Imperial Holdings

Unaudited interim results

for the half year ended 25 December 2005

- ✓ Headline earnings per share up 34% to 617 cents
- ✓ Revenue up 27% to R26.2 billion
- ✓ Distribution to shareholders up 31% to 230 cents

INTRODUCTION

We had an excellent first half to our 2006 financial year in revenue and profit terms, further strengthening our base for long term earnings growth.

Headline earnings per share were 34% up on last year (as restated), reflecting a strong performance by our consumer facing vehicle operations, and supported by a solid performance throughout the group. This was achieved against favourable, but highly competitive trading conditions in most of our markets.

Consumer demand during the period remained strong, led by a continuation of high growth in motor vehicle sales, even from a high base. Affordability of vehicles has improved markedly over the past two to three years as job opportunities and disposable incomes increased, interest rates declined and car prices remained static.

Imperial's operating income from vehicle sales and related financial services represents 55% of the group's total, compared to 47% last year. The markets in which the remainder of the group trades are more corporate in nature, and also experienced good trading conditions, although less buoyant than the direct consumer driven divisions.

In the six months to December 2005, the group retailed 63 365 (2004: 38 828) new and 29 526 (2004: 22 069) used passenger and commercial vehicles. These sales show growth of 63% and 34% respectively. Sales were boosted by market share growth locally and the inclusion of our Australian Ford dealerships and Swedish Nissan dealerships for the first time. The South African vehicle market grew by 25% year on year in the six month period under review. Black consumers have contributed strongly to vehicle sales growth, having become a significant participant in this market.

While the group has a significant exposure to the anticipated growth in infrastructure spending through its transport and logistics activities, the acquisition of the MCC group in December introduced us to the market for earth moving equipment used in heavy construction, road building and open cast mining. MCC is South Africa's largest owner and operator of this type of equipment. This adds a new asset class to the group's activities of trading, distribution, rental, operating, financing, leasing and insurance of passenger cars, light to heavy commercial vehicles, forklifts and aircraft.

New initiatives, expansions and acquisitions have boosted the group's growth ambitions. In addition to MCC, the following acquisitions were made:

- In the Logistics division, TFD Network Africa, a warehousing and distribution business, as well as the assets of Bulktrans.
- In Imperial Logistics International, Gillhuber in Bavaria, Germany, which is engaged in auto logistics.
- Iveco Natal, operating out of Pinetown
- Four Nissan dealerships in Sweden.
- In Tourvest, three businesses were acquired, which are engaged in game drives and leisure activities in Botswana and Zambia, and effective from January, Cummings Travel, a travel agency in South Africa.
- Lastly, after the half year end, it was announced that Imperial has acquired, subject to certain conditions, a group of companies in the United Kingdom from RAC plc for a total consideration of approximately £50 million on a debt free basis. The businesses include Lex Commercials, a dealer in DAF trucks and LDV vans, operating 22 dealerships and workshops, Lex Auto Logistics, based near Manchester, engaged in auto parts warehousing and distribution, Lex Fleetserve, a niche logistics service provider of supply chain services to selected user groups, and Lex Multipart Defence, a provider of outsourcing and warehousing services to the UK defence sector. The group had a combined turnover of approximately £300 million in its year to December 2005, and employs 1 340 people.

As grassroots ventures, Associated Motor Holdings in the Distributorships division opened six dealerships at various locations around the country. It was further awarded the Zohgwen franchise, with a competitively priced Chinese motor cycle, and it opened its first Kawasaki retail outlet. Auto Pedigree in the Car Rental and Tourism division opened five used car dealerships in the period, bringing to 12 the number opened in the 2005 calendar year. Two Honda dealerships, at Zambezi Drive and in Northcliff, were opened in the Dealerships division, as well as a Nissan Truck dealership in Midrand.

The group invested R311 million in real estate in the period, bringing our total investment in well located commercial, industrial and office properties to R2.2 billion.

The value of the group's insurance investments amounts to R1 642 million, of which R1 423 million is in listed South African and off-shore equities and bonds.

In total, Imperial's capital expenditure, net of recoupments, for the six month period amounted to R2 110 million, of which R1 328 million was for expansion.

FINANCIAL RESULTS

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The group now presents its first set of interim results under IFRS. The financial information has been prepared on the basis of the current interpretation of the IFRS statements. In preparation for the IFRS exercise, the group consulted with its auditors on the principles involved, but the numbers have not been audited.

In the Sens announcement dated 23 August 2005 we detailed the major IFRS adjustments and gave an initial estimate of the impact. The computations have now been finalised and the reduction in the opening equity for June 2004 is R1 040 million as detailed in the reconciliation of equity. The reduction in attributable profit for the year to June 2005 is R156 million of which R95 million is a once off charge relating to the Lereko empowerment transaction. The net impact on equity for the year to June 2005 is R61 million as the R95 million for the Lereko transaction is credited to equity being a share based payment.

The IFRS impact on the interim results to December 2004 is a reduction in attributable profit of R18 million. There was a further R3 million adjustment to attributable profit restating operating lease costs on a straight line basis.

