Imperial Holdings Limited | **Audited Preliminary Results**

for the period ended 30 June 2008

- Major restructuring substantially completed
- Significantly strengthened balance sheet
- Revenue from continuing operations up 3% to R56 billion
- Headline earnings per share from continuing operations down 49% to 615 cents
- Lower profits from motor and related operations, but strong performance from logistics in Southern Africa and Europe
- Once-off charge of R2,3 billion relating to discontinued operations
- Final dividend of 245 cents per share

Imperial Holdings

Imperial Holdings Limited (Registration number 1946/021048/06)
Ordinary share code: IPL ISIN: ZAE000067211 Preference share code: IPLP ISIN: ZAE000088076

Overview of results

The effects of essential restructuring to strengthen the balance sheet, coupled with the downturn in the consumer economy, caused a sharp decline in profits and a reduction in shareholders' funds.

The group returned an attributable loss of R513 million after exceptional losses of R2,3 billion, primarily on the sale of the aviation operations and Multipart, the UK parts distributor and on the closure of CVH, the truck assembly and distribution business. Continuing operations achieved headline earnings of R1 143 million which is 49% down on last year, and headline earnings per share of 615 cents, also 49% down.

Net interest-bearing debt (excluding preference shares) at R8,5 billion is now significantly lower than the R14,7 billion at December 2007 and R11,1 billion a year ago. Gearing (net interest-bearing debt/shareholders' funds) now stands at 81% against 119% at the half year and 82% in June 2007. The unbundling of the leasing and capital equipment division as Eqstra Holdings Limited (Eqstra), resulted in a R5 billion reduction in interest-bearing debt at Imperial. A further R1 067 million is due to be received on 8 September from the sale of Tourvest, on which a profit of approximately R480 million will be realised. A further R500 million is expected to be received on the sale of the Aviation business within the next six months which will be used to further reduce debt.

The decline in the Imperial share price, from R141,50 at June 2007 to a combined share price of Imperial and Eqstra of R65,30 at June 2008, necessitated further R308 million impairment of our vendor finance loan to Lereko Mobility. In addition, a provision of R182 million was made against a loan to the Imperial Share Trust. Other once-off amounts included in headline earnings are a profit of R150 million on revaluation due to currency movements on capital which has been repatriated from our international operations, and R70 million income from our 47% interest in Ukhamba Holdings due to that company's receipt of Eqstra shares through the unbundling. All these amounts are reflected in headline earnings and resulted in a net charge to HEPS by 145 cents.

Continuing operations

The main reasons for the 49% decline in HEPS from continuing operations were:

- the sharp decline in consumer spending and vehicle sales following the effect of five 50-point interest rate hikes during the period, aggravated by extraordinarily high fuel prices which resulted in a significant reduction in disposable income;
- a weaker rand affecting imported vehicle prices without corresponding sales price increases;
- weaker equity markets causing a significant swing in mark-to-market adjustments on the insurance portfolios; and
- weak underwriting results in the insurance operations.

Revenue grew by 3% to R56 billion, contributed mainly by the logistics and car rental divisions, where revenue grew by 23%. In the insurance division, the switch to monthly from single-premium business dictated by new legislation caused premium income to decline by 18%.

Pre-tax profit was down 41% mainly due to declines in the motor retail-related divisions, namely distributorships, dealerships and insurance which were down by 59% in aggregate. Pre-tax profit in the non-motor retail businesses grew by 16% which is satisfactory in view of weak used car prices and the absorption of once-off rebranding costs in the car rental business.

The overall operating margin declined from 6,9% to 5,3%, primarily because of lower sales volumes in the motor retail and distributorships divisions and sharply lower profits in insurance. Margins in the logistics business improved slightly from 6,0% to 6,1% and were lower at 13,6% from 15,2% in car rental due to a change in the sales mix towards a higher used car content.

Results from our European logistics business were particularly pleasing. After the restructuring of the group, the relative contribution of this business to group operating profit increased from 7% in 2007 to 13% in 2008.

The tax rate was 38%, mainly due to the impact of non-tax-deductible charges on the Lereko transaction and the write down of the share trust loans.

Discontinued operations

The attributable loss from discontinued operations amounted to R1,9 billion which includes losses on the disposal of aviation (R1,3 billion) and closure of CVH (R803 million).

At headline level, discontinued operations contributed net earnings of R190 million, principally R214 million from leasing and R91 million from Tourvest and a loss in CVH of R106 million.

The assets of these operations, which are accounted for as held for sale, amount to R4,4 billion, against which liabilities and creditors of R2,4 billion are held.

Dividend

The board has resolved to maintain the group's dividend policy of paying 40% of headline earnings. At the half year, it was decided not to pay a dividend as the restructuring was not yet complete. A dividend of 245 cents per share has now been declared, which equates to 40% of headline earnings from continuing operations for the full year.

Impairment of share trust loan and Lereko Mobility vendor finance

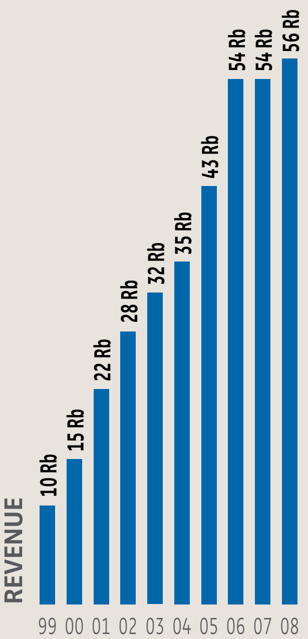
In addition to the R182 million impairment of the share trust loan against earnings from continuing operations, R84 million was impaired against earnings from discontinued operations and a total of R54 million in interest on the loan was not recognised. Despite the impairments having been taken, the amounts due by scheme participants are still owing in terms of the scheme rules.

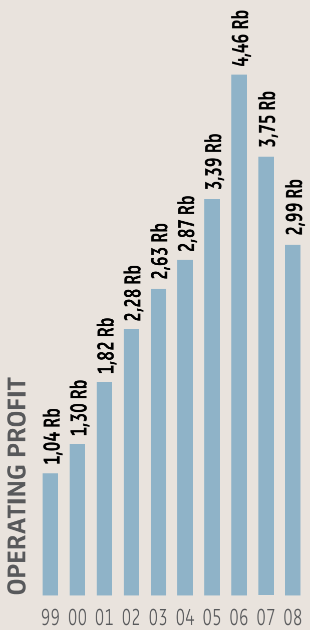
Of the vendor finance loan to our BEE shareholding partner, Lereko Mobility, R308 million was impaired against income, and a further R238 million against equity.

