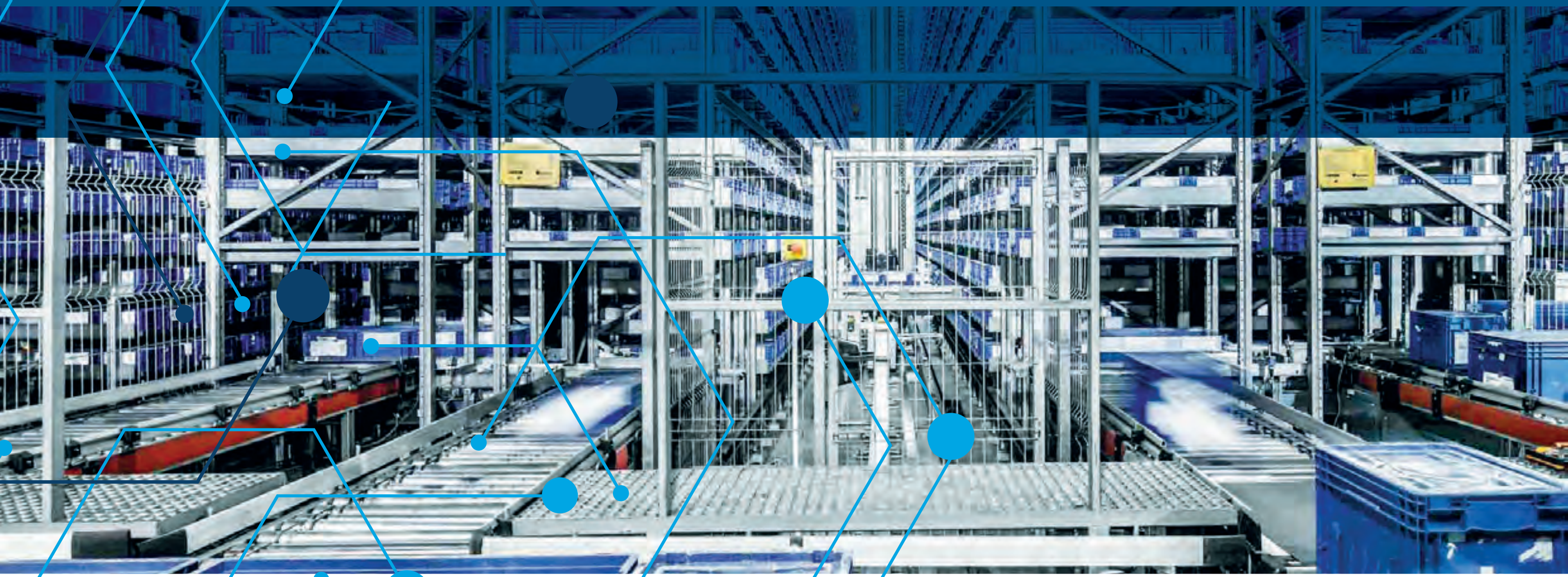


Imperial logistics

Preliminary summarised audited results for the year ended 30 June 2019

Contents

IMPERIAL LOGISTICS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1946/021048/06
ISIN: ZAE000067211
Share code: IPL
(Imperial Logistics or company or group)

www.imperiallogistics.com

Imperial Logistics Limited is mainly an African and Eurozone logistics provider of outsourced, integrated freight management, contract logistics and distributorships. Ranked among the top 30 global logistics providers, the group is listed on the JSE in South Africa and employs over 27 000 people in 32 countries. With a focus on five key industry verticals – automotive, chemicals, consumer, healthcare and industrial – the group's deep experience and unrivalled ability to customise solutions ensures the ongoing relevance and competitiveness of its clients.

Operational agility

South Africa	African Regions	International
• Consumer goods deliveries to **>50 000 points** annually • **>3.1 billion** litres of fuel and gas delivered • **1.6 million** tonnes of packaging moved • Manage **>1 million m^2** of warehousing space	• Point of care and pharma retailer level deliveries to **>4 200 delivery points** in Kenya, **>1 300** in Ghana and **>52 000** across Nigeria • Own and operate **>200 000m^2** warehousing in the healthcare and consumer industries	• **23 automotive warehouses** in Europe deliver value-add logistics for the annual production of **>2.3 million cars** • Western Europe's largest provider of express palletised distribution services – handling **10 million pallets per year** • **A significant player** in the European chemical industry

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Continuing revenue*

↑ 6%

to R49,7 billion

Continuing operating profit*

↓ 9%

to R2,5 billion

Excluding once-off costs, operating profit

↓ 1%

Continuing HEPS

↓ 7%

to 542 cents per share

Continuing EPS

↓ 105%

to 26 cents loss per share

** Excluding discontinued operations and businesses held for sale.*

Divisional revenue

Divisional operating profit

Free cash conversion

of 72%

(2018: 87%)

Net debt to EBITDA

of 1,6 times

(2018: 1,5 times)

ROIC of 10,4% against WACC

of 10,2%

(2018: ROIC of 12,2% versus WACC of 8,5%)

Free cash inflow (post maintenance capex)**

of R1,4 billion

(2018:R1,3 billion)

Final cash dividend

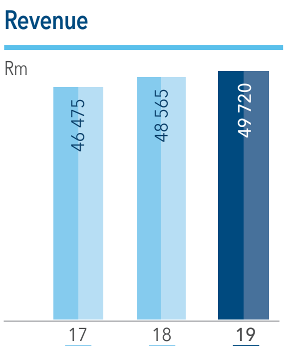
109 cps

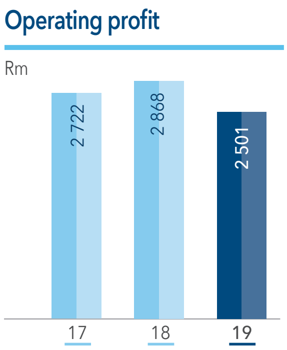
total FY19 dividend 244 cps 45% of continuing HEPS

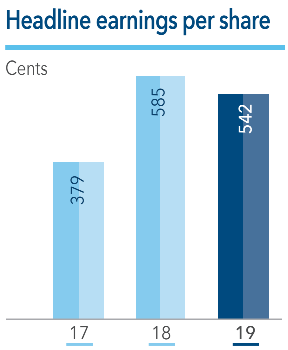
*** Total Logistics excluding Motus.*

Note: Return on invested capital (ROIC) and weighted average cost of capital (WACC) are calculated on a rolling 12-month basis.

Total company







Note: Figures are for continuing operations only.

Imperial Logistics delivered an unsatisfactory operating performance, growing revenue from continuing operations by 6% and decreasing operating profit by 9%. Results were supported by a good performance from African Regions, offset by weaker operational performances, certain once-off trading costs of c.€4 million or R65 million in International, and the once-off costs associated with our business rationalisation and restructuring in our South African and International operations of c.R170 million. Excluding the once-off costs operating profit for continuing operations decreased by 1%. Our balance sheet management remains sound with sufficient headroom in terms of capacity, together with good cash generation, for strategic growth.

1. Further strategic rationalisation of the portfolio and restructuring post the unbundling resulted in the following:
   > The decision to exit the consumer packaged goods (CPG) business in South Africa due to an unviable and uncompetitive business model, which resulted in an impairment of assets including goodwill of c.R590 million and provisions for closure costs of c.R850 million post-tax. CPG is classified as a discontinued operation for the financial year ended 30 June 2019.
   > Significant removal of fixed overhead costs in the South Africa (excluding CPG) and International divisions from F2020 of c.R385 million p.a., with an associated once-off cost impact in F2019 of c.R170 million.
   > The impairment of certain historic goodwill to the value of c.R1,1 billion (c.14% of total goodwill and intangible assets; excluding CPG) driven by significant deterioration in macroeconomic conditions in all three divisions, which include a depressed growth outlook, uncertainty and higher WACC rates in certain territories.
2. Imperial Logistics' renewal rate across our divisions on existing contracts remains in excess of 90% with an encouraging pipeline of new opportunities supported by an excellent new contract gain rate. New business revenue of R5,6 billion was secured during the past year.
3. Revenue* generated outside South Africa increased 9% to R36,6 billion (74% of group revenue) and operating profit* generated outside South Africa decreased by 11% to R1,6 billion (63% of group operating profit), largely impacted by once-off costs in Logistics International.
4. A full reconciliation of earnings to headline earnings is provided in the group financial performance section.
5. Net working capital for continuing operations of R1 833 million improved by 3% (excluding CPG provisions for closure) compared to R1 881 million in June 2018, and was better than expected as the growth rate in working capital was lower than the growth in revenue.
6. Net capital expenditure of R1,1 billion was in line with depreciation and increased from R517 million in F2018 mainly due to higher investment in fleet expansion (as a result of new contract gains) and replacement in Logistics South Africa, and specialised new fleet acquired in Logistics International. Furthermore, F2018 net capital expenditure benefited from property disposals (R260 million).
7. Total net debt increased marginally by 1% compared to June 2018.
8. Free cash flow (post-maintenance capex and including CPG) increased to R1,4 billion from R1,3 billion.
9. A final cash dividend of 109 cents per ordinary share has been declared bringing the F2019 dividend to 244 cents per ordinary share (45% of continuing HEPS).
10. Motus unbundling: The unbundling of Motus was concluded in November 2018 and Motus is thus presented as a discontinued operation in this set of results for the four months ended 31 October 2018, where stipulated. The fair value of the distribution of R17 billion exceeded the net carrying value of Motus at 31 October 2018, resulting in the recognition of a fair value gain of R4,3 billion in the income statement.
11. The tangible benefits of the above actions will be realised from the 2020 financial year, with the ultimate objective of unlocking value for our shareholders.

** Excluding discontinued operations and businesses held for sale.*

** Excluding businesses held for sale in Imperial Logistics.*

Imperial Logistics' activities for continuing operations on the African continent produced 51% and 69% of revenue and operating profit respectively during the year to June 2019, with the remainder generated mainly in Europe and the United Kingdom. Trading conditions in the business' diverse markets remain challenging.