In summary, therefore, the impact on earnings per share and headline earnings per share for the prior interim period and the full year to 25 June 2005 was:

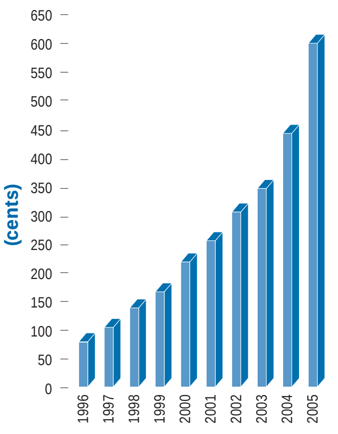
	December 2004		June 2005	
	IFRS	SA GAAP	IFRS	SA GAAP
Earnings per share (cents)	469.5	479.8*	**1 089.8**	**1 168.1**
Headline earnings per share (cents)	460.0	470.3*	**968.8**	**1 045.8**

**As reported previously, but before a reduction of 1.5 cents per share for the change in operating lease costs written-off on a straight line basis.*

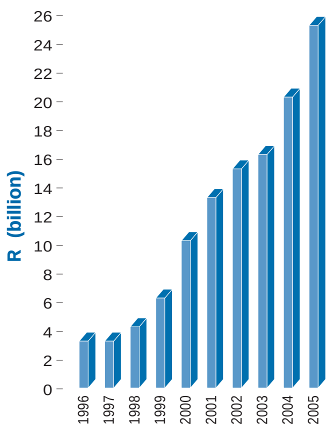
REVIEW OF GROUP RESULTS

Revenue increased by 27% to R26.2 billion against a background of little or no inflation in our high turnover vehicle businesses. While cost of sales and operating expenses increased by a similar rate, depreciation (net of recoupments) increased by 30%, reflecting the higher vehicle fleets, as well as lower recoupments. The operating margin reduced slightly from 8.5% to 8.1%. Operating profit increased by 22% to R2 132 million. Despite the average net interest bearing debt rising by 41% to R8 202 million, the net interest charge increased by 14%, benefiting from lower borrowing costs. Approximately R900 million of debt was incurred towards the end of the reporting period on the acquisition of the MCC group and its accompanying debt, as well as the purchase of 3.5 million Imperial shares in terms of the Executive Share Purchase Scheme, approved by shareholders in November.

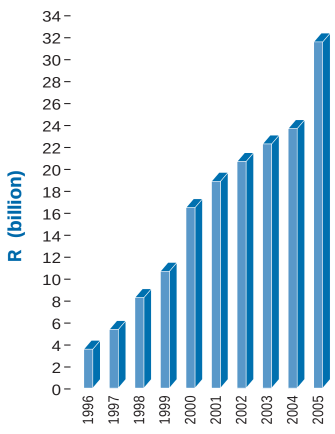
The effective tax rate was 34%, compared to 31%, increased by the non-deductibility of R127 million in interest and the fair value adjustments of the embedded derivative in respect of the Lereko BEE transaction concluded in June last year.



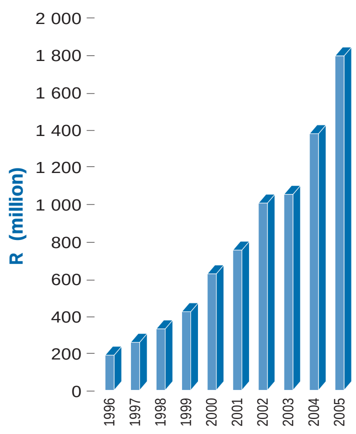
Headline earnings per share



Revenue



Total assets



Pre-tax profits

This transaction, in terms of which Lereko Mobility, 51% owned by a black consortium and 49% by Imperial, acquired 14.5 million Imperial shares from existing shareholders, is accounted for as a share buy-back. Due to the structure of the funding mechanism, Imperial consolidates Lereko Mobility and treats the full number of shares as treasury stock, thereby reducing the weighted average number of shares in issue by 14.5 million shares to 187.1 million. Against the reduced number of shares in issue, the full funding cost of the transaction, comprising of preference dividends as well as interest and an equity linked interest bonus on the Lereko debentures, are included as a charge to the income statement. Provision for the equity linked interest bonus amounted to R83 million, calculated as to 25% of the amount by which the value of an Imperial share exceeds R145.25 in October 2010, multiplied by 14.5 million, being the number of Lereko debentures in issue. In determining this amount, the strong rise in the Imperial share price from R101.80 in June 2005 to R140.50 in December 2005 (which projects a far higher priced than R145.25 in October 2010) had by far the largest impact.

The lower number of shares in issue accounts for the difference in growth in earnings of 23% to R1 157 million and headline earnings per share of 34% to 617 cents.

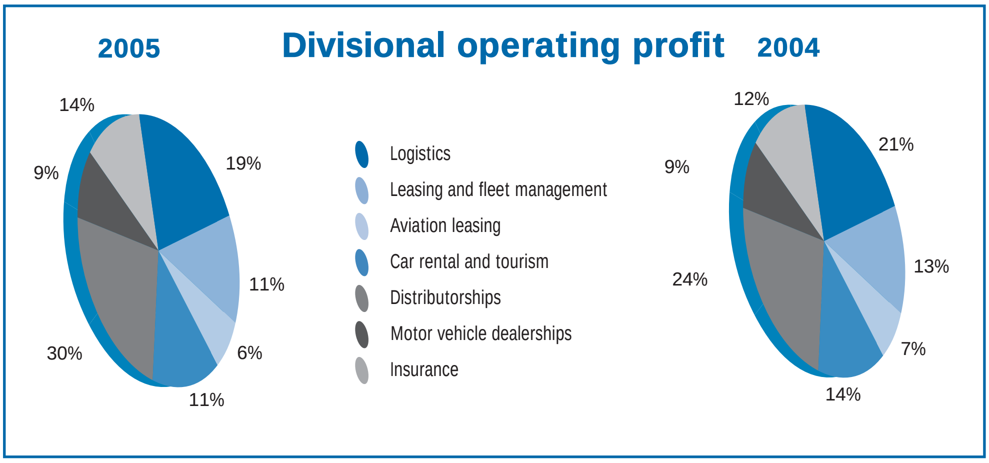
The annualised return on equity was 26% compared to 23%. In comparing the ROE to the 22% published in respect of the full year to June 2005, the effect of the R1.1 billion reduction in equity on the implementation of IFRS should be borne in mind.