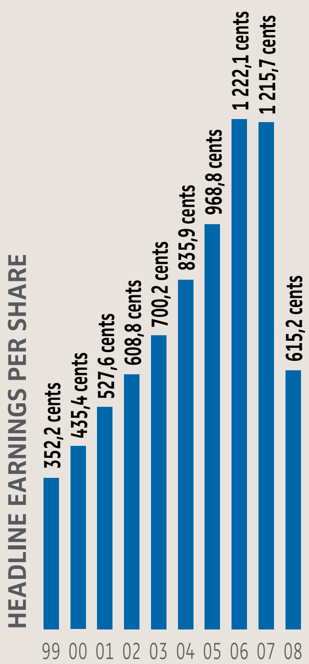
Balance sheet

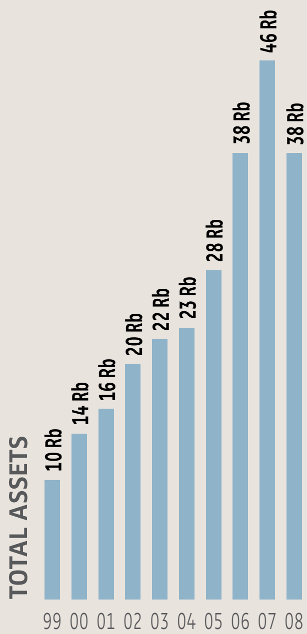
Total shareholders' equity reduced by R3,1 billion mainly as a result of the net loss for the year of R513 million which includes the exceptional loss on discontinued operations of R2,3 billion, a contribution of capital to Eqstra on the unbundling of R1,7 billion and the capital distribution in September 2007 of R529 million. Net debt reduced by R6,2 billion (42%) since December 2007 and the reduction against June 2007 amounted to R2,6 billion.

Individual asset levels reduced significantly inter alia as a result of the restructuring steps undertaken R6,6 billion in leasing assets, and R1,4 billion in net working capital. Transport vehicles and vehicles for hire increased by R1,2 billion. The group's working capital turn has improved significantly since the unbundling of Eqstra.









* 2007 and 2008 continuing operations only

Assets in the discontinued operations which are accounted for as assets held for sale amount to R4,4 billion, against which R2,1 billion in interest-free liabilities and R0,3 billion in interest-bearing debt are held.

Cash flow

Cash flow for the year has been affected by the restructing steps which were aimed at improving the group's cash position. Total cash flow from unbundling and disposals of subsidiaries and businesses generated cash of R5,8 billion before the receipt of the proceeds of the disposal of Tourvest and the aviation division. Cash flow from operations in continuing businesses, at R3 633 million was 15,6% lower than last year. Expansion capital expenditure amounted to R1 595 million against R1 275 million last year and replacement capital expenditure came to R1 017 million, up from R703 million last year. In total for the year, gross debt excluding preference shares declined to R11 599 million from R13 845 million and cash holdings, which include cash in the insurance companies from R2 788 million to R3 148 million.

Vehicle sales

The group retailed 81 744 new and 58 983 used vehicles (including motorcycles), respectively 83% and 98% of last year's sales. In addition, it sold 16 736 new vehicles to outside dealers as distributor, 17% below last year. The Australian, Swedish and United Kingdom operations sold 12 694 new and 4 802 used vehicles, respectively 96% and 87% of last year's sales.

Restructuring

Several major restructuring initiatives were undertaken this year:

- In May, the leasing and capital equipment division was unbundled to shareholders. Shareholders received ordinary shares in Eqstra on a one-for-one basis for Imperial shares held. Eqstra was separately listed on the FTSE-JSE on 12 May 2008. Through the unbundling, R5 billion in interest-bearing debt was removed from Imperial's balance sheet, whilst total equity of R1,6 billion (before minorities and Imperial's attributable on its treasury stock) was contributed by Imperial to Eqstra. As a result, Imperial's balance sheet is now stronger and the continuous obligation to fund the capital-intensive operations of this division has been eliminated. Eqstra, by its nature as a leasing company, is in a better position to fund the expansion of its vehicle and capital equipment fleets.
- On 23 April, we accepted an offer of 208 cents per share for our entire 66% shareholding in Tourvest. R1 067 million is due as proceeds from the sale on 8 September 2008, resulting in an exceptional profit of approximately R480 million on the disposal.
- We concluded the sale of the Ireland-based airfreight business, Air Contractors Limited, to Petercam, a Belgian financial services group, and Compagnie Maritime Belge NV, a Belgian shipping company for €22 million with effect from 15 February 2008. Subsequently, agreement has been reached with the Aergo Capital group of Ireland for the sale of substantially all the remaining assets of the aviation division as a going concern with effect from 25 November 2007, including our 50% interest in Safair Lease Finance (Pty) Limited. The purchase consideration amounts to the sum of US$56 million and R510 million. US$35 million of the purchase consideration will be received on fulfilment of all conditions precedent, expected to be during the second half of 2008, and the balance of US$21 million will be received in various amounts between the completion date and 31 October 2012. The rand-based consideration will be received in various tranches over a five-year period subsequent to the completion date. The transaction is still subject to the fulfilment of certain conditions precedent.
- The only remaining aviation assets of Imperial which are held for sale and accounted for as a discontinued operation are a fleet of nine Hercules aircraft, which will be leased to Aergo for a maximum of five years where Imperial has a right to put the aircraft to Aergo at regular intervals over the period at pre-agreed prices, and a further two MD 83 and one Boeing 737–200 aircraft. These aircraft are running out their existing lease contracts and will then be disposed of. In addition, an offer for the group's 60% interest in Naturelink (Pty) Limited has been accepted.
- These disposals exclude the group`s 62% interest in the general aviation sales and service organisation, National Airways Corporation, which, as announced, will not be sold and will be reported as part of our distributorships division.
- Following losses in the commercial vehicle distribution business, CVH, we have closed the business and terminated distributorship agreements with suppliers. Since the discontinuation of the business, truck inventories have been reduced by 50% to 927 new and used units.
- In the United Kingdom, we sold Multipart, the parts distribution business and realised a loss of R294 million. The disposal was due to the disappointing performance of this business in gaining new contracts and the recent loss of a significant outsourcing contract with an original equipment manufacturer.
- During the second half of the year, given the impact of legislative changes on the credit insurance industry, we critically assessed the focus, structures and reserves of our insurance division. The group decided to merge the operations of Regent Life and Regent Insurance, creating a uniform approach to certain markets and achieving economies of scale in operations. Annual cost savings of R50 million will be achieved through the merger. Once-off rationalisation costs will amount to R39 million, of which R25 million was incurred in the current financial year. Significant process engineering and product redevelopment are required in our insurance companies and it will take time to complete. This assessment of our insurance interests also led to the sale of 65% of Imperial Re to Flagstone Re, a New York-listed reinsurance group, and was renamed Flagstone Re Africa. This company is expected to achieve a meaningful share of the local market through the expertise and credit rating which the new controlling shareholder will add to the business.

