continued growth –

meeting challenges while

still adding value...

Imperial Holdings

PRELIMINARY AUDITED RESULTS FOR THE YEAR ENDED 25 JUNE 2004

OPERATIONAL HIGHLIGHTS

- Our business model and balanced business mix proved resilient under volatile trading conditions.
- The successful implementation of the group's BEE transaction.
- Awarding of an investment grade foreign currency issuer rating.

FINANCIAL HIGHLIGHTS

- Headline earnings per share (basic) up **20%**
- Cash generated by operations up **55%** to **R4.3 billion**
- Distributions to shareholders up **19%**
- Return on equity up to **20.4%**

INTRODUCTION

The past year was a challenging, but rewarding one for Imperial. The strength of the rand, low levels of economic growth and low inflation all contributed towards a difficult operating environment but despite this the group's balanced portfolio of businesses delivered a very satisfactory result.

The group achieved 20% growth in headline earnings to R8.41 per share. The strides made in improving cash generation was a particularly pleasing element of these results, with operating cash flow improving by 55% over 2003.

The key highlights of the year included our ability to weather the storm caused by the rand's volatility and the successful implementation of the group's Black Economic Empowerment transaction which gave our partners, Ukhamba Holdings, a 10.1% interest in the equity of Imperial Holdings. Other features were the awarding of an investment grade foreign credit rating to Imperial and the successful issuance of a R1 billion seven-year bond.

The board has decided to make a final capital distribution of R1.75 per share, which together with the interim distribution of R1.40 increased the total distribution for the year by 19% to R3.15 per share (2003: R2.65).

FINANCIAL OVERVIEW

Income statement

The group delivered a solid operational performance with revenue growing by 9% to R35.3 billion (2003: R32.3 billion) in a year characterised by low growth and low inflation. South African revenues grew by 14% compared to 2003. Operating margins expanded to 8.2% from 8.1% last year resulting in 10% growth in operating profits, driven by efficiency improvements as well as volume growth. Again our mix of mobility business proved very resilient.

The fair valuation adjustments of financial instruments required under the AC133 accounting standard applicable for the first time amounted to a gain of R39 million. These arise from investments (R10 million gain), interest rate swaps and borrowings adjustments (R55 million gain), forward exchange contracts (R82 million loss) and from our associates (R56 million gain).

Other fair value adjustments in the life insurance investment portfolio were included in realised and unrealised gains and in total were R39 million compared to a loss of R20 million last year. Foreign exchange losses were R30 million, down from R35 million last year. In addition an impairment charge of R64 million was absorbed on the aviation assets in Safair.

Net interest cost declined by 14% to R478 million, benefiting from the AC133 adjustment of R55 million and the lower interest rate environment. All the major associates performed well, growing attributable income by 37%, fuelled by the performance of Renault South Africa and Safair Lease Finance (SLF). These resulted in growth in profit before taxation and exceptional items of 15%.

Exceptional losses amounted to R26 million against a R97 million profit last year. This loss comprises the impairment of properties and goodwill, reduced by the final payment received on the disposal of 50.1% of Imperial Bank.

The group's effective taxation rate increased marginally from last year's 30.8% to 31.2% mainly as a result of the secondary taxation on companies charge.

Minorities interest reduced by 25% from R151 million to R113 million mainly due to the decline in Tourvest's performance. Net attributable profit grew by 10% to R1.6 billion and earnings per share rose by 12% from R7.19 to R8.02 benefiting from share buybacks.

Balance sheet

Our balance sheet remains robust. During the year total assets grew by 7% to R23.2 billion fuelled principally by growth in our investments in associates, joint ventures and insurance investment portfolios as well as growth in our transport fleets. Our leasing and rental assets remained largely unchanged against last year.

Working capital management was solid, with the net growth in the levels of inventories and receivables less payables going up by only R42 million.

The group issued a R1 billion seven-year bond, which further reduced our reliance on traditional sources of debt funding and lengthened the maturity of the group's debt.

The structure of the group's funding remained largely unchanged against last year, with 28.3% (2003: 28.4%) of our assets funded by debt. Net debt amounted to 58.4% of equity (2003: 55.6%). If one ascribes 100% of the group's gross debt to our fleets of mobility assets, fleets are only geared to 86% of their value (2003: 84%) and the balance of the group would be debt free.

We are in the process of further improving the efficiency of our balance sheet. The intention is to transfer the majority of the group's revenue-earning mobility assets into a separate entity which will allow those assets to be geared more appropriately and to free up capital to increase the level of trading activity and value-added services provided by the group. Given the long-term contractual revenue streams generated by our assets we believe it would be reasonable for our revenue-generating mobility assets to be geared appropriately.

The group was recently awarded an investment grade foreign credit rating by Moody's Investors Service of Baa2, which will allow the raising of capital in foreign markets at a competitive cost, if the need arises. This followed the awarding of a AA+ rating by CA Ratings earlier in the year.

The group's funding structure remains flexible and our access to capital to fund future growth is good.