Net interest bearing debt at December 2005 increased by R2 595 million over June 2005, causing net gearing (as restated) to increase from 78% to 102%. Some components of this increase are the following:

- Acquisitions and their accompanying debt (principally MCC and Bulktrans) of R550 million
- Expansion capex of R1 328 million, inter alia contributing to the 14% growth in our vehicle fleets from 42 123 to 47 811 units
- Facilitating the Lereko transaction with R600 million
- Funding the working capital requirements of the growth in revenue in our distributorship division, which by its nature as an importer, distributor and dealer in motor vehicles has a long working capital cycle, as well as strong growth in revenue in the motor dealerships division. Combined, these divisions had an annualized turnover of some R30 billion compared to R22 billion in the corresponding period
- The funding of 3.5 million Imperial shares in terms of the Executive Share Purchase Scheme.

During November, the debt raising programme of Imperial Capital was launched with a bond issue of R800 million and subsequently followed up with a tap issue of another R200 million at a rate of 60 basis points above the government benchmark rate. Good progress is being made with the transfer of fleet assets into Imperial Capital and to date assets to the value of R1.6 billion have been transferred and pledged to bond holders. We are confident that this ring-fenced entity established to eventually house the bulk of our revenue producing assets will gradually start to make a valuable contribution to the debt capital structure and borrowing costs of the group.

Cash flow from operating activities increased by 40% from R1 054 million to R1 474 million. Cash utilized for investing activities went up from R1 625 million to R2 690 million. A total of R2 110 million (2004: R1 562 million) was spent on capital expenditure of which R1 328 million was for expansion. The group generated free cash flow of R693 million compared to R586 million in the previous period, an improvement of 18%.



REVIEW OF DIVISIONS

LOGISTICS

R million	2005	2004	% change
Revenue	**6 249**	6 340	(1)
Operating profit	**404**	370	9
Operating margin (%)	**6.5**	5.8	
Operating assets	**7 628**	6 875	11

This was a strong performance in a relatively buoyant market which is characterised by pricing pressure from low inflation and tough competition. Barriers to entry to the market have been lowered as new and used truck prices declined and small businesses are encouraged and assisted to enter the market.

Locally, higher fuel prices are typically recovered from customers, but indeed intensify overall pricing pressure. This was countered by increased efficiencies, leaving the operating margin in the domestic business slightly higher at 8.4% compared to 8.3% previously, following a revenue increase of 12% to R3 572 million.

The revenue of Imperial Logistics International in Europe was affected by the sale of the lower margin JH Bachmann clearing and forwarding business at the end of the previous financial year. On a like for like basis, revenue in Europe increased by 16%.

This business returned a good performance all round despite a sluggish German economy. Its exposure to the European steel and automotive industries stood it in good stead. Growing German steel exports to China and elsewhere were good for our business. The operating margin in Europe increased to 3.8% from 3.2%, aided by the JH Bachmann disposal.

LEASING AND FLEET MANAGEMENT

R million	2005	2004	% change
Revenue	**1 464**	1 269	15
Operating profit	**239**	240	
Operating margin (%)	**16.3**	18.9	
Operating assets	**4 413**	3 425	29

Market conditions for this division remained challenging, with outsourcing demand being subdued by strong corporate balance sheets and an increased offering of maintenance plans from manufacturers and dealers at competitive rates. Low interest rates are impacting on margins, especially as it applies to the division's free capital.

Revenue growth was pleasing and against the trend in the industry. The fleet grew by 2%, excluding the 719 units in MCC housed in this division.

A large government contract in the division was due to expire at the end of May last year but was extended throughout the period under review, albeit at lower margins. A tender for the renewal of the contract has been submitted.

The forklift operations in South Africa performed well with strong demand buoyed by general economic activity and good pricing of equipment due to the strong rand. The UK operation grew its revenue strongly but its operating profit was lower.

The MCC acquisition became effective at the end of the period and is expected to make a healthy contribution.

AVIATION

R million	2005	2004	% change
Revenue	**1 721**	1 233	40
Operating profit	**141**	120	18
Operating margin (%)	**8.2**	9.7	
Operating assets	**3 712**	2 806	32

Improved revenues came from a steady performance by Safair, increased turnover from NAC, improvement at Air Contractors and the inclusion of Naturelink which was acquired in October 2004. Operating profit did not keep pace with the revenue increase. Naturelink performed poorly in the period.

The division is still suffering from the effects of the strong Rand on US$ and Euro based revenues which represent about half of the total. Safair has discontinued writing new finance leases on aircraft and concentrates on higher value added services and aircraft trading. We are well placed for these activities through Safair's maintenance and contract flying abilities and NAC has valuable agencies for general aviation products as well as used aircraft trading abilities. Aircraft stock is now better priced following a period of relative currency stability.

CAR RENTAL AND TOURISM

R million	2005	2004	% change
Revenue	**1 687**	1 589	6
Operating profit	**249**	249	
Operating margin (%)	**14.8**	15.7	
Operating assets	**2 492**	2 106	18

The car rental business showed growth in rental days of 13% and 8% in revenue. Low cost airlines have created a new domestic travel market which has stimulated demand. However, margins are under pressure from new entrants buying market share with low rates.

Operating profit in the car rental business was 5.5% behind last year following lower recoupments. Our wholly owned tourism interests were under pressure and profit was lower than last year. Used car retailing in Auto Pedigree was buoyant with five new branches opened in the period. The Chauffeur Drive and panelshops performed admirably.

Tourvest's earnings per share for its first half was 8% down to 5.6 cents. Its retail merchandising division performed well.

DISTRIBUTORSHIPS

R million	2005	2004	% change
Revenue	**7 655**	4 857	58
Operating profit	**647**	451	43
Operating margin (%)	**8.5**	9.3	
Operating assets	**5 901**	3 625	63

The division has invested heavily in dealerships, warehousing, logistics, staff development and working capital to take advantage of very favourable market conditions in the industry. At the same time, consumer confidence is running high on the back of a strong economy, low interest rates and growing disposable income, especially among young upwardly mobile black consumers.