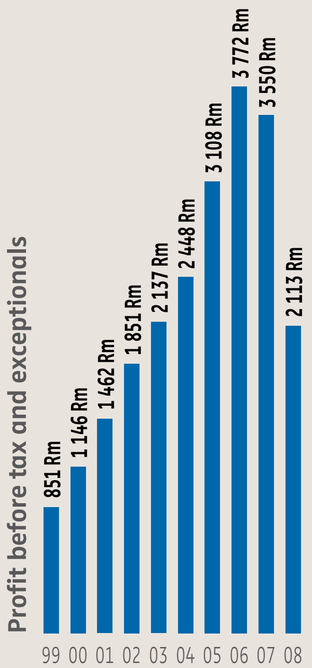
Strategic intentions

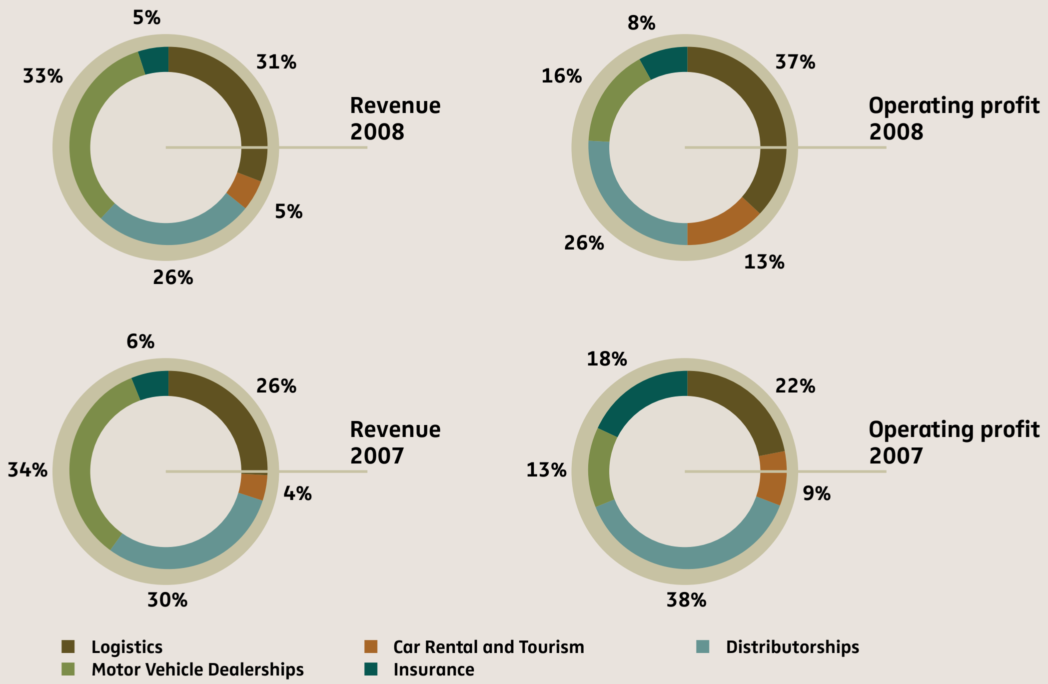
The restructuring programme of the past year has achieved all the objectives envisaged. The group's balance sheet is now able to facilitate a renewed expansion drive and provides great resilience in the current challenging trading conditions. Acquisitions and greenfields operations in, and complementary to, our existing operations will be carefully pursued together with an emphasis on optimal capital management.

The board recognises that the restructuring of the past year has left the group more exposed to consumer cycles than in the past. We view logistics, both locally and in Europe, as areas of preferred expansion to enhance the contra-cyclical defensiveness of the group's earnings base. Expansion opportunities in knowledge-based industries which require low capital investment will be emphasised.

Expansion during the year

Acquisitions and expansions were concentrated in our logistics businesses during the year.





Imperial Logistics International further strengthened its position in intermodal transport activities in Germany's Ruhr district and growth of its waterway and specialised road transport fleet. It acquired Laabs and Foodtankers – liquid bulk tanker operations in Germany and Sweden, as well as Rijnaarde – a Dutch inland waterway charterer, Maxx Thiebaut – a Belgian inland waterway company, and Amadeus – a German short sea broker. Increased container and bulk handling space was obtained in the Ruhr district which accounts for 70% of Germany's container handling. The total cost of the acquisitions amounted to R195 million. Further expansion will occur next year in a new short sea container terminal in Duisburg and through the re-commissioning of a container terminal in the port of Krefeld, south of Duisburg. Its intermodal abilities were further strengthened by the acquisition of Danes, a regional container transport company. In Panopa Logistics, a new 25 000m^2 distribution centre has been commissioned in Herten.

Subsequent to the year-end, we finalised the acquisition of Hansmann, an automotive logistics group active in Wolfsburg and Multinaut Donaul Logistic, a waterway charter company active in Austria, which gives us access to waterway traffic along the Danube river.

In South Africa, the logistics division acquired a 51% interest in Volition, a logistics consultancy business, demonstrating the group's desire to invest in asset light businesses with high returns. The competition authorities also recently approved the acquisition of RP Logistix, a long-distance transport group based in the Western Cape.

In the motor dealerships division, a new Mercedes Benz Lifestyle Centre was opened in Bedfordview, and a MAN truck dealership acquired in Johannesburg, strengthening the range of commercial vehicles on offer from our group.

Divisional reports

Logistics

Logistics Southern Africa

	2008	2007	%
Revenue	**9 733**	8 018	21,4
Operating profit	**706**	619	14,1
Operating margin	**7,2%**	7,7%	

Southern African logistics returned a very satisfactory performance in spite of high fuel costs impacting on margins and lower consumer spending affecting volumes in the fast-moving consumer goods (FMCG) segment of the business. Revenue growth of 21,4% was boosted by the diesel price which increased by more than 76% over the year and has been recovered from customers.

The division had some underperforming companies and contracts in certain of its businesses, which led to corrective actions and to the sale of the assets of Forecourt Express, the motor vehicle transport group that served the local OEM's. However, the effect of this has been counteracted by a number of businesses that have performed better than expected.

The division generated good cash flow after net capital expenditure of R625 million. During the period the capitalisation of the group's divisions was aligned between the divisions and head office, leading to increased debt and interest at divisional levels.

Major new contracts were won during the year and the outcome of significant new tenders is pending. A greater portion of the turnover and profitability of this division originated from non-transport activities and this will be further emphasised through growth in our service-related and warehousing logistics businesses.

International Logistics

	2008	2007	%
Revenue	**8 253**	6 544	26,1
Operating profit	**396**	250	58,4
Operating margin	**4,9%**	3,8%	

Imperial Logistics International experienced favourable economic conditions in its markets, which consist of inland waterway shipping of bulk and containerised freight, inland port terminal operations in Western Europe and automotive spare parts, paper and steel logistics. The reporting period for most of the companies spanned 13 months with the change in the group's year-end. Revenue grew by 26,1% to R8,3 billion (10,3% in euros). The container terminals on the Rhine increased revenue significantly, as did Panopa Logistics.