Cash flow

The cash generation of the group improved markedly in the year under review. Cash generated by operations improved by 55% to R4.3 billion, driven by improvements in working capital management across the group. After accounting for significant increases in dividends, capital distributions (included in financing activities) and taxation payments, net adjusted cash generated from operating activities increased by 78% to R2.4 billion from R1.4 billion last year. Free cash flow amounted to R2.4 billion, 144% improvement over the prior year at R1.0 billion. This equates to 1.4 times our headline earnings (2003: 0.7 times).

Total expansion capital expenditure amounted to R1.2 billion slightly up on last year's R1.1 billion, the replacement capital expenditure amounted to R702 million down on last years' R966 million, this resulted in an overall decline in capital expenditure of 9% to R1.9 billion.

After accounting for additional loans advanced to associates the net cash invested by the group grew by 26% to R2.4 billion. The principal areas of capital expenditure were in our leasing and transport fleets and property, plant and equipment. We purchased shares to the value of R307 million as treasury stock.

REVIEW OF DIVISIONS

Logistics The group's logistics interests performed well given the environment. The strong rand impacted negatively on the translation of the European business' results and the macro-economic conditions in South Africa and the rest of Africa hampered growth.

Our African and South African operations' revenue grew by 8%, despite low inflation and operating margins decreased slightly to 8.3%. Operating profits grew by 3% to R468 million. While we have experienced some margin pressure as a result of the inability to pass on cost increases to customers in a low inflationary environment, we remain committed to our target operating profit margin of 10%. We experienced the indirect negative influence of the strong rand through the impact on some of our exporting customers, but this was offset by the strength in consumer markets.

Imperial Logistics has been successful in winning new contracts, both from existing and new customers and we see a growing impetus in the outsourcing of logistics functions in South Africa. During the period three small acquisitions were made.

The operational performance of **Imperial Logistics International** improved over last year, although the strength of the rand and the write-off of additional goodwill had an impact on the ultimate contribution made by these businesses. Tough macro-economic conditions further dampened the performance in Europe.

In euros revenue increased by 2.6% to 5719 million and due to rand strength declined by 10% to R5.9 billion. Operating profits declined by 18% to R133 million resulting in the margins declining from 2.5% to 2.2% during the period.

Low water levels on the Rhine river had a significant impact on Imperial Reederei and Neska in particular, which affected first half results negatively. Whilst J H Bachmann's German and South African operations performed well, progress is being made to improve the profitability of the international operations. Panopa's operations in Poland have now reached full capacity and are operating well.

Leasing and fleet management At a macro level, the leasing market in South Africa remained relatively flat during the past year. SAVRALA (South African Vehicle Rental and Leasing Association) reports that the year-on-year size of the leasing market in South Africa reduced marginally in the last quarter of the year under review.

Revenues grew by 18%, whilst operating profit grew by 5% to R525 million. Margins declined from 26.2% last year to 23.4%. This margin reduction was driven by the addition of the lower margin used vehicle retail business, Hypercar, as well as start-up costs associated with Hypercar. Another factor which impacted on profitability was the contraction of interest rate differentials in a lower interest rate environment.

During the year, we successfully bedded down the Clover commercial vehicle fleet and managed to renew most contracts with a number of key private sector customers. Although our total fleets grew by 4%, new business volumes were relatively limited. However, there are some indications of more public sector fleets that should be outsourced in the coming months. The ongoing expansion of the Hypercar network, where we dispose of used vehicles coming off our fleets, has progressed to plan and we are hopeful of establishing a number of new branches in the year ahead.

Aviation leasing We operated in a difficult trading environment in the past year. The strength of the rand had a significant impact on the trading results of the group's aviation interests. Furthermore, the slow pace of improvement in global economic conditions resulted in a sluggish recovery in aviation markets. These conditions have begun to improve and we have noted increased activity in the trade of aircraft, strong demand from humanitarian and aid relief projects and an upturn in the freight integrator market.

Revenue increased by 11%, despite the strength of the rand impacting on foreign currency denominated income. Margins declined from 18.6% to 10.9% causing a 35% decline in operating profit from R410 million to R266 million. The decline in profitability takes full account of a R64 million impairment charge against the value of our aircraft fleet, without which profits would have declined by 20%. This impairment was necessitated by the strong rand and we are comfortable with the fleet's valuation after this adjustment.

Good performances were recorded by our aircraft trading and specialised operations. Air Contractors delivered a much-improved performance in the second half of the year and NAC's subsidiary, 43 Air School, also performed particularly well. Safair further proved its ability to place on lease, remarket and operate its aircraft competitively under difficult market conditions. In doing so, Safair realised a profit on the disposal of aircraft of R74 million.

Car rental and tourism The car rental and tourism division experienced tough trading conditions. The strength of the rand limited the discretionary spending levels of tourists which affects the performance of a substantial part of this division's operations. Tourvest, a 68%-owned subsidiary, also had a tough year, which was compounded by lower supplier credits arising at year-end.

Revenue grew by 2% to R3.4 billion (2003: R3.3 billion), whilst margins declined from 15.3% in 2003 to 13.1%, the net result being that operating profit declined by 12% from R509 million to R446 million.

