logistics
- » Distribution, Retail and Allied Services under pressure - weak Rand and lower volumes
- » Automotive Retail delivered strong growth due to its balanced portfolio
- » Good growth in annuity revenue streams generated from after-sales parts, service and financial services
- » Balance sheet remains strong – net debt/equity ratio of 62% (excl. prefs)
- » Successful expansion of distribution activities in Nigeria and entry into South America
- » ROIC = 15,1% vs WACC of 8,9% (target is to achieve 4% above WACC through the cycle)

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Divisional performance

Performance of the three business pillars

Logistics

Revenue = R20 bn

26%

Operating profit = R1,1 bn

50%

Logistics

Africa

- South Africa
- Rest of Africa

Revenue contribution
(incl. inter-segment revenue)

R11bn

International

- Europe (mainly Germany)
- Recent entry into South America

Revenue contribution
(incl. inter-segment revenue)

R9bn

Strong growth in logistics over the past four years

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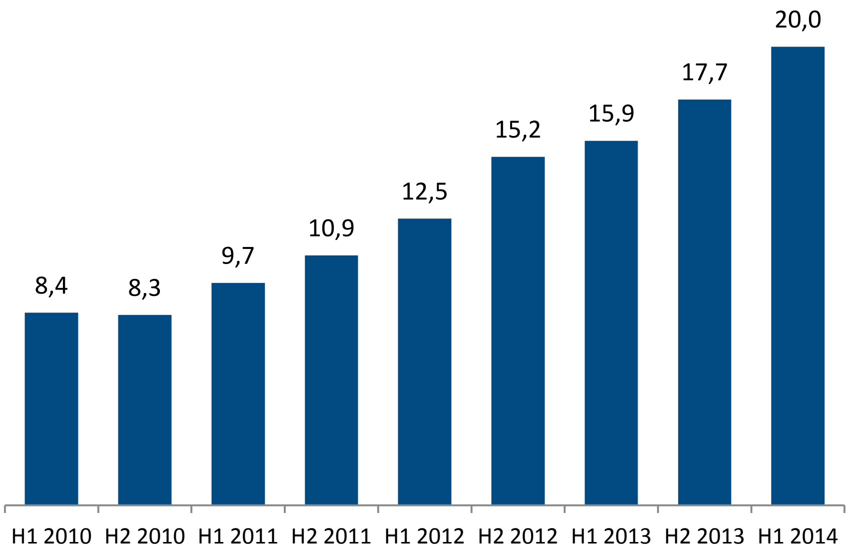
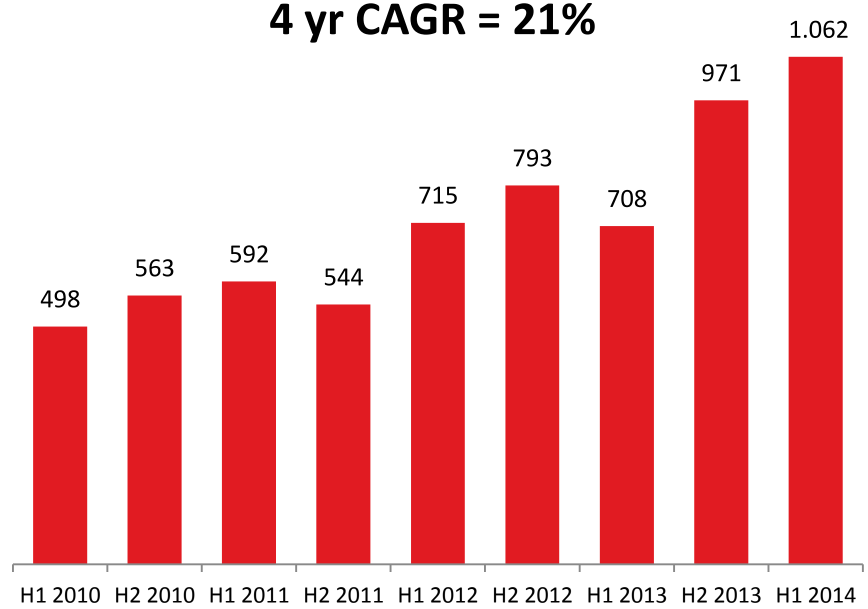
Revenue (R bn)

4 yr CAGR = 24%



Operating profit (R m)

4 yr CAGR = 21%



Doubled over the past 4 yrs

- Positive growth trend in Logistics Pillar
- Contributed R1,1bn to operating profit
- Represents 1/3 of group operating profit
- Expected to grow, main target of our capital allocation

Africa Logistics

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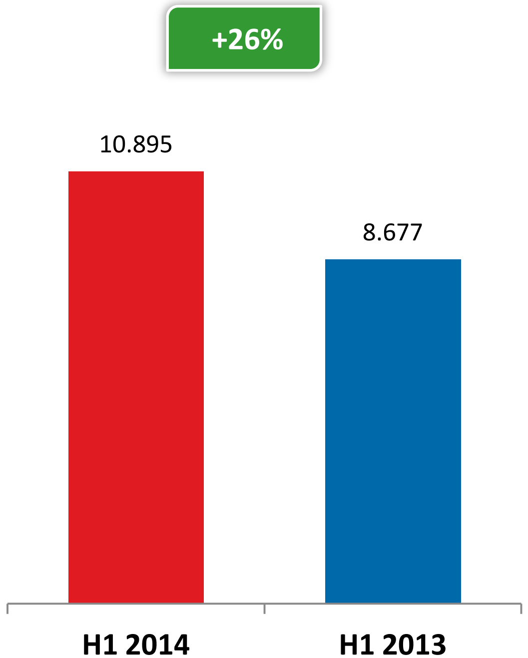
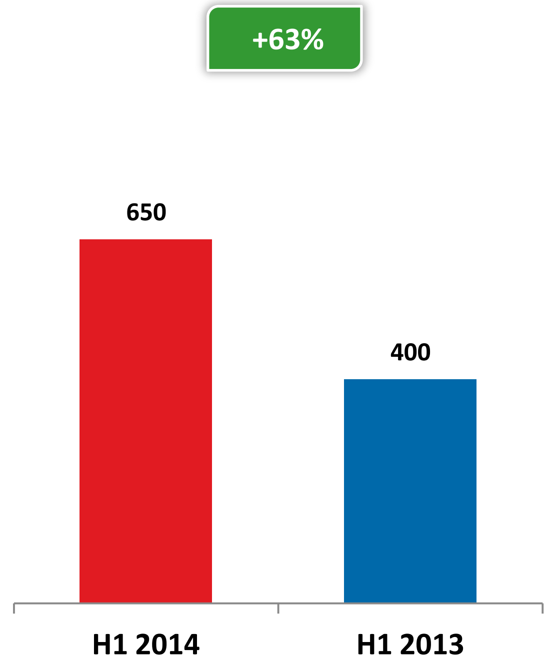
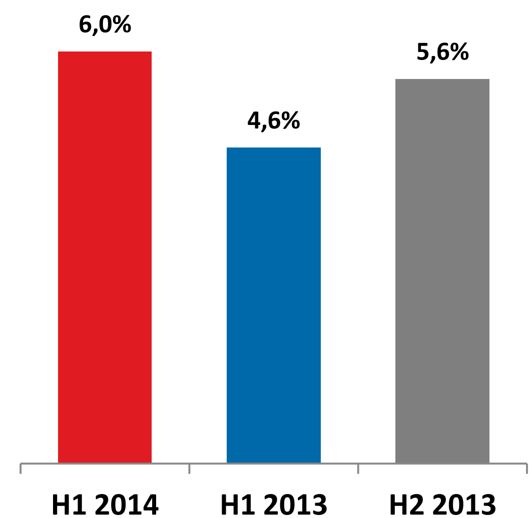
Revenue (Rm)



Operating profit (Rm)



Operating Margins



Excellent performance

- » Strong revenue growth
  - positive contribution from recent acquisitions; prior year included impact of industrial action
  - volumes continue to be subdued
- » New contracts gained
- » Margin improvement
  - benefited from rationalisation
- » Rest of Africa operating profit up 54%

Service Offerings

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Freight and transport	Warehousing and Storage	Distribution and Fulfillment	Demand Management	Integration Services

POINT SOLUTIONS

Freight and transport	Warehousing and Storage	Distribution and Fulfillment	Demand Management	Integration Services
» From A to B	» Bulk commodities	» Dedicated	» Outsourced specialist sales	» Supply chain design
» Dedicated Fleet	» Full pallets	» Multi-principal	» Merchandising	» Process optimisation
» Regional balance	» Dedicated operations	» Informal market	» Debtors	» IT solutions
» Freight management	» Fine picking	» Express Air Cargo	» Consumer conversion	» Operations planning
» Specialised vehicles	» Multi principal	» Courier		» Procurement
» Intermodel logistics	» Consolidation	» Managed logistics		» Engineering logistics
		» 4PL		» People alignment

LEAD LOGISTICS PROVIDER

SUPPLY CHAIN OUTSOURCING PARTNER

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OUR CLIENT'S NEEDS IN THE REST OF AFRICA

Get me there…	Sell my product	Establish my brand
Warehousing	Sales	Market intelligence and understanding
Transport	Marketing	Promotion
Supply chain management	Distribution	Brand activation

We are fast becoming the undisputed leader in consumer product distribution in sub-Saharan Africa

Potential of the African consumer

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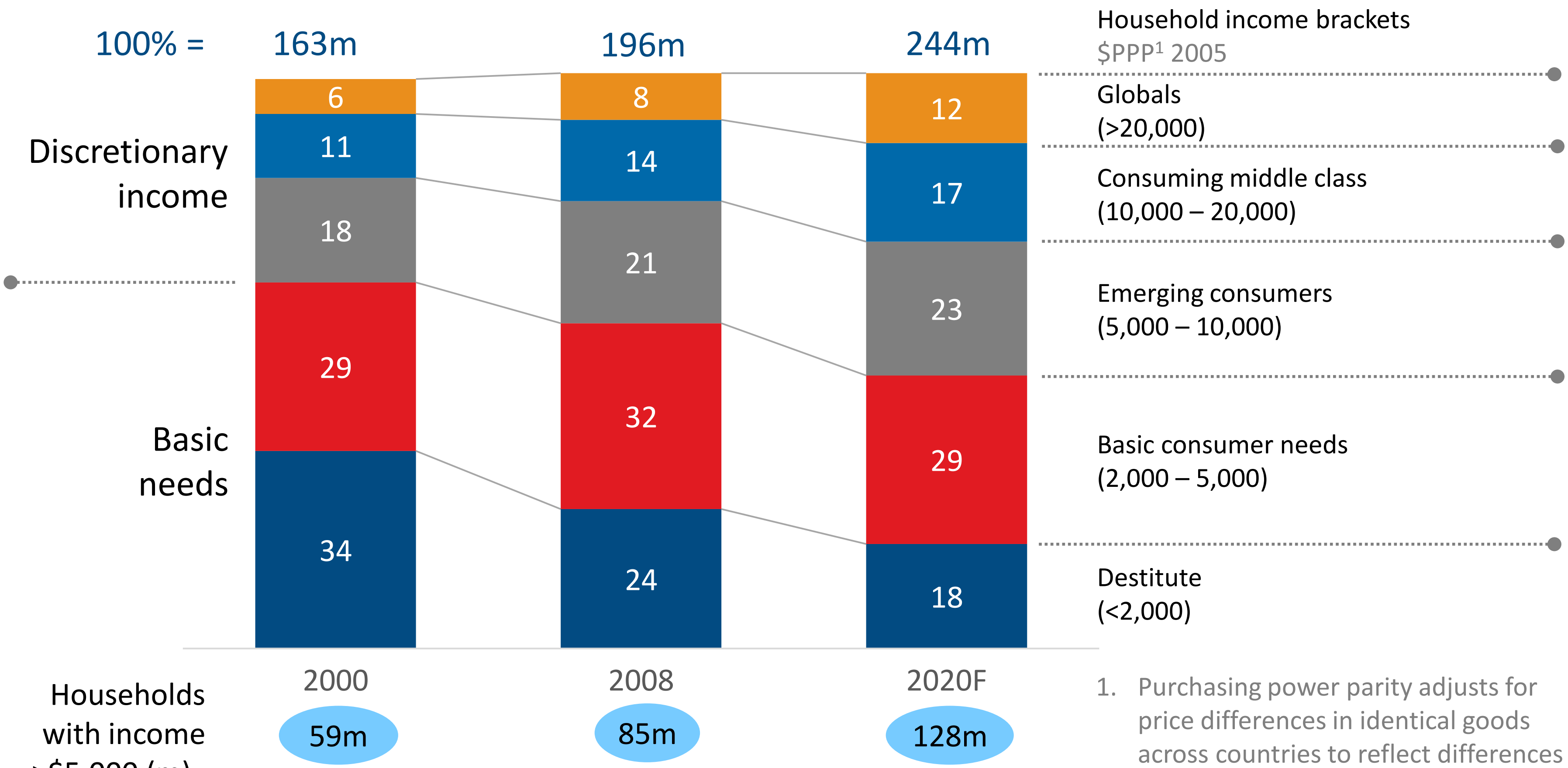
By 2020,more than half of African households will have discretionary spending power

Share of households in each income bracket
% millions of households



1. Purchasing power parity adjusts for price differences in identical goods across countries to reflect differences in purchasing power in each country

Source: Canback Global Income Distribution Database (C-GIDD): McKinsey Global Institute