South Africa*

In total, R13,1 billion or 27% of group revenue and R939 million or 38% of group operating profit was generated by the division in the year to 30 June 2019. Material macroeconomic factors affecting our South African operations included persistently poor economic conditions, low consumer spending, and fuel price volatility – all of which translated into exceptionally low volumes across most sectors. Load shedding during the year impacted production activity in many sectors, which also negatively affected our volumes. Government's growth plan is unlikely to stimulate growth in the short term and high unemployment continued to plague the country. We continued to face margin pressures from clients.

The impact of this lacklustre trading environment on operating profit has been reduced volumes, and ongoing competitive and client pressures, particularly in the consumer-facing, healthcare and manufacturing client base.

Rest of Africa

Our primary positioning as a leading distributor in the healthcare and consumer space stood us in good stead in the Rest of Africa where R12,1 billion or 24% of group revenue and R787 million or 31% of group operating profit was generated in the year to 30 June 2019, despite subdued growth and lower-consumer spending in certain countries of operation.

Our businesses in Nigeria, Ghana, Kenya and Mozambique performed well during the year. Factors negatively impacting performance included a slower than expected economic recovery and parallel imports of pharmaceuticals in Kenya; the ongoing economic recession in Namibia; and the economic crisis in Zimbabwe which resulted in lower inbound consumer goods volumes and outbound commodities volumes that negatively impacted our managed solutions business.

Notwithstanding these mixed trading conditions across the continent, African Regions delivered a good performance, increasing revenue and operating profit for the financial year 2019.

Eurozone and United Kingdom (UK)

Our International operations generated R24,5 billion or 49% of group revenue and R775 million or 31% of group operating profit in the year to 30 June 2019. In Europe, certain sectors in which we operate – such as steel, manufacturing and automotive – remain under pressure with the threat of US tariffs resulting in reduced exports. In our largest market, Germany, the lowest manufacturing data recorded in seven years, a decline in industrial production and declining business confidence have raised the risk of a recession. One of the main challenges resulting from the current low unemployment rates is finding highly skilled people to work in the logistics industry and the division felt the ongoing pressure of these strong labour market conditions – which drove higher wage growth in some areas during the year under review.

In F2019, changing weather patterns resulted in the lowest water levels on the River Rhine in Germany in recorded history, which in turn negatively impacted our shipping operation. While water levels have since recovered, we believe this to be a structural change and have accordingly implemented measures to mitigate this impact. The prolonged impact of the implementation of the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) resulted in significantly lower vehicle production volumes in Logistics International's automotive business during the year.

In the UK, Brexit increased economic and political uncertainty, depressing consumer demand and activity, and consequently affecting the performance of the express palletised distribution business (Palletways).

** Includes head office and eliminations.*

Logistics South Africa

Logistics South Africa – Continuing only	HY1 2019	HY1 2018*	% change on HY1	HY2 2019	HY2 2018	% change on HY2	2019	2018	% change
Revenue (Rm)	**6 737**	6 790	(1)	**6 637**	6 394	4	**13 374**	13 376	
EBITDA (Rm)	**725**	727		**651**	694	(6)	**1 376**	1 421	(3)
Operating profit (Rm)	**505**	507		**445**	480	(7)	**950**	987	(4)
Operating margin (%)	**7,5**	7,5		**6,7**	7,5		**7,1**	7,4	
Return on invested capital (%)	**12,2**	13,4					**13,0**	13,8	
Weighted average cost of capital (%)	**10,9**	11,1					**10,8**	11,0	
Net debt	**2 058**	2 280	(10)				**1 491**	2 241	(34)
Net working capital	**762**	785	(3)				**302**	793	(62)

** Restated due to the reallocation of results relating to our infrastructure solutions business from Logistics South Africa to Logistics African Regions.*

Note: Continuing operations; excluding businesses held for sale, head office and eliminations.

Logistics South Africa, excluding CPG and businesses held for sale, maintained revenue compared to the prior year and reduced operating profit by 4% in a difficult, low-growth and increasingly competitive trading environment. Performance was negatively impacted by depressed consumer demand and exceptionally low volumes across most industries – particularly in the consumer-facing, manufacturing and healthcare client base. Challenging market conditions have been further exacerbated by load shedding, fuel price volatility, lower consumer spending and higher unemployment.

Results were supported by new contract gains (c.R2,2 billion annualised revenue) and good performances from the supply chain management and consulting (Resolve), fuel and gas, and commodities businesses, which increased revenue and operating profit.

All businesses were rationalised resulting in improved efficiencies and significantly reduced costs, as we continued to face margin pressure from clients.

The CPG business, classified as a discontinued operation in this financial year, was significantly impacted by lower volumes, loss of contracts and increased cost and margin pressures from clients, resulting in a R503 million operating profit loss for the year. During the CPG closure process we will consider the interests of staff, clients and other key stakeholders. Excluding the CPG business, the South Africa division has grown operating profit by 5% p.a. over the last three years, achieving a ROIC of 16%. Its margins have improved from 5,8% in F2018 to 7,1% this year. This demonstrates its resilience in a low-growth environment.

Net capital expenditure increased from R388 million in the prior year to R569 million and comprised mainly of expanding the fleet to accommodate new contracts and replacement of transport fleet.

The ROIC of 13,0 % reduced from 13,8% in the prior year mainly due to lower operating profit and is currently below the target hurdle rate of WACC +3%.

Logistics African Regions

Logistics African Regions	HY1 2019	HY1 2018*	% change on HY1	HY2 2019	HY2 2018	% change on HY2	2019	2018	% change
Revenue (Rm)	**6 339**	5 385	18	**5 766**	5 076	14	**12 105**	10 461	16
EBITDA (Rm)	**511**	469	9	**373**	403	(7)	**884**	872	1
Operating profit (Rm)	**465**	401	16	**322**	325	(1)	**787**	726	8
Operating margin (%)	**7,3**	7,4		**5,6**	6,4		**6,5**	6,9	
Return on invested capital (%)	**17,8**	20,8					**16,2**	17,5	
Weighted average cost of capital (%)	**14,2**	8,2					**15,4**	11,1	
Net debt	**1 161**	1 896	(39)				**836**	635	32
Net working capital	**1 564**	1 004	56				**1 182**	1 206	(2)

** Restated due to the reallocation of results relating to our infrastructure solutions business from Logistics South Africa to Logistics African Regions.*

Note: Continuing operations; excluding businesses held for sale.

Logistics African Regions delivered a good performance, increasing revenue and operating profit by 16% and 8% respectively, despite mixed trading conditions across the region.

Operating margin decreased from 6,9% to 6,5% due to a significantly weaker performance in the managed solutions business mainly in the second half of F2019. The healthcare distributorship segment recorded higher volumes but lower operating margin mainly due to a change in the product mix, while the consumer distributorship segment maintained operating margin during the year.

The healthcare distributorship segment delivered excellent results, supported by a strong performance from our business, in West Africa – where we continue to operate as the leading distributor of pharmaceuticals in Nigeria – and market share gains in Ghana. Surgipharm also contributed positively, growing revenue and operating profit, despite its performance being hindered by parallel imports and the slow economic recovery in Kenya. The division also signed its first pharmaceutical client for our multi-market aggregation model (Simplified Solutions in Healthcare). Our healthcare sourcing and procurement business, Imres, increased revenue and operating profit, benefiting from a strong order book and long-term contract gains. Results were also boosted in our infrastructure solutions business by substantial donor aid market project work undertaken in the first half. Ongoing operational initiatives in our healthcare businesses include the on-boarding of new principals, increasing market share on existing principals and the expansion of product categories to diversify the portfolio.

Significant new contract gains (c.R1,3 billion annualised revenue) were secured during the year.

Our consumer business performed well, supported by good performances in Mozambique and Namibia, despite ongoing recessionary conditions in Namibia. The acquisition of CB Enterprises, a healthcare consumer business in Namibia, also contributed positively.

The managed solutions business was negatively impacted by lower chrome volumes, challenging economic conditions in Zimbabwe which led to lower cross-border activity, and substantially lower volumes from global aid organisations mainly as a result of the loss of a large public health contract reported on previously.

Net capital expenditure of R16 million was incurred during the year. The comparative year's capital expenditure was reduced significantly by property disposals (R216 million).

ROIC at 16,2% remains healthy but declined from 17,5% mainly due to the normalisation of average working capital, including higher inventory levels.

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Logistics International	HY1 2019	HY1 2018	% change on HY1	HY2 2019	HY2 2018	% change on HY2	2019	2018	% change
Revenue (€m)	**760**	733	4	**757**	780	(3)	**1 517**	1 513	
EBITDA (€m)	**40**	44	(9)	**40**	61	(34)	**80**	105	(24)
Operating profit (€m)	**24**	27	(11)	**24**	44	(45)	**48**	71	(32)
Operating margin (%)	**3,2**	3,7		**3,1**	5,6		**3,2**	4,7	
Revenue (Rm)	**12 412**	11 592	7	**12 128**	11 608	5	**24 540**	23 200	6
EBITDA (Rm)	**650**	705	(8)	**647**	909	(29)	**1 297**	1 614	(20)
Operating profit (Rm)	**402**	434	(7)	**373**	650	(43)	**775**	1 084	(29)
Operating margin (%)	**3,2**	3,7		**3,1**	5,6		**3,2**	4,7	
Return on invested capital (%)	**9,8**	8,3					**7,1**	9,6	
Weighted average cost of capital (%)	**7,3**	5,4					**7,6**	6,3	
Net debt	**200**	384	(48)				**226**	195	16
Net working capital	**31**	21	48				**34**	14	143

Note: Continuing operations; excluding businesses held for sale.

Logistics International delivered an unsatisfactory result with revenue in Euro maintained in comparison with the prior year while operating profit declined by 32%. Revenue increased by 6% and operating profit decreased by 29% in Rand which was 5% weaker on average against the Euro during the year.

Performance was negatively impacted by significant once-off costs incurred during the year resulting from the material business restructuring (c.€9 million) and the prolonged impact of the implementation of WLTP (c.€4 million) that resulted in significantly lower vehicle production volumes in the automotive business. Excluding the once-off costs, operating profit in Euro decreased by 9% year on year.

The shipping business performed well during the year. Despite the European inland shipping business being negatively impacted by the lowest water levels in recorded history in H1 F2019 the impact was largely mitigated by the business increasing freight rates in the chemical fleet and receiving partial compensation from customers due to additional costs incurred.