Passenger vehicles, light commercials, trucks, motor cycles and allied products have enjoyed substantial growth over the past couple of years.

The inclusion of our nine Ford dealerships in Australia accounted for a large percentage of the revenue increase, although they sustained a small loss.

Despite slightly reduced margins, dealership profitability has increased due to higher sales and an increased vehicle park. In South Africa, the division now has 92 passenger car dealerships.

Truck distributor, Tyco, enjoyed good profit and revenue growth with the distribution of strong brands. Industrial demand for transport services is strong and truck prices have come down to levels which can attract many new entrants to the industry. Tyco recently entered the bus market with products from DAF and soon from China.

Lectrolite continued to deliver a steady performance.

DEALERSHIPS

R million	2005	2004	% change
Revenue	**7 313**	6 040	21
Operating profit	**190**	156	22
Operating margin (%)	**2.6**	2.6	
Operating assets	**2 968**	2 238	33

As in the Distributorships division, and for the same reasons, this division benefits from buoyant consumer demand.

The division's new vehicle sales have marginally exceeded the 24% growth in the market (excluding sales by the Distributorships division) in the past six months. Our dealership used vehicles retailed grew strongly at 27% and we see this market as offering more growth opportunities into the future.

This division operates in the local manufacturers' franchise system which somewhat limits growth beyond the natural expansion of the market. It is therefore a resolve of the division to find other sources for growth whilst maximizing opportunities from existing franchises. Profit growth from parts and workshop services matched that of vehicle sales, which is seen as an area of increased focus for us. Margins are however constrained by the impact of inflation on costs while new vehicle prices have remained static and used vehicle prices continued to decrease.

Our DaimlerChrysler franchises are the largest contributor to the division's profits and experienced limited profit growth as substantial new investment had to be made in dealership facilities. This on-going investment is expected to yield improved results.

We have a good spread of franchises making up our 110 dealerships in the division, including four Nissan dealerships in Sweden acquired in November. Several upgrades of premises have been done and more are planned.

INSURANCE

R million	2005	2004	% change
Revenue	**1 293**	963	34
Operating profit	**301**	207	45
Operating margin (%)	**23.3**	21.5	
Operating assets	**2 985**	2 216	35

Premium income growth exceeded growth in vehicle sales, reflecting market share gains and growth in the non-motor portfolios of the short term and life businesses. The highest area of premium income growth occurred from the group's Distributorship's division, where financial services sales are strong and we enjoy a healthy share of the finance and insurance market.

The solid performance of the equity markets in the past year have contributed significantly to the profits of the division, as we have a relatively high equity and bond content in our investment portfolios, which now stand at R1 642 million, excluding cash of R559 million. A good underwriting result complemented the investment returns.

The National Credit Bill, which will be enacted shortly, will prohibit the use of single premium business which comprises a majority share of credit life business conducted in the dealer based market. We are prepared for the implementation of the changes brought about by the bill for the furtherance of consumer protection in the industry. As a specialist in the dealer based market, we expect to gain long term benefits from this important change in the industry.

ASSOCIATES

Imperial Bank had an excellent six months and more than doubled its profit, benefiting from strong growth in motor finance and a favourable credit environment. Total advances are R20.4 billion, 29% up from last year. R12.2 billion (2004: R8.1 billion) is in motor finance. Imperial's income from the bank increased from R18 million (as restated) to R89 million.

Renault benefited from good marketing initiatives and increased its share of the fast growing motor retail market in South Africa.

The group's 50% share in Safair Lease Finance and in Air Contractors contributed R37 million compared to R21 million last year, partly due to lower interest costs following the introduction of further shareholders' funds in SLF, and a better operating result in Air Contractors. No new business has been written in SLF, nor is any planned.

Ukhamba continues to progress and contributed R11 million to our bottom line. The strong performance of DAWN Ltd, in which Ukhamba holds a 34% share contributed well towards this.

PROSPECTS

We do not expect to show the same growth in headline earnings per share for the full year as we have for the half year as the convergence of high vehicle sales growth, seasonal business in some parts of our group, and strong equity markets are not expected to be repeated. However, market conditions and our operations have exceeded our expectations and we should deliver a rewarding set of results to shareholders.

Economic conditions in South Africa are favourable and are expected to remain good, as confidence in the economic and social transformation has settled in. The economic environments in which our international businesses operate are also conducive to the achievement of satisfactory results.

Imperial has high long term growth targets and we believe we can meet them.

CAPITAL DISTRIBUTION

ORDINARY SHAREHOLDERS

Notice is hereby given that a capital distribution of 230 cents per ordinary share has been declared in terms of the general authority granted at the annual general meeting of shareholders held on 1 November 2005 and is payable to ordinary shareholders recorded in the registers of the company at the close of business on Friday, 31 March 2006. In compliance with the requirements of STRATE, the electronic settlement and custody system used by the JSE, the company has determined the following salient dates for the payment of the capital distribution:

	2006
Last day to trade *cum*-capital distribution	Friday, 24 March
Shares commence trading *ex*-capital distribution	Monday, 27 March
Record date	Friday, 31 March
Payment date	Monday, 3 April

Share certificates may not be dematerialised/-rematerialised between Monday, 27 March 2006 and Friday, 31 March 2006, both days inclusive.

On Monday, 3 April 2006, the capital distribution will be electronically transferred to the bank accounts of certificated shareholders that utilise this facility. In respect of those who do not, cheques dated 3 April 2006 will be posted on or about that date. Shareholders who have dematerialised their shares will have their accounts, held at their CSDP or Broker, credited on Monday, 3 April 2006.

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

PREFERRED ORDINARY SHAREHOLDERS

Notice is hereby further given that a capital distribution of 267.5 cents per preferred ordinary share has been declared and is payable to preferred ordinary shareholders recorded in the registers of the company at the close of business on Thursday, 30 March 2006.