Operating profit grew strongly by 58,4% to R396 million (42% in euros). Fuel cost increases could not be fully passed on to customers and affected margins slightly. Inland waterway shipping in Imperial Reederei and container and bulk terminals in Neska performed very well. The terminals operated at full capacity as a result of the important European and global markets which we serve in these businesses. Significant additional capacity is being added with the objective of doubling container handling to two million TEU's (twenty foot equivalent units) per year by 2015. Excess demand on our inland waterway fleet is mainly fulfilled through growth of our chartering activities.

Panopa Logistics also performed well despite staff cost pressures in the VW supply chain contract in Poland where Panopa runs its largest branch. Gilhuber has been returned to profitability through decisive management action and a number of small unsuccessful businesses have been disposed of.

Car Rental and Tourism

	2008	2007	%
Revenue	**2 712**	2 258	20,1
Operating profit	**370**	344	7,6
Operating margin	**13,6%**	15,2%	

Good turnover growth was achieved, mainly due to higher growth in the lower-margin used car segment of the division which outpaced rental growth. However, margins in both segments were largely maintained.

The operational consolidation of Imperial Car Rental and Europcar is now complete and a significant investment has been made in the rebranding from Imperial to Europcar. The Europcar franchise has been extended on favourable terms for a significant period. In addition, we secured a referral agreement for the National and Alamo brands and relinquished the Sixt franchise in the interest of realigning the Tempest brand in particular segments. Tempest has completely overhauled its strategy which will have the added benefit of positively affecting our capital expenditure in the division as the vehicle fleet will be utilised for longer.

Operationally, the fleet size increased by 10% and utilisation reduced slightly, whilst accident repair costs and theft losses increased by more than the fleet size.

The tourism assets performed well but results were affected by closure costs of certain small unprofitable operations. Once-off costs related to the rebranding and restructuring in the car rental and tourism division affected the operating profit growth of the division significantly.

Distributorships

	2008	2007	%
Revenue	**15 056**	17 078	(11,8)
Operating profit	**751**	1 327	(43,4)
Operating margin	**5,0%**	7,9%	

This division now consists of Associated Motor Holdings (AMH), National Airways Corporation (NAC) and the South African parts distribution business. Prior year figures have been restated for comparative purposes.

AMH had a difficult year due to low consumer demand for motor vehicles. Retail unit sales were 18% lower than last year as entry-level dealership sales – where AMH is strong – were worst affected by the vehicle sales slowdown. With a high fixed-cost component and a weaker rand against its suppliers' currencies, margins were down as fully compensating price increases could not be achieved. As the dealer base in AMH is still being developed and comprises mostly of cost-effective multi-franchise operations, no dealerships were closed in response to temporary lower vehicle demand. Trading in the Australian dealerships was also subdued, but the loss before tax was reduced from AU$5,6 million to AU$3,4 million.

The business model in the auto parts business was revised and a loss incurred following inventory write downs.

Once the sale of the aviation division is complete, NAC, which is primarily an aircraft sales, charter and training organisation, will be the group's only aviation-related business. The company showed good improvement in margins and profit before and after interest. Strong growth in aircraft sales in South Africa was achieved with 108 units sold (67 new and 41 used). 43 Air School, with expanded facilities at Bisho airport, made an important contribution.

Dealerships

	2008	2007	%
Revenue	**19 181**	19 229	(0,2)
Operating profit	**470**	524	(10,3)
Operating margin	**2,5%**	2,7%	

As in all our motor and related businesses, trading was difficult, although turnover was maintained through higher truck sales, workshop and parts activities. Whilst the division benefited from profits on the disposal of properties, it was gratifying to see operating margins in extremely tough conditions at 2,2% excluding profits on disposal of properties. The strategy of diversification into commercial vehicles and non-OEM products such as canopies and caravans has clearly paid off. Since 2006, the composition of the division's revenue between sales of new passenger and commercial vehicles has changed from 66% passenger and 34% commercial to 48% passenger and 52% commercial in 2008. This is partly due to the outperformance of commercial vehicle sales against passenger vehicle sales, but also from a conscious move towards commercial vehicle activity.

Finance costs rose due to increased borrowings for property investments, stock and higher interest rates, causing pre-tax profit to decline by 23%.

Amid tough trading conditions, eight new and 11 used car dealerships were closed and two sold, whilst we proceeded with a number of upgrades and relocations to better position the division for an upturn in the motor market, which is expected to follow the peak in the short-term interest rate cycle.

We are satisfied with the performance of our dealerships in the UK and Sweden under difficult trading conditions.

The division expanded its medium and heavy truck dealership footprint by acquiring a MAN dealership as well as a flagship International dealer which was taken over from Commercial Vehicle Holdings.

Passenger unit sales were down by 22% but light, medium and heavy commercial vehicle sales were up 10%. Used vehicle retail sales were 10% lower. Beekman Canopies and Jurgens Caravans also had lower sales but profitability remained satisfactory.

Insurance

	2008	2007	%
Revenue	**2 594**	3 151	(17,7)
Operating profit	**249**	713	(65,1)
Operating margin	**9,6%**	22,6%	

The overall result of insurance operations was sharply down due to lower investment income on equity portfolios and lower underwriting results. Premium income also declined as a result of the National Credit Act (NCA) which prescribes the selling of monthly premium policies instead of single premium policies. This was particularly evident in the life company.

During the second half of the financial year, certain estimates and judgements on reserving were revised, resulting in stronger reserves in both insurance companies. These adjustments, together with an extremely difficult motor vehicle underwriting cycle and weak returns on investment portfolios caused a small loss in the division in the second half.

The number of credit life and Adcover policies written was well down on last year from the combined effect of the NCA and lower vehicle sales. Policy lapses were also significantly higher due to the switch to monthly from single premium business.

In response to these challenges to our insurance operations, we decided to merge the operations of the two companies. Significant cost savings will be achieved through a combination of one focused sales force and rationalised back-office operations.

Regent Life paid a fine of R 1 million following the FSB investigation into commission payments in the broader credit insurance industry. This brings the investigation into Regent Life to a close. The Nienaber Commission under the auspices of the LOA and SAIA recognised Regent Life's efforts at bringing industry problems to the fore, and made certain other recommendations regarding trade practices in the industry.

Income from associates

Income from associates increased to R278 million. The main contributor was our 49,9% interest in Imperial Bank which increased its contribution by 2% to R206 million for the period. This was a very satisfactory performance under difficult trading conditions in the consumer lending market, especially in motor vehicles. The property finance division of the bank contributed well. Renault incurred a substantial attributable loss of R90 million. Imperial does not have management control of Renault South Africa, but is working with Renault in France to restore the company to profitability, based on new models that will be locally produced and which are expected to be successful. The return from the group's 47% interest in Ukhamba Holdings included a once-off gain of R70 million on the receipt of deferred shares in Eqstra.