Lower volumes and higher costs in the automotive, retail, steel, chemicals and industrial segments, resulting from macroeconomic challenges, further hampered performance as these cost increases could not be passed through to clients, negatively impacting margins. While the Road Liquid business benefited from increased volumes subsequently shifting from river to road, profitability was lower due to higher costs incurred.

Results for the year were supported by contract renewals and new business gains (c.R2,1 billion annualised revenue) mainly in the automotive segment.

Palletways continues to contribute positively and good progress has been made in appointing additional members and changing our pricing model to address the increased costs caused by the network imbalances. Despite lower operating profit in F2019, the business' cash generation remains higher than its pre-acquisition performance.

Net capital expenditure of R413 million increased from R373 million in the F2018 and included the replacement of specialised chemical and gas fleet.

The ROIC of 7,1% declined from 9,6% due to a weaker trading performance and the impact of once-off effects, and is currently below the target hurdle rate of WACC +2%.

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Group profit or loss (extracts)

Rm	June 2019	June 2018~	% change
CONTINUING OPERATIONS			
Revenue	**49 720**	48 565	2
EBITDA	**3 556**	3 883	
Depreciation, amortisation, impairments and recoupments	**(1 055)**	(1 015)	
Operating profit	**2 501**	2 868	(13)
Margin %	***5,0***	*5,9*	
Recoupments from sale of properties, net of impairments	**(6)**	22	
Amortisation of intangible assets arising on business combinations	**(400)**	(415)	
Foreign exchange losses	**(53)**	(50)	
Remeasurement of put option and contingent consideration liabilities	**51**	73	
Business acquisition cost	**(15)**	(11)	
Net finance cost	**(415)**	(569)	(27)
Share of results of associates and joint ventures	**46**	56	
PBT (before exceptionals)	**1 709**	1 974	(13)
Goodwill impairments	**(1 139)**	(26)	
Profit (loss) on sale of businesses	**64**	(149)	
Impairment of investments in associates and loans advanced	**(73)**		
Profit before tax	**561**	1 799	
Income tax expense	**(471)**	(620)	
Profit for the year from continuing operations	**90**	1 179	(92)
DISCONTINUED OPERATIONS	**3 493**	2 229	57
Consumer packaged goods (CPG)	**(1 899)**	(83)	
Motus Holdings Limited	**5 392**	2 312	
Net profit for the year	**3 583**	3 408	
Net profit attributable to:			
Owners of Imperial	**3 441**	3 273	
– Continuing operations	**(51)**	1 011	
– Discontinued operations	**3 492**	2 262	
Non-controlling interest	**142**	135	
– Continuing operations	**141**	168	
– Discontinued operations	**1**	(33)	

~ Restated for discontinued operations (CPG).
** Calculated on profit before tax, excluding other non-operating items and income from associates.*

Operating profit from continuing operations, including businesses held for sale, decreased by 13%, negatively impacted by weaker trading performances and once-off effects relating to the significant business rationalisation and restructuring in the South African and International divisions, as well as the impact of WLTP in Logistics International.

The R265 million decrease in profit before tax to R1 709 million (before exceptional items) is attributed to:
> The decrease in operating profit, offset by the decrease in net finance cost of R154 million.
> The decrease in net finance cost was aided by the once-off gain of R63 million on settlement of the preference shares and lower average debt levels that resulted from the capitalisation of Logistics prior to the unbundling of Motus.

The profit on sale of businesses of R64 million related to the sale of an associate Gruber in Logistics International.

Following the introduction of the RTGS currency, hyperinflationary indicators and uncertainty surrounding the availability of foreign exchange in Zimbabwe, the group impaired its investments in its businesses by R59 million to nil.

Significant contributors to the lower effective tax rate were the non-taxable gains of R63 million that arose on the redemption of the preference shares and the favourable remeasurement of the put option liabilities of R51 million.

The profit from discontinued operations comprises Motus and CPG.

The decrease in non-controlling interests mainly resulted from the increase in the share of losses by minorities in Pharmed.

Reconciliation of continuing earnings to continuing headline earnings

Cents	June 2019	June 2018	% change
BASIC EARNING PER SHARE			
Earnings per share	**1 775**	1 681	6
Imperial Logistics	**(1 006)**	477	
Continuing operations	**(26)**	519	
Discontinued operations (CPG)	**(980)**	(42)	
Motus	**2 781**	1 204	131
Headline earnings per share	**416**	1 570	(74)
Imperial Logistics	**(127)**	543	
Continuing operations	**542**	585	(7)
Discontinued operations (CPG)	**(669)**	(42)	
Motus	**543**	1 027	(47)

Financial position

Rm	June 2019	June 2018~	% change
Goodwill and intangible assets	**6 719**	8 300	(19)
Investment in associates and joint ventures	**520**	752	(31)
Property, plant and equipment	**2 647**	2 874	(8)
Transport fleet	**5 452**	5 201	5
Investments and other financial assets	**183**	205	(11)
Net working capital#	**747**	1 881	60
Assets of disposal groups	**296**	669	
Retirement benefit obligation	**(1 343)**	(1 216)	10
Net debt	**(5 766)**	(5 721)	(1)
Other financial liabilities	**(1 075)**	(1 189)	(10)
Net current tax assets (liabilities)	**267**	(269)	
Net assets held for distribution to owners of Imperial		11 683	
Liabilities of disposal groups		(45)	
Total equity	**8 647**	23 125	(63)
Total assets	**31 265**	70 503	(56)
Total liabilities	**(22 618)**	(47 378)	(52)
Net debt:equity %	**66,7**	50,0	
Return on invested capital (ROIC)* (%)	**10,4**	12,2	
Weighted average cost of capital (WACC)* (%)	**10,2**	8,5	
Margin above WACC* (%)	**0,2**	3,7	

~ For ease of comparability, CPG's assets and liabilities are reclassified to held for sale in the comparative periods. The group's statutory accounts will not be restated.

** Including businesses held for sale and excluding CPG as discontinued.*

 # Net working capital in the current period includes the net working capital related to CPG amounting to negative R1 086 million that will be recovered or settled through the ordinary course of business and not through sale.

The major variances on the financial position at 30 June 2019 compared to 30 June 2018 are explained as follows:

> Goodwill and intangible assets decreased 19% as a result of goodwill impairments of R1,1 billion and the amortisation of PPA intangibles of R400 million. Significant deterioration in macroeconomic conditions in all three divisions, which include a depressed growth outlook, uncertainty and higher WACC rates in certain territories has driven the decision to impair certain historic goodwill to the value of c.R1,1 billion (c.14% of total goodwill and intangible assets; excluding CPG). These factors have resulted in the reduction in the value in use of certain of our cash generating units, leading to the goodwill impairment. The affected businesses, however, are still cash generative and profitable. The remaining goodwill consists mainly of operations which are in growing markets and industries, are cash flow generating with low capital requirements, and which exceed targeted hurdle rates.

> Investment in associates and joint ventures declined mainly due to the disposal of Gruber and the impairment of the investments and loans advanced to the Zimbabwean business.

> Property, plant and equipment, combined with transport fleet, increased as a result of investment in fleet to accommodate new contract gains and fleet replacement in the South Africa and International divisions, offset by depreciation.

> Other financial liabilities decreased resulting mainly from the repayment of a non-controlling loan in Surgipharm and a decrease in put option liabilities due to favorable remeasurement.

> Net income tax liabilities increased as a result of the deconsolidation of tax assets of the remaining Imperial Group entities due to the unbundling of Motus.

Movement in total equity for the year to 30 June 2019

Total equity of R8 647 million decreased by R14 478 million largely due to ordinary dividends paid of R1 030 million and the special distribution in specie of Motus of R17 036 million. The dividend outflows were offset by comprehensive income of R3 890 million including R200 million received from Afropulse in relation to the BBBEE transaction.

The following details the changes in equity during the year:

Rm	June 2019
Comprehensive income	**3 890**
Net profit attributable to Imperial shareholders	**3 441**
Net profit attributable to non-controlling interests	**142**
Increase in the foreign currency translation reserve	**211**
Increase in the hedge accounting reserve	**170**
Revaluation of retirement benefit obligation, net of tax	**(74)**
Movement in share-based reserve net of transfers to retained earnings	**32**
Ordinary dividend paid	**(1 030)**
Unbundling dividend	**(17 036)**
Repurchase of Imperial Logistics shares	**(262)**
Non-controlling interest acquired, net of disposals and shares issued	**28**
Net decrease in non-controlling interests through buyout	**97**
Non-controlling share of dividends	**(197)**
Total decrease	**(14 478)**

Cash flow (excluding Motus and including CPG)

Rm	2019
Cash flows from operating activities	
Cash generated by operations before movements in net working capital	3 239
Movements in net working capital	(16)
Cash generated by operations before interest and taxes paid	3 223
Net interest paid	(578)
Tax paid	(580)
Cash generated by operations	2 065
Cash flows from investing activities	
Net acquisition of businesses	(25)
Expansion capital	(471)
Net replacement capital expenditure	(623)
Net cash movement in other associates and joint ventures	286
Net cash movement in investments, loans and non-current financial instruments	(175)
Cash utilised in investing activities	(1 008)
Cash flows from financing activities	
Hedge cost premium paid	(161)
Settlement of interest rate swaps	(13)
Repurchase of ordinary shares	(262)
Net dividends paid	(792)
Change in non-controlling interests	(137)
Capital raised from non-controlling interests	200
Settlement of non-redeemable, non-participating preference shares	63
Cash utilised in financing activities	(1 102)
Movement in net debt before currency adjustments	(45)
Free cash flow (including CPG and excluding Motus)	1 442

Note: Comparatives for 2018 have not been included in the above table. The statutory cash flow statement is included in the detailed financials.

The following are the significant cash flow items, excluding Motus:

- Cash generated by operations of R2 065 million increased by 46% compared to the prior year of R1 419 million.
- Net working capital was well managed, resulting in a net cash outflow of only R16 million.
- Net capital expenditure increased to R1 094 million from R517 million in F2018 mainly due to higher investment in fleet expansion to support new contract gains and fleet replacement in Logistics South Africa, and specialised new fleet acquired in Logistics International. Furthermore, the prior period benefited from property disposals of R260 million.
- Interest of R578 million and tax of R580 million were paid during the year.
- Dividends amounted to R792 million during the year.
- Other significant cash flow items included the settlement of the preference shares which resulted in a cash outflow of R378 million and ordinary share buy-backs of R262 million.
- The cash flow benefited from R200 million that was raised from the Afropulse BBBEE transaction and proceeds of R226 million from the sale of Gruber.
- Free cash flow, post maintenance capex and including CPG, increased to R1 442 million from R1 305 million in F2018 resulting in continuing free cash flow to continuing headline earnings ratio of 1,40 times.