On Friday, 31 March 2005 the capital distribution will be electronically transferred to the bank accounts of preferred ordinary shareholders.

On behalf of the board

RA Venter
Group Company Secretary

Johannesburg
28 February 2006

INCOME STATEMENT

Half year ended 25 December

	Unaudited December 2005 Rm	Restated December 2004 Rm	% change	Restated Year ended June 2005 Rm
Revenue	**26 172**	20 653	27	42 546
Net operating expenses	**(23 224)**	(18 271)		(37 771)
Profit from operations before depreciation and recoupments	**2 948**	2 382	24	4 775
Depreciation and recoupments	**(816)**	(629)		(1 381)
Operating profit	**2 132**	1 753	22	3 394
Foreign exchange gains/(losses)	**34**	(16)		7
Fair value (losses)/gains to foreign exchange derivatives	**(53)**	(71)		107
Fair value loss on embedded financial instrument (Lereko Mobility)	**(83)**			
Profit before net financing costs	**2 030**	1 666	22	3 508
Finance costs net of fair value gains and losses	**(432)**	(348)		(647)
Finance income	**80**	39		61
Income from associates and joint ventures	**170**	74		186
Profit before exceptional items	**1 848**	1 431	29	3 108
Exceptional items		21		258
Profit before taxation	**1 848**	1 452	27	3 366
Taxation	**573**	424		989
Profit after taxation	**1 275**	1 028	24	2 377
Minority interest	**118**	89		193
Net attributable profit for the year	**1 157**	939	23	2 184
Earnings per share (cents)				
Basic*	**618.3**	469.5	32	1 089.8
Diluted#	**579.6**	440.3	32	1 022.2
Headline earnings per share (cents)				
Basic*	**616.9**	460.0	34	968.8
Diluted#	**578.2**	431.4	34	908.8
Basic earnings per share reconciliation (cents)*				
Headline basic earnings per share	**616.9**	460.0		968.8
Profit on sale of property, plant and equipment	**1.4**	8.0		2.6
Exceptional items		1.5		118.4
Basic earnings per share	**618.3**	469.5		1 089.8
**Based on the weighted average number of shares in issue.*				
#Based on the weighted average number of shares in issue, as adjusted for the dilutive effect of unissued shares as outlined below. The Lereko transaction has been excluded as it has an anti-dilutive effect.				
Number of shares net of treasury stock (million)				
– in issue	**188.0**	200.0		185.9
– weighted average	**187.1**	200.2		200.4
– adjusted for share options and deferred ordinary shares	**12.5**	13.3		13.2
– weighted average number of ordinary shares for diluted earnings	**199.6**	213.5		213.6
Net asset value per share (cents)	**4 432.4**	4 070.0		4 244.2
Additional information				
Net financing costs	**352**	309		586
Finance costs	**444**	292		679
Fair value (loss)/gain to interest-bearing borrowings and interest rate swap instruments	**(12)**	56		(32)
Finance cost net of fair value gains and losses	**432**	348		647
Finance income	**80**	39		61
Exceptional items		21		258
Loss on closure of business				**(16)**
Impairment of goodwill		(9)		(67)
Profit on sale of investments in subsidiaries, associates and joint ventures		**30**		**341**

First time adoption of International Financial Reporting Standards (IFRS)

These interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting, and with IFRS 1 – First-time Adoption of IFRS. Imperial's date of transition to IFRS is 25 June 2004. At this date the group prepared its opening balance sheet under IFRS. IFRS has been applied consistently to all periods presented on a retrospective basis, except for certain exceptions and exemptions, as prescribed by IFRS1.

Please refer to the 25 June 2005 Annual Report pages 52 to 57 for the initial overview of the impact, and the reconciliations contained in this report, for an analysis of how the transition to IFRS affected equity, the balance sheet and attributable profits of the group. Except for minor re-classifications between working capital movements and leasing assets in line with IFRS balance sheet reclassifications, Imperial's cash flow is unaffected by IFRS.

Other restatements

The following restatements originated during the second half of the financial year ended 25 June 2005, for which prior period results were restated in the Annual Report. The published interim results for December 2004 have now also been restated accordingly.

AC 105 – Straight-lining of operating leases

The impact on opening retained earnings is a reduction of R44 million and the attributable profits for the six months to 25 December 2004 have been reduced by R3 million.

Revenue classification

Revenue for the six months ended 25 December 2004 has been reduced by R247 million due to reclassifications.

Reconciliation SA GAAP to IFRS

Balance sheet

	December 2004 Rm	June 2005 Rm
Total assets		
As previously reported under SA GAAP	25 777	28 898
Adjusted as follows:		
Property, plant and equipment	20	21
Investments in associates and joint ventures	(476)	(502)
Deferred taxation	85	59
Leasing assets	(775)	(744)
Transport fleet	79	52
Inventories	(92)	(109)
Trade and other receivables	17	
Stated under IFRS	24 635	27 675
Total liabilities		
As previously reported under SA GAAP	16 017	19 444
Adjusted as follows:		
Retirement benefit obligations	35	28
Deferred tax liabilities	(190)	(190)
Other liabilities	117	37
Stated under IFRS	15 979	19 319

Equity

Half year ended 25 December

	December 2004 Rm	June 2005 Rm	June 2004 Rm
Total equity under SA GAAP			
Stated originally	9 760	9 454	9 104
Restatements during 2005	(47)		(27)
Published in June 2005 financial statements	9 713	9 454	9 077
Adjusted for the IFRS effect of:			
IAS 16 – Property, plant and equipment	(925)	(961)	(925)
IAS 17 – Leases	(68)	(78)	(65)
IAS 18 – Revenue	(46)	(43)	(30)
IAS 19 – Employee benefits	(19)	(19)	(20)
Minority interest in above	1	3	4
Total equity under IFRS	8 656	8 356	8 041