Black economic empowerment and skills development

Despite the decline in the Imperial share price, the impact on the broad range of beneficiaries of our BEE transaction with Ukhamba Holdings is still very positive. An aggregate sum of approximately R800 million has been accrued to previously disadvantaged staff members of the group, both current and former employees. Based on the current share price, benefits to the Lereko Consortium through its 51% shareholding in Lereko Mobility have decreased. However, the transaction still has seven years to run, which leaves the possibility for a recovery of value.

An executive management training programme was launched during the year as part of an allocation of R100 million to a skills development and training fund. In addition, a motor apprentice training centre has been established in Cape Town and a new training facility is being built in Germiston. These initiatives will augment an extensive range of training at various levels of management throughout the group, with particular emphasis on previously disadvantaged individuals.

Prospects

We expect low consumer spending to continue for most of our 2009 financial year, causing our motor retail and ancillary businesses to remain under severe pressure, as they were for the past financial year. These conditions affect our dealerships, distributorships, insurance, banking and, partially, our car rental business. The car rental division will, however, benefit from the Europcar merger and brand refocusing.

Whilst it is not immune to the current economic slowdown, logistics in Southern Africa is better able to maintain margins and volumes through its broad base of customers and will benefit from improved operational efficiencies. The European logistics business will find it more difficult to grow from a current high base, particularly as the global economy is slowing, but the benefits of recent prudent organic and acquisitive expansion should be evident.

The benefits of the past year's restructuring should begin to emerge as group debt is being reduced and the underperforming commercial vehicle and aviation businesses have been closed, sold or in the process of being sold.

Overall, we expect performance in the year ahead to remain weak as long as consumer-driven economic growth in South Africa is under strain.

By order of the board

TS Gcabashe, Chairman

HR Brody, Chief Executive

AH Mahomed, Financial Director

Declaration of dividends

Preference shareholders and ordinary shareholders

Notice is hereby given that:

- a preference dividend of 554,384 cents per preference share has been declared payable to holders of non-redeemable, non-participating preference shares; and
- an ordinary dividend of 245 cents per ordinary share has been declared payable to ordinary shareholders.

The company has determined the following salient dates for the payment of the preference dividend and ordinary dividend:

	2008
Last day for preference shares and ordinary shares respectively to trade cum-preference dividend and cum ordinary dividend	Thursday, 18 September
Preference and ordinary shares commence trading ex- preference dividend and ex ordinary dividend respectively	Friday, 19 September
Record date	Friday, 26 September
Payment date	Monday, 29 September

Share certificates may not be dematerialised/rematerialised between Friday, 19 September 2008 and Friday, 26 September 2008, both days inclusive.

On Monday, 29 September 2008, amounts due in respect of the preference dividend and the ordinary dividend will be electronically transferred to the bank accounts of certificated shareholders that utilise this facility. In respect of those who do not, cheques dated 29 September 2008 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, 29 September 2008.

In terms of the Exchange Control Regulations of the Republic of South Africa, cash payments based on emigrant's shares controlled in terms of the Exchange Control Regulations will be forwarded to an Authorised Dealer in foreign exchange controlling their blocked assets. The elections by emigrants for the above purpose must be made through the Authorised Dealer in foreign exchange controlling their blocked assets. Payments due to non-residents are freely transferable from the Republic.

Preferred ordinary shareholders (Unlisted)

Notice is hereby further given that a preferred ordinary dividend of 267,5 cents per preferred ordinary share has been declared and is payable to preferred ordinary shareholders recorded in the registers of the company at the close of business on Thursday, 25 September 2008.

On Friday, 26 September 2008 the preferred ordinary dividend will be electronically transferred to the bank accounts of preferred ordinary shareholders.

On behalf of the board

RA Venter
Group Company Secretary
26 August 2008

Condensed income statement

For the period ended	30 June 2008 Rm	Restated 25 June 2007 Rm	% change
CONTINUING OPERATIONS			
Revenue	**55 927**	54 451	3
Profit from operations before depreciation and recoupments	**4 078**	4 642	
Depreciation, amortisation and recoupments	**(1 086)**	(889)	
Operating profit	**2 992**	3 753	(20)
Foreign exchange gains	**145**	22	
Fair value gains (losses) to foreign exchange derivatives	**1**	(2)	
Impairment of share scheme loans	**(182)**		
Fair value (losses) gains on other financial instruments	**(314)**	19	
Exceptional items	**1**	15	
Profit before net financing costs	**2 643**	3 807	(31)
Net finance cost	**(807)**	(478)	
Income from associates and joint ventures	**278**	236	
Profit before taxation	**2 114**	3 565	(41)
Income tax expense	**707**	1 008	
Profit from continuing operations	**1 407**	2 557	
DISCONTINUED OPERATIONS	**(1 920)**	597	(422)
– Trading profit from operations	**349**	597	(42)
– Fair value loss on discontinuation	**(2 269)**		
Net (loss) profit for the period	**(513)**	3 154	(116)
Attributable to:			
Equity holders of Imperial Holdings Limited	**(870)**	2 776	(131)
Minority interest – continuing operation	**162**	204	(21)
Minority interest – discontinued operation	**195**	174	12
	(513)	3 154	(116)
Earnings per share*	**Cents**	Cents	
Ordinary shares			
Basic			
– Total	**(510)**	1 470	(135)
– Discontinued operations	**(1 139)**	228	(600)
– Continuing operations	**629**	1 242	(49)
Diluted			
– Total	**(420)**	1 363	(131)
– Discontinued operations	**(1 020)**	208	(590)
– Continuing operations	**600**	1 155	(48)
Headline earnings per share*			
Headline earnings as previously stated			
– Basic		1 434	
– Diluted		1 339	
Basic – current year			
– Total	**718**	1 377	(48)
– Discontinued operations	**103**	161	
– Continuing operations	**615**	1 216	
Diluted – current year			
– Total	**680**	1 278	(47)
– Discontinued operations	**92**	147	
– Continuing operations	**588**	1 131	

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

Headline earnings reconciliation	**Rm**	Rm
Attributable (loss) profit	**(870)**	2 776
Attributable to preferred ordinary shareholders	**(78)**	(52)
Headline earnings from continuing and discontinued operations	**(948)**	2 724
Impairment of property, plant and equipment	**5**	22
Profit on sale of property, plant and equipment	**(24)**	(228)
Fair value loss on discontinued operations	**2 605**	—
Exceptional item net of tax	**(1)**	(15)
Exceptional items included in income from associates	**6**	(3)
Exceptional item included in trading operation from discontinued operations	**—**	5
Taxation	**(310)**	41
Minorities	**—**	4
Headline earnings – basic	**1 333**	2 550
Attributable to preferred ordinary shareholders	**78**	52
Headline earnings – diluted	**1 411**	2 602
Preferred ordinary shares	**Cents**	Cents
– Basic	**535**	357
Additional information		
Net asset value per share	**4 732**	6 223
Number of ordinary shares (million)		
– in issue	**188**	187
– weighted average	**186**	185
– weighted average for diluted earnings	**207**	204
Number of other shares in issue (million)		
– Preferred ordinary	**15**	15
– Deferred ordinary	**17**	19
Net finance cost	**Rm**	Rm
Net interest paid	**1 527**	1 040
Capitalised to property, plant and equipment	**(19)**	(12)
Foreign exchange loss on monetary items	**376**	60
Fair value gains on borrowings and interest swaps	**(417)**	(62)
Net finance cost discontinued operations	**(660)**	(548)
	807	478
Exceptional items	**Rm**	Rm
Impairment of goodwill	**(47)**	(14)
Profit (loss) on disposal of investments in subsidiaries, associates and joint ventures	**48**	34
Loss on closure of business		(5)
	1	15