Liquidity

The group's liquidity position is strong, with R11,8 billion of unutilised banking facilities. In total, 89% of the group debt is long-term in nature and 55% of the debt is at fixed rates.

Dividend

A final cash dividend of 109 cents per ordinary share has been declared, bringing the F2019 dividend to 244 cents per ordinary share. The dividend is in line with our targeted pay-out ratio of 45% of continuing HEPS, subject to prevailing circumstances.

There were no material acquisitions or disposals concluded in the period under review. Two transactions in African Regions are nearing finalisation, pending the relevant regulatory approvals:

> **Geka Pharma (Namibia)**
> Imperial Logistics is acquiring a 65% stake in Geka Pharma, a distributor of pharmaceutical, medical, surgical and allied products in Namibia for approximately R80 million, subject to competition commission approval. This transaction is in line with Imperial Logistics' strategy to expand into new verticals in existing markets of operation. The acquisition will create a footprint for Imperial Logistics in the healthcare industry in Namibia.

> **MDS Logistics (Nigeria)**
> Imperial Logistics is acquiring a further 8% equity stake in MDS Logistics, Nigeria's leading provider of integrated supply chain solutions. The transaction will include Imperial Logistics transferring some existing profitable contracts to MDS Logistics, and paying a further USD2,4 million, subject to approval from regulatory authorities. The equity value of MDS in this transaction was c.USD40 million. This transaction will take our shareholding in the business from 49% to 57%. Securing majority control in MDS Logistics will drive integration with Imperial Logistics' operations in Nigeria, facilitating the implementation of Imperial Logistics' value-added logistics offering through an end-to-end solution including transport, warehousing, distribution and distributorships, and as such leveraging our capabilities in this market.

Strategy

a. Simplifying our strategic positioning

Since the unbundling of Motus in November 2018, we undertook a further strategic evaluation process to simplify our strategic positioning. This led to further rationalisation of our portfolio, restructuring and reducing costs – with the ultimate objective of unlocking value for our shareholders. Through our renewed strategy we have defined our immediate and ongoing strategic priorities and focused the collective energy of the business on achieving them.

As such, the core strategic focus of Imperial Logistics is to grow our African business and align our International portfolio to position the group as the "gateway to Africa" in the medium term. An integrated logistics and market access offering focused on Africa, leverages our powerful competitive advantages and capabilities, which will be concentrated mainly on the healthcare, consumer, chemicals, industrial and automotive industry verticals. From this focal point, our scope will extend to other emerging and selected developed markets, based on the relevance of our capabilities, scale benefits and client relationships.

Our unique African Regions network and capabilities make us an attractive strategic partner to multinational clients. Through leveraging this competitive advantage and refocusing our International portfolio, we are able to cross-sell our service offerings across our targeted regions.

Our strategic objectives in the short term are:

> **Continue to grow in Africa, adding new capabilities, entering new industry verticals and serving more countries/regions**. We are accelerating our growth in Africa by building on our existing competencies and expanding into new capabilities. We will focus on strategically aligned industries and invest in existing and new geographies that complement our capabilities, industries and client base. This will enable us to enhance our service offering and drive revenue growth opportunities. We will add impetus to our drive to position Imperial Logistics as a strategic partner that provides a "gateway to Africa" for companies seeking access to the continent's fast-growing markets and we will further invest in strategic partnerships which will enable us to evolve and intensify our engagement with our clients.
>
> In support of our clients' growth aspirations, demand generation, light contract manufacturing and brand partnership are among the capabilities we will expand into the Rest of Africa. Leveraging our extensive expertise in healthcare, we are also looking at adding sourcing and procurement to other industries. We are exploring new regions in which to leverage our distributor capabilities in pharmaceuticals and consumer goods, as well as opportunities to expand these competencies in our existing geographies.

> **Strategically align our International portfolio with our core competitive advantage, being Africa**. The Logistics International portfolio is under review and could result in further disposals of non-core assets and investment in new areas that support our Africa growth strategy.

Our strategic objectives, which will be executed through a phased approach, are:

> **Invest in international freight management (IFM) capabilities** – through acquisition, partnerships or building these ourselves – will enable Imperial Logistics to offer global coverage to support African trade flows. This will likely entail the acquisition of an existing IFM network with a well-established presence in key markets.

> **Invest in capabilities outside Africa that support the growth of target industry verticals in Africa – mainly in healthcare, consumer, chemicals, industrial and automotive**. In growing our target industry verticals we will invest in capabilities in select new emerging and developed markets. We will leverage expansion opportunities with multinational clients that recognise us as emerging market or specific industry specialists and likewise leverage our proven capabilities to expand into new emerging markets such as the Middle East, Eastern Europe, India, where trade growth with Africa continues to expand.

> **Expand our distributor capability geographically, augmenting our existing competencies and adding new capabilities will, over time, create cross-selling and up-selling opportunities**. Our plan is to access local experience and adequate scale through selective acquisition. We will initially focus on the healthcare and consumer industries but will consider opportunities in new industries and geographies where relationships can be leveraged and in order to meet the needs of our multinational clients.

b. Progress against strategy

Significant progress in achieving strategic clarity, confronting and resolving longstanding impediments to delivery, and developing differentiated solutions in carefully selected industries across our regional businesses has been recorded in the 2019 financial year.

Each division remained focused on the rationalisation of their portfolios, improving efficiencies and significantly removing costs – the benefits of which will be fully realised from the 2020 financial year.

Our acquisitive growth strategy and capital allocation prioritises investment in strategically aligned businesses with strong organic growth and cash flow profiles that enhance our key competitive advantages and meet our financial hurdle rates.

Our strategic objectives will be further enabled by the priority we are giving to strengthening the commercial mindset within the group, improving our people practices and systems, and accelerating strategic innovation. To this end, we have recently appointed highly experienced industry experts as chief commercial officers in our South African and International divisions, and global heads for each of our target industry verticals.

We have simplified our market disclosure, introducing secondary segmental disclosure in this set of results according to our three core capabilities per region – being distributorships, contract logistics and freight management – and we continue to disclose revenue generated by industry per region.

Driving innovation also remains a critical enabler to our strategy to ensure that we remain competitive, relevant to our clients and well-positioned to address industry disruptors from a technology perspective. We have therefore established an innovation fund which will enable us to invest effectively in high-growth potential start-up projects within the supply chain and logistics technology stack.

Divisional strategic progress is highlighted below:

South Africa

In South Africa, our efforts to rationalise, cut costs and unlock value have included exiting unprofitable contracts, consolidating operations and properties, and reducing fleets and overheads. Despite numerous turnaround and cost-cutting initiatives, our CPG business continued to make losses. After a detailed strategic evaluation of the business, we concluded that future returns were unlikely to exceed the cost of capital due to structural changes in the CPG market. With the business model having become uncompetitive and unsustainable, we decided to exit the business. The board approved this decision on 30 May 2019. It is important to note that this decision does not represent our exit from the consumer industry vertical in South Africa, but only the rationalisation of the multi-principal distribution capability that had become unviable. We feel a great responsibility towards our people, clients and suppliers and we will therefore consider the interests of all our key stakeholders during this process. Key contracts are being accommodated in other business units under a different commercial model. The CPG operations will be fully terminated by the end of September 2019. Excluding the CPG business, the South Africa division has grown operating profit by 5% p.a. over the last three years, achieving a ROIC of 16%. Its margins have improved from 5,8% in F2018 to 7,1% this year. This demonstrates its resilience in a low-growth environment.

The South African division removed c.R140 million (excluding CPG) of fixed overhead costs per annum which resulted in a once-off cost impact of c.R25 million in this financial year.

Excluding CPG, and despite a challenging trading environment, our pipeline of new opportunities remains healthy. In South Africa, we have added R2,2 billion of annualised revenue in the past 12 months and retained 95% of client contracts. To further support our client-centric approach and optimise our core capabilities, the division continues to reorganise its operating model by target industries and will drive organic revenue growth through a combination of asset-light expansion and asset-intensive investments that yield the required returns.

Significant progress has been made in accelerating transformation (race and gender) over the past year with a number of key black and female executive and management appointments made in our South African business. Furthermore, the broad-based black economic empowerment (BBBEE) transaction with the Afropulse Group Proprietary Limited (Afropulse) – a wholly black women-owned business – to form Imperial Logistics Advance was concluded in December 2018. Imperial Logistics Advance is accordingly a 51% black-owned and more than 30% black women-owned enterprise, focusing on the energy, mining and chemicals industries. Afropulse acquired 25% of Imperial Logistics Advance for R200 million.

African Regions

The division continued to expand its multi-market aggregation strategy – delivered through its Simplified Solutions in Healthcare model – that effectively provides multinational clients with distributor solutions in healthcare for the small to mid-size markets of sub-Saharan Africa. Notably, a new contract was awarded to the division by one of the world's largest pharmaceutical companies, MSD (known as Merck & Co Inc, in the United States and Canada), and will see Imperial Logistics handling the distribution and promotion of MSD products into selected African markets.

The division continued to exploit growth opportunities that complement and expand its existing footprint in the healthcare and consumer verticals with contract gains recorded in both industries. It will likewise continue to leverage targeted acquisitions and strategic partnerships with clients – expanding capabilities and services as required to enhance service offering, geographical reach and drive revenue opportunities.

International

Through a significant rationalisation and cost reduction process, which mainly included the consolidation of head offices and support functions, the International division extracted c.€15 million per annum (c.R245 million) of fixed overhead costs, which resulted in a once-off cost impact of c.€9 million (c.R145 million) in this financial year.

We are reviewing our Logistics International portfolio to align it to our strategic direction and core competitive advantages. To this end, we are considering the disposal of our shipping business in Europe (including South America). While this business is profitable and meets our hurdle rates, it is non-core to our strategy. It cannot be scaled further in our target markets (centred in Africa) and the significant capital expenditure it requires to participate in the growth opportunities would be better deployed elsewhere to facilitate our strategic growth plans. Further disposals of non-core and low-return on effort businesses in the short to medium term will be considered in this region.