The car rental and touring interests of Imperial grew revenue by 11% and operating profit by 4%. The ongoing pressure on pricing in the corporate car rental market continued to limit margin improvements in this segment, but did show some revenue improvement over last year. Our car rental interests maintained their market share during the year. Auto Pedigree had a good year, aided by strong volume growth.

Distributorships This division performed strongly with revenue growing by 40% from R4.5 billion to R6.3 billion and operating profits more than doubling to R562 million (2003: R249 million). Operating margins increased from 5.5% to 8.9%. As a general theme the strength of the rand assisted this performance to some extent, but the improved volumes, an increased focus on value-added products and a greater after-sales element in our revenue make-up in this division also propelled its performance.

Associated Motor Holdings performed well. The imported nature of its products meant that the rand allowed a rebuilding of market share lost when the rand weakened two years ago. Added to this the growing presence of the brands we import results in greater maintenance and service-related revenues, which carry improved margins and assist in overhead absorption.

Tyco performed exceptionally well during the past year, achieving a significant improvement in profitability. The DAF range did very well during the year and

Imperial Holdings

its high quality, technologically advanced product range is fast becoming a force in the southern African truck market. The International range of trucks continued to perform well and remains the leading long-distance truck in South Africa. Tyco continues its focus on providing customers with a service of world-class quality.

Lectrolite, which distributes NGK automotive products in South Africa, performed well and is looking at expanding the range of products it represents.

Motor vehicles dealerships During the year under review, the strengthening rand lead to pressure on dealer margins and to increased customer incentives in certain of our key brands, suppliers continued to require improvements in the efficiency of their respective dealer networks and we had to concurrently manage the positive, yet disruptive, effect of changes in the retail strategies of DaimlerChrysler.

Revenue improved by 11% to R10.1 billion during the year, despite pricing constraints. This was driven by strong growth in volumes, whilst pricing was stable during the year. Margins declined to 2.7% (2003: 3.3%), resulting in a decline in operating profit of 9% to R276 million. This was partly due to the disappointing operating performance of the Lindsay Saker group.

The group including the distributorships, Auto Pedigree, Hypercar and Tyco in total retailed 93 422 vehicles (2003: 78 921).

Insurance The group's insurance interests, Regent Life and Regent Insurance, both performed very well. An improved investment performance resulted in mark-to-market profits on investment portfolios of R49 million during the year. This, combined with a strong underwriting performance, resulted in pre-tax profits more than doubling to R272 million on a 17% improvement in revenue to R1.7 billion. Both these businesses continue to expand their business bases and improve their critical mass, which assists in absorbing substantial fixed overheads. These together with a substantial improvement in the investment portfolio, contributed towards an improvement in pre-tax margins from 8.6% last year to 16.0%.

ASSOCIATES AND JOINT VENTURES

Income from associates and joint ventures increased by 37% over last year. This was driven primarily by growth in:

- Safair Lease Finance (SLF), which experienced the benefits of the full-year contribution of substantial lease agreements concluded in the previous financial year, substantial year-on-year growth in its aircraft fleet, the benefit of AC133 adjustments and foreign exchange gains and after absorbing an impairment charge of R26 million. During the year Imperial advanced R222 million in debt funding to SLF.
- Renault South Africa also performed particularly well, benefiting from the roll-out of a new product range, strong volume gains and the resultant improvement in dealer performances. Renault South Africa is fast approaching critical mass, where the after-sales activities generated by the existing vehicle park in the market place can enhance margins and returns.
- Imperial Bank performed well, although profits were marginally below those reported last year after coming off an exceptionally high base. The bank's advances grew by 41% year-on-year to R13.2 billion, bad debts are 1.9% of advances, resulting in our attributable share of profits of R108 million and a ROE of 24.1% (2003: 32.4%).

PROSPECTS

The outlook for the future performance in Imperial remains good. Although the strength of the rand was substantially neutral in its impact on the group overall during the past year, it had a significant effect on most of our divisions as well as their customers. Going forward, we would expect the rand to stabilise, providing a more sustainable business environment. We continually focus on improving the efficiency with which we conduct our business in order to be as competitive as possible. The low inflationary environment poses challenges to Imperial, but our trading capabilities and constant focus on adding value to our customer offerings remain the cornerstones of our growth ambitions.

Logistics should continue to benefit from a growing trend towards outsourcing of supply chains and we are well positioned to benefit from customers' increasing requirements for value-added, integrated solutions. Improved economic growth and a strong consumer environment should provide further support and mitigate the low inflationary environment and residual cost pressures. In Europe we expect a respectable improvement in profitability driven by improved efficiencies, an improved global economy and the maturing of certain major contracts.

Leasing and Fleet Management is expected to benefit from some new business possibilities in the public sector and is positioning itself well to continue its growth in the growing corporate fleet management market. Ongoing growth in the industrial equipment market is also expected.

Aviation Leasing should benefit from a more stable rand, which will create a more solid base for growth. This, together with the increased contribution from our value-added services and solutions, is expected to further support our performance. We are experiencing an increase in aircraft sales activity, contract operations and consistent, albeit slow, improvements in aircraft values.

