

Non-executive directors:

L Boyd (Chairman), PL Erasmus, P Langeni, MJ Leeming, JR McAlpine, VJ Mokoena, PS Molefe, MV Moosa, CE Scott, M Sisulu, RJA Sparks, A Tugendhaft, Y Waja

Executive directors:

WG Lynch (Irish), RJ Boëtter, HR Brody, MP de Canha, RL Hiemstra, WS Hill, AH Mahomed, GW Riemann (*German*)

Company secretary:

RA Venter

Business address and registered office:

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

Share transfer secretaries:

Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001

Sponsor:

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



The results announcement is
available for viewing on the
Imperial Holdings website:

<http://www.imperial.co.za>
and on SENS

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



Highlights

- **Headline earnings per share up 21% to 749 cents**
- **Revenue up 29% to R33.4 billion**
- **Attributable profit up 25% to R1 599 million**
- **Strong cash flow and investment in growth opportunities**
- **Distribution to shareholders up 22% to 280 cents per share**

Overview of results

The effects of a modest slow down in consumer spending and a weaker Rand were absorbed by a continued strong performance by our non-consumer driven divisions, vehicle dealerships and financial services businesses. The result is 21% growth in headline earnings per share to 749 cents, which was achieved from a high base set in the first half of our previous financial year when HEPS was 34% higher than the previous year. The reported HEPS growth was positively impacted by the board's decision to achieve a more appropriate treatment of Imperial's investment in Lereko Mobility by the deconsolidation of the group's investment therein (see below).

Imperial has now been listed for 20 years. During the period, the market capitalization increased a thousand times from R35 million to R35 billion while earnings per share grew by 29% per annum compounded annually.

Revenue at R33.4 billion was 29% higher than the previous year, although this was assisted by the acquisitions of MCC and our United Kingdom operations, Imperial Commercials and Multipart.

Operating profit at R2.5 billion was 17% better, with the strongest contributions coming from the Leasing, Motor Dealerships and Insurance divisions. Operating profit declined in the Distributorships division where the weaker Rand impacted negatively on margins. Margins were further eroded by the introduction for the first time of the lower margin United Kingdom truck dealerships and the low contribution from the UK parts logistics business. Finally, Tyco returned a loss after interest, the circumstances of which are further dealt with under the Distributorships divisional report below.

The effect on the group's operating margin was a decrease to 7.5% from 8.3%.

Asset growth and higher interest rates caused the interest charge to rise by 41%, while average interest bearing debt during the period was 28% higher.

Income from associates was 3% lower at R165 million with the biggest contributor being R104 million (2005: R89 million) from Imperial Bank. Associates in the Distributorships division disappointed with a small loss compared to a profit of R28 million in 2005.

The effective tax rate amounted to 31.3%, down from 34.1%, mainly as a result of the Lereko deconsolidation.

The distribution to shareholders has increased 22% from 230 cents to 280 cents per share.

Industry conditions

The 2% increase in the prime overdraft rate since June last year caused vehicle sales growth to slow. Industry-wide sales for the period under review were 12% higher than in the comparative period, it should be noted that annual growth in the 2005 calendar year amounted to 28%. During this reporting period, the Rand traded weaker by 11% against the US \$ and by 18% against the Euro compared to the comparative period.

Growth in demand for our other services, namely logistics, vehicle leasing, car rental, tourism and vehicle related financial services remained strong. Our exposure to the mining and construction industries through the newly acquired MCC group, reported in our Leasing and Capital Equipment division, has been particularly rewarding to us.

Deconsolidation of Lereko Mobility

In respect of our second major Black Economic Empowerment transaction entered into during June 2005, the group provided vendor finance in the amount of R598 million to Lereko Mobility (Pty) Limited ("Lereko") to facilitate the raising of R800 million additional finance for the acquisition by Lereko of 7.25% of the group's issued capital. The redemption of the total finance provided for the transaction, totaling some R1.4 billion, will be settled through the disposal by Lereko of part of its Imperial shares. The right to redemption of the vendor finance ranks behind all the other elements of finance for the transaction. Accordingly, due to the group's risk relating to the vendor finance, the board at the time considered it appropriate to consolidate the assets, liabilities and results of Lereko as if it were a subsidiary of the group, despite the group's minority interest of 49% therein. By October 2006, the Imperial share price had risen to a level at which the risk has been reduced sufficiently for the board to conclude that the consolidation was no longer required. Accordingly, it has been deconsolidated and is now treated as an associate.