Condensed balance sheet

At June	30 June 2008 Rm	25 June 2007 Rm
ASSETS		
Intangible assets	**897**	1 238
Investments in associates and joint ventures	**2 017**	2 732
Property, plant and equipment	**5 681**	5 441
Transport fleet	**3 465**	2 789
Leasing assets	**337**	6 990
Vehicles for hire	**1 286**	1 012
Deferred tax assets	**637**	450
Other investments and loans	**2 320**	2 793
Other non-current financial assets	**330**	842
Inventories	**6 442**	9 436
Taxation in advance	**111**	140
Trade and other receivables	**6 821**	8 883
Cash resources	**3 148**	2 788
Assets classified as held for sale	**4 440**	
Total assets	**37 932**	45 534
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	**10**	876
Shares repurchased	**(1 816)**	(1 955)
Other reserves	**1 273**	1 203
Retained earnings	**10 138**	12 397
Attributable to Imperial Holdings' shareholders	**9 605**	12 521
Minority interest	**811**	946
Total shareholders' equity	**10 416**	13 467
Liabilities		
Non-redeemable, non-participating preference shares	**441**	441
Retirement benefit obligations	**286**	230
Interest-bearing borrowings	**11 599**	13 845
Liabilities under insurance contracts	**1 535**	1 722
Deferred tax liabilities	**549**	1 196
Other non-current financial liabilities	**98**	13
Provisions for liabilities and other charges	**905**	1 154
Trade and other payables	**9 160**	12 526
Current tax liabilities	**586**	940
Liabilities directly associated with assets held for sale	**2 357**	
Total liabilities	**27 516**	32 067
Total equity and liabilities	**37 932**	45 534
Capital commitments	**509**	1 426
Contingent liabilities	**595**	600

Condensed cash flow statement

For the period ended	30 June 2008 Rm	Restated 25 June 2007 Rm
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash flows from operating activities	**6 077**	6 786
Net working capital movements	**(388)**	(775)
Cash generated by operations	**5 689**	6 011
Cash generated by operations – continuing businesses	**3 633**	4 305
Cash generated by operations – discontinued businesses	**2 056**	1 706
Net financing costs	**(1 426)**	(1 026)
	4 263	4 985
Taxation paid	**(1 396)**	(1 106)
Net cash flows from operating activities	**2 867**	3 879
CASH FLOWS FROM INVESTING ACTIVITIES		
Net unbundling, acquisition and disposal of subsidiaries and businesses	**5 372**	(462)
Expansion capital expenditure	**(1 595)**	(1 275)
Net replacement capital expenditure	**(1 017)**	(703)
Net capital expenditure discontinued businesses	**(2 384)**	(1 846)
Investments, equities and loans	**680**	(462)
Net cash flows from investing activities	**1 056**	(4 748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Hedge cost of share options	**(67)**	(66)
Change in minority interest		(69)
Purchase of treasury stock net of transfers from share purchase trust	**(10)**	(298)
Dividends paid	**(225)**	(429)
Capital distribution	**(607)**	(761)
(Decrease) increase in long term borrowings	**(1 165)**	1 946
Net cash flows from financing activities	**(2 074)**	323
Net increase/(decrease) in cash and cash equivalents	**1 849**	(546)

Condensed statement of changes in equity

For the period ended June	Share capital and premium Rm	Share repurchases Rm	Other reserves Rm	Retained earnings Rm	Minority interest Rm	Total Rm
Balance at 25 June 2006	1 762	(2 497)	1 272	9 465	785	10 787
Net gains arising on translation of foreign operations			142		1	143
Movement in hedge accounting reserve			(569)		(77)	(646)
Payments on share option hedging			(66)			(66)
Net losses not recognised in the income statement			(493)		(76)	(569)
Net attributable profit for the year				2 776	378	3 154
Net increase in minority interest					25	25
Contingency reserve created in terms of the Insurance Act			47	(47)		
Transfer of Imperial Banks' credit risk reserve to statutory reserve			16	(16)		
Purchase of 2 630 386 ordinary shares		(298)				(298)
Deconsolidation of Lereko Mobility		715	361	482		1 558
Capital distribution of 244 cents per ordinary share in October 2006	(511)	49				(462)
Capital distribution of 160 cents per ordinary share in April 2007	(336)	37				(299)
Dividend of 120 cents per ordinary share in April 2007				(224)		(224)
Capital distribution of 267,5 cents per preferred ordinary share in September 2006	(39)	39				
Dividend of 267,5 cents per preferred ordinary share in March 2007				(39)		(39)
Minority share of dividends					(166)	(166)
Balance at 25 June 2007	876	(1 955)	1 203	12 397	946	13 467
Net gains arising on translation of foreign operations			213		21	234
Movement in hedge accounting reserve			29		1	30
Share option hedging cost			(62)			(62)
Revaluation of investment in Eqstra Limited			167			167
Revaluation of Lereko Mobility call option			(238)			(238)
Net profits not recognised in the income statement			109		22	131
Net attributable (loss) profit for the period				(870)	357	(513)
Share-based equity released			(5)			(5)
Unbundling of the Leasing and Capital equipment division	(193)	183	(35)	(1 388)	(289)	(1 722)
Share issue expenses	(1)					(1)
Contingency reserve created in terms of the Insurance Act			1	(1)		
Purchase of 981 115 ordinary shares		(109)				(109)
Capital distribution of 280 cents per ordinary share in September 2007	(594)	65				(529)
Capital distribution of 267,5 cents per preferred ordinary share in September 2007	(39)					(39)
Capital distribution of 267,5 cents per preferred ordinary share in April 2008	(39)					(39)
Minority share of dividends					(225)	(225)
Balance at 30 June 2008	**10**	**(1 816)**	**1 273**	**10 138**	**811**	**10 416**

Discontinued operations

The following have been identified as disposal groups:

– Aviation division, except NAC, sold subject to conditions precedent.
– Assets of Tyco are in the process of being sold.
– Tourvest, this JSE listed entity was sold subsequent to the year-end and payment is expected in September 2008.
– Leasing and capital equipment division, unbundled to shareholders in May 2008.

All associated assets and liabilities have been classified as discontinued operations.