The expansion of specific capabilities through strategic acquisitions and portfolio enhancement – including the potential expansion into IFM – is in progress, and the market will be informed as and when any material opportunities are concluded.

a. Remuneration policy

At the annual general meeting held on 30 October 2018 less than 75% of shareholders voted in favour of the implementation of Imperial's remuneration policy. The remuneration committee has since engaged with stakeholders and conducted a detailed review of the group's remuneration policy and its implementation. The committee subsequently made material changes to Imperial Logistics' remuneration policy and its implementation, which are summarised below:

- Annual deferred bonus plan (DBP) which was not linked to performance conditions has been replaced with conditional share plan (CSP), which is subject to the same performance conditions as share appreciation rights (SAR). These conditions incentivise long-term sustainable performance.
- Performance conditions applicable to long term incentives (LTI) are now being disclosed (refer to 5 December 2018 SENS).
- All LTI scheme rules were amended to provide for reduction or forfeiture of scheme benefits in certain defined circumstances.
- Executive's short-term incentive (STI) conditions have been revised to link performance conditions with the group's strategy and disclose these for each executive.
- The discretionary component of STI performance conditions was reduced.
- Transformation-related targets remain an important component of incentives.
- Minimum shareholding requirements have been introduced for executives and prescribed officers effective 1 July 2019 with a phasing in over a period of five years.
- The group undertakes regular benchmarking of the remuneration packages of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) as well as other executives and senior staff members.

We are of the view that the resulting policy aligns the interests of shareholders and the executives, and supports long-term sustainable value creation in the group aligned with its strategy.

A more comprehensive remuneration and governance update will be provided in the integrated annual report 2019.

b. Directorate changes

As previously announced, Mr Marius Swanepoel retired as CEO of Imperial Logistics on 1 February 2019 and Mr Mohammed Akoojee succeeded him on the same date. Mr Swanepoel continued to serve as an executive director until his retirement on 30 June 2019. The board thanks Mr Swanepoel for his invaluable contribution in shaping the business over the years.

Ms Bridget Radebe and Mr Dirk Reich will be appointed as independent non-executive directors, effective 1 September 2019.

Ms Radebe, a qualified chartered accountant, is the Chief Financial Officer of African Rainbow Capital Investments Limited and also serves on the board of Alexander Forbes Group, A2X and Colourfield Liability Solutions. Ms Radebe previously served as a partner at Deloitte where she serviced JSE-listed clients including Imperial Holdings Limited.

Mr Reich, a global logistics industry expert, holds an MBA and serves on the boards of DFDS, Skycell, Instafreight, Log-hub and IPT. He previously served as the CEO of Cargolux Airlines International, on the management board of Kuehne & Nagel and as a non-executive director on the board of Panalpina. In 2016, he founded R&R International Aviation which offers strategic advice in the fields of aviation, logistics and e-commerce in China.

Prospects

The strategic portfolio rationalisation, cost-cutting initiatives, organisational restructure and key decisions taken will have far-reaching benefits for our business and its stakeholders.

From the 2020 financial year we will realise tangible bottom-line benefits of new contract gains, new acquisitions, restructuring, exit of non-core and unprofitable businesses, and reducing costs significantly in all our divisions. As a result, for the financial year to 30 June 2020, subject to stable currencies and economies in which we operate, we expect Imperial Logistics' continuing operations (excluding businesses held for sale) to deliver:

- High single-digit revenue growth compared to the prior year.
- Low double-digit operating profit growth compared to the prior year.
- Low double-digit growth in continuing HEPS compared to the prior year.
- Ongoing strong free cash flow conversion of c.70%.

The balance sheet of the business remains strong, with sufficient headroom in terms of capacity and liquidity to facilitate our strategic growth aspirations. Our disciplined capital allocation approach will prioritise investment in businesses with strong organic growth and cash flow profiles that are strategically aligned, enhance our key competitive advantages and meet our financial hurdle rates.

Appreciation

Despite the disappointing F2019 financial and operational performance, we remain confident that the bold strategic decisions taken to refocus the business will reap real benefits from the 2020 financial year. The business remains sharply focused on delivery against clearly defined strategic, operational and financial objectives and is deeply committed to creating sustainable value for all its stakeholders.

We would like to thank our board, shareholders, funders, employees and all other stakeholders for their ongoing support during the difficult times. Thank you for your patience, your contribution and your confidence in the path that we have taken to ensure Imperial Logistics' relevance and to retain our competitive edge and unlock value. Imperial Logistics is well-placed and strategically positioned to deliver on our stated targets and objectives going forward.

Mohammed Akoojee
Chief Executive Officer

George de Beer
Chief Financial Officer

27 August 2019

The forecast financial information herein has not been reviewed or reported on by Imperial Logistics' auditors.

Declaration of final ordinary dividend

For the year ended 30 June 2019 notice is hereby given that a gross final ordinary dividend in the amount of 109,00 cents per ordinary share has been declared by the board of Imperial Logistics, payable to the holders of the 201 242 919 ordinary shares. The dividend will be paid out of retained earnings.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 87,20 cents per share.

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

	2019
Declaration date	**Tuesday, 27 August**
Last day for ordinary shares to trade cum ordinary dividend	**Monday, 23 September**
Ordinary shares commence trading ex ordinary dividend	**Wednesday, 25 September**
Record date	**Friday, 27 September**
Payment date	**Monday, 30 September**

The company's income tax number is 9825178719.

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 September 2019 and Friday, 27 September 2019, both days inclusive.

RA Venter
Group Company Secretary

27 August 2019

Auditor's report

These summarised consolidated financial statements for the year ended 30 June 2019 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements from which these summarised consolidated statements were derived.

A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the consolidated financial statements are available for inspection at the company's registered office, together with the financial statement identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

Summarised consolidated statement of profit or loss

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Excel document available online

	Notes	% change	2019 Rm	2018~ Rm
CONTINUING OPERATIONS				
Revenue	3	2	**49 720**	48 565
Net operating expenses			**(46 164)**	(44 682)
Profit from operations before depreciation and recoupments			**3 556**	3 883
Depreciation, amortisation, impairments and recoupments			**(1 055)**	(1 015)
Operating profit		(13)	**2 501**	2 868
Recoupments from sale of properties, net of impairments			**(6)**	22
Amortisation of intangible assets arising on business combinations			**(400)**	(415)
Foreign exchange losses			**(53)**	(50)
Other non-operating items	7		**(1 112)**	(113)
Profit before net finance costs			**930**	2 312
Net finance cost	8	(27)	**(415)**	(569)
Profit before share of results of associates and joint ventures			**515**	1 743
Share of results of associates and joint ventures			**46**	56
Profit before tax			**561**	1 799
Income tax expense			**(471)**	(620)
Profit for the year from continuing operations			**90**	1 179
DISCONTINUED OPERATIONS		57	**3 493**	2 229
Consumer packaged goods (CPG)			**(1 899)**	(83)
Motus Holdings Limited (Motus)			**5 392**	2 312
Net profit for the year			**3 583**	3 408
Net profit attributable to:				
Owners of Imperial			**3 441**	3 273
– Continuing operations			**(51)**	1 011
– Discontinued operations			**3 492**	2 262
Non-controlling interest			**142**	135
– Continuing operations			**141**	168
– Discontinued operations			**1**	(33)
Earnings per share (cents)				
Continuing operations				
– Basic			**(26)**	519
– Diluted			**(26)**	505
Discontinued operations				
– Basic			**1 801**	1 162
– Diluted			**1 801**	1 129
Total operations				
– Basic		6	**1 775**	1 681
– Diluted		9	**1 775**	1 634

~ Restated for discontinued operations (CPG).

Summarised consolidated statement of comprehensive income

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Excel document available online

	2019 Rm	2018 Rm
Net profit for the year	**3 583**	3 408
Other comprehensive income	**307**	655
Items that may be reclassified subsequently to profit or loss	**382**	722
Exchange gains arising on translation of foreign operations	**211**	538
Movement in hedge accounting reserve	**135**	301
Income tax relating to items that may be classified to profit or loss	**36**	(117)
Items that may not be reclassified subsequently to profit or loss	**(75)**	(67)
Remeasurement of defined benefit obligations	**(127)**	(75)
Income tax on remeasurement of defined benefit obligations	**52**	8
Total comprehensive income for the year	**3 890**	4 063
Total comprehensive income attributable to:		
Owners of Imperial	**3 738**	3 899
Non-controlling interest	**152**	164
	3 890	4 063

Earnings per share information

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Excel document available online

	% change	2019 Rm	2018 Rm
Headline earnings reconciliation			
Earnings – total operations		**3 441**	3 273
– Continuing operations		**(51)**	1 011
– Discontinued operations		**3 492**	2 262
Recoupment for the disposal of property, plant and equipment (IAS 16)		**(47)**	(809)
Loss on disposal of intangible assets (IAS 38)		**3**	5
Impairment of property, plant and equipment (IAS 36)		**16**	117
Impairment of intangible assets (IAS 36)		**6**	15
Impairment of goodwill (IAS 36)		**1 139**	92
Impairment of investment in associates and joint ventures (IAS 28)		**26**	8
Loss on disposal of subsidiaries, associates and businesses (IFRS 10)		**(64)**	147
Remeasurements included in share of result of associates		**(3)**	(6)
Tax effects of remeasurements		**10**	221
Non-controlling interest share of remeasurements		**16**	(6)
Post-tax gain on discontinuation of Motus		**(4 339)**	
Post-tax remeasurement of assets of discontinued operations (CPG)		**602**	
Headline earnings – total operations	(74)	**806**	3 057
– Continuing operations	(8)	**1 051**	1 139
– Discontinued operations		**(245)**	1 918
Headline earnings per share (cents)^			
Continuing operations			
– Basic	(7)	**542**	585
– Diluted	(5)	**542**	569
Discontinued operations			
– Basic		**(126)**	985
– Diluted		**(126)**	957
Total operations			
– Basic	(74)	**416**	1 570
– Diluted	(73)	**416**	1 526
Additional information			
Net asset value per share		**4 199**	11 464
Dividend per ordinary share (cents)		**244**	710
Number of ordinary shares in issue (million)			
– total shares		**201,2**	202,0
– net of shares repurchased		**196,3**	198,8
– weighted average for basic		**193,9**	194,7
– weighted average for diluted*		**193,9**	200,3
Number of other shares (million)			
– deferred ordinary shares to convert to ordinary shares		**5,0**	5,8