If Lereko had remained consolidated until the end of this reporting period, growth in headline earnings would have increased by 11.4% to R1 287 million and HEPS growth by 12.6% to 695 cents.

On the balance sheet, the deconsolidation caused shareholders' equity to be R1 559 million higher, and the net debt/equity ratio to be 87% instead of 107%.

Vehicle sales

Through its various passenger and commercial vehicle retail businesses in Southern Africa, Australia, Sweden and the United Kingdom, the group retailed 65 541 (2005: 57 602) new and 34 592 (2005: 29 526) used vehicles during the period. In addition, 23 012 used vehicles were sold to the trade, while our vehicle import and distribution business, Associated Motor Holdings sold 9 176 (2005: 6 324) new vehicles on a wholesale basis to non-group dealers appointed by it. Renault and Tata, in each of which Imperial holds effective interests of 49%, sold 6 905 and 10 059 vehicles respectively during the period.

Balance sheet and cash generation

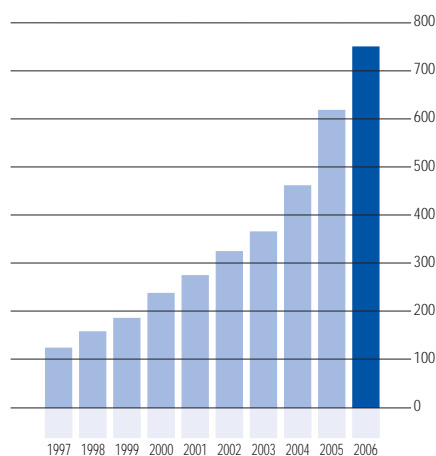
Net interest bearing debt at R10 940 million increased by 21% over June 2006. The net debt/equity ratio was 87%, including (as debt) the R300 million in perpetual preference shares which was raised in November 2006. For credit rating purposes, the perpetual preference shares carry a 75% equity weighting, which would reduce the net debt/equity ratio to 84%. The proceeds of the preference share issue were utilised to provide funding to take delivery of 2 630 386 Imperial shares in terms of a forward purchase agreement.

Net debt/EBITDA (annualized) was low at 1.6 times (2005: 1.7).

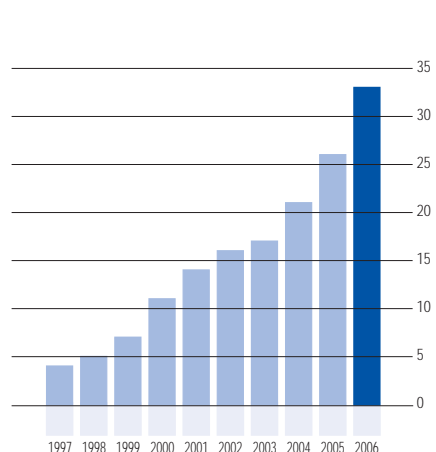
Cash generated by operations increased by 73% mainly as a result of improved working capital management. Investment in capital expenditure and acquisitions amounted to R2 477 million, 11% higher than last year. Expansion capital expenditure increased by 30% while replacement capital expenditure declined by 18%. The cash conversion ratio was 97%, with free cash flow amounting to R1.3 billion.

R760 million was returned to shareholders during the period through share buybacks and capital distributions.

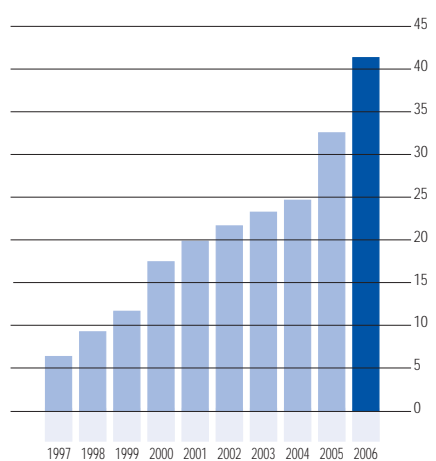
Headline earnings per share (cents)