The **Car Rental and Tourism** division foresees some improvement in trading conditions as the initial signs of returning pricing power is becoming evident. Efficiency improvements should further support growth. A more stable rand should support some recovery in the inbound tourism market in coming months. Global instability does, however, remain a risk in this regard.

The **Distributorships** should continue to perform well. We expect a continuation of the current good trading environment and the increased penetration of value-added services and further volume growth should also aid performance.

Motor Dealerships are expected to improve their performance going ahead, benefiting from continued low interest rates and the expectation of solid volume growth.

The group's **Insurance** interests, while reliant to some extent on the performance of investment markets, are expected to continue their solid trading and underwriting performances. Expansion into new, but allied, market niches should support future growth.

The performance of the group's associates should also continue to grow. **Renault South Africa** is expected to continue benefiting from the success of its new product range. **Safair Lease Finance** should also deliver a solid performance in future. **Imperial Bank** is expected to continue to perform well.

Overall we remain optimistic about the future prospects of our group. Our divisions are efficient and are industry leaders in most instances. They have the capacity to grow profits and the resilience to counter the impact of the fluctuating currency.

Imperial is a growth oriented group. A focus on returns and cash generation should deliver solid improvements in the financial performance of our businesses in the future. By leveraging a low cost of funds and a resilient balance sheet, we continue our quest of delivering good growth and above-average shareholder returns.

By order of the board

L Boyd, *Chairman* W G Lynch, *Chief executive* A H Mahomed, *Financial director*

Johannesburg

24 August 2004

CAPITAL DISTRIBUTION

Notice is hereby given that a capital distribution of 175 cents per ordinary share has been declared in terms of the general authority granted at the annual general meeting of shareholders held on 4 November 2003 and is payable to shareholders recorded in the books of the company at the close of business on Friday, 1 October 2004. In compliance with the requirements of STRATE, the electronic settlement and custody system used by the JSE Securities Exchange South Africa, the company has determined the following salient dates for the payment of the capital distribution:

	2004
Last day to trade *cum* capital distribution	Thursday, 23 September
Shares commence trading ex capital distribution	Monday 27 September
Record date	Friday, 1 October
Payment date	Monday, 4 October

Share certificates may not be dematerialised/rematerialised between Monday, 27 September 2004 and Friday, 1 October 2004, both days inclusive.

On Monday, 4 October 2004, the capital distribution will be electronically transferred to the bank accounts of certificated shareholders that utilise this facility. In respect of those who do not, cheques dated 4 October 2004 will be posted on or about that date. Shareholders who have dematerialised their shares will have their accounts, held at their CSDP or broker, credited on Monday, 4 October 2004.

On behalf of the board

R A Venter, *Group Company Secretary*

24 August 2004

INCOME STATEMENT

for the years ended 25 June

	2004 Rm	2003 Rm	% change
Revenue	**35 278**	32 277	9
Profit from operations before depreciation and recoupments	**4 079**	3 776	
Depreciation and recoupments	**(1 193)**	(1 149)	
Operating profit	**2 886**	2 627	10
Foreign exchange loss	**(30)**	(35)	
Fair value adjustments to foreign exchange derivatives	**(82)**		
Goodwill amortisation	**(63)**	(67)	
Profit before net financing costs	**2 711**	2 525	7
Finance costs net of fair value gains on borrowings and interest swaps	**(529)**	(667)	
Finance income	**51**	112	
Income from associates and joint ventures	**228**	167	
Profit before exceptional items	**2 461**	2 137	15
Exceptional items	**(26)**	97	
Profit before taxation	**2 435**	2 234	9
Taxation	**696**	606	
Profit after taxation	**1 739**	1 628	7
Minority interest	**113**	151	
Net attributable profit for the year	**1 626**	1 477	10
	Cents	Cents	
Earnings per share*			
– Basic	**802.3**	718.7	12
– Diluted	**753.4**	716.9	5
Headline earnings per share*			
– Basic	**840.5**	700.2	20
– Diluted	**789.2**	698.4	13
*** Earnings per share reconciliation**			
Headline earnings per share	**840.5**	700.2	
Goodwill amortisation	**(29.1)**	(28.4)	
Profit on sale of property, plant and equipment	**4.2**	4.5	
Exceptional items	**(13.3)**	42.4	
	802.3	718.7	

** Based on the weighted average number of shares in issue*

Additional information			
Net asset value per share (cents)	**4 329**	4 041	
Number of shares (million)			
– in issue	**200.1**	202.9	
– weighted average	**202.7**	205.3	
	Rm	Rm	
Financing			
Interest paid	**586**	668	
Capitalised to property, plant and equipment	**(2)**	(1)	
Fair value gains on borrowings and interest swaps	**(55)**		
	529	667	
Interest earned	**(51)**	(112)	
Exceptional items			
Surplus on disposal of 50.1% of Imperial Bank Limited	**53**	45	
Impairment of property, plant and equipment	**(41)**		
Impairment of goodwill	**(33)**		
Reversal of impairment (impairment) of other assets	**3**	(4)	
(Loss) profit on sale of investments in subsidiaries and associates	**(8)**	56	
	(26)	97	

Accounting policies

The financial statements are prepared in accordance with, and comply with, Statements of Generally Accepted Accounting Practice in South Africa, effective for the group's financial period, and are consistent in all material respects with those applied in the previous annual report, except for the adoption of AC133 Financial Instruments: Recognition and Measurement (revised 2002).