^ 2018 headline earning per share re-presented for the CPG discontinued operations.
** Same as weighted average for basic as potential shares are antidilutive in 2019.*

Summarised consolidated statement of financial position

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Excel document available online

	Note	2019 Rm	2018 Rm
ASSETS			
Goodwill and intangible assets	9	**6 719**	8 575
Investment in associates and joint ventures		**520**	752
Property, plant and equipment		**2 647**	3 042
Transport fleet		**5 452**	5 358
Deferred tax assets		**1 068**	783
Investments and other financial assets		**183**	206
Inventories		**2 349**	2 194
Tax in advance		**259**	364
Trade, other receivables and contract assets		**10 126**	9 774
Cash resources		**1 646**	2 818
Assets held for distribution to owners of Imperial			36 637
Assets of disposal group		**296**	
Total assets		**31 265**	70 503
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and share premium		**1 030**	1 030
Shares repurchased		**(586)**	(560)
Other reserves		**833**	271
Retained earnings		**6 966**	22 050
Attributable to owners of Imperial		**8 243**	22 791
Put arrangement over non-controlling interest		**(527)**	(566)
Non-controlling interest		**931**	900
Total equity		**8 647**	23 125
Liabilities			
Non-redeemable non-participating preference shares			441
Retirement benefit obligation		**1 343**	1 216
Interest-bearing borrowings		**7 412**	8 098
Deferred tax liabilities		**809**	1 137
Other financial liabilities		**1 075**	1 209
Trade, other payables and provisions		**11 728**	10 087
Current tax liabilities		**251**	236
Liabilities held for distribution to owners of Imperial			24 954
Total liabilities		**22 618**	47 378
Total equity and liabilities		**31 265**	70 503

Summarised consolidated statement of changes in equity

Excel document available online

	Share capital and premium Rm	Shares repurchased Rm	Other reserves Rm	Retained earnings Rm	Attributable to owners of Imperial Rm	Put arrangement over non-controlling interest Rm	Non-controlling interest Rm	Total equity Rm
At 30 June 2017	1 030	(574)	24	20 262	20 742	(1 148)	667	20 261
Total comprehensive income for the year			693	3 206	3 899		164	4 063
Share-based cost charged to profit or loss			219		219			219
Share-based equity reserve transferred to retained earnings on vesting			135	(135)				
Shares delivered to settle share-based obligations		170	(170)					
Share-based equity reserve hedge cost			(32)		(32)			(32)
Ordinary dividends paid				(1 285)	(1 285)			(1 285)
Repurchase of shares		(156)			(156)			(156)
Non-controlling interest acquired, net of disposals and shares issued							350	350
Net decrease in non-controlling interest through buyouts			(596)		(596)	582	(88)	(102)
Realisation on disposal of subsidiaries and businesses			(2)	2				
Non-controlling interest share of dividends							(193)	(193)
At 30 June 2018	**1 030**	**(560)**	**271**	**22 050**	**22 791**	**(566)**	**900**	**23 125**
Total comprehensive income for the year			**373**	**3 365**	**3 738**		**152**	**3 890**
Share-based cost charged to profit or loss			**181**		**181**			**181**
Share-based equity reserve transferred to retained earnings on vesting			**40**	**(40)**				
Shares cancelled and delivered to settle share-based obligations		**136**	**(136)**					
Share-based equity reserve hedge cost			**(137)**		**(137)**			**(137)**
Transfer of share-payment reserve to share-based payment liability			**(12)**		**(12)**			**(12)**
Transfer from statutory reserve to retained earnings			**31**	**(31)**				
Ordinary dividends paid				**(1 030)**	**(1 030)**			**(1 030)**
Ordinary dividends distribution in specie on unbundling of Motus*				**(17 036)**	**(17 036)**			**(17 036)**
Repurchase of ordinary shares		**(262)**			**(262)**			**(262)**
Cancellation of ordinary shares		**100**		**(100)**				
Non-controlling interest acquired, net of disposals and shares issued							**28**	**28**
Net decrease in non-controlling interest through buyouts			**10**		**10**	**39**	**48**	**97**
Realisation on deconsolidation of subsidiaries and businesses			**212**	**(212)**				
Non-controlling interest share of dividends							**(197)**	**(197)**
At 30 June 2019 – Audited	**1 030**	**(586)**	**833**	**6 966**	**8 243**	**(527)**	**931**	**8 647**

** Net of 264 308 Motus shares valued at R22 million withheld in order to hedge part of the DBP share scheme granted prior to the unbundling of Motus.*

Summarised consolidated statement of cash flows

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

Excel document available online

	Note	2019 Rm	2018 Rm
Cash flows from operating activities			
Cash generated by operations before movements in net working capital		4 871	8 721
Movements in net working capital		(1 534)	811
Cash generated by operations before interest and taxes paid		3 337	9 532
Net interest paid		(821)	(1 386)
Tax paid		(622)	(1 336)
Cash generated by operations before capital expenditure on rental assets		1 894	6 810
Capital expenditure – rental assets		(1 172)	(1 079)
		722	5 731
Cash flows from investing activities			
Acquisition of subsidiaries and businesses		(104)	(1 211)
Disposal of subsidiaries and businesses		12	2 070
Expansion capital expenditure – excluding rental assets		(536)	1 248
Net replacement capital expenditure – excluding rental assets		(737)	(1 008)
Net movement in associates and joint ventures		279	
Net movement in investments, loans and non-current financial instruments		(152)	(209)
		(1 238)	890
Cash flows from financing activities			
Hedge cost premium paid		(161)	(362)
Settlement of cross-currency swap instruments		(13)	(152)
Repurchase of ordinary shares		(262)	(113)
Dividends paid		(1 227)	(1 478)
Cash resources distributed as part of the Motus unbundling dividend in specie		(1 058)	
Cash paid on change in non-controlling interests		(142)	(684)
Capital raised from non-controlling interests		200	223
Settlement of non-redeemable, non-participating preference shares		(378)	
Net increase (decrease) in other interest-bearing borrowings		828	(4 382)
		(2 213)	(6 948)
Net decrease in cash resources		(2 729)	(327)
Effects of exchange rate changes on cash resources in a foreign currency		74	129
Cash resources at beginning of year		4 301	4 499
Cash resources at end of year	10	1 646	4 301

1. Basis of preparation

The summarised consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 30 June 2019 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council. The results are presented in accordance with IAS 34 – Interim Financial Reporting and comply with the Listings Requirements of the Johannesburg Stock Exchange Limited and the Companies Act of South Africa, 2008. These summarised consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2019.

These summarised consolidated financial statements have been prepared under the supervision of WS Buckton, CA(SA) and were approved by the board of directors on 27 August 2019.

2. Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the summarised consolidated financial statements are in accordance with IFRS and are consistent with those of the annual financial statements for the year ended 30 June 2018, with the exception of the new and revised IFRS as detailed in note 3.

3. IFRS standards that became effective during the year

IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers became effective to the group during the financial year. The adoption of these standards had no material impact on the amounts previously reported, hence no restatement of comparative information was required.

The group's revised policy regarding financial instruments and revenue are summarised below:

IFRS 9 – Financial Instruments

Classification and measurement of financial instruments

IFRS 9 – Financial Instruments introduces a single classification and measurement model for financial assets which is dependent on the group's business model for managing financial assets and on the contractual cash flow characteristics of those financial assets. The contractual terms of the group's financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Trade receivables, loans advanced and other non-current receivables are held to collect contractual cash flows and are categorised as subsequently measured at amortised cost. Investments are held to collect contractual cash flows and to sell the financial asset and are categorised as measured at fair value through profit or loss (FVTPL).

The group's financial liabilities are classified as subsequently measured at amortised cost except for the contingent consideration liabilities and the put option liabilities which are measured at fair value through profit or loss (FVTPL).

Impairment of financial instruments

The group recognises an allowance for expected credit losses for trade receivables, contract assets, lease receivables and loans receivables. Expected credit loss is the difference between the contractual cash flows due to the group and all the cash flows the group expects to recover from the assets.

For trade receivables the group applies a simplified approach in calculating the expected credit losses. This is aided by a provision matrix that is based on historical credit loss experiences for each past due ageing category, adjusted for forward looking information.

Expected credit losses are recognised in a loss allowance account which is separate from the gross contractual amounts receivable. Changes to the loss allowance due to changes in credit risk is recognised in profit or loss. Expected credit losses that materialise are written off against the gross contractual amounts. Gross contractual amounts that were previously written off and subsequently recovered are credited to profit or loss. Receivables are included on the statement of financial position net of the loss allowance.

The adoption of IFRS 9 had no impact on the carrying amounts reported at 30 June 2018.

3. IFRS standards that became effective during the year continued

IFRS 9 – Financial Instruments continued

Impairment of financial instruments continued

Under IFRS 9 the group's financial assets and financial liabilities at 30 June 2019 can be categorised as follows:

	Totals Rm	Amortised cost Rm	Fair value through other comprehensive income (FVTOCI)	FVTPL Rm
Investments	19			19
Loans advanced and non-current receivables	164	164		
Trade receivables	8 922	8 922		
Derivative instruments	2			2
Cash resources	1 646	1 646		
Financial assets	**10 753**	**10 732**		**21**
Interest-bearing borrowings	7 412	7 412		
Put option liabilities	951			951
Contingent consideration liabilities	42			42
Trade payables and other accruals	10 019	10 019		
Derivative instruments	5			5
Other financial liabilities	82	20	62	
Financial liabilities	**18 511**	**17 451**	**62**	**998**

IFRS 15 – Revenue from Contracts with Customers

The group recognises revenue from contracts with customers as it satisfies a performance obligation by delivering the promised goods or services to the customer. The amount of revenue recognised is the transaction price allocated to that performance obligation that at least compensates the group for the performance completed and to which it is entitled to. The amount of revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Performance obligations regarding the group's revenue from freight management and contract logistics are satisfied overtime whereas revenue from distributorships are recognised at a point in time. A significant portion of the group's revenue is derived from contracts with customers in which the transfer of control coincides with the fulfilment of performance obligations.