Basis of preparation

The group financial results from which these condensed financial statements were derived have been prepared on the historical basis excluding financial instruments which are fair valued and conform to International Financial Reporting Standards (IFRS). This condensed consolidated financial information has been prepared in accordance with IAS 34 – Interim Financial Reporting.

Accounting policies

The accounting policies adopted and methods of computation in preparation of the condensed consolidated financial information are consistent with those of the annual financial statements for the year ended 25 June 2007 except for Circular 2007/08 issued by the South African Institute of Chartered Accountants which became applicable during the reporting period.
This has the impact of excluding any realised gains or losses on the value of our fleets.
The prior year headline earnings per share figures have been restated accordingly.

Audit opinion

The auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the period ended 30 June 2008. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. A copy of their audit report is available for inspection at the company's registered office. These summarised financial statements have been derived from the group financial statements and are consistent in all material respects, with the group financial statements.

Subsequent events

There have been no material events since year-end that require further disclosure.

Material acquisitions

The material acquisitions of the group in the 2008 financial period are as follows:

	Nature of business	Purchase consideration Rm	Fair value of net assets acquired Rm	Goodwill Rm	Acquisition date	Percentage shareholding %	Contribution to revenue since acquisition Rm	Contribution to profit before tax since acquisition Rm
Maxx Thiebaut	See note 2	33	17	16	December 2007	55		2
Foodtankers Group	See note 2	33	14	19	February 2008	51	82	3
Rijnaarde B.V.	See note 2	61	1	60	July 2007	100	254	20
Amadeus Schiffahrt und Speditions GmbH	See note 2	14	2	12	March 2008	80	41	4
RP Logistics (Pty) Limited	See note 2	12		12	June 2008	60	90	7
		153	**34**	**119**			**467**	**36**

1. The purchase consideration includes shares acquired, properties and inter-group loan balances that formed part of the purchase consideration.
2. Engaged in transport and logistics.

Segment information – balance sheet

	Group		Logistics		Car Rental and Tourism	
At June	**30 June 2008 Rm**	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm
BUSINESS SEGMENTATION						
Assets						
Intangible assets	**897**	1 238	**665**	441	**51**	32
Investments, loans and associates and joint ventures	**3 756**	3 968	**113**	91	**4**	3
Property, plant and equipment	**5 681**	5 441	**1 779**	1 396	**171**	139
Transport fleet	**3 465**	2 789	**3 533**	2 861		
Leasing assets	**337**	6 990				
Vehicles for hire	**1 286**	1 012			**1 296**	1 021
Other non-current financial assets	**330**	842				
Inventories	**6 442**	9 436	**146**	92	**308**	316
Trade and other receivables	**6 821**	8 883	**4 220**	3 589	**221**	156
Cash in financial services businesses	**1 261**	914				
Operating assets	**30 276**	41 513	**10 456**	8 470	**2 051**	1 667
Deferred tax assets	**637**	450				
Loans to associates and other investments	**581**	1 557				
Taxation in advance	**111**	140				
Cash and cash equivalents	**1 887**	1 874				
Assets classified as held for sale	**4 440**					
Total assets per balance sheet	**37 932**	45 534				
Liabilities						
Retirement benefit obligations	**286**	230	**286**	230		
Insurance and investment contracts	**1 535**	1 722				
Accounts payable and provisions	**10 065**	13 680	**4 090**	3 490	**356**	291
Other non-current financial liabilities	**98**	13	**18**			
Non-interest-bearing liabilities	**11 984**	15 645	**4 394**	3 720	**356**	291
Non-redeemable, non-participating preference shares	**441**	441				
Interest-bearing borrowings	**11 599**	13 845				
Deferred tax liabilities	**549**	1 196				
Current tax liabilities	**586**	940				
Liabilities directly associated with assets held for sale	**2 357**					
Total liabilities per balance sheet	**27 516**	32 067				
GEOGRAPHIC SEGMENTATION						
Operating assets	**30 276**	41 513	**10 456**	8 470	**2 051**	1 667
– South Africa	**23 357**	34 404	**6 433**	5 906	**2 025**	1 618
– Rest of Africa	**1 017**	1 257	**213**	197	**26**	49
– Rest of world	**5 902**	5 852	**3 810**	2 367		
Non-interest-bearing liabilities	**11 984**	15 645	**4 394**	3 720	**356**	291
– South Africa	**8 949**	12 201	**2 638**	2 403	**340**	275
– Rest of Africa	**561**	599	**58**	56	**16**	16
– Rest of world	**2 474**	2 845	**1 698**	1 261		
Interest-bearing borrowings~	**11 599**	13 845	**3 616**	1 661	**788**	422
– South Africa	**6 718**	10 117	**1 727**	777	**776**	449
– Rest of Africa	**203**	401	**93**	77	**12**	(27)
– Rest of world	**4 678**	3 327	**1 796**	807		
Gross capital expenditure~	**4 287**	7 303	**1 371**	1 031	**1 349**	1 127
– South Africa	**3 447**	6 418	**760**	781	**1 334**	1 123
– Rest of Africa	**65**	145	**49**	58	**15**	4
– Rest of world	**775**	740	**562**	192		
Gross capital expenditure	**4 287**	7 303	**1 371**	1 031	**1 349**	1 127
Less: Proceeds on disposal	**(1 675)**	(3 479)	**(287)**	(292)	**(724)**	(742)
Net capital expenditure	**2 612**	3 824	**1 084**	739	**625**	385

*Distributorships now includes NAC, previously included in the Aviation division.

**Motor vehicle dealerships now includes our United Kingdom commercial vehicle business, previously included in Distributorships.

The comparative information for the above has been restated.

~ The discontinued operations have been included under Head office and eliminations for 2007.

*Distributorships		**Motor Vehicle Dealerships		Insurance		Head office and Eliminations		Discontinued Operations
30 June 2008 Rm	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm	25 June 2007 Rm
28	34	**128**	184	**26**	9	**(1)**	(12)	550
181	271	**9**	15	**1 873**	2 034	**1 576**	1 184	370
1 873	1 376	**1 642**	1 291	**74**	155	**142**	148	936
						(68)	(72)	
340	346					**(3)**	(8)	6 652
						(10)	(9)	
16				**319**	542	**(5)**	300	
3 588	3 558	**2 483**	2 366			**(83)**	(105)	3 209
1 035	1 087	**939**	1 092	**389**	528	**17**	(168)	2 599
				1 261	914			
7 061	6 672	**5 201**	4 948	**3 942**	4 182	**1 565**	1 258	14 316
				1 517	1 695	**18**	27	
2 424	2 599	**1 777**	2 263	**1 164**	1 118	**254**	65	3 854
					11	**80**	1	1
2 424	2 599	**1 777**	2 263	**2 681**	2 824	**352**	93	3 855
7 061	6 672	**5 201**	4 948	**3 942**	4 182	**1 565**	1 258	14 316
6 029	5 979	**4 135**	4 075	**3 209**	3 612	**1 526**	1 243	11 971
46	57			**733**	570	**(1)**	(1)	385
986	636	**1 066**	873			**40**	16	1 960
2 424	2 599	**1 777**	2 263	**2 681**	2 824	**352**	93	3 855
2 250	2 435	**1 278**	1 829	**2 217**	2 427	**226**	(11)	2 843
21	20			**464**	397	**2**		110
153	144	**499**	434			**124**	104	902
3 624	1 425	**1 727**	1 027			**1 844**	9 310	
2 836	915	**1 402**	749			**(23)**	7 227	
79	76					**19**	275	
709	434	**325**	278			**1 848**	1 808	
1 219	1 242	**505**	501	**41**	102	**(198)**	3 300	
1 047	1 100	**465**	458	**41**	102	**(200)**	2 854	
	1					**1**	82	
172	141	**40**	43			**1**	364	
1 219	1 242	**505**	501	**41**	102	**(198)**	3 300	
(673)	(787)	**(115)**	(184)	**(50)**	(11)	**174**	(1 463)	
546	455	**390**	317	**(9)**	91	**(24)**	1 837	