Imperial's footprint in the rest of Africa

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- Infrastructure in 11 countries
- Cross border transportation into 18 countries
- Over 75 regional, local and general freight and distributor warehouses
- R2,8 bn logistics and distribution turnover in the rest of Africa

Imperial Logistics owns facilities

Countries serviced by Agents of Imperial Health Sciences

Imperial's footprint in the rest of Africa

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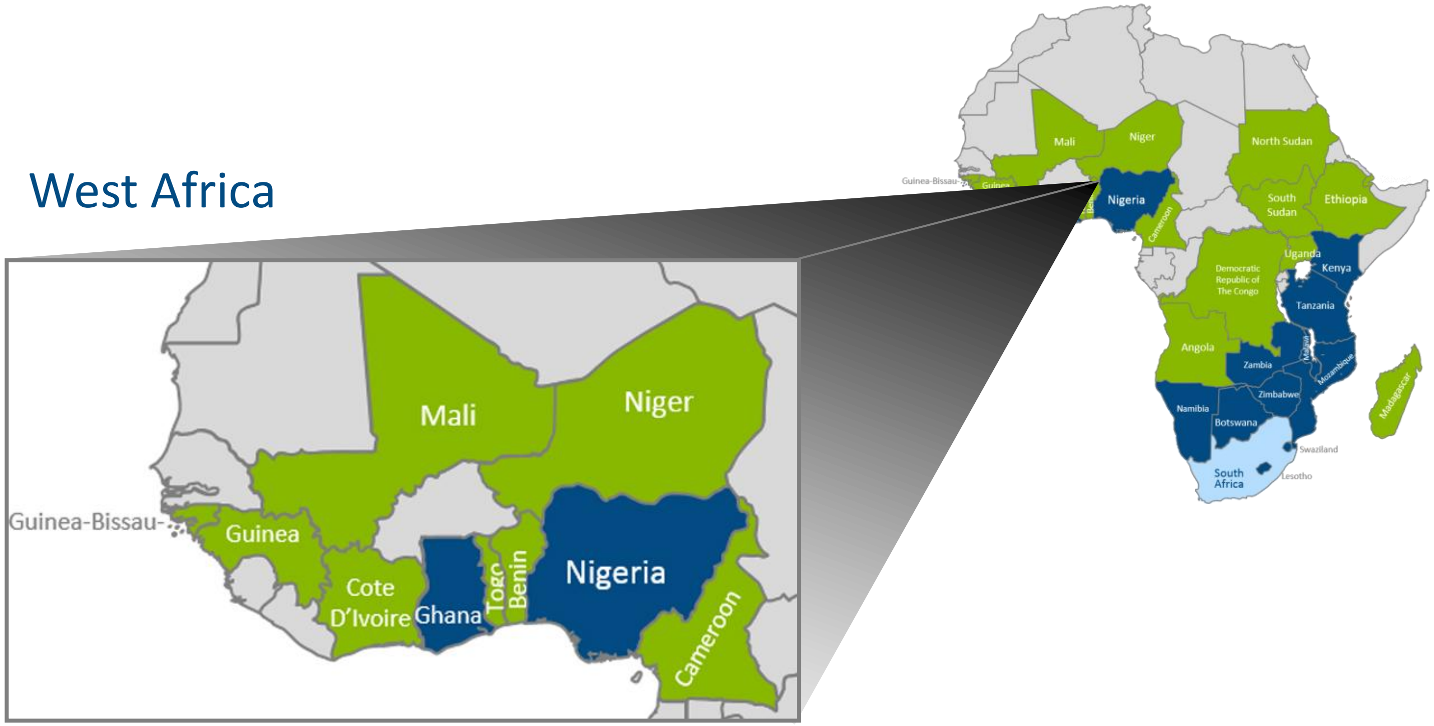
West Africa



- Imperial Health Sciences – pharmaceutical logistics, supply chain management, warehousing
- MDS Logistics – transport, distribution, warehousing (FMCG, pharma, telecoms)
- Ecohealth acquisition – distribution, sales, marketing of pharmaceutical products

Imperial Logistics owns facilities

Countries serviced by Agents of Imperial Health Sciences

Imperial's footprint in the rest of Africa

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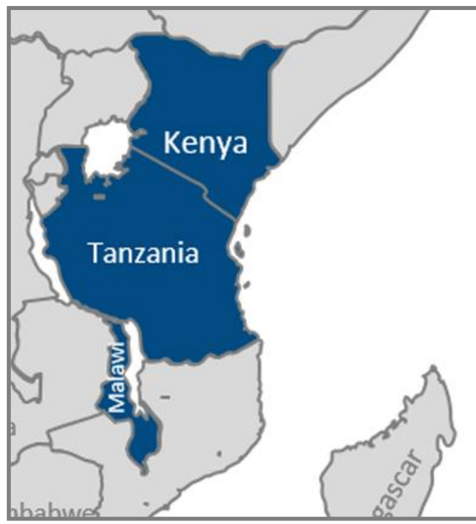
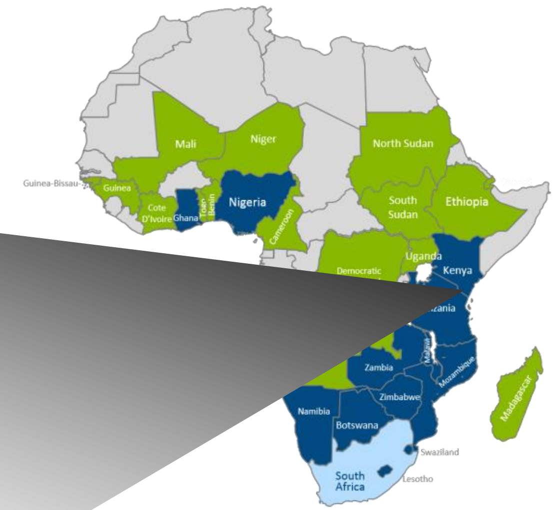
East Africa





» Imperial Health Sciences – consumer, health and pharmaceutical warehousing and distribution (Facilities being expanded in Nairobi)

» Tanzania & Malawi – FMCG distribution, sales & marketing

Imperial Logistics owns facilities

Countries serviced by Agents of Imperial Health Sciences

Imperial’s footprint in the rest of Africa

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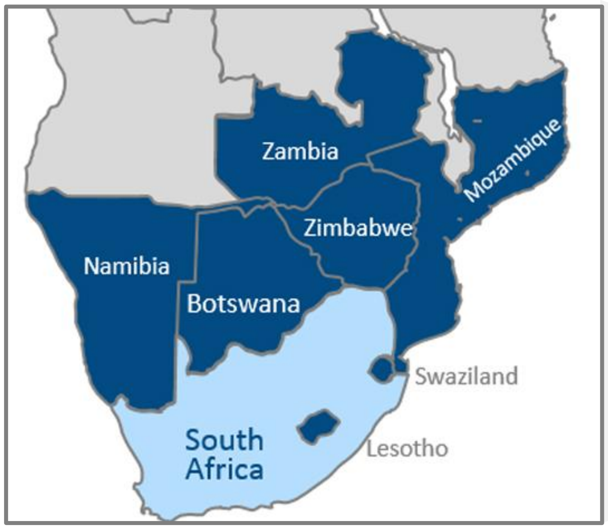
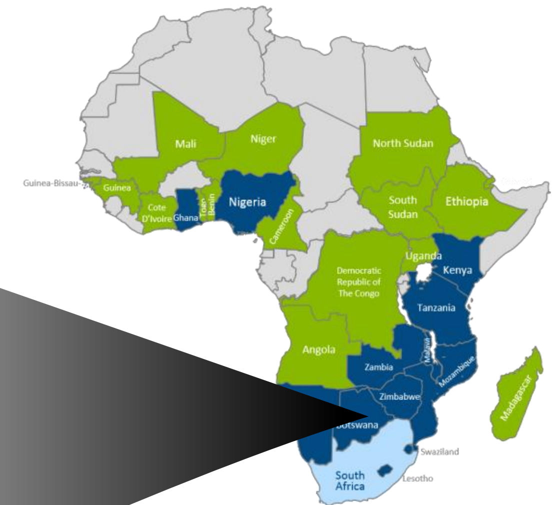
SADC





» FMCG distribution, sales & marketing (Swaziland, Lesotho, Namibia, Botswana, Zambia, Zimbabwe and Mozambique)

» Further expansion of facilities

» Transport operations – cross border, load consolidation, warehouse management, cross border documentation

» Key corridors across SADC

Imperial Logistics owns facilities

Countries serviced by Agents of Imperial Health Sciences

Ecohealth acquisition

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» Entered into an agreement to acquire 53% in Ecohealth Limited

- leading distributor of pharmaceutical products (Ethical, Generics and Over the Counter ("OTC") products) in Nigeria
- turnover = approx. $180m
- cash consideration of USD 74 million
- Funded by Sumitomo Mitsui Banking Corporation in Europe at fixed rate of 2,4 % p.a.
- certain customary conditions precedent outstanding
- customary warranties

» Key attractions

- extensive distribution network ; ability to add new products
- high growth prospects (industry and country)
  - in 2012 pharmaceutical expenditure in Nigeria = USD 951 million
  - forecast to grow at approximately 15% p.a. over the next five years
- strength and depth in management with good structures in place
- provides a base for future growth in the region – Francophone Africa
- complements existing acquisitions (MDS and Imperial Health Sciences)

Ecohealth in the value chain

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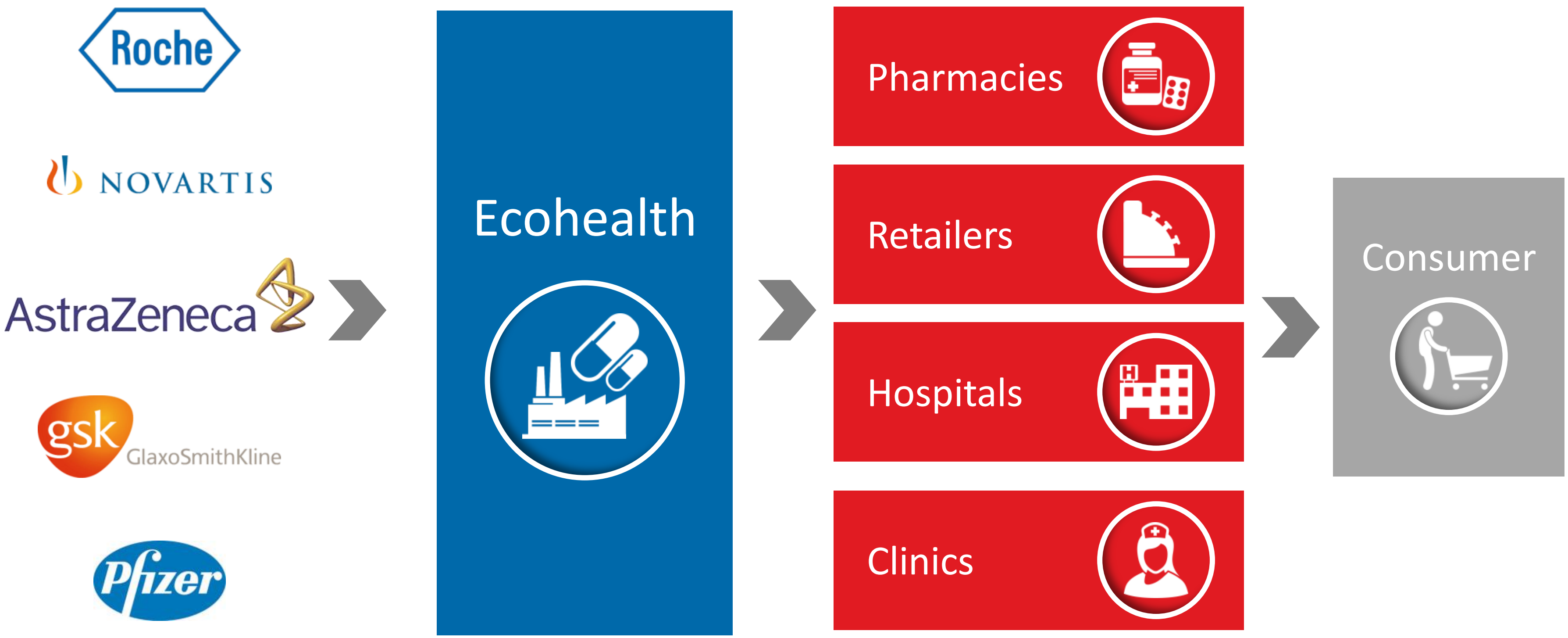

Ecohealth acquisition

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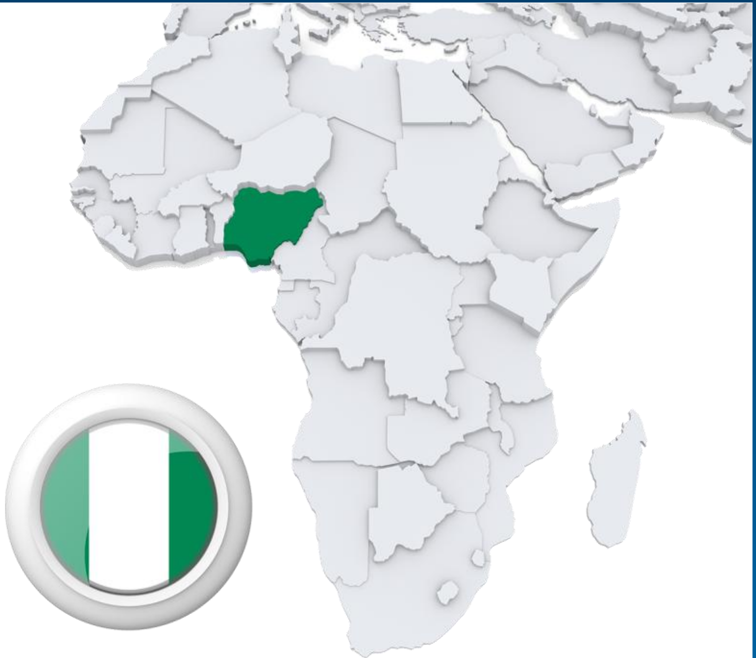
Ecohealth