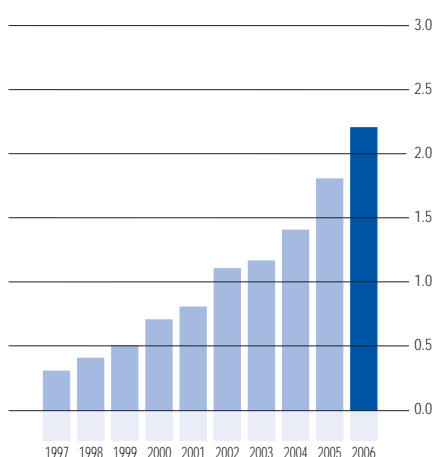
Revenue (Rb)



Total assets (Rb)



Pre-tax profits (Rb)



Expansion of the group

The dealerships division opened 2 new and 9 used car operations during the period, and in the Distributorships division, 5 new car dealerships and two motor bike dealerships were opened in South Africa, and a Mitsubishi dealership was opened in Sydney, Australia. As a value added operation in the Dealerships division, we acquired a controlling interest in Jurgens Ci (Pty) Limited, the manufacturer and distributor of leisure caravans and camping equipment. The transaction is still subject to approval by the Competition Commission. Jurgens manufactures and sells approximately 2 500 caravans per annum through a network of franchised dealers.

Tourvest made seven new investments in individual tourist products in South Africa, Nigeria and the Caribbean.

In the Leasing and Capital Equipment division, Terex Africa, the distribution rights for New Holland earth moving equipment and Excelrate battery charging equipment for electric forklifts and industrial batteries were acquired effective for the second half of the year.

Imperial Air Cargo was successfully established in the Aviation division and has gained a meaningful share of the domestic air cargo market.

Divisional reports

Logistics

R'million	2006	2005	change
Revenue	7 321	6 249	17,2%
Operating profit	425	404	5,2%
Operating margin (%)	5,8	6,5	
Operating assets	8 201	7 628	7,5%

Southern Africa

The Southern African logistics business achieved operating profit of R323 million. Had we adjusted 2005's profit by R18 million for the effect of the partial sale of two subsidiaries to BEE entities and non-recurring events, operating profit growth would have been 12% over 2005. The operating margin in the local division declined from 8,3% to 7,9%, due to fuel price increases, load imbalances and pricing pressure from strong competition. Cash generation in this business was good, which caused the interest charge to be maintained at R45 million after taking into account the interest rate increase. Capital expenditure was 29% lower than last year resulting from the late delivery of trucks.

Wage negotiations were concluded and agreement was reached for the next two years.

The outlook for the division remains positive as it has a broad base of blue chip customers spanning most sectors of the economy.

Europe

Imperial Logistics International grew operating profit by 5% and Revenue by 25% in Rand terms. In Euro terms, operating profit was lower by 10% and Revenue was 6% higher. The reduced margin occurred in the inland waterway container shipping business due to operational issues relating to water levels and port congestion. Margins were also lower in Panopa after the introduction of lower margin but value adding transport business.

Activity levels and profitability in this business are expected to be maintained as the German economy remains strong. A shortage in transport capacity has developed in Germany due to increased outsourcing and international trade, and a shortage of drivers.

Leasing and capital equipment

R'million	2006	2005	change
Revenue	2 135	1 290	65,5%
Operating profit	415	239	73,6%
Operating margin (%)	19,4	18,5	
Operating assets	5 709	4 413	29,4%

The MCC acquisition, effective from December 2005, made a significant contribution to the results for the period. MCC capitalized on strong demand for open cast mining services and was awarded contracts in the Elands Platinum, Marikana and Lonmin Extension projects during the period. Demand from the construction and road building industries was also strong.

The Southern African corporate vehicle and forklift leasing operations maintained their fleet size at 30 000 units in a market in which manufacturers and banks are becoming increasingly competitive. In response to this trend, the division has successfully altered its business model towards a higher value added content instead of earning the pure financial margin. Whilst new vehicles were added to the fleet, both the governments of Lesotho and Namibia have reduced their fleets.

The division's results benefited from higher interest rates, as a substantial portion of its funding is procured at competitive fixed rates,

or from its own capital, while lending rates are floating. The UK forklift dealership performed well.

The Terex, New Holland and Excelrate expansions which were concluded at the end of the period will fit in well with existing operations and are expected to make a positive contribution soon.

Aviation

R'million	2006	2005	change
Revenue	2 045	1 721	18,8%
Operating profit	179	141	27,0%
Operating margin (%)	8,8	8,2	-1,6%
Operating assets	3 652	3 712	-2,0%

Operating profit includes the profit on the sale of aircraft of R68 million against R10 million in the previous period. The weaker Rand slightly enhanced normal trading profitability, while aircraft sales volumes were good. Margins in NAC have improved following the resolution of maintenance problems in the contracts division. Air Contractors in Europe continued to perform well, and Naturelink has recovered to a position close to breakeven.