Net attributable profit

	December 2004 Rm	June 2005 Rm
Net attributable profit		
As previously reported under SA GAAP	960	2 340
Adjusted as follows:		
Operating expenses	(16)	(70)
Depreciation and recoupments	(12)	(59)
Income from associates and joint ventures	(3)	(30)
Exceptional items		(3)
Taxation	9	5
Minority interest	1	1
Stated under IFRS	939	2 184

BALANCE SHEET

At 25 December

	Unaudited December 2005 Rm	Restated December 2004 Rm	Restated June 2005 Rm
Property, plant and equipment	**3 194**	2 436	2 781
Intangible assets	**728**	539	622
Investments in associates and joint ventures	**1 599**	1 286	1 415
Other investments and loans	**2 071**	1 092	1 284
Deferred taxation	**365**	313	339
Leasing assets	**5 771**	4 375	5 074
Transport fleet	**2 655**	2 396	2 449
Vehicles for hire	**1 162**	972	790
Inventories	**5 932**	4 076	5 586
Trade and other receivables	**7 658**	6 038	6 164
Taxation in advance	**89**	105	128
Cash resources	**1 248**	1 007	1 043
Total assets	**32 472**	24 635	27 675
Insurance funds	**1 148**	796	978
Equity settled interest-bearing borrowings	**771**		
Interest-bearing borrowings	**10 362**	7 359	7 562
Retirement benefit obligations	**178**	213	190
Deferred tax liabilities	**873**	398	636
Other liabilities	**10 190**	7 213	9 953
Total liabilities	**23 522**	15 979	19 319
Net assets	**8 950**	8 656	8 356
FUNDED BY			
Ordinary shareholders' interest	**8 333**	8 140	7 890
Minority interest	**617**	516	466
Total shareholders' equity	**8 950**	8 656	8 356
Supplementary information			
Contingent liabilities	**495**	310	507
Capital commitments	**596**	369	658

ABRIDGED CASH FLOW STATEMENT

Half year ended 25 December

	Unaudited December 2005 Rm	Restated December 2004 Rm	% change	Restated Year ended June 2005 Rm
Cash flows from operating activities				
– Cash generated by operations before changes in working capital	**2 999**	2 380		4 841
– Working capital movements	**(1 140)**	(843)		(456)
Cash generated by operations	**1 859**	1 537	21	4 385
– Net financing costs	**(364)**	(252)		(554)
– Taxation paid	**(20)**	(231)		(565)
	1 475	1 054	40	3 266
Cash flows from investing activities				
– Net acquisitions and disposals of subsidiaries and businesses	**(120)**	(52)		4
– Expansion capital expenditure	**(1 328)**	(1 094)		(1 881)
– Net replacement capital expenditure	**(782)**	(468)		(952)
– Investments, equities and loans to associates	**(460)**	(11)		(68)
	(2 690)	(1 625)		(2 897)
Cash flows from financing activities				
Cash flows from financing activities	**(12)**	(119)		(671)
Dividends paid	**(55)**	(35)		(66)
Capital distribution	**(413)**	(348)		(699)
	(480)	(502)		(1 436)
Net decrease in cash and cash equivalents	**(1 695)**	(1 073)		(1 067)
Cash and cash equivalents at beginning of period	**(2 342)**	(1 275)		(1 275)
Cash and cash equivalents at end of period	**(4 037)**	(2 348)		(2 342)

STATEMENT OF CHANGES IN EQUITY

Half year ended 25 December

	Share capital, premium and restricted shares Rm	Treasury stock Rm	Non-distributable reserve Rm	Retained earnings Rm	Minority interest Rm	Unaudited December Total 2005 Rm	Restated December 2004 Rm	Restated Year ended June 2005 Rm
Balance at 25 June – restated for IFRS	2 026	(1 760)	380	7 244	466	**8 356**	8 041	8 041
Translation of foreign operations not recognised in the income statement			(140)		(3)	**(143)**	(18)	87
Net attributable profit for the period				1 157		**1 157**	939	2 184
Prospective adjustment to minorities					(1)	**(1)**		
Minorities' share of atttributable profits					118	**118**	89	193
Net acquisition/(disposal) of minorities					92	**92**	18	(111)
Share of non-distributable and distributable reserves of associates and joint ventures			134	(134)				
Revaluation of available for sale investments to fair value							1	
Contingency reserve created in terms of the Insurance Act			20	(20)				
Hedge accounting reserve			(181)			**(181)**		80
Capital distributions	(495)	82				**(413)**	(348)	(699)
Minority share of dividends					(55)	**(55)**	(35)	(66)
Purchase of ordinary shares							(70)	(1 508)
Issue of ordinary shares in terms of the share option scheme	20					**20**		60
Issue of preferred ordinary shares	806	(806)					39	
Share-based payment equity arising from empowerment transaction								95
Balance at 25 December	2 357	(2484)	213	8 247	617	**8 950**	8 656	8 356