» Leading player

- distributes, sells and markets pharmaceutical products
- for multinational pharmaceutical companies with long-established relationships
- significant Ethical (branded) market share
- network: 4 200 secondary and tertiary hospitals, 8 000 pharmacies and 2 000 clinics

» Geographically well spread in Nigeria; presence in Ghana

» High barriers to entry

- excellent distribution network & footprint – very difficult to replicate

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International Logistics

International Logistics (EURO)

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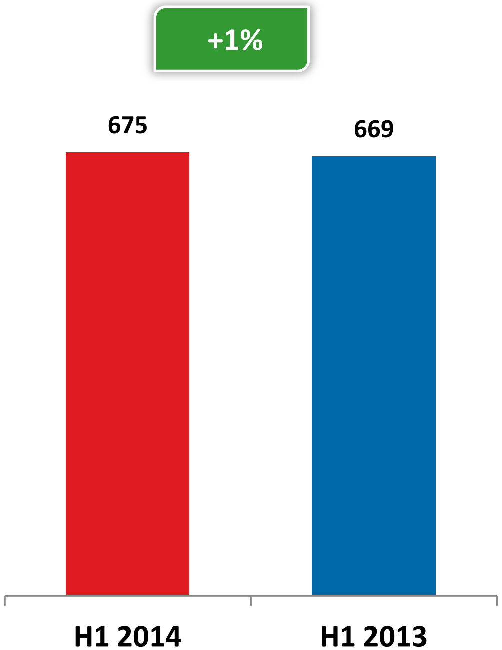
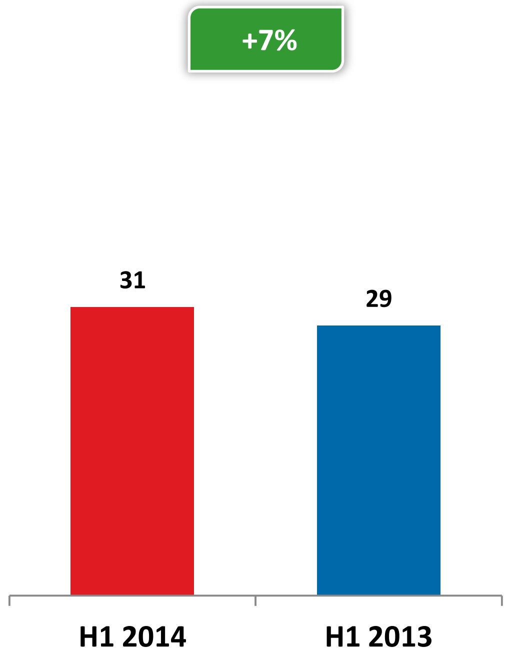
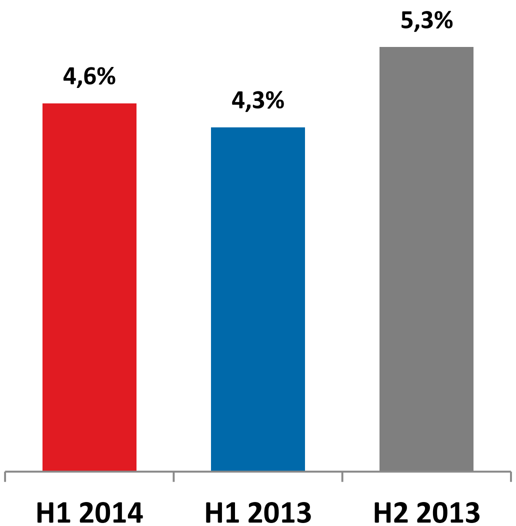
Revenue (€m)



Operating profit (€m)



Operating Margins



Satisfactory performance

- Challenging trading conditions
- Focus on fleet optimisation
- Satisfactory performance from Lehnkering – H1 is seasonally low activity period
- Volumes at terminals under pressure, especially in paper and containers
- Recent entry into South American inland shipping market

International Logistics (ZAR)

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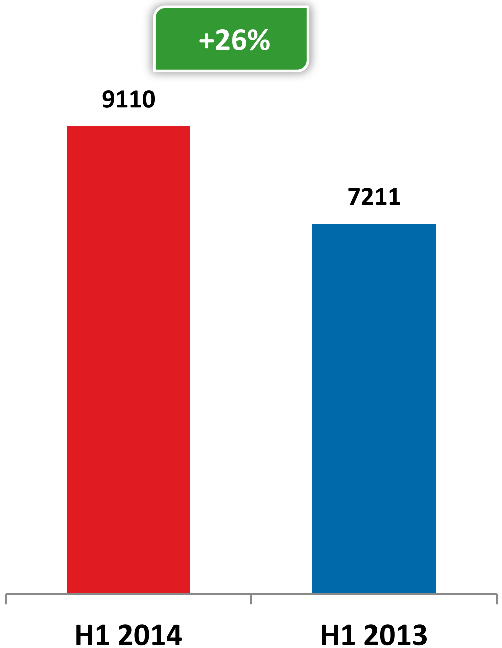
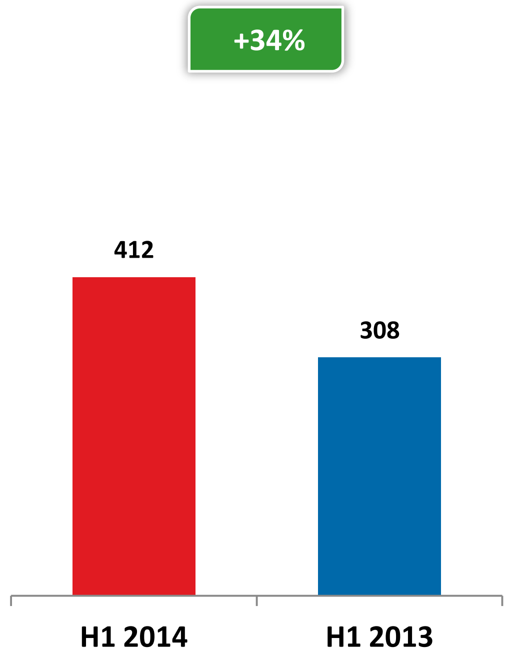
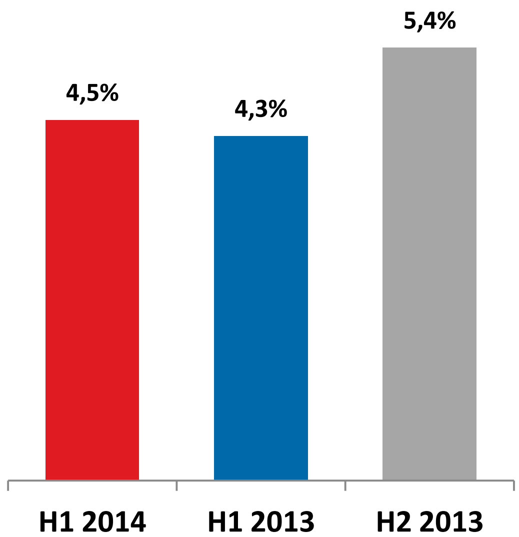
Revenue (Rm)



Operating profit (Rm)



Operating Margins



Exchange rate benefit

- H1 2014 Average R/€: 13.50 vs H1 2013 Average R/€: 10.79
- Effective currency hedge in group portfolio

International business by division

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Presence in Europe

Strategically located:

» Germany is the base - 83% of global merchandise trade volumes are in the Northern Hemisphere

Inland Shipping

» Europe
» >700 inland vessels (200 owned)

Panopa

» Contract Logistics covering
- automotive
- machinery & equipment
- steel
- logistics & services

Lehnkering

» Logistics services & manufacturing for the chemical industry

Neska

» Leading player in inland terminal operations

International expansion

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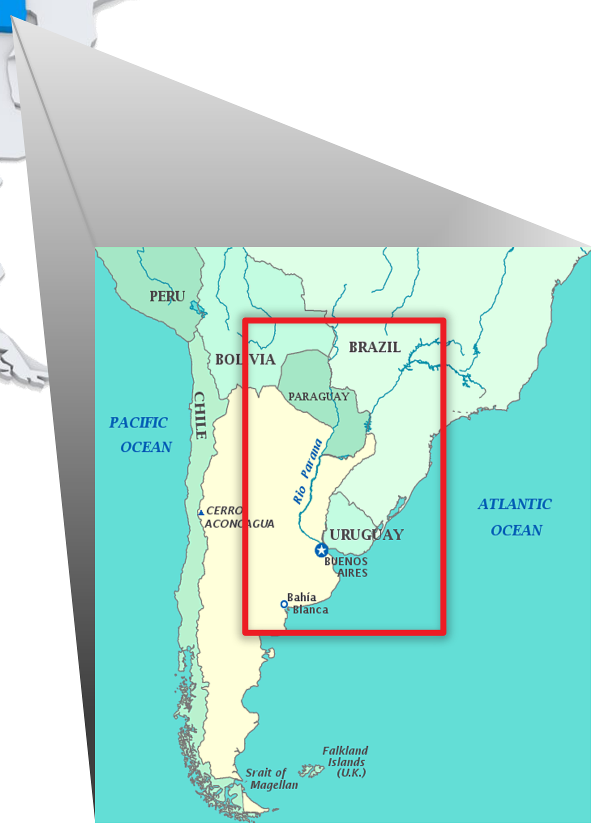
» Strategy to follow customers/products
» Recently entered the South American market
  - long term contract secured
  - transport iron ore from Brazil to Argentina along the Rio Parana river
» China entry
  - small office, services H&M (fashion retailer)

Project Hidrovía Paraná Paraguay (HPP)

» Foothold in South America
» Will contribute from H2 F2014



The Paraná-Paraguay waterway system

» Scope

- transport of Iron ore from Corumbá, Brazil to steel mill in Argentina
- operations started in February 2014

» Distance

- 2,400 km (10x Rotterdam-Duisburg)

» Equipment

- HPP fleet: 2 push boats and 24 barges
- transfer of 2 push boats and 12 barges from European fleet
- 12 barges built in Paraguay

Milestones of Project HPP

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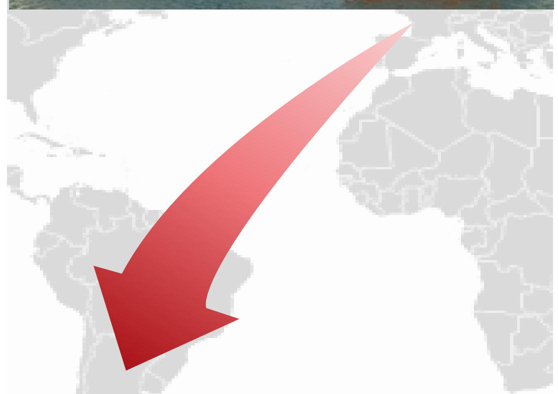
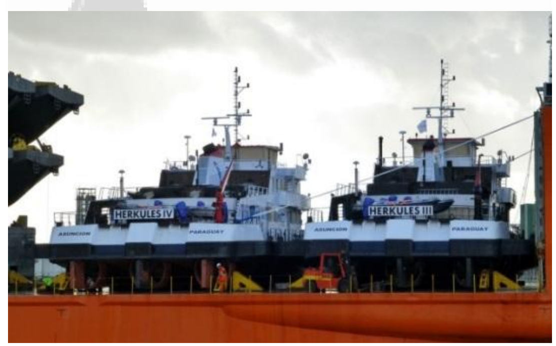
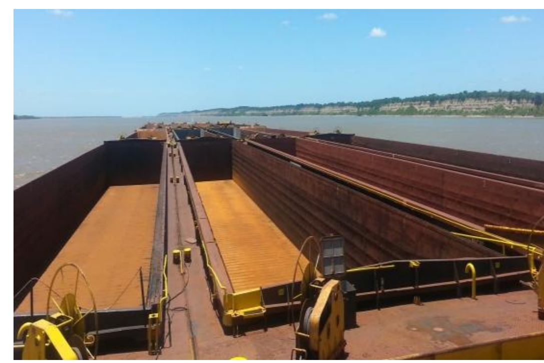
Rebuilding of Pushboats and Barges

Transport to Paraguay





Vessels commissioned within 11 months



Performance of the three business pillars

Logistics	Automotive & Industrial
	
Revenue = R20 bn	Revenue = R31 bn
↑ 26%	↑ 8%
Operating profit = R1,1 bn	Operating profit = R1,7 bn
↑ 50%	↓ -7%

Automotive and Industrial

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Distribution, retail and Allied Services

- Hyundai, KIA, Renault, Tata, Mitsubishi, Daihatsu, Kawasaki
- Goscor
- Bobcat
- EZGO
- Datadot

Revenue contribution
(incl. inter-segment revenue)
R13bn

Automotive retail

- Dealership franchisee activities on behalf of locally based OEMs
- Beekman canopies
- Jurgens caravans
- UK Commercials