Imperial Air Cargo was launched in August 2006 and succeeded in capturing a meaningful share of the domestic air cargo market in a short period, and passed the breakeven mark in profitability.

Trading for the second half is expected to remain good.

Car Rental & Tourism

R'million	2006	2005	change
Revenue	1 887	1 719	9,8%
Operating profit	265	249	6,4%
Operating margin (%)	14,0	14,5	
Operating assets	2 892	2 492	16,1%

The car rental market remained very competitive with margins being squeezed by cost pressures, particularly accident repair costs and lower claims recoveries, while charge-out rates remained virtually unchanged. Car rental revenues increased by 11% while volumes grew by 12% on slightly lower growth in the fleet size. The used car market was under stiff pressure from competitive new car prices resulting in reduced sales volumes by Auto Pedigree.

We expect these conditions to improve, as rates have begun to harden, and with new car prices beginning to rise, we expect the used car market to benefit.

Tourvest, as well as our wholly owned tourism operations improved on the back of a weaker Rand. International inbound passenger volumes to South Africa increased by 8% year on year for the nine months to September, and individual spending by tourists has increased. Tourvest's retailing operations, including airline duty free sales, performed well, and the company benefited from the expansion of its range of tourist products. Headline earnings per share at Tourvest increased by 14%.

Distributorships

R'million	2006	2005	change
Revenue	10 572	7 276	45,3%
Operating profit	615	647	-4,9%
Operating margin (%)	5,8	8,9	
Operating assets	9 335	5 901	58,2%

After a period of exceptional growth by this division, margins have recently come under pressure in the vehicle import business due to the weaker Rand and strong competition. Some relief was obtained through forward exchange cover. However the duty portion of total import cost, as well as part of the vehicle cost cannot be covered. Only limited price increases could be implemented.

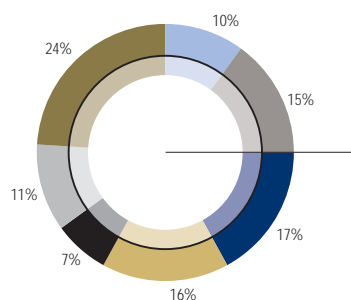
Following the margin reduction during the first half of our financial year, we expect that, should the Rand remain at current levels, price increases would begin to compensate for the reduction. Recent trading levels of the Rand would already relieve some margin pressure, and import duty reductions of 2% (6% i.r.o. European imports) came into effect on 1 January 2007. The vehicle parque in our imported vehicle brands is maturing and a growing contribution can be expected from parts and service operations. Lastly, we still see strong sales growth, although not at historical levels.

Losses are still being incurred in our Australian Ford dealerships where Ford's market share has declined significantly. We have closed two unprofitable dealerships out of the nine we acquired.

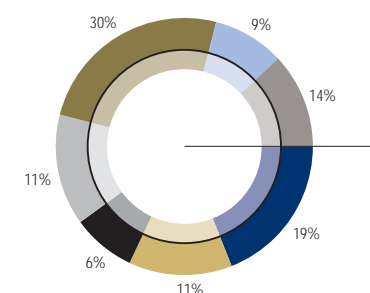
The performance of our associate, Renault was disappointing.

Our commercial vehicle import, assembly, dealership and service operation, Tycos, which operates the distributorships for International, DAF and Renault trucks, VDL buses and JAC medium commercial

Divisional operating profit December 2006



Divisional operating profit December 2005



- Logistics
- Leasing and Capital Equipment
- Aviation
- Car Rental and Tourism
- Distributorships
- Motor Vehicle Dealerships
- Insurance

vehicles, incurred a loss due to operational problems. Production and inventory planning regarding new vehicles, over-stocking of used vehicles and poor margins, as well as service related issues were the main contributing factors. Decisive corrective actions were taken and senior management changes were effected. We expect the business to return to profitability during the second half of the financial year. The outlook for this business remains positive in view of a good product line and strong demand for commercial vehicles.

The newly acquired UK operations performed satisfactorily. The 18 DAF and LDV outlets operating as Imperial Commercials contributed well to revenues and profits, while the parts logistics business operating as Multipart has made satisfactory progress in the restructuring process which was foreseen at acquisition. A new state of the art distribution centre was opened in the Manchester area, which will improve efficiencies.