The adoption of IFRS 15 resulted in a reclassification on the statement of financial position. Included in *Trade, other receivables and contract assets* is R875 million (2018: R872 million) of contract assets.

3. IFRS standards that became effective during the year continued

The amount of the group's revenue by service capability is disclosed on page 35.

Revenue based on service capability	2019 Rm	2018 Rm
Freight management	24 877	22 997
Contract logistics	14 603	15 041
Distributorship	10 539	8 999
Head office and eliminations	(299)	(189)
Businesses held for sale		1 717
	49 720	48 565

Freight management entails the movement of goods on behalf of clients between specified sources and destinations; using different transportation modes (road, river, rail, air and ocean) and different transportation types (Express Less Than Load (LTL), Palletised Full Trunk Load (FTL), Liquid and dry bulk, Ambient and refrigerated).

Contract logistics encompasses warehousing, distribution and synchronisation management provided as dedicated or multi-principal services; often incorporating professional and managed services and integrated with transportation management to evolve to achieving Lead-Logistics Provider status.

Distributorship takes ownership of product inventory to provide our clients with unparalleled access to their end-consumers through an integrated logistics and sales service; leveraging sourcing, warehousing, distribution, synchronisation and transportation management as enablers.

4. New and revised international financial reporting standards in issue but not yet effective

IFRS 16 – Leases

IFRS 16 – Leases, applicable to the group in 2020, introduces a single lease accounting model that requires the group as a lessee to recognise assets and liabilities for all leases with a term longer than 12 months.

The group's existing accounting policy is to expense operating lease payments on a straight-line basis over the lease term. From 2020 the group will recognise right-of-use assets and lease liabilities, which represents the group's right to use the underlying leased asset and its obligation to make lease payments, on the statement of financial position. The right-of-use assets will be amortised and interest on the lease liability will be expensed, both in profit or loss. The operating lease payments will be accounted for as settlement of the lease liabilities. The lease payments will be reclassified from operating activities to financing activity in the statement of cash flows.

The group's assessment determined that the right of use asset and lease liability to be recognised on adoption of IFRS 16 will amount to R5 348 million and R5 823 million respectively. These amounts have been revised from the initial assessment at the end of June 2018 primarily as a result of certain leases being cancelled or renewed.

4. New and revised international financial reporting standards in issue but not yet effective continued

The provisional impact on the 30 June 2018 financial statements before taking tax into consideration is summarised below.

	Imperial Rm	South Africa Rm	African Regions Rm	International Rm
Profit or loss				
EBITDA	**1 602**	522	100	980
Depreciation	**(1 344)**	(421)	(78)	(845)
Operating profit	**258**	101	22	135
Interest expense	**(310)**	(144)	(35)	(131)
Profit before tax	**(52)**	(43)	(13)	4
Financial position				
Right-of-use assets	**5 348**	1 580	416	3 352
Total assets	**5 348**	1 580	416	3 352
Equity	**475**	208	35	232
Lease liabilities	**5 823**	1 788	451	3 584
Total equity and liabilities	**5 348**	1 580	416	3 352

In terms of lessor accounting, IFRS 16 substantially carries forward the requirements in IAS 17 and accordingly a lessor continues to account for its leases as operating leases or finance leases.

5. Foreign exchange rates

The following major rates of exchange were used in the translation of the group's foreign operations:

	2019	2018
SA Rand:Euro		
– closing	**16,06**	16,01
– average	**16,18**	15,34
SA Rand:US Dollar		
– closing	**14,10**	13,71
– average	**14,18**	12,86
SA Rand:Pound Sterling		
– closing	**17,95**	18,10
– average	**18,35**	17,31

6. Significant transactions during the year

The unbundling of Motus

On 22 November 2018 Imperial distributed its interest in Motus Holdings Limited to its ordinary shareholders by way of a distribution in specie such that each ordinary shareholder received one Motus share for every one ordinary share held in Imperial. The distribution resulted in the deconsolidation of Motus.

The fair value of the distribution of R17 058 million was determined with reference to the unadjusted listed price of Motus on 22 November 2018. As the distribution value exceeded the consolidated net asset value of Motus a fair value gain of R4 339 million was recognised in profit or loss. The fair value gain, is net of the cost to distribute and taxes and together with the trading results of Motus, is presented as a discontinued operation in the summarised profit or loss statement.

Impairment of goodwill

Goodwill of R1 139 million was impaired during the year. The impairments were driven by significant deterioration in macroeconomic conditions in all three of our operating segments, which includes a depressed growth outlook, uncertainty and higher weighted average cost of capital and discounts rates. These factors resulted in the reduction in the value in use of certain cash-generating units, leading to the goodwill impairment. The affected businesses are, however, still cash generative and profitable.

The remaining goodwill relates to cash generating units which are in growing markets and industries, with positive cash generation and low capital requirements.

Discontinuation of CPG

The group's CPG business has been classified as a discontinued operation following the announcement on 3 June 2019 to exit the business due to the multi-principal warehouse distribution model becoming unviable and uncompetitive. The decision to exit the business resulted in an after tax charge of R1 438 million in profit or loss for asset impairments, staff retrenchment costs and onerous leases and other liabilities.

	2019 Rm	2018 Rm
7. Other non-operating items		
Remeasurement of financial liabilities	**51**	73
Remeasurement of put option liabilities	**51**	42
Gain on remeasurement of contingent consideration liabilities		31
Capital items	**(1 163)**	(186)
Impairment of goodwill	**(1 139)**	(26)
Profit (loss) on disposal of subsidiaries, businesses and associates	**64**	(149)
Impairment of investment in associates and loans advanced to associates	**(73)**	
Business acquisition costs	**(15)**	(11)
	(1 112)	(113)
8. Net finance cost		
Net interest paid	**(411)**	(564)
Fair value loss on interest-rate swap instruments	**(4)**	(5)
	(415)	(569)
9. Goodwill and intangible assets		
Goodwill		
Cost	**7 387**	7 298
Accumulated impairment	**(2 477)**	(1 077)
	4 910	6 221
Carrying value at beginning of year	**6 221**	6 694
Net acquisition and disposal of businesses	**24**	213
Impairment charge (including CPG goodwill of R261 million)	**(1 400)**	(92)
Currency adjustments	**65**	359
Reclassified to assets held for distribution to owners of Imperial (Motus)		(953)
Carrying value at end of year	**4 910**	6 221
Intangible assets	**1 809**	2 354
Goodwill and intangible assets	**6 719**	8 575

	2019 Rm	2018 Rm
10. Cash resources		
Cash resources – as disclosed on the statement of financial position	**1 646**	2 818
Cash resources – included in assets held for distribution to owners of Imperial		1 483
	1 646	4 301
11. Cash flows for discontinued operations		
Cash flows for the discontinued operations were as follows:		
Operating activities	**(1 807)**	3 441
Investing activities	**(320)**	(70)
Financing activities	**614**	(2 743)

12. Fair value of financial instruments

Fair value hierarchy

The group's financial instruments carried at fair value are classified into three categories defined as follows:

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active; or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Fair value of financial assets and financial liabilities carried at amortised cost

The fair values of the group's financial assets and financial liabilities approximate their carrying values.

The following table presents the valuation categories used in determining the fair values of financial instruments carried at fair value.

	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets			
Investments	**19**		
Interest-rate swap instruments and foreign exchange contracts		**2**	
Financial liabilities			
Put option liabilities			**951**
Contingent consideration liabilities			**42**
Cross-currency and interest-rate swap instruments and foreign exchange contracts		**67**	

Transfers between fair value hierarchy levels

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between the fair value hierarchies during the period.

12. Fair value of financial instruments continued

Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing carrying values of level 3 financial instruments carried at fair value.

	Put options liabilities Rm	Contingent consideration liabilities Rm	Total Rm
Carrying value at beginning of year	1 015	14	1 029
Arising on buyout of non-controlling interest	(39)	35	(4)
Fair valued to profit or loss	(51)		(51)
Settlements		(7)	(7)
Currency adjustments	26		26
Carrying value at end of year	951	42	993

Level 3 sensitivity information

The fair values of the level 3 financial instruments were estimated by applying an income approach valuation method including a present value discount technique. The fair value measurements are based on significant inputs that are not observable in the market. Key assumptions used in the valuations includes the assumed probability of achieving profit targets, expected future cash flows and the discount rates applied. The assumed profitabilities were based on historical performances but adjusted for expected growth.

	Carrying value Rm	Increase in carrying value Rm	Decrease in carrying value Rm
Financial instrument and key assumption			
Put option liabilities | earnings growth	951	19	(20)
Contingent consideration liabilities | assumed profits	42		(3)

	2019 Rm	2018 Rm
13. CONTINGENCIES AND COMMITMENTS		
Capital commitments	212	216
Contingent liabilities	674	958

14. BUSINESS COMBINATIONS DURING THE YEAR

There were no material acquisition of businesses during the year or before the financial statements were authorised for issue.

15. EVENTS AFTER THE REPORTING PERIOD

Except for the dividend declaration on page 19 of this report there were no material events after the reporting period.