Revenue contribution
(incl. inter-segment revenue)
R13bn

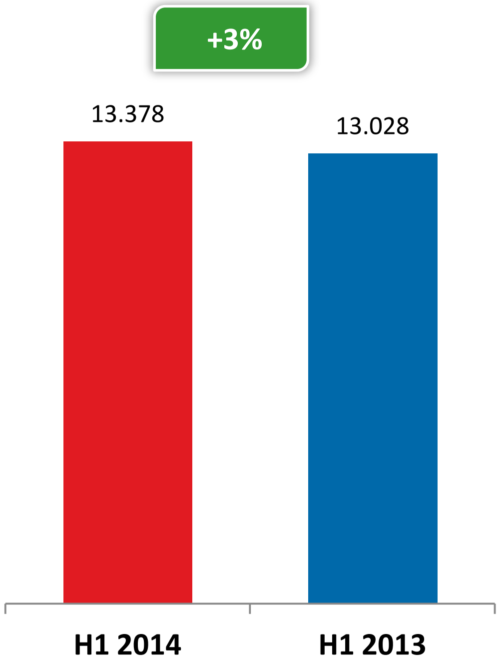
Other segments

- Car Rental
- Used car sales
- Panelshops
- Autoparts

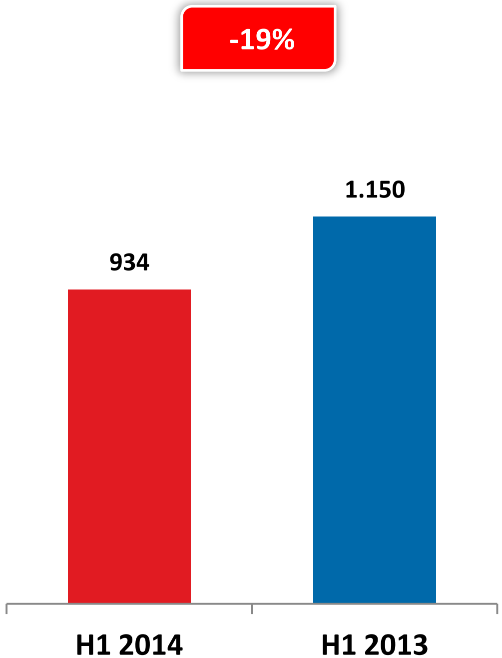
Revenue contribution
(incl. inter-segment revenue)
R4bn

Distribution, Retail and Allied Services

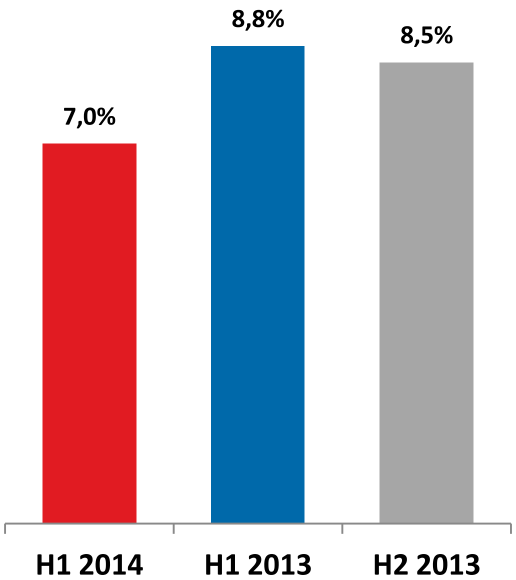
Revenue (Rm)



Operating profit (Rm)



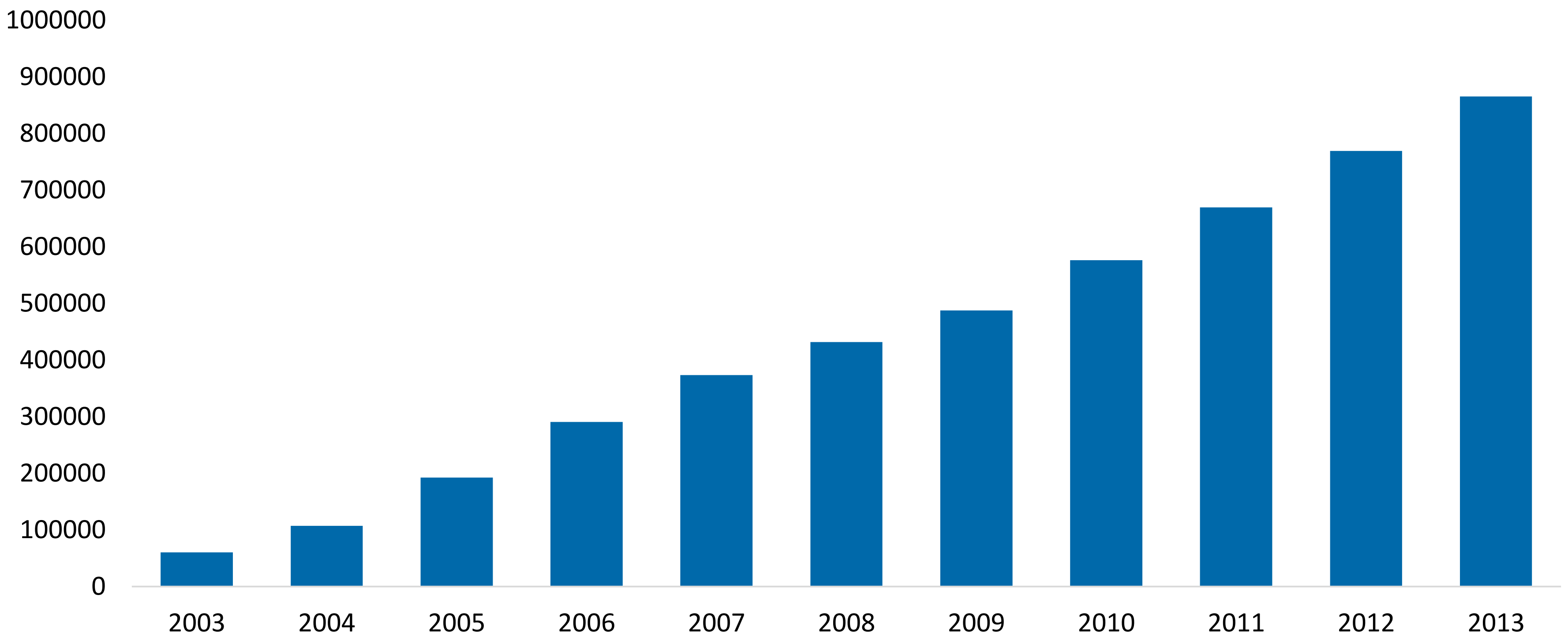
Operating Margins



Under pressure

- More competitive market
- Currency weakness – price increases; margin pressure
- Good growth in used car sales
- Benefits of growing car parc – good growth in annuity revenue streams from after-sales parts and service - rendering of services revenue up 14%
- Acquired an additional 11% in Renault – now own 60% - negative impact on margins in short term
- Businesses allied to motor related activities in line with expectations (Datadot, Car Find, Bid 4 Cars)

Growing car parc



- Car parc doubled over past 5 years
- Parts and Services continue to grow strongly
- Provides an underpin to earnings

Note: Includes Hyundai, Kia, Daihatsu, Chery, Foton, Mitsubishi, Renault and Tata – PC and LCV

Automotive Retail

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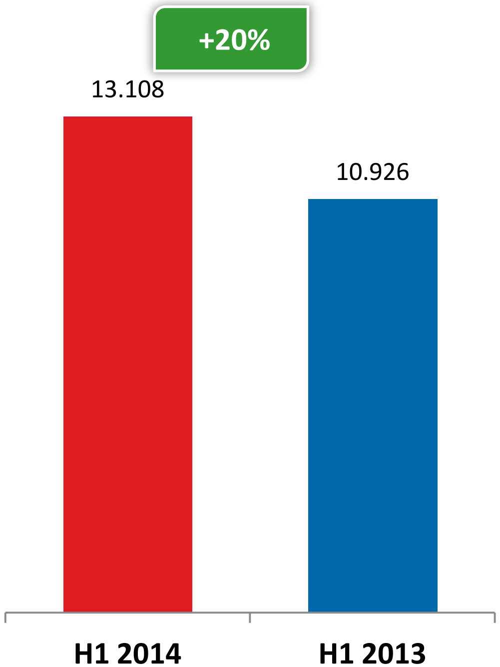
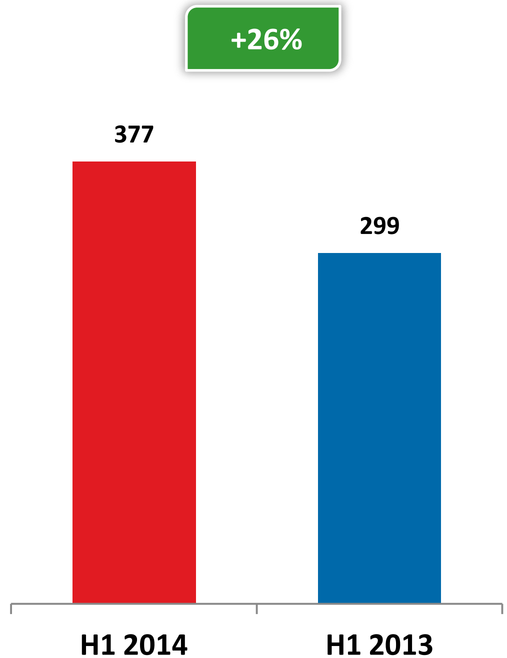
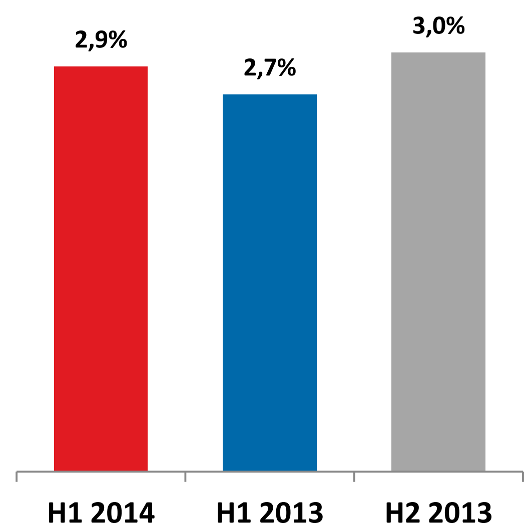
Revenue (Rm)



Operating profit (Rm)



Operating Margins



Excellent performance

» Strong revenue growth; improved operating margin
» Commercial vehicle sales up strongly – 22% volume growth
» Used car volumes improved
» Good growth from parts & after-sales
» Beekmans performed satisfactorily
» UK showed good growth - Orwell acquisition contributed positively and benefitted from weak Rand

South African new vehicle sales

» Price increases due to sustained currency weakness

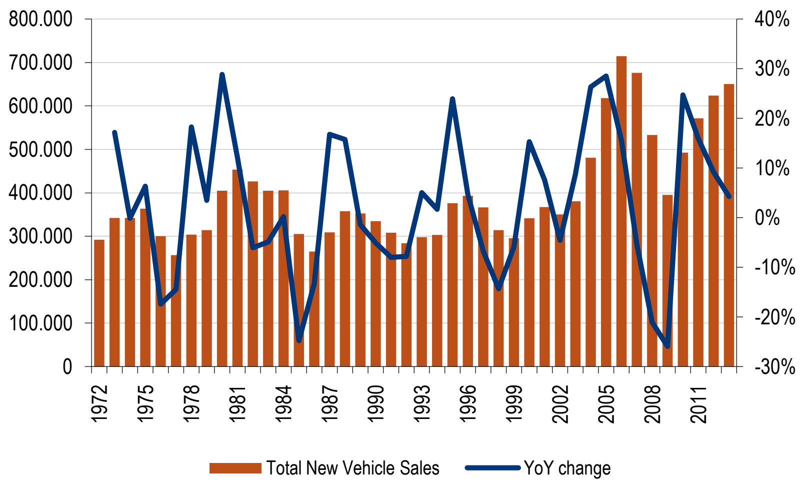
» Interest rate hikes to impact negatively

» Credit availability and replacement cycle provides an underpin

» On average 27% of the car parc gets replaced every 3 years

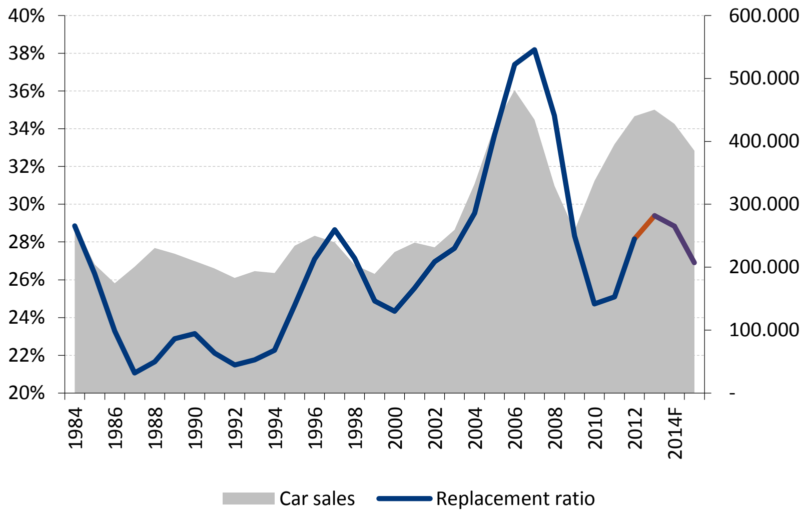
» Underpenetrated market relative to developed world – in line with emerging market peers