SEGMENTAL INFORMATION

25 December

INCOME STATEMENT

	Group		Logistics		Leasing and fleet management		Aviation leasing		Car rental and tourism		Distributor-ships		Motor vehicle dealerships		Insurance		Head office and eliminations	
	2005 Rm	2004 Rm	**2005 Rm**	2004 Rm	**2005 Rm**	2004 Rm	**2005 Rm**	2004 Rm	**2005 Rm**	2004 Rm	**2005 Rm**	2004 Rm	**2005 Rm**	2004 Rm	**2005 Rm**	2004 Rm	**2005 Rm**	2004 Rm
BUSINESS SEGMENTATION																		
Revenue																		
– Sales of goods	**15 521**	10 964	**351**	313	**283**	351	**666**	330	**763**	692	**6 915**	3 912	**6 542**	5 366			**1**	
– Rendering of services	**9 446**	8 802	**5 737**	5 813	**984**	729	**1 054**	903	**835**	815	**445**	243	**351**	267	**18**	14	**22**	18
– Gross premiums received	**1 175**	859													**1 175**	858		1
– Other	**30**	28	**28**	26	**1**		**1**									1		1
	26 172	20 653	**6 116**	6 152	**1 268**	1 080	**1 721**	1 233	**1 598**	1 507	**7 360**	4 155	**6 893**	5 633	**1 193**	873	**23**	20
Inter-segment revenue			**133**	188	**196**	189			**89**	82	**295**	702	**420**	407	**100**	90	**(1 233)**	(1 658)
	26 172	20 653	**6 249**	6 340	**1 464**	1 269	**1 721**	1 233	**1 687**	1 589	**7 655**	4 857	**7 313**	6 040	**1 293**	963	**(1 210)**	(1 638)
Operating expenses excluding gains and losses on investments	**23 467**	18 425	**5 601**	5 739	**909**	787	**1 481**	1 073	**1 337**	1 263	**6 961**	4 380	**7 105**	5 868	**1 230**	906	**(1 157)**	(1 591)
Investment income	**(51)**	(33)													**(51)**	(33)		
Fair value gains investments	**(192)**	(121)													**(192)**	(121)		
Depreciation	**871**	745	**251**	237	**332**	259	**109**	95	**121**	115	**48**	28	**18**	17	**5**	4	**(13)**	(10)
Recoupments	**(55)**	(116)	**(7)**	(6)	**(16)**	(17)	**(10)**	(55)	**(20)**	(38)	**(1)**	(2)		(1)			**(1)**	3
Operating profit	**2 132**	1 753	**404**	370	**239**	240	**141**	120	**249**	249	**647**	451	**190**	156	**301**	207	**(39)**	(40)
Foreign exchange gains/(losses)	**34**	(16)	**(6)**	(1)	**1**	5	**(3)**	(2)		(1)	**45**	(12)				(4)	**(3)**	(1)
Fair value (losses)/gains on foreign exchange derivatives	**(53)**	(71)			**(7)**	(9)					**(46)**	(63)						1
Fair value loss on embedded financial instrument (Lereko Mobililty)	**(83)**																**(83)**	
Profit before net financing costs	**2 030**	1 666	**398**	369	**233**	236	**138**	118	**249**	248	**646**	376	**190**	156	**301**	203	**(125)**	(40)
Net financing costs	**(352)**	(309)	**(38)**	(54)	**(90)**	(77)	**(85)**	(71)	**(19)**	(13)	**(47)**	(19)	**(27)**	(17)	**1**	1	**(47)**	(59)
Income from associates and joint ventures	**170**	74	**3**	15			**37**	21			**28**	19	**2**	1			**100**	18
Profit before exceptional items	**1 848**	1 431	**363**	330	**143**	159	**90**	68	**230**	235	**627**	376	**165**	140	**302**	204	**(72)**	(81)
GEOGRAPHIC SEGMENTATION																		
Revenue	**26 172**	20 653	**6 249**	6 340	**1 464**	1 269	**1 721**	1 233	**1 687**	1 589	**7 655**	4 857	**7 313**	6 040	**1 293**	963	**(1 210)**	(1 638)
– South Africa	**21 141**	16 666	**3 572**	3 178	**1 166**	1 074	**1 356**	906	**1 569**	1 436	**6 141**	4 794	**7 264**	6 040	**1 199**	874	**(1 126)**	(1 636)
– Rest of Africa	**494**	424	**117**	93	**155**	77			**59**	103	**95**	63			**94**	89	**(26)**	(1)
– Rest of world	**4 537**	3 563	**2 560**	3 069	**143**	118	**365**	327	**59**	50	**1 419**		**49**				**(58)**	(1)
Operating profit	**2 132**	1 753	**404**	370	**239**	240	**141**	120	**249**	249	**647**	451	**190**	156	**301**	207	**(39)**	(40)
– South Africa	**1 944**	1 583	**301**	265	**196**	206	**129**	110	**239**	242	**652**	452	**190**	156	**270**	191	**(33)**	(39)
– Rest of Africa	**73**	46	**6**	6	**30**	19			**8**	7	**1**	(1)			**31**	16	**(3)**	(1)
– Rest of world	**115**	124	**97**	99	**13**	15	**12**	10	**2**		**(6)**						**(3)**	
Net financing costs	**352**	309	**38**	54	**90**	77	**85**	71	**19**	13	**47**	19	**27**	17	**(1)**	(1)	**47**	59
– South Africa	**328**	291	**44**	50	**76**	68	**79**	68	**20**	13	**35**	18	**27**	17	**(1)**	(1)	**48**	58
– Rest of Africa	**12**	8	**1**	2	**10**	4			**(1)**	1	**3**	1					**(1)**	
– Rest of world	**12**	10	**(7)**	2	**4**	5	**6**	3		(1)	**9**							1
BALANCE SHEET																		
BUSINESS SEGMENTATION																		
ASSETS																		
Property, plant and equipment	**3 194**	2 436	**1 085**	981	**158**	109	**117**	110	**210**	180	**807**	515	**592**	349	**97**	88	**128**	104
Intangible assets (including goodwill)	**728**	539	**258**	232	**10**	12	**83**	20	**260**	234	**23**		**65**	23	**27**	16	**2**	2
Investments, loans and associates	**2 323**	1 735		2	**10**		**342**	59	**2**	2	**169**	254	**10**	7	**1 642**	1 058	**148**	353
Leasing assets	**5 771**	4 375			**3 444**	2 556	**2 002**	1 623			**348**	216					**(23)**	(20)