	Imperial Logistics		Logistics South Africa		Logistics African Regions		Logistics International		Businesses held for sale		Head office and eliminations	
Profit or loss for the year ended 30 June	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm
Revenue	49 720	48 565	13 374	13 376	12 105	10 461	24 540	23 200		1 717	(299)	(189)
– South Africa	13 075	13 266	13 374	13 376						79	(299)	(189)
– Rest of Africa	12 105	11 033			12 105	10 461				572		
– International	24 540	24 266					24 540	23 200		1 066		
Operating profit	2 501	2 868	950	987	787	726	775	1 084		111	(11)	(40)
– South Africa	939	963	950	987						2	(11)	(26)
– Rest of Africa	787	777			787	726				51		
– International	775	1 128					775	1 084		58		(14)
Depreciation, amortisation, impairments and recoupments	(1 461)	(1 408)	(472)	(441)	(289)	(288)	(702)	(643)		(21)	2	(15)
– South Africa	(470)	(457)	(472)	(441)						(1)	2	(15)
– Rest of Africa	(289)	(297)			(289)	(288)				(9)		
– International	(702)	(654)					(702)	(643)		(11)		
Net finance cost	(415)	(569)	(177)	(196)	(156)	(223)	(169)	(221)		(22)	87	93
– South Africa	(90)	(125)	(177)	(196)							87	71
– Rest of Africa	(156)	(232)			(156)	(223)				(9)		
– International	(169)	(212)					(169)	(221)		(13)		22
Pre-tax profits*	1 709	1 974	727	820	447	292	446	702		80	89	80
– South Africa	816	895	727	820						2	89	73
– Rest of Africa	447	332			447	292				40		
– International	446	747					446	702		38		7
Additional segment information												
Analysis of revenue by type												
– Sale of goods	10 830	9 210	490	535	10 211	8 664	124				5	11
– Rendering of services	38 890	39 355	12 866	12 754	1 790	1 733	24 405	23 186		1 665	(171)	17
External revenue	49 720	48 565	13 356	13 289	12 001	10 397	24 529	23 186		1 665	(166)	28
Inter-group revenue			18	87	104	64	11	14		52	(133)	(217)
Revenue	49 720	48 565	13 374	13 376	12 105	10 461	24 540	23 200		1 717	(299)	189
Analysis of depreciation, amortisation, impairments and recoupments	(1 461)	(1 408)	(472)	(441)	(289)	(288)	(702)	(643)		(21)	2	(15)
Depreciation and amortisation	(1 083)	(1 054)	(459)	(468)	(88)	(80)	(526)	(491)		(15)	(10)	
Recoupments and impairments	22	61	40	73	(23)	(22)	(7)	25			12	(15)
Amortisation of intangible assets arising from business combinations	(400)	(415)	(53)	(46)	(178)	(186)	(169)	(177)		(6)		
Goodwill impaired	1 139	26	148	26	427		564					
Share of results of associates (included in pre-tax profits)	46	56	6	7	21	14	19	29				6
Items excluded from pre-tax profits	(1 148)	(175)	(156)	(20)	(478)	(65)	(500)	(45)			(14)	(45)
Impairment of goodwill	(1 139)	(26)	(148)	(26)	(427)		(564)					
Profit (loss) on disposal of subsidiaries, businesses and associates	64	(149)		6		(65)	64	(45)				(45)
Impairment of associates and loans advanced to associates	(73)		(8)		(51)						(14)	
Operating margin (%)	5,0	5,9	7,1	7,4	6,5	6,9	3,2	4,7				

Refer to glossary of terms on page 36.

Primary segmental information – Continuing operations

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

	Imperial Logistics		Logistics South Africa		Logistics African Regions		Logistics International		CPG net working capital*		Head office and eliminations	
Financial position at 30 June	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm
Assets												
Goodwill and intangible assets	6 719	8 575	213	860	2 077	2 601	4 413	5 105			16	9
Property, plant and equipment	2 647	3 042	934	1 333	348	387	1 266	1 433			99	(111)
Transport fleet	5 452	5 358	2 523	2 475	93	156	2 836	2 760				(33)
Investments in associates (excluding loans advanced to associates)	467	510	37	70	302	296	128	176				(32)
Investments	47	30	27	29			5	5			15	(4)
Inventories	2 349	2 194	427	417	1 720	1 623	198	154	4			
Trade, other receivables and contract assets	10 126	9 774	2 373	4 026	1 983	2 047	4 080	3 744	1 690			(43)
Operating assets~	27 807	29 483	6 534	9 210	6 523	7 110	12 926	13 377	1 694		130	(214)
– South Africa	8 358	8 996	6 534	9 210					1 694		130	(214)
– Rest of Africa	6 523	7 110			6 523	7 110						
– International	12 926	13 377					12 926	13 377				
Liabilities												
Retirement benefit obligations	1 343	1 216					1 343	1 216				
Trade and other payables and provisions	11 728	10 087	2 498	3 650	2 521	2 464	3 726	3 680	2 780		203	293
Other financial liabilities (excluding the put option liability)	124	194	58	24	6	157	30	2			30	11
Operating liabilities~	13 195	11 497	2 556	3 674	2 527	2 621	5 099	4 898	2 780		233	304
– South Africa	5 569	3 978	2 556	3 674					2 780		233	304
– Rest of Africa	2 527	2 621			2 527	2 621						
– International	5 099	4 898					5 099	4 898				
Net working capital*~	747	1 881	302	793	1 182	1 206	552	218	(1 086)		(203)	(336)
– South Africa	(987)	457	302	793					(1 086)		(203)	(336)
– Rest of Africa	1 182	1 206			1 182	1 206						
– International	552	218					552	218				
Net debt~	5 766	5 721	1 491	2 241	836	635	3 633	3 117			(194)	(272)
– South Africa	1 297	1 969	1 491	2 241							(194)	(272)
– Rest of Africa	836	635			836	635						
– International	3 633	3 117					3 633	3 117				
Net capital expenditure^~	(1 094)	(517)	(569)	(388)	(16)	216	(413)	(373)	(89)	(9)	(7)	37
– South Africa	(665)	(360)	(569)	(388)					(89)	(9)	(7)	37
– Rest of Africa	(16)	216			(16)	216						
– International	(413)	(373)					(413)	(373)				

* *Net working capital on the consolidated statement of financial position include working capital of the CPG discontinued operation that will be recovered or settled through the ordinary course of business and not through sale. This working capital has been excluded from the working capital of Logistics South Africa.*

^ *2018 has been adjusted to exclude Motus.*

~ *Refer to glossary of terms on page 36.*

Secondary segmental information – Continuing operations

IMPERIAL LOGISTICS LIMITED preliminary summarised audited results for the year ended 30 June 2019

	Freight management		Contract logistics		Distributorships		Head office and eliminations		Businesses held for sale		Total Logistics	
Profit or loss	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm	2019 Rm	2018 Rm
Revenue	24 877	22 997	14 603	15 041	10 539	8 999	(299)	(189)		1 717	49 720	48 565
– South Africa	7 917	7 494	4 938	5 320	519	562	(299)	(189)		79	13 075	13 266
– Rest of Africa	1 195	1 261	890	763	10 020	8 437				572	12 105	11 033
– International	15 765	14 242	8 775	8 958						1 066	24 540	24 266
Operating profit	1 342	1 488	484	671	686	638	(11)	(40)		111	2 501	2 868
– South Africa	637	618	363	373	(50)	(4)	(11)	(26)		2	939	963
– Rest of Africa	45	70	6	14	736	642				51	787	777
– International	660	800	115	284				(14)		58	775	1 128
Operating margin	5,4	6,5	3,3	4,5	6,5	7,1	3,7	21,2		6,5	5,0	5,9
– South Africa	8,0	8,2	7,4	7,0	(9,6)	(,7)	3,7	13,8		2,5	7,2	7,3
– Rest of Africa	3,8	5,6	,7	1,8	7,3	7,6				8,9	6,5	6,9
– International	4,2	5,6	1,3	3,2						5,4	3,2	4,7
Pre-tax profits~	956	1 090	298	457	366	267	89	80		80	1 709	1 974
– South Africa	530	552	264	280	(67)	(12)	89	73		2	816	895
– Rest of Africa	37	48	(23)	(35)	433	279				40	447	332
– International	389	490	57	212				7		38	446	747
Working capital	733	699	(24)	307	1 327	1 199	(203)	(336)		12	1 833	1 881
Invested capital (closing)	8 689	10 087	2 873	3 010	3 048	3 255	(197)	(93)		23	14 413	16 282
Net capex	639	476	391	14	57	67	7	(37)		(3)	1 094	517

~ Refer to glossary of terms on page 36.

Net asset value per share	> equity attributable to owners of Imperial divided by total ordinary shares in issue net of shares repurchased (the deferred ordinary shares only participate to the extent of their par value of 0,04 cents).
Net debt	> is interest-bearing borrowings, less cash resources.
Net capital expenditure	> is the aggregate of the expansion and replacement capital expenditure net of proceeds on sale.
Net working capital	> is inventories plus trade, other receivables and contract assets less trade and other payables and provisions.
Operating assets	> total assets less loans receivable, tax assets and assets of disposal group.
Operating liabilities	> total liabilities less interest-bearing borrowings, tax liabilities and put option liabilities.
Operating margin (%)	> operating profit divided by revenue.
Pre-tax profit	> calculated as profit before tax, impairment of goodwill and profit or loss on sale of investment in subsidiaries, associates and joint ventures and other businesses.
Return on invested capital (ROIC) (%)	> this is the return divided by invested capital. > return is calculated by reducing the operating profit by a blended tax rate, which is an average of the actual tax rates applicable in the various jurisdictions in which Imperial operates, increased by the share of result of associates and joint ventures. > invested capital is a 12-month average of – total equity plus non-redeemable, non-participating preference shares plus interest-bearing borrowings less cash resources.
Weighted average cost of capital (WACC) (%)	> calculated by multiplying the cost of each capital component by its proportional weight, therefore: WACC = (after tax cost of debt % multiplied by average debt weighting) + (cost of equity multiplied by average equity weighting). The cost of equity is blended recognising the cost of equity in the different jurisdictions in which Imperial operates.

Corporate information

Imperial Logistics Limited

Registration number: 1946/021048/06
Ordinary share code: IPL
ISIN: ZAE000067211

Directors

P Langeni# (Chairman), M Akoojee (CEO), RJA Sparks## (lead independent director), P Cooper##, GW Dempster##, T Skweyiya##, JG de Beer (CFO)
#Non-executive ##Independent non-executive

Executive committee

M Akoojee (CEO), JG de Beer (CFO), H Bicil, E Mansingh, JVW Rossouw, JA Truter, N van der Westhuizen

Company Secretary

RA Venter

Investor Relations and Communications Executive

E Mansingh

Business address and registered office

Imperial Logistics Limited
Jeppe Quondam
79 Boeing Road East
Bedfordview, 2007

Share transfer secretaries

Computershare Investor Services Proprietary Limited
1st Floor, Rosebank Towers
15 Biermann Avenue, Rosebank, 2196

Sponsor

Merrill Lynch SA Proprietary Limited
The Place, 1 Sandton Drive
Sandton, 2196

The results announcement is available on the Imperial Logistics website: **www.imperiallogistics.com/inv-annuals.php**

www.imperiallogistics.com

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