Vehicle sales



Source: BofA Merrill Lynch Global Research, NAAMSA

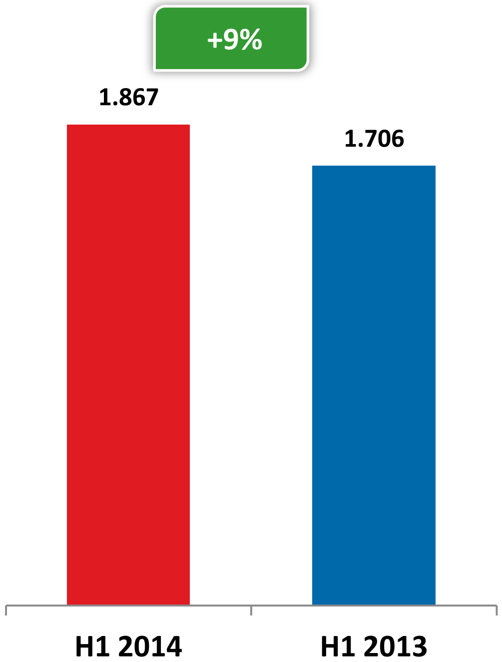
Car replacement cycle



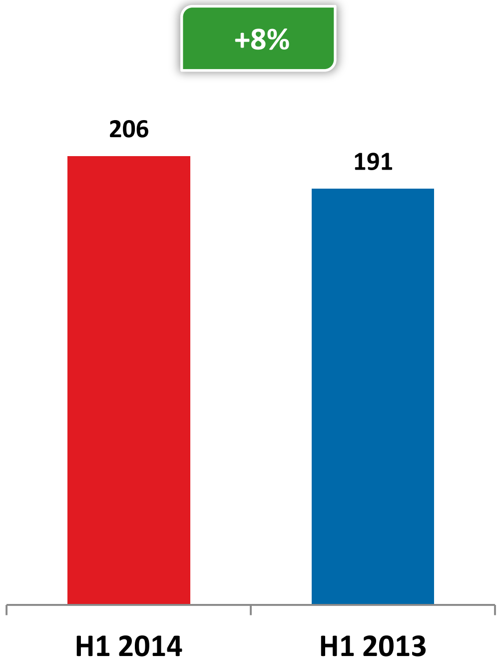
Source: BofA Merrill Lynch Global Research, NAAMSA

Car Rental

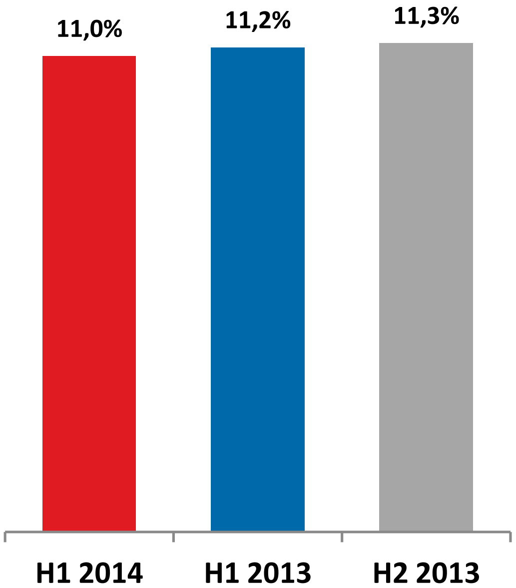
Revenue (Rm)



Operating profit (Rm)



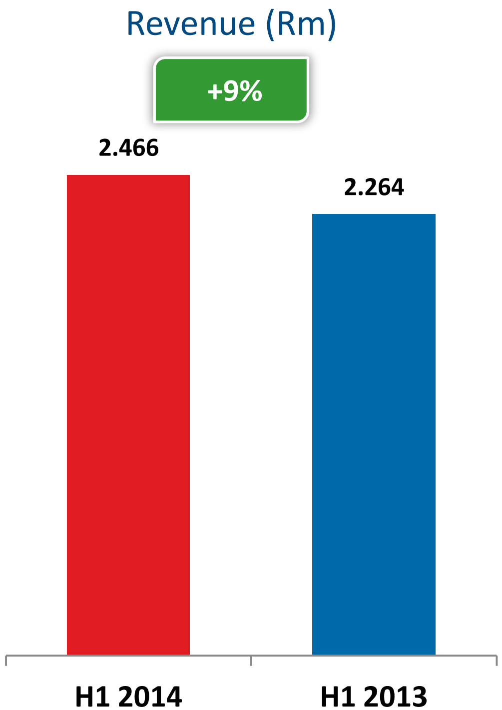
Operating Margins

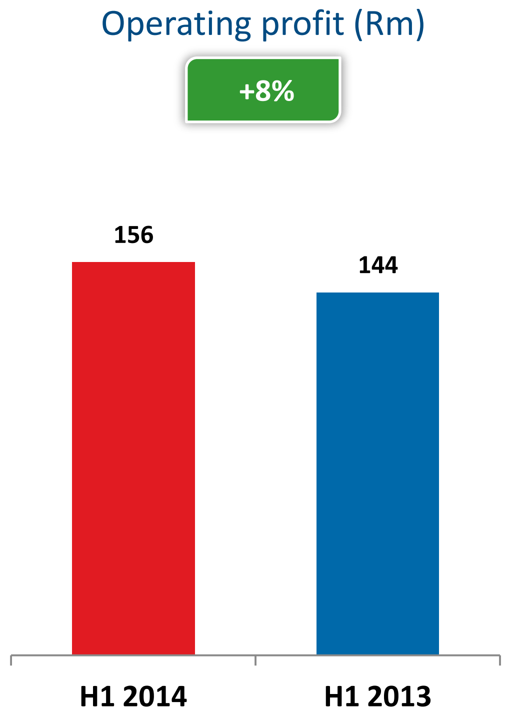


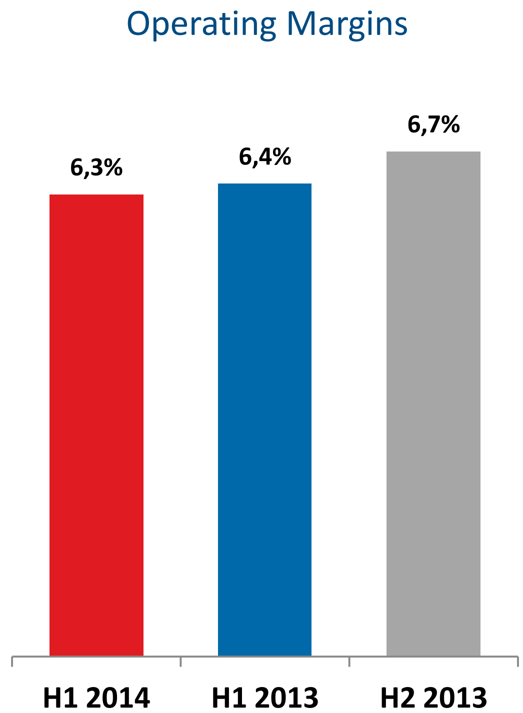
Tough trading conditions

- Revenue in core rental business flat - revenue days declined 5% and revenue per day up 4%
- Utilisation down slightly
- Initiatives to improve the mix in the car rental business – beginning to assist margins
- Fleet size reduced by 3% - assisted returns
- Auto Pedigree had an excellent six months - good growth in unit sales
- Industrial strike action negatively impacted panel shops leading to unsatisfactory performance

Autoparts



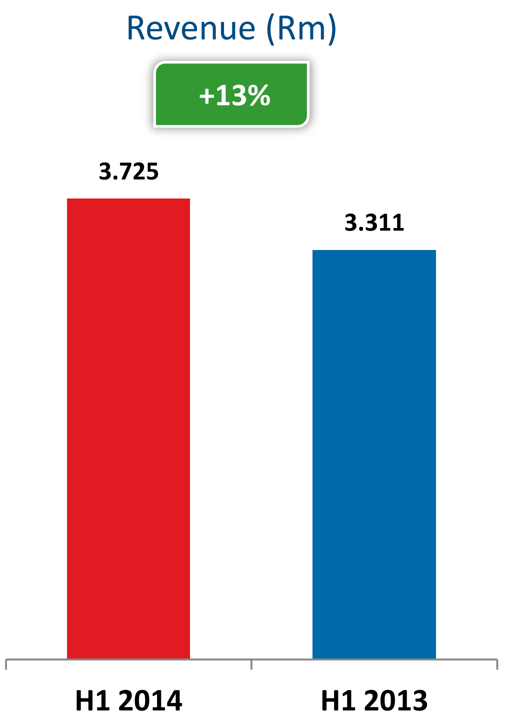


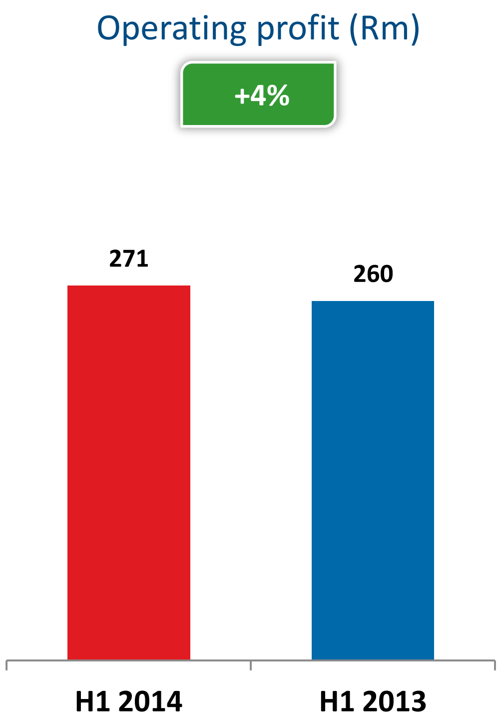


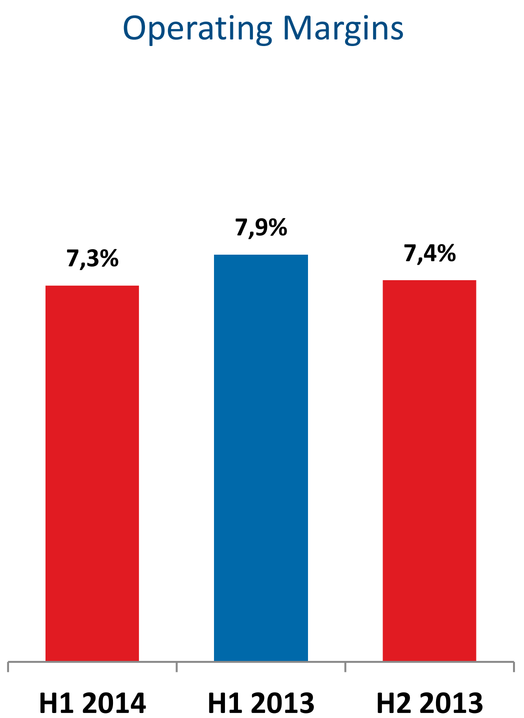
Steady growth

- Midas and Alert Engine Parts performed satisfactorily in a competitive and mature market
- Afintapart, the commercial vehicle parts distributor, performed in line with expectations
- Turbo Exchange continues to be impacted by competitively priced imports
- Geribran, associate in Zimbabwe performed satisfactory
- NGK (25% associate) showed good growth – assisted by KYB shock absorbers

Aggregate aftermarket parts and industrial







Significant contributor to group

- These businesses contributed R3.7 billion of turnover and R271 million operating profit for the period (9% of group operating profit)
- Jurgens negatively impacted by industrial action
- Goscor grew strongly
- Bobcat underperformed

Note: Excludes NAC's contribution in prior year

Growth trend - aftermarket parts and industrial products

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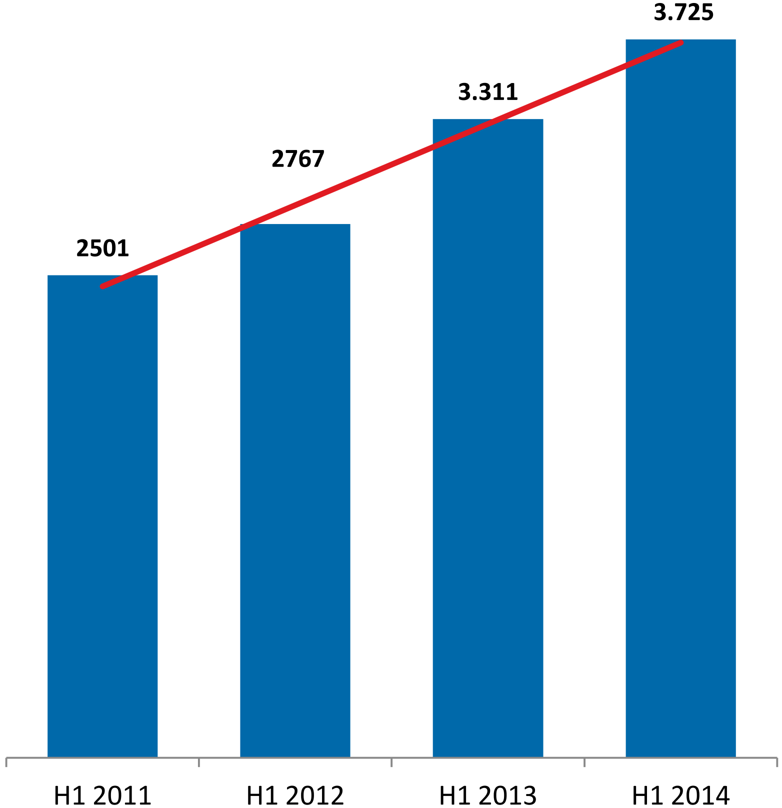
Good returns on capital