Change in accounting policy

During the current year, the group adopted AC133 Financial Instruments: Recognition and Measurement (revised 2002). AC133 has introduced a comprehensive framework for accounting for all financial instruments. The principal effect of the adoption of AC133 has been the fair value adjustment of forward exchange contracts, derivative instruments and interest-bearing debt.

Fair value and other AC133 adjustments resulting in a reduction to opening distributable reserves are summarised as follows:

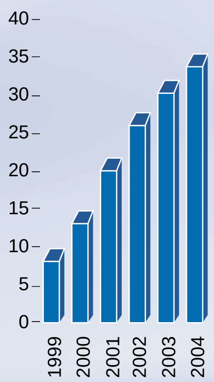
	Rm
Foreign exchange derivatives	**44**
Borrowings and interest rate swaps	**74**
Investments and loans receivable	**(15)**
	103
Attributable share from associates	**44**
	147
Minority interest	**(1)**
Total adjustment to opening distributable reserves	**146**

Fair value and other AC133 adjustments resulting in an increase in profit during the current year are summarised as follows:

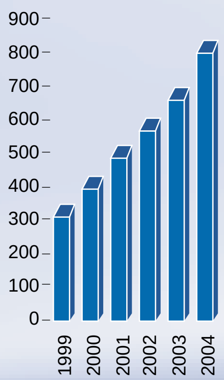
Losses on foreign exchange derivatives	**(82)**
Gains on borrowings and interest swaps	**55**
Fair value gains investments	**10**
	(17)
Attributable share from associates net of taxation	**56**
Total amount included in profit before taxation	**39**

Audit report

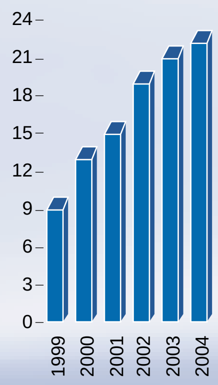
The comprehenisive results have been audited by the Group's auditors, Deloitte & Touche. Their unqualified audit opinion is available for inspection at the company's registered office.



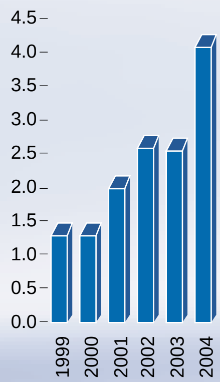
Revenue
(R billion)



Headline earnings per share (cents)



Total assets
(R billion)



Cash generated by operations (R billion)

BALANCE SHEET

at 25 June

	2004 Rm	2003 Rm
Property, plant and equipment	**2 311**	2 180
Intangible assets	**488**	504
Investments in associates and joint ventures	**1 771**	1 281
Other investments and loans	**890**	708
Deferred tax assets	**252**	247
Leasing assets	**4 785**	4 713
Transport fleet	**2 150**	1 881
Vehicles for hire	**734**	735
Inventories	**3 729**	3 551
Trade and other receivables	**4 756**	4 480
Taxation in advance	**98**	61
Cash and cash equivalents	**1 261**	1 298
Total assets	**23 225**	21 639
Insurance funds	**833**	566
Interest-bearing borrowings	**6 576**	6 135
Retirement benefit obligations	**178**	206
Deferred tax liabilities	**626**	531
Other liabilities	**5 906**	5 509
Total liabilities	**14 119**	12 947
Net assets	**9 106**	8 692
FUNDED BY		
Ordinary shareholders' interest	**8 662**	8 199
Minority interest	**444**	493
Total shareholders' equity	**9 106**	8 692
Supplementary information		
Investments in associates and joint ventures		
At carrying value	**797**	607
Loans	**974**	674
	1 771	1 281
Other investments and loans		
Listed, at market value	**698**	342
Unlisted, at fair value	**62**	
Listed, at cost		93
Unlisted, at lower of cost or realisable value		57
Loans receivable	**130**	216
	890	708
Capital expenditure	**3 834**	3 479
Capital commitments	**328**	299
Contingent liabilities	**301**	215
Lease commitments	**1 408**	1 379