The South African parts distribution business which was started as a greenfields business with a bolt-on acquisition added later, is proving to be successful.

Motor vehicle dealerships

R'million	2006	2005	change
Revenue	9 048	7 313	23,7%
Operating profit	243	190	27,9%
Operating margin (%)	2,7	2,6	
Operating assets	3 845	2 968	29,5%

New and used vehicle sales growth comfortably exceeded market growth. Gross profit margins were maintained in spite of increased competition but the operating margin increased from 2,6% to 2,7% due to higher value added sales of financial products, vehicle enhancements and accessories. Workshop and parts sales performed well. Good results were achieved in our four Nissan dealerships in Sweden.

Significant capital investment continued in line with capacity requirements and branded retail standards.

While total market volumes remained strong, especially in commercial vehicles, margins in the used vehicle market were under pressure.

Higher interest rates have begun to slow the growth rate in vehicle sales, especially in the luxury car segment. However, this comes from an exceptionally high base, and we expect positive growth to continue and be buoyed by the small car segment. Demand remains driven by the entry of first time buyers, a trend which we expect to continue as urban demographics change and the economy attracts new entrants to the job market. The division should also benefit from several new model launches planned by manufacturers.

Commercial vehicle demand is supported by infrastructure spending, and we have increased our exposure in this market.

Our aftermarket strategy which includes Beekmans Canopies has begun to yield good results.

Insurance

R'million	2006	2005	change
Revenue	1 581	1 293	22,3%
Operating profit	375	301	24,6%
Operating margin (%)	23,7	23,3	
Operating assets	3 542	2 985	18,7%

Premium income growth of 25,4% was in excess of motor industry growth as we continue to gain market share. Whilst underwriting conditions in the motor market have become more challenging due to high accident repair costs, underwriting profits have increased. Investment income was excellent in a strong equities market. Good progress is being made towards the implementation of new requirements imposed by the National Credit Act, to take effect on 1 June 2007. The act will cause single premium business to be replaced with monthly premiums. This will reduce the amount of investment funds, and as a result of a higher lapse experience on monthly premiums than single premium policies, the overall impact on profitability in the near term is unclear. However, we believe that premium rates should compensate for investment income lost, leaving the prospects for long term income growth intact.

Associates

Earnings from our primary associate, Imperial Bank increased by 17% to R104 million. Gross loans and advances amounted to R28,4 billion at December 2006, of which R17,4 billion was in motor vehicle finance.

Black Economic Empowerment

Imperial's BEE strategy is still yielding very positive results. Since entering into the transactions with Ukhamba and Lereko Mobility, an aggregate amount of R1,6 billion of wealth has been created for

previously disadvantaged individuals and communities. The strategic intent with the transactions is clearly demonstrated in the active cooperation between our empowerment partners and some of our operating divisions. Ukhamba's primary investments are a 10,1% stake in Imperial and a 34% stake in Distribution and Warehousing Network Limited, a JSE listed distributor and manufacturer of building materials, which grew its headline earnings by 54% during the period under review. Ukhamba has made several smaller strategic investments in areas related to Imperial's business. In addition, the group has entered into several other empowerment initiatives at subsidiary level, resulting in the practical and financial empowerment of a large number of black people.

Investment in skills development

In response to a pressing shortage of technical and management skills in virtually all spheres of our business, the board has approved the establishment of a R100 million company-focused skills development and training fund.

Prospects

We expect further good growth in revenue and earnings for the full financial year. Vehicle sales growth will be lower than the previous financial year, but growth in the overall economy is expected to remain robust. The expected recovery in some of our under-performing businesses should further contribute to good results.

Retirement of Chief Executive

The group's Chief Executive, Bill Lynch, has decided to relinquish his position as Chief Executive with effect from 1 November 2007, or such later date as a suitable successor is appointed. Bill has recovered from his illness of last year and his decision was reached after careful consideration of his age and 36 years of service with the group, in order to enable him to scale down his demanding business schedule. He has however agreed to continue serving on the board as a non-executive deputy Chairman with effect from 1 November 2007, allowing a seamless transition to a new Chief Executive.

The Remuneration and Nomination Committee of the board will now embark on a process to select a suitable successor to Bill, which will include the identification of suitable internal and external candidates. It is expected that the selection process would be completed by August 2007 and an announcement in this regard will be made as