- Strategy to add aftermarket vehicle parts, components, industrial equipment and new areas of distribution
- Includes Midas, Turbo Exchange, Goscor, E-Z-GO, Datadot, Segway, Jurgens, Beekman, Bobcat, Alert Engine Parts, Afintapart
- Continue to pursue opportunities to grow the portfolio

Revenue (Rm)



Note: Excludes NAC's contribution in prior years

Performance of the three business pillars

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Logistics	Automotive & Industrial	Financial Services
		
Revenue = R20 bn	Revenue = R31 bn	Revenue = R2 bn
26%	8%	-5%
Operating profit = R1,1 bn	Operating profit = R1,7 bn	Operating profit= R0,5 bn
50%	-7%	11%

Financial Services

Insurance

- Short term and life
- Motor insurance, value added products and goods-in-transit cover

Revenue contribution
(incl. inter-segment revenue)

R1.5bn

REGENT
GO ON. YOU'RE COVERED.
LIFE | TRAVEL | CAR & HOME | WARRANTIES | COMMERCIAL VEHICLES

Other

- Maintenance plans, service plans, warranties
- Alliances with banks and leasing partners
- Vehicle tracking

Revenue contribution
(incl. inter-segment revenue)

R563m

IMPERIAL FLEET MANAGEMENT
LIQUIDCAPITAL
ariva
MiX TELEMATICS

Financial Services

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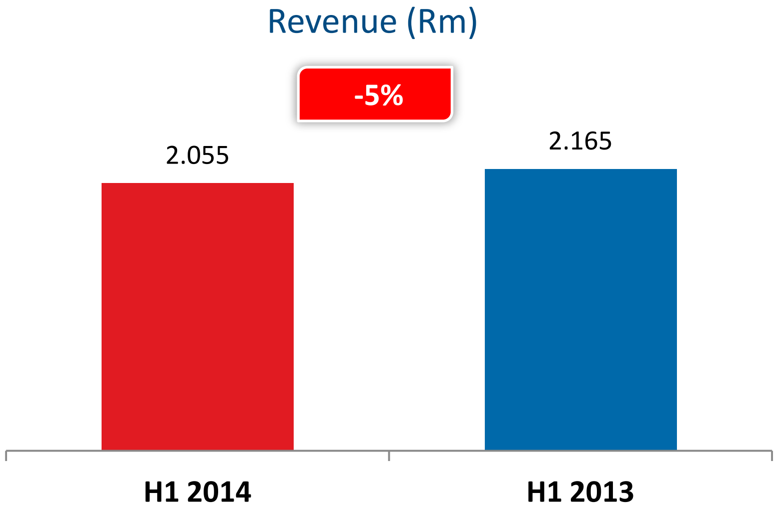

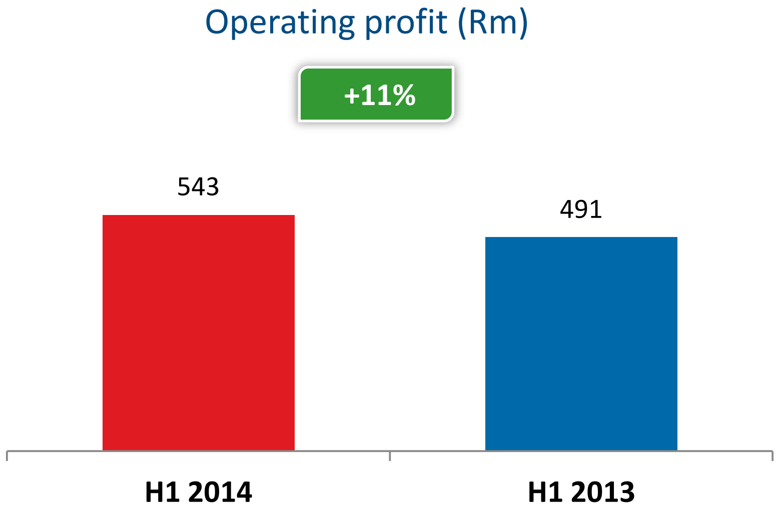

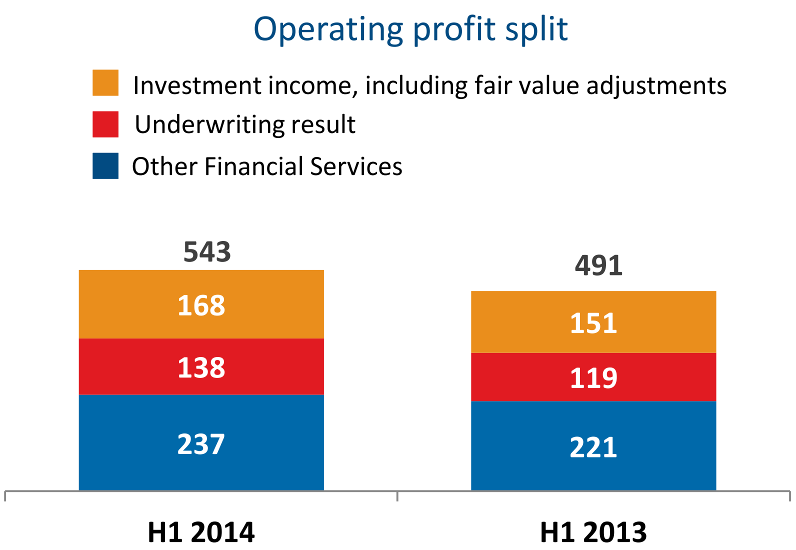

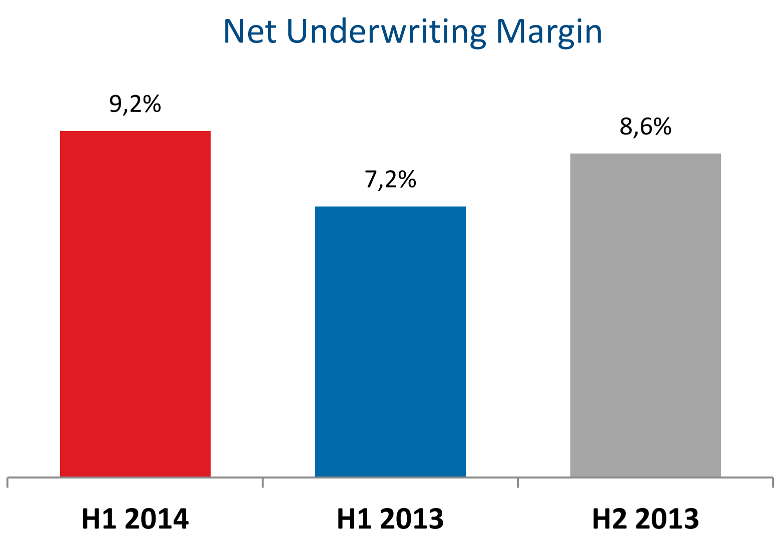

Financial Services

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» Good performance

» Insurance underwriting +16%

- challenging underwriting conditions
- exited non-performing classes of business

» Good performance from Regent Life; gross written premiums up 11%

» Investment returns higher - equity markets favourable

» Botswana & Lesotho continue to contribute meaningfully

» Finance alliances continue to grow – more conservative impairment provisions

» Good growth in funds held under service, maintenance plans, warranties and roadside assistance

» Volumes in Imperial Fleet Management continue to improve (7 000 vehicles under management)

Earnings underpin in difficult new vehicle market

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Financial Services

R2bn revenue

R543m contribution to group operating profit

- Short term and Life Insurance , incl. Value Added Products and Warranties
- Vehicle finance joint ventures with banks growing
- Maintenance funds = ± R2,7 bn
- Provide valuable earnings stream over the next 3-5 years

Parts and Service Revenues

+/- R5bn revenue

- Automotive Retail and Distribution, Retail and Allied Services
- Parts and services revenue growing inline with car parc growth
- Higher margins and annuity in nature

Used Cars

34 000 used cars sold

- Channels - Automotive Retail, Distribution, Retail and Allied Services, Auto Pedigree
- Less volatile and performs well when new car market is under pressure

Aftermarket parts

R2.5bn revenue

R156m contribution to group operating profit

- Midas; Alert; Afintapart; Turbo Exchange
- Resilient to economic cycles – replacement parts
- Car parc approx. 10m vehicles
- Estimated age of car parc – 12 yrs

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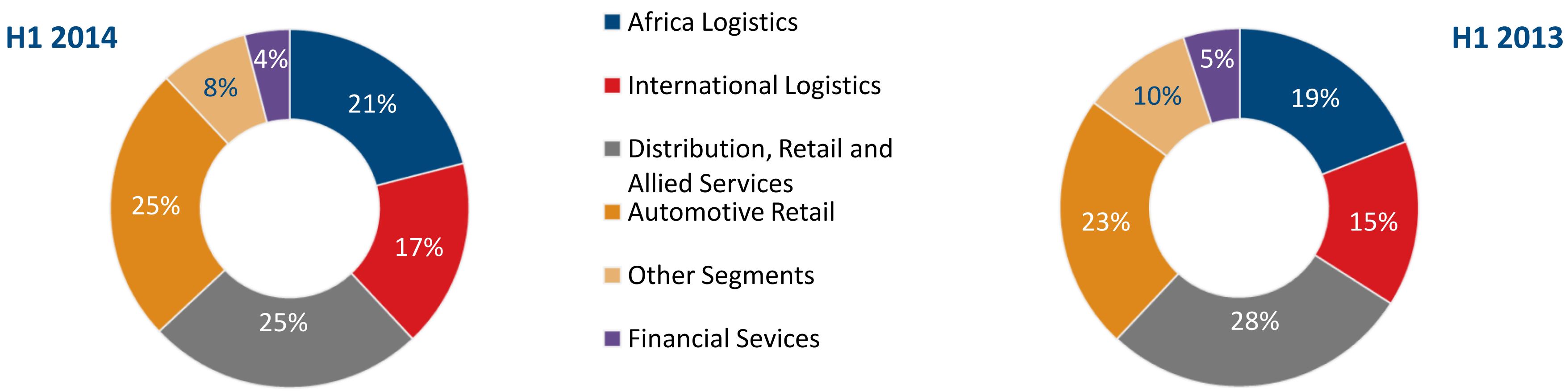
Financial Review

Income statement

Rm	H1 2014	H1 2013	% Change
Revenue	**51 357**	45 262	13%

- Logistics: +26%; new contract gains in SA, growth in Rest of Africa, acquisitions and weak currency
- Automotive & Industrial: +8%; growth in new and used vehicle sales; growth in annuity revenues from parts and service
- Financial Services: -5%; reduction due to exit of certain non performing classes of insurance

Revenue contribution per pillar

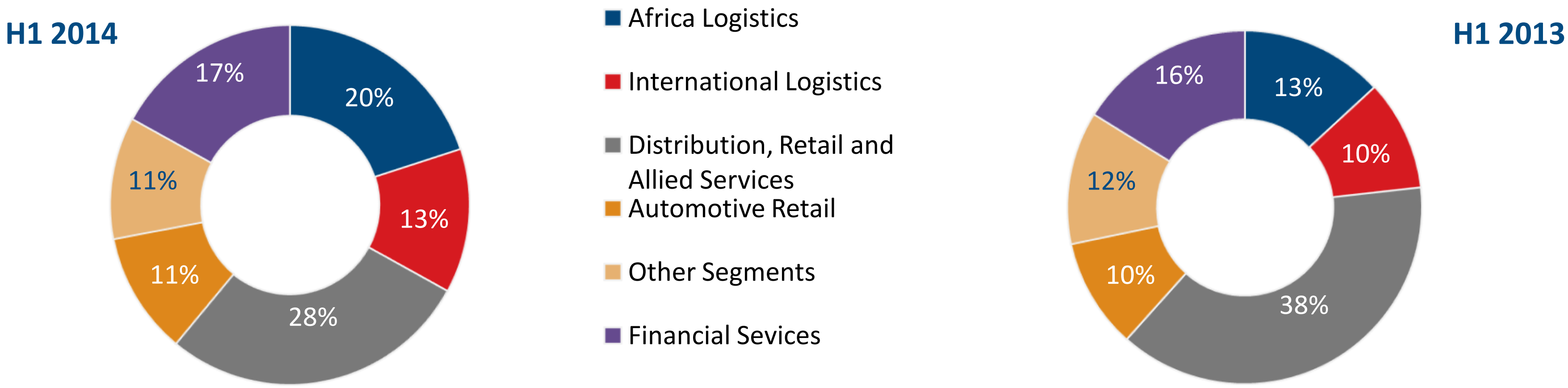


Income statement

Rm	H1 2014	H1 2013	% Change
Revenue	**51 357**	45 262	13%
Operating profit	**3 166**	2 940	8%
Operating profit margin	**6.2%**	6.5%	