CASH FLOW STATEMENT

for the years ended 25 June

	2004 Rm	2003 Rm
Cash flows from operating activities		
Cash generated by operations before changes in working capital	**4 330**	3 900
Net working capital movements	**(44)**	(1 140)
Cash generated by operations	**4 286**	2 760
Net financing costs	**(533)**	(555)
Dividends paid	**(427)**	(97)
Taxation paid	**(614)**	(240)
Net cash flows from operating activities	**2 712**	1 868
Cash flows from investing activities		
Acquisition of subsidiaries and businesses	**(156)**	(35)
Proceeds on disposal of subsidiaries and businesses	**60**	133
Expansion of property, plant and equipment	**(403)**	(336)
Expansion of leasing assets	**(548)**	(357)
Expansion of transport fleet	**(219)**	(316)
Expansion of vehicles for hire		(78)
Net replacement of property, plant and equipment	**(88)**	(50)
Net replacement of leasing assets	**(168)**	(422)
Net replacement of transport fleet	**(298)**	(242)
Net replacement of vehicles for hire	**(138)**	(225)
Net acquisition of intangibles	**(10)**	(27)
Additional investments in and loans (to) from subsidiaries and associated companies, net of disposals	**(313)**	(85)
Purchase of equities and loans advanced	**(680)**	(204)
Proceeds on disposal of investments	**552**	337
Net cash flows from investing activities	**(2 409)**	(1 907)
Cash flows from financing activities		
Cash flow from the issue of shares and movements in minorities	**57**	44
Purchase of treasury stock	**(307)**	(206)
Capital distribution	**(283)**	(500)
Increase (decrease) in long-term borrowings	**519**	(200)
Net cash flows from financing activities	**(14)**	(862)
Net increase (decrease) in cash and cash equivalents	**289**	(901)

STATEMENT OF CHANGES IN EQUITY

for the year ended 25 June 2004

	Share capital and premium Rm	Non-distributable reserve Rm	Distributable reserve Rm	**Total Rm**
Balance at 26 June 2002	2 891	527	4 240	**7 658**
Net losses arising on translation of foreign operations not recognised in the income statement		(250)		**(250)**
Net attributable profit for the year			1 477	**1 477**
Share of distributable reserves of associates		115	(115)	
Contingency reserve created in terms of the Insurance Act		11	(11)	
Issue of 563 100 ordinary shares	20			**20**
Purchase of 5 985 076 ordinary shares	(302)			**(302)**
Sale of 1 957 797 ordinary shares	96			**96**
Capital distribution of 120 cents per share	(247)			**(247)**
Capital distribution of 125 cents per share	(253)			**(253)**
Balance at 25 June 2003	2 205	403	5 591	**8 199**
Opening distributable reserves adjustment resulting from AC133			(146)	**(146)**
Net losses arising on translation of foreign operations not recognised in the income statement		(222)		**(222)**
Net attributable profit for the year			1 626	**1 626**
Share of distributable reserves of associates		177	(177)	
Contingency reserve created in terms of the Insurance Act		23	(23)	
Realised gains on sale of subsidiaries		(4)	4	
Revaluation of available for sale investments to fair value		4		**4**
Issue of 22 755 389 deferred ordinary shares	1			**1**
Issue of 1 901 401 ordinary shares	74			**74**
Purchase of 4 676 582 ordinary shares	(307)			**(307)**
Ordinary dividend of 140 cents per share net treasury stock			(284)	**(284)**
Capital distribution of 140 cents per share	(283)			**(283)**
Balance at 25 June 2004	1 690	381	6 591	**8 662**