Transport fleet	**2 655**	2 396	**2 750**	2 485													**(95)**	(89)
Vehicles for hire	**1 162**	972							**1 164**	980							**(2)**	(8)
Inventories	**5 932**	4 076	**181**	167	**357**	355	**602**	463	**413**	342	**3 041**	1 446	**1 522**	1 306			**(184)**	(3)
Trade and other receivables	**7 658**	6 038	**3 354**	3 008	**434**	393	**566**	531	**443**	368	**1 513**	1 194	**779**	553	**660**	650	**(91)**	(659)
Cash in financial services businesses	**559**	404													**559**	404		
Operating assets	**29 982**	22 971	**7 628**	6 875	**4 413**	3 425	**3 712**	2 806	**2 492**	2 106	**5 901**	3 625	**2 968**	2 238	**2 985**	2 216	**(117)**	(320)
Deferred tax assets	**365**	313																
Loans to associates and other investments	**1 347**	643																
Taxation in advance	**89**	105																
Cash and cash equivalents	**689**	603																
Total assets per balance sheet	**32 472**	24 635																
LIABILITIES																		
Insurance funds	**1 148**	796													**1 148**	796		
Retirement benefit obligations	**178**	213	**178**	213														
Accounts payable and provisions	**9 011**	6 570	**3 075**	2 597	**624**	481	**548**	319	**791**	730	**2 543**	1 680	**1 017**	768	**620**	620	**(207)**	(625)
Other non-current financial liabilities	**136**																**136**	
Non-interest-bearing liabilities	**10 473**	7 579	**3 253**	2 810	**624**	481	**548**	319	**791**	730	**2 543**	1 680	**1 017**	768	**1 768**	1 416	**(71)**	(625)
Interest-bearing borrowings	**10 362**	7 359																
Equity settled interest-bearing borrowings	**771**																	
Deferred tax liabilities	**873**	398																
Current tax liabilities	**1 043**	643																
Total liabilities per balance sheet	**23 522**	15 979																
GEOGRAPHIC SEGMENTATION																		
Operating assets	**29 982**	22 971	**7 626**	6 875	**4 413**	3 425	**3 712**	2 806	**2 492**	2 106	**5 901**	3 625	**2 968**	2 238	**2 985**	2 216	**(115)**	(320)
– South Africa	**25 883**	19 267	**5 821**	4 983	**3 706**	2 719	**3 191**	2 444	**2 459**	2 052	**5 218**	3 586	**2 927**	2 238	**2 665**	1 949	**(104)**	(704)
– Rest of Africa	**877**	667	**151**	128	**309**	277			**21**	34	**75**	39			**320**	267	**1**	(78)
– Rest of world	**3 222**	3 037	**1 654**	1 764	**398**	429	**521**	362	**12**	20	**608**		**41**				**(12)**	462
Non-interest-bearing liabilities	**10 473**	7 579	**3 253**	2 810	**624**	481	**548**	319	**791**	730	**2 543**	1 680	**1 017**	768	**1 768**	1 416	**(71)**	(625)
– South Africa	**8 896**	6 251	**2 336**	1 791	**517**	376	**430**	293	**782**	678	**2 407**	1 662	**985**	768	**1 511**	1 255	**(72)**	(572)
– Rest of Africa	**402**	308	**45**	43	**63**	50			**9**	36	**27**	18			**257**	161	**1**	
– Rest of world	**1 175**	1 020	**872**	976	**44**	55	**118**	26		16	**109**		**32**					(53)
Interest-bearing borrowings	**10 362**	7 359	**1 439**	1 564	**2 539**	2 058	**2 982**	2 175	**566**	377	**1 739**	481	**333**	398	**1**	1	**763**	305
– South Africa	**9 389**	6 573	**1 229**	1 335	**2 244**	1 731	**2 675**	2 013	**566**	342	**1 298**	448	**310**	398	**1**	1	**1 067**	305
– Rest of Africa	**317**	348	**79**	74	**169**	207				35	**70**	33					**(1)**	(1)
– Rest of world	**656**	438	**131**	155	**126**	120	**307**	162			**371**		**23**				**(303)**	1
Gross capital expenditure	**3 278**	2 714	**636**	460	**714**	975	**310**	216	**856**	665	**577**	335	**186**	58	**11**	9	**(12)**	(4)
– South Africa	**3 000**	2 153	**545**	369	**582**	555	**276**	191	**849**	640	**564**	335	**186**	58	**11**	9	**(13)**	(4)
– Rest of Africa	**69**	153	**22**	29	**39**	116			**7**	8	**1**							
– Rest of world	**209**	408	**69**	62	**93**	304	**34**	25		17	**12**						**1**	
Gross capital expenditure	**3 278**	2 714	**636**	460	**714**	975	**310**	216	**856**	665	**577**	335	**186**	58	**11**	9	**(12)**	(4)
Less: Proceeds on disposal	**(1 168)**	(1 152)	**(141)**	(84)	**(304)**	(465)	**(104)**	(63)	**(350)**	(349)	**(237)**	(176)	**(30)**	(15)			**(2)**	
Net capital expenditure	**2 110**	1 562	**495**	376	**410**	510	**206**	153	**506**	316	**340**	159	**156**	43	**11**	9	**(14)**	(4)

Imperial Holdings Limited

(Registration number 1946/021048/06)
Share code: IPL ISIN code: ZAE 000067211

NON-EXECUTIVE DIRECTORS
L Boyd (Chairman), E Molobi (Deputy Chairman), PL Erasmus, P Langeni, MJ Leeming, JR McAlpine, VJ Mokoena, PS Molefe, MV Moosa, M Sisulu, A Tugendhaft, Y Waja

EXECUTIVE DIRECTORS
WG Lynch (Irish), RJ Boëttger, MP de Canha, RL Hiemstra, AH Mahomed, GW Riemann (German), CE Scott

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The results announcement is available for viewing on the Imperial Holdings website: http://www.imperial.co.za and on SENS