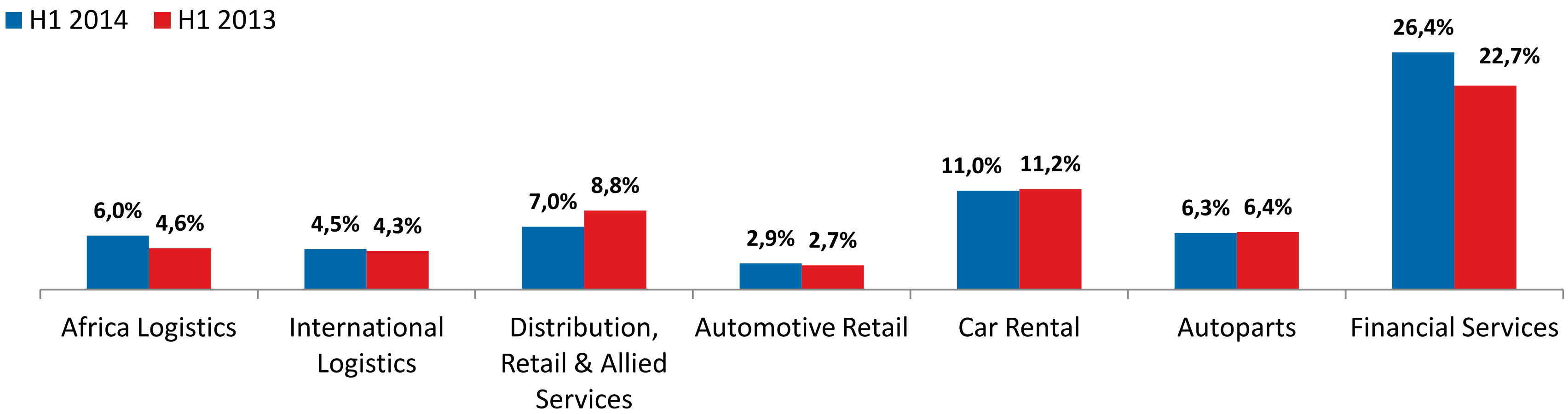
- Logistics + 50% ; rationalisation, contract gains; currency weakness, strike impact in prior year
- Automotive & Industrial -7%; weak currency impacted margins and volumes in Distribution, Retail and Allied services
- Financial Services +11%; strong investment performance, exit out of non-performing businesses & good growth in Other Financial Services

Operating profit contribution per pillar

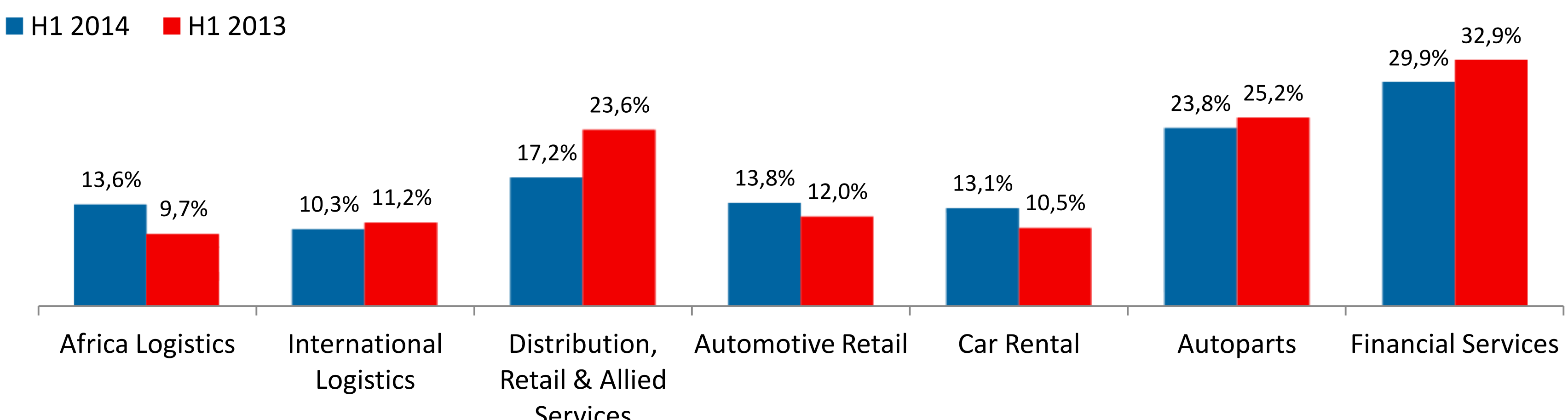


Divisional statistics

Operating margin %



Return On Invested Capital



Adjusted to exclude PPA amortisation and acquisition costs

Income statement

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Rm	H1 2014	H1 2013	% Change
Revenue	51 357	45 262	13%
Operating profit	3 166	2 940	8%
Amortisation of intangible assets	(147)	(110)	
Foreign exchange gains	28	47	
Fair value losses on foreign exchange derivatives	(44)	(42)	
Business acquisition costs	(8)	(5)	
Recoupments from sale of properties	39	19	
Realised gain on sale of available for sale investment	-	10	
Charge for amending conversion profile of deferred ordinary shares	(70)	-	
Net cost of meeting obligations under onerous contracts	(29)	-	
Exceptional items	87	(9)	

- Amortisation of intangibles increased due to recent acquisitions of Imperial Health Sciences, Orwell Trucks, Afintaparts and currency effects
- Amendment of conversion profile of Ukhamba ordinary deferred shares resulted in R70m share based equity charge
- Exceptional items - mainly from profit on disposal of the Tourism business

Income statement

IMPERIAL
FAST MOVING FORWARD THINKING

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Fair value gains and (losses) on foreign exchange derivatives	(44)	(42)	
Business acquisition costs	(8)	(5)	
Recoupments/(impairments) from sale of properties	39	19	
Realised gain on sale of available for sale investment	-	10	
Charge for amending conversion profile of deferred ordinary shares	(70)	-	
Net cost of meeting obligations under onerous contracts	(29)	-	
Exceptional items	87	(9)	
Net financing costs	(420)	(362)	16%
Income from associates	18	3	

» Net finance costs increased as a result of higher debt :
  - increased capital expenditure;
  - higher level of working capital;
  - acquisitions

» Income from Associates increased mainly due to recent acquisition of MDS Logistics

Income statement

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Realised gain on sale of available for sale investment	-	10	
Charge for amending conversion profile of deferred ordinary shares	(70)	-	
Net cost of meeting obligations under onerous contracts	(29)	-	
Exceptional items	87	(9)	
Net financing costs	(420)	(362)	16%
Income from associates	18	3	
Tax	(689)	(703)	-2%
Net profit for the period	1 931	1 788	8%
Attributable to Imperial shareholders	1 734	1 580	
Attributable to minorities	197	208	

» Effective tax rate is 26,5% vs 28,3% in the prior year - lower CGT rate on the fair value adjustments on Regent portfolios and gain on disposal of Tourism business ; prior year over provision of R29m

» Minorities declined due to the reduced contribution from Distribution, Retail and Allied Services

Balance sheet

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Rm	H1 2014	H1 2013	% Change
Property, plant and equipment	**10 023**	8 545	17%
Transport fleet	**5 273**	4 399	20%
Vehicles for hire	**2 670**	2 688	
Intangible assets	**5 727**	4 420	30%
Investments and loans	**4 914**	4 138	19%
Other assets	**1 911**	1 652	16%

» PPE increased mainly due to :
  - acquisition of land & buildings and leasehold improvements across the group
  - effects of translation due to weaker currency

» Transport fleet increased due to investment in fleet in International Logistics and Paraguay expansion

Balance sheet

IMPERIAL
FAST MOVING FORWARD THINKING

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Vehicles for hire	2 670	2 688	
Intangible assets	**5 727**	4 420	30%
Investments and loans	**4 914**	4 138	19%
Other assets	**1 911**	1 652	16%

» Intangible assets increased due to:
- acquisitions of Imperial Health Sciences and an additional 11% in Renault SA
- currency impact due to weaker currency

» Investment & loans increased due to fair value gains in Regent and the investment in Cullinan

» Other assets increased as a result of a deferred tax asset acquired as part of the Renault acquisition

Balance sheet

IMPERIAL
FAST MOVING FORWARD THINKING

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Property, plant and equipment	10 023	8 545	17%
Transport fleet	5 273	4 399	20%
Vehicles for hire	2 670	2 688	
Intangible assets	5 727	4 420	30%
Investments and loans	4 914	4 138	19%
Other assets	1 911	1 652	16%
Net working capital	**8 223**	**5 586**	**47%**
Cash resources	1 693	2 590	
Assets held for sale	0	630	
Assets	40 434	34 648	

» Net working capital increased mainly due to :
- acquisitions (Renault; Imperial Health Sciences; Orwell in UK)
- normalised inventory position in Automotive Retail and Distribution, Retail and Allied Services
- increase in debtors from Africa Logistics and Automotive Retail on the back of strong revenue growth
- currency impact due to weaker Rand

Balance sheet

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Rm	H1 2014	H1 2013	% Change
Total shareholders’ interest	**18 839**	16 342	15%
Interest bearing borrowings	**13 298**	11 088	20%
Other liabilities	**8 297**	7 218	15%
Equity and liabilities	**40 434**	34 648	

» Equity Impacted by:
- higher retained income
- dividend paid of R1,1bn
- gains arising on translation of foreign operations – R419m

» Interest bearing borrowings increased due to:
- acquisitions
- higher capital expenditure
- an increase in level of working capital
- translation of foreign debt due to a weaker currency

» Other liabilities increased due to additional business written on insurance, maintenance and warranty contracts

Cash flow – operating activities

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Rm	H1 2014	H1 2013	% Change
Cash generated by operations	**4 328**	4 285	
Net working capital movements	**(2 244)**	(1 489)	51%
Cash generated by operations pre-capital expenditure	**2 084**	2 796	
Net finance costs and tax paid	**(945)**	(960)	
Cash flow from operating activities pre rental assets capex	**1 139**	1 836	
Expansion capex rental assets	**(251)**	(439)	
Net replacement capex rental assets	**(301)**	(296)	
Cash flow from operating activities	**587**	1 101	

- Net working capital increased mainly due to normalisation of inventory levels
- Net working capital turn - 12.0 times vs 15.7 times prior year

Cash flow – investing activities

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Rm	H1 2014	H1 2013	% Change
Net acquisition of subsidiaries and businesses	**148**	38	
Capital expenditure	**(1 662)**	(1 128)	47%
Expansion	**(1 015)**	(597)	
Replacement	**(647)**	(531)	
Net movement in associates and JV's	**(75)**	(25)	
Net movement in investments, loans and non-current financial instruments	**(129)**	(854)	
Total investing activities	**(1 718)**	(1 969)	-13%

» Net acquisition of subsidiaries relates to the acquisition of Renault which had cash on acquisition in excess of the purchase price

» Capital expenditure 47% higher - fund growth mainly in Africa and International Logistics - also impacted by the weaker currency

» Increase in investments, loans & non-current financial instruments mainly due to movement from cash to longer term deposits (Regent)

Cash flow – summary

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Rm	H1 2014	H1 2013
Cash flow from operating activities (pre capex)	**1 139**	1 836
Net acquisition of subsidiaries and businesses	**148**	38
Capital expenditure in total	**(2 214)**	(1 863)
Net movement in associates and JV's	**(75)**	(25)
Net movement in equities, loans and other	**(129)**	(854)
Hedge costs premium paid	**(112)**	(8)
Dividends paid	**(1 050)**	(877)
Ordinary shares repurchased and cancelled		(481)
Other	**2**	5
Net increase in borrowings	**(2 291)**	(2 229)
Free cash flow – total operations	**191**	1 009

Gearing

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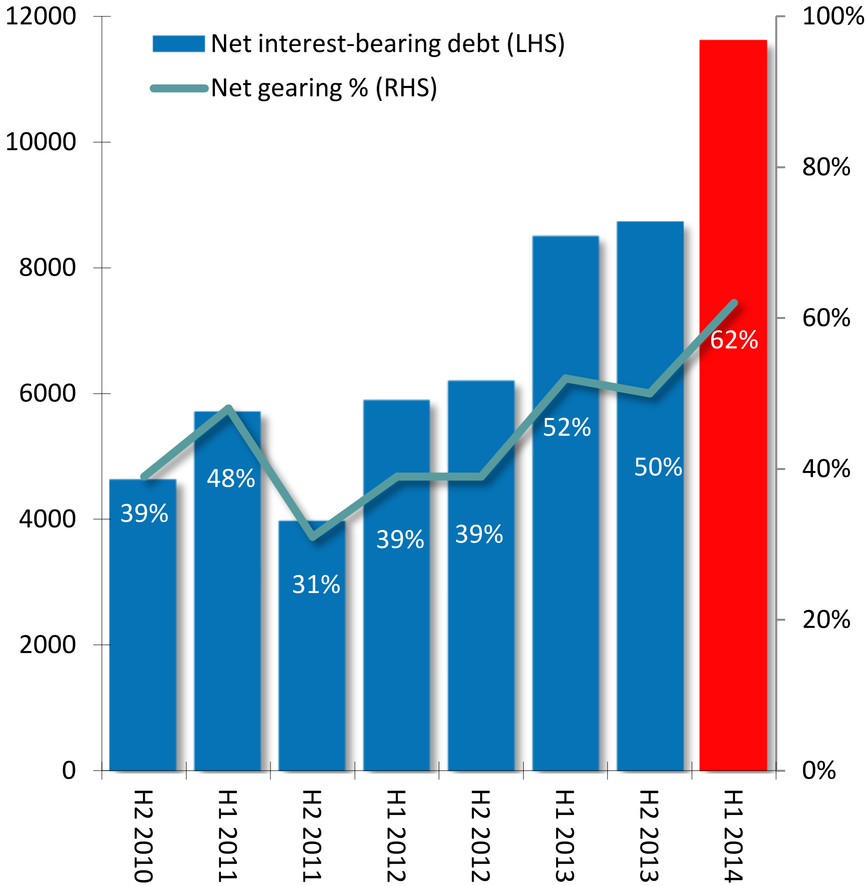