SEGMENTAL INFORMATION

25 June 2004

INCOME STATEMENT

	Group		Logistics and transport		Leasing and fleet management		Aviation leasing		Car rental and tourism		Distributorships		Motor vehicle dealerships		Insurance		Head office and eliminations	
	2004 Rm	2003 Rm	**2004 Rm**	2003 Rm	**2004 Rm**	2003 Rm	**2004 Rm**	2003 Rm	**2004 Rm**	2003 Rm	**2004 Rm**	2003 Rm	**2004 Rm**	2003 Rm	**2004 Rm**	2003 Rm	**2004 Rm**	2003 Rm
Business segmentation																		
Revenue																		
– Sales of goods	**17 125**	14 491	**589**	525	**470**	298	**748**	775	**1 252**	1 122	**5 025**	3 678	**9 041**	8 091				2
– Rendering of services	**16 534**	16 461	**10 523**	10 809	**1 511**	1 482	**1 694**	1 376	**1 969**	2 035	**342**	316	**463**	428	**8**	9	**24**	6
– Gross premiums received	**1 491**	1 204													**1 491**	1 204		
– Interest income	**61**	52													**61**	52		
– Dividend income	**16**	8													**16**	8		
– Other	**51**	61	**51**	61											**1**		**(1)**	
	35 278	32 277	**11 163**	11 395	**1 981**	1 780	**2 442**	2 151	**3 221**	3 157	**5 367**	3 994	**9 504**	8 519	**1 577**	1 273	**23**	8
Inter-segment revenue			**413**	460	**259**	125		50	**185**	171	**918**	503	**586**	571	**131**	186	**(2 492)**	(2 066)
	35 278	32 277	**11 576**	11 855	**2 240**	1 905	**2 442**	2 201	**3 406**	3 328	**6 285**	4 497	**10 090**	9 090	**1 708**	1 459	**(2 469)**	(2 058)
Operating expenses excluding gains and losses on investments	**31 248**	28 481	**10 565**	10 886	**1 284**	1 023	**2 077**	1 619	**2 762**	2 624	**5 678**	4 208	**9 787**	8 761	**1 476**	1 307	**(2 381)**	(1 947)
Realised and unrealised losses (gains) on investments	**(39)**	20													**(39)**	20		
Fair value gains investments	**(10)**														**(10)**			
Depreciation	**1 495**	1 366	**464**	419	**490**	432	**173**	176	**295**	278	**50**	48	**32**	31	**9**	7	**(18)**	(25)
Recoupments	**(302)**	(217)	**(54)**	(68)	**(59)**	(50)	**(74)**	(4)	**(97)**	(83)	**(5)**	(8)	**(5)**	(4)	**(1)**	(1)	**(7)**	1
Operating profit	**2 886**	2 627	**601**	618	**525**	500	**266**	410	**446**	509	**562**	249	**276**	302	**273**	126	**(63)**	(87)
Foreign exchange (losses) gains	**(30)**	(35)	**(16)**	(8)	**(12)**	(1)	**(9)**	(24)		(1)	**7**							(1)
Fair value losses on foreign exchange derivatives	**(82)**				**(8)**						**(74)**							
Goodwill amortisation	**(63)**	(67)	**(30)**	(40)	**(2)**				**(25)**	(23)	**(3)**	2	**(1)**	2	**(1)**	(1)	**(1)**	(7)
Profit before net financing costs	**2 711**	2 525	**555**	570	**503**	499	**257**	386	**421**	485	**492**	251	**275**	304	**272**	125	**(64)**	(95)
Net financing costs	**(478)**	(555)	**(105)**	(125)	**(156)**	(165)	**(125)**	(153)	**(38)**	(12)	**(83)**	(90)	**(31)**	(33)			**60**	23
Income from associates and joint ventures	**228**	167	**18**	21			**71**	33	**1**	1	**24**	(2)	**1**	1			**113**	113
Profit before exceptional items	**2 461**	2 137	**468**	466	**347**	334	**203**	266	**384**	474	**433**	159	**245**	272	**272**	125	**109**	41
Geographic segmentation																		
Revenue	**35 278**	32 277	**11 163**	11 395	**1 981**	1 780	**2 442**	2 151	**3 221**	3 157	**5 367**	3 994	**9 504**	8 519	**1 577**	1 273	**23**	8
– South Africa	**27 696**	24 385	**4 854**	4 449	**1 573**	1 401	**1 888**	1 894	**3 121**	3 055	**5 281**	3 994	**9 504**	8 461	**1 452**	1 123	**23**	8
– Rest of Africa	**889**	800	**393**	339	**185**	155			**100**	98	**86**			58	**125**	150		
– Rest of World	**6 693**	7 092	**5 916**	6 607	**223**	224	**554**	257		4								
Operating profit	**2 886**	2 627	**601**	618	**525**	500	**266**	410	**446**	509	**562**	249	**276**	302	**273**	126	**(63)**	(87)
– South Africa	**2 578**	2 311	**445**	443	**433**	417	**248**	393	**434**	493	**564**	249	**276**	304	**241**	107	**(63)**	(95)
– Rest of Africa	**135**	109	**23**	12	**69**	54			**12**	16	**(2)**			(2)	**32**	19	**1**	10
– Rest of world	**173**	207	**133**	163	**23**	29	**18**	17									**(1)**	(2)
Net financing costs	**478**	555	**105**	125	**156**	165	**125**	153	**38**	12	**83**	90	**31**	33			**(60)**	(23)
– South Africa	**444**	511	**94**	104	**134**	143	**123**	153	**42**	15	**81**	90	**31**	30			**(61)**	(24)
– Rest of Africa	**19**	30	**6**	12	**12**	15			**(2)**	(1)	**2**			3			**1**	1
– Rest of world	**15**	14	**5**	9	**10**	7	**2**		**(2)**	(2)								
BALANCE SHEET																		
Business segmentation																		
ASSETS																		
Property plant and equipment	**2 311**	2 180	**969**	1 060	**93**	85	**107**	79	**181**	179	**459**	362	**323**	293	**83**	84	**96**	38
Intangible assets (including goodwill)	**488**	504	**226**	259	**15**	16	**21**	12	**231**	210		1	**(2)**	(3)	**5**	7	**(8)**	2