Segment information – income statement

For the period ended June	Group 30 June 2008 Rm	Group 25 June 2007 Rm	Logistics 30 June 2008 Rm	Logistics 25 June 2007 Rm	Car rental and tourism 30 June 2008 Rm	Car rental and tourism 25 June 2007 Rm
BUSINESS SEGMENTATION						
Revenue						
– Sales of goods	**32 422**	34 565	**1 233**	982	**955**	721
– Rendering of services	**21 015**	16 933	**16 427**	13 287	**1 732**	1 438
– Gross premiums received	**2 378**	2 953				
– Other	**112**		**108**			
	55 927	54 451	**17 768**	14 269	**2 687**	2 159
Inter-segment revenue			**218**	293	**25**	99
	55 927	54 451	**17 986**	14 562	**2 712**	2 258
Operating expenses including cost of sales	**52 040**	50 300	**16 271**	13 217	**2 073**	1 693
Investment income	**(176)**	(128)	**(3)**			
Fair value gains on investments	**(15)**	(363)				
Depreciation and amortisation	**1 168**	940	**624**	511	**321**	253
Recoupments	**(82)**	(51)	**(8)**	(35)	**(52)**	(32)
Operating profit	**2 992**	3 753	**1 102**	869	**370**	344
Foreign exchange gains (losses)	**145**	22	**(3)**	(3)		(1)
Fair value gains (losses) on foreign exchange derivatives	**1**	(2)				
Impairments of share scheme loans	**(182)**					
Fair value (losses) gains on other financial instruments	**(314)**	19				
Profit before net financing costs and exceptionals	**2 642**	3 792	**1 099**	866	**370**	343
Net financing costs	**(807)**	(478)	**(130)**	(60)	**(70)**	(45)
Income from associates and joint ventures	**278**	236	**31**	14	**1**	1
Profit before taxation and exceptional items	**2 113**	3 550	**1 000**	820	**301**	299
GEOGRAPHIC SEGMENTATION						
Revenue	**55 927**	54 451	**17 986**	14 562	**2 712**	2 258
– South Africa	**40 846**	41 132	**9 311**	7 650	**2 584**	2 143
– Rest of Africa	**1 077**	950	**422**	368	**128**	115
– Rest of world	**14 004**	12 369	**8 253**	6 544		
Operating profit	**2 992**	3 753	**1 102**	869	**370**	344
– South Africa	**2 394**	3 303	**670**	594	**360**	332
– Rest of Africa	**141**	118	**36**	25	**10**	12
– Rest of world	**457**	332	**396**	250		
Net financing costs	**807**	478	**130**	60	**70**	45
– South Africa	**710**	381	**125**	86	**69**	46
– Rest of Africa	**18**	13	**10**	8	**1**	(1)
– Rest of world	**79**	84	**(5)**	(34)		

*Distributorships now includes NAC, previously included in the Aviation division.

**Motor vehicle dealerships now includes our United Kingdom commercial vehicle business, previously included in Distributorships.

The comparative information for the above has been restated.

*Distributorships		**Motor vehicle dealerships		Insurance		Head office and eliminations	
30 June 2008 Rm	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm	**30 June 2008 Rm**	25 June 2007 Rm
13 385	15 864	**16 849**	16 998				
1 286	818	**1 475**	1 317	**10**	22	**85**	51
				2 378	2 953		
2				**1**		**1**	
14 673	16 682	**18 324**	18 315	**2 389**	2 975	**86**	51
383	396	**857**	914	**205**	176	**(1 688)**	(1 878)
15 056	17 078	**19 181**	19 229	**2 594**	3 151	**(1 602)**	(1 827)
14 172	15 620	**18 664**	18 632	**2 526**	2 912	**(1 666)**	(1 774)
(3)	(1)			**(166)**	(127)	**(4)**	
				(16)	(362)	**1**	(1)
146	135	**90**	73	**23**	16	**(36)**	(48)
(10)	(3)	**(43)**		**(22)**	(1)	**53**	20
751	1 327	**470**	524	**249**	713	**50**	(24)
32	37			**(48)**	(13)	**164**	2
1	(2)						
						(182)	
						(314)	19
784	1 362	**470**	524	**201**	700	**(282)**	(3)
(186)	(153)	**(170)**	(125)	**3**	10	**(254)**	(105)
(84)	(32)	**(7)**		**(1)**		**338**	253
514	1 177	**293**	399	**203**	710	**(198)**	145
15 056	17 078	**19 181**	19 229	**2 594**	3 151	**(1 602)**	(1 827)
12 478	13 930	**15 899**	16 402	**2 179**	2 837	**(1 605)**	(1 830)
112	152			**415**	314		1
2 466	2 996	**3 282**	2 827			**3**	2
751	1 327	**470**	524	**249**	713	**50**	(24)
749	1 322	**400**	447	**146**	624	**69**	(16)
(8)	(8)			**103**	89		
10	13	**70**	77			**(19)**	(8)
186	153	**170**	125	**(3)**	(10)	**254**	105
148	117	**148**	114	**(3)**	(10)	**223**	28
7	6						
31	30	**22**	11			**31**	77

Non-executive directors

TS Gcabashe (Chairman), S Engelbrecht, P Langeni, MJ Leeming, JR McAlpine, MV Moosa, MV Sisulu, RJA Sparks, A Tugendhaft (Deputy chairman), Y Waja

Executive directors

HR Brody (Chief Executive), OS Arbee, MP de Canha, RL Hiemstra, N Hoosen, AH Mahomed, GW Riemann (German)

Company Secretary

RA Venter

Business address and registered office

Imperial Place, Jeppe Quondam, 79 Boeing Road East, Bedfordview, 2007

Share transfer secretaries

Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

Sponsor

Merrill Lynch SA (Pty) Limited, 138 West Street, Sandown Sandton, 2196

Imperial Holdings

The results announcement is available on the Imperial Holdings website:
www.imperial.co.za