Target gearing of 60-80%

- New bond (IPL 8) issued – R1.5bn
- Higher net debt to fund:
  - acquisitions
  - normalised working capital
  - expansion mainly in Logistics
  - weak currency
- Capacity for further acquisitions and organic growth
- Group has R3.2bn unutilised funding facilities
- Moody's Ratings:
  - domestic short term credit rating P-1.za
  - domestic long term credit rating A2.za
  - international scale rating Baa3

Returns

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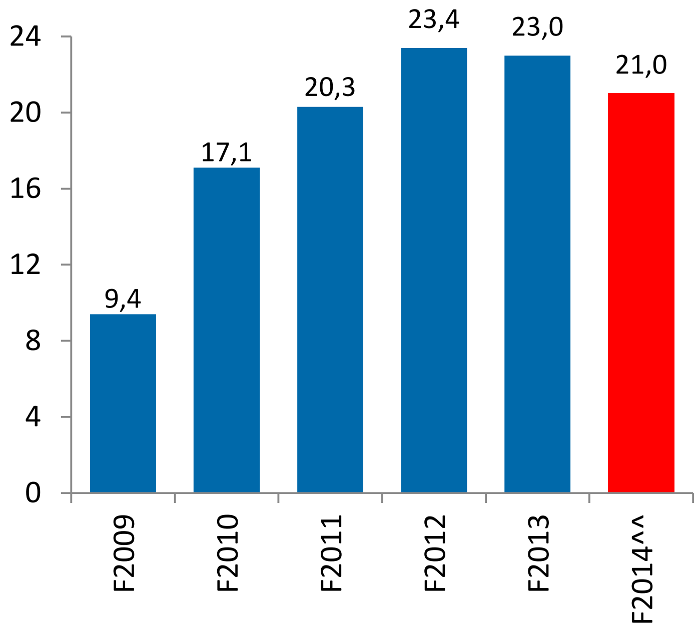
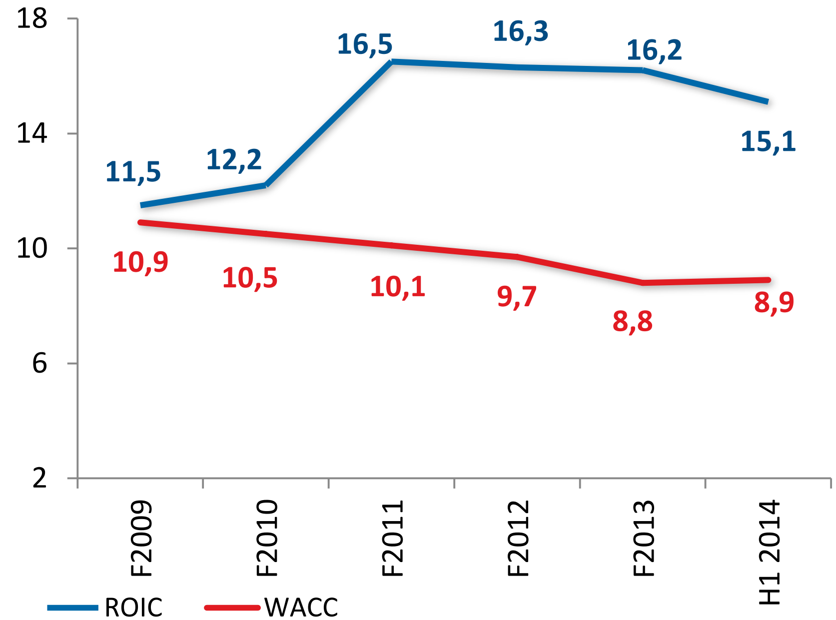
ROE#



 # based on core earnings
^^ annualised

ROIC vs WACC



» ROE is healthy
  - more asset-light business mix
  - underpinned by growth in annuity revenue streams and financial services
  - strong balance sheet management and focus on returns

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

» ROIC affected by:
  - lower returns in Distribution, Retail and Allied Services
  - expansion capex in International Logistics

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Strategy

Key growth strategy

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Auto and Financial services

Cash

Logistics

Enrich value chain
Generate cash flow

Expansion, Growth,
Acquisitions

Excess cash:
Healthy dividends;
Share buy backs

Shareholders

Strategy

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» Main objective continues to improve the group's return on capital
  - ongoing focus on subscale and low return businesses

» Seeking growth opportunities in and adjacent to existing industries and geographies

» Focused on expanding our footprint in the logistics industry in Africa and internationally
  - specific focus on consumer logistics in Africa
  - recent entry into the South American inland shipping market

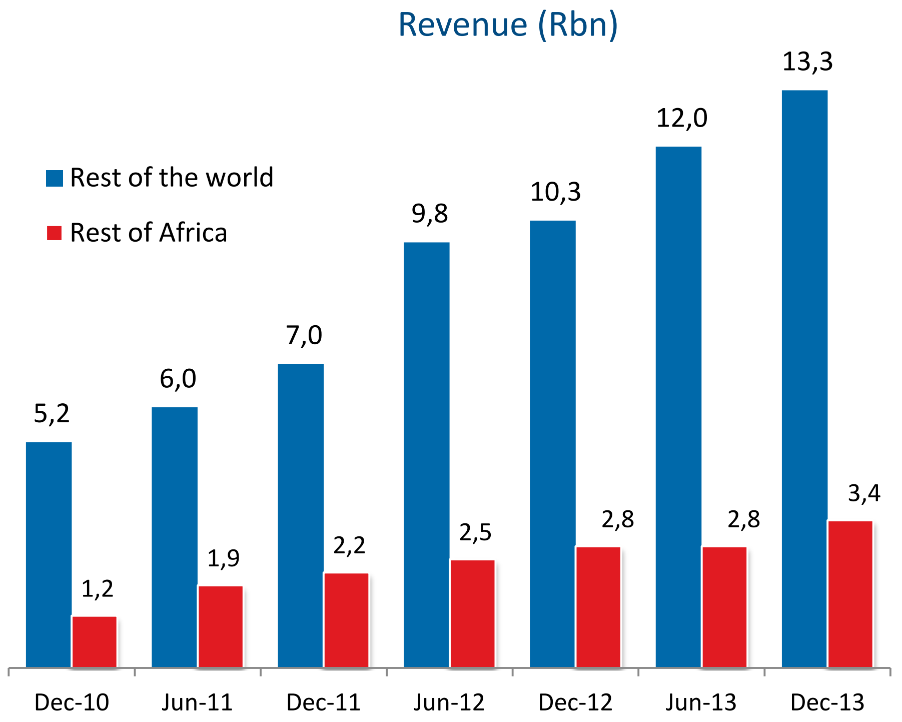
» Maximising position in automotive value chain in SA
  - scale and experience stands us in good stead
  - enable us to earn increasing annuity income streams from financial services and a growing vehicle parc (parts & services)

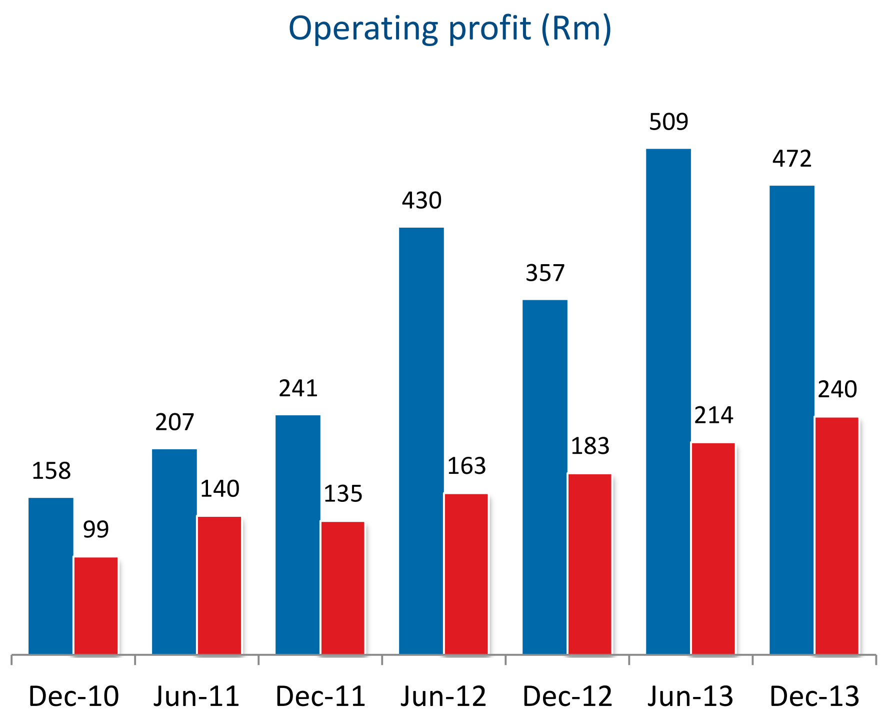
» Distribution of products which carry strong brands in the automotive and industrial markets remain a core focus

» Focus in Car Rental continues on improving the returns

» Regent and LiquidCapital to expand product ranges and further improve market penetration

Growth trend in foreign businesses





International footprint

- » Positive growth trend in revenue & operating profit ex SA
- » Strategy to further grow the international footprint

Growth trend of services in automotive businesses

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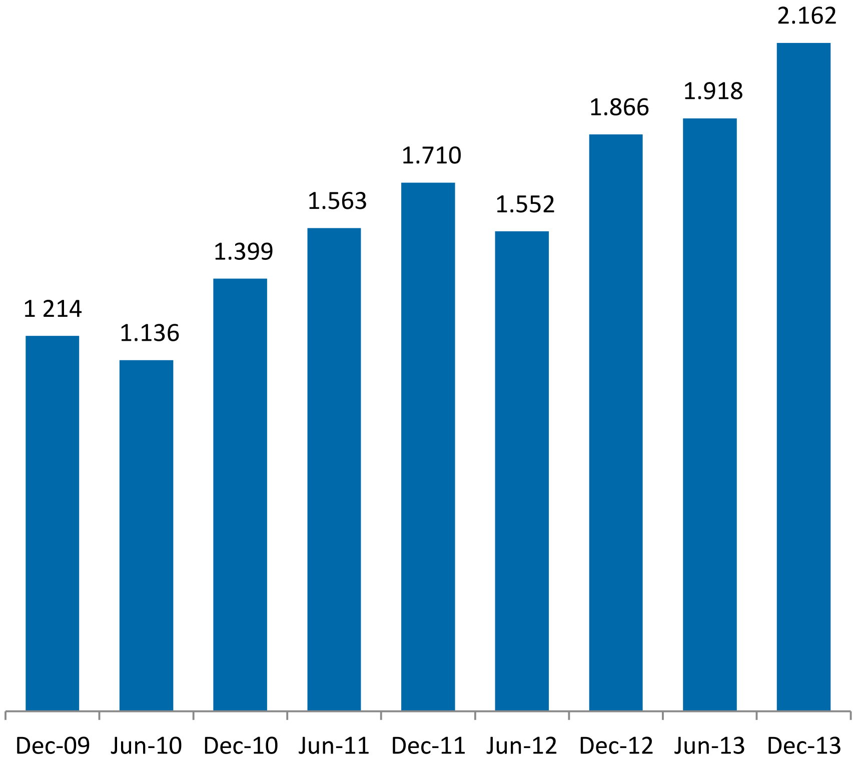
Annuity earnings

- Positive growth trend in services
- Benefiting from growing car parc
- Parts growth follow a similar trend
- Provides earnings underpin in automotive businesses

Revenue (Rm)



Ukhamba restructure and OTC listing

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- » BEE deal implemented to create value for 15 500 employees in 2004
- » Investments include:
  - effective 10.1% shareholding in Imperial Group
  - 32% shareholding in Distribution and Network Warehousing Limited(DAWN)
- » Created approximately R1bn of value for beneficiaries
- » On average created approximately R75 000 of value per beneficiary
- » Conversion profile of deferred ordinary shares amended - R70m cost to shareholders
- » OTC listing on 15 November 2013 - create liquidity for beneficiaries
- » Opportunity for Ukhamba beneficiaries to realise cash
- » Preserve BEE ownership for 12 years

UKHAMBA HOLDINGS

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Prospects

Prospects

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» Well positioned to grow organically and through acquisitions

» Prospects for Africa Logistics positive
- gaining more business ; further benefits from rationalisation
- continue expansion into the rest of Africa; will benefit from Ecohealth acquisition

» International Logistics
- well positioned in German logistics industry
- south American expansion strategy taking shape
- possible expansion into other international markets

» Distribution, Retail and Allied Services to be under continued pressure
- tougher conditions expected in new passenger vehicle market; affecting volumes and margins

» Automotive retail to benefit from balanced portfolio
- commercial vehicle business will strengthen further

» Growth expected to continue in used car sales, aftersales parts and service

» Car rental market to remain competitive

» Autoparts to continue performing solidly

» Financial Services to continue underwriting growth; equity markets unpredictable

» Overall, under current conditions we expect it will be difficult to achieve growth in 2014

Appointment of CEO

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» Recently announced the appointment of Mark Lamberti as CEO

» Effective 1 March 2014

» Founded Massmart

» Former director of Wooltru, Primedia, Datatec and Altron

» Experience, exceptional leadership skills and expertise

» Hubert Brody will remain on the Board as a non-executive

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Questions