Investments, loans and associates	**1 957**	1 447	**100**	69		(8)	**506**	475	**1**	4	**254**	218	**10**	9	**870**	480	**216**	200
Leasing assets	**4 785**	4 713			**2 468**	2 175	**2 185**	2 311			**139**	234					**(7)**	(7)
Transport fleet	**2 150**	1 881	**2 208**	1 932													**(58)**	(51)
Vehicles for hire	**734**	735							**740**	741							**(6)**	(6)
Inventories	**3 729**	3 551	**182**	141	**292**	257	**501**	564	**335**	298	**1 346**	1 154	**1 074**	1 144			**(1)**	(7)
Trade and other receivables	**4 756**	4 480	**2 543**	2 511	**341**	264	**476**	279	**250**	374	**590**	505	**387**	350	**625**	598	**(456)**	(401)
Cash in financial services businesses	**473**	395													**473**	395		
Operating assets	**21 383**	19 886	**6 228**	5 972	**3 209**	2 789	**3 796**	3 720	**1 738**	1 806	**2 788**	2 474	**1 792**	1 793	**2 056**	1 564	**(224)**	(232)
Deferred tax assets	**252**	247																
Loans to associates and other investments	**704**	542																
Taxation in advance	**98**	61																
Cash and cash equivalents	**788**	903																
Total assets per balance sheet	**23 225**	21 639																
LIABILITIES																		
Insurance funds	**833**	566													**833**	566		
Retirement benefit obligations	**178**	206	**178**	206														
Accounts payable and provisions	**5 484**	5 072	**2 347**	2 238	**456**	450	**388**	427	**435**	535	**1 080**	689	**681**	596	**514**	438	**(417)**	(301)
Non-interest-bearing liabilities	**6 495**	5 844	**2 525**	2 444	**456**	450	**388**	427	**435**	535	**1 080**	689	**681**	596	**1 347**	1 004	**(417)**	(301)
Interest-bearing borrowings	**6 576**	6 135																
Deferred tax liabilities	**626**	531																
Current tax liabilities	**422**	437																
Total liabilities per balance sheet	**14 119**	12 947																
Geographic segmentation																		
OPERATING ASSETS	**21 383**	19 886	**6 228**	5 972	**3 209**	2 789	**3 796**	3 720	**1 738**	1 806	**2 788**	2 474	**1 792**	1 793	**2 056**	1 564	**(224)**	(232)
– South Africa	**17 900**	16 537	**4 365**	3 844	**2 543**	2 100	**3 454**	3 650	**1 712**	1 771	**2 753**	2 447	**1 792**	1 793	**1 906**	1 382	**(625)**	(450)
– Rest of Africa	**552**	577	**213**	198	**190**	219			**26**	35	**35**	27			**150**	182	**(62)**	(84)
– Rest of world	**2 931**	2 772	**1 650**	1 930	**476**	470	**342**	70									**463**	302
NON-INTEREST-BEARING LIABILITIES	**6 495**	5 844	**2 525**	2 444	**456**	450	**388**	427	**435**	535	**1 080**	689	**681**	596	**1 347**	1 004	**(417)**	(301)
– South Africa	**5 313**	4 511	**1 570**	1 369	**352**	328	**372**	408	**423**	522	**1 064**	679	**681**	596	**1 268**	907	**(417)**	(298)
– Rest of Africa	**213**	237	**62**	68	**45**	52			**12**	13	**16**	10			**79**	97	**(1)**	(3)
– Rest of world	**969**	1 096	**893**	1 007	**59**	70	**16**	19									**1**	
INTEREST-BEARING BORROWINGS	**6 576**	6 135	**1 529**	1 686	**1 767**	1 443	**1 967**	1 892	**311**	(72)	**434**	707	**19**	125	**14**	4	**535**	350
– South Africa	**5 835**	5 453	**1 302**	1 451	**1 513**	1 185	**1 765**	1 801	**270**	(161)	**405**	682	**19**	125	**14**	4	**547**	366
– Rest of Africa	**217**	302	**69**	72	**90**	132			**41**	89	**29**	25					**(12)**	(16)
– Rest of world	**524**	380	**158**	163	**164**	126	**202**	91										
GROSS CAPITAL EXPENDITURE	**3 834**	3 479	**895**	921	**1 372**	1 074	**207**	64	**825**	897	**392**	417	**95**	88	**21**	31	**27**	(13)
– South Africa	**3 292**	2 978	**699**	738	**1 190**	820	**53**	20	**814**	877	**392**	417	**95**	88	**21**	31	**28**	(13)
– Rest of Africa	**126**	178	**55**	52	**60**	106			**11**	20								
– Rest of world	**416**	323	**141**	131	**122**	148	**154**	44									**(1)**	
Gross capital expenditure	**3 834**	3 479	**895**	921	**1 372**	1 074	**207**	64	**825**	897	**392**	417	**95**	88	**21**	31	**27**	(13)
Less : Proceeds on disposal	**(1 962)**	(1 429)	**(224)**	(227)	**(597)**	(359)	**(142)**	(10)	**(620)**	(508)	**(334)**	(272)	**(25)**	(36)	**(7)**	(4)	**(13)**	(13)
Net capital expenditure	**1 872**	2 050	**671**	694	**775**	715	**65**	54	**205**	389	**58**	145	**70**	52	**14**	27	**14**	(26)

Imperial Holdings Limited (Registration number 1946/021048/06) Share code: IPL ISIN code: ZAE 000003620

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L Boyd (Chairman), E Molobi (Deputy Chairman), P L Erasmus, V Mokoena, P Langeni, M J Leeming, J R McAlpine, M Sisulu, A Tugendhaft, Y Waja

EXECUTIVE DIRECTORS
W G Lynch (Irish), R J Boëttger, M P de Canha, R L Hiemstra, A H Mahomed, G W Riemann (German), C E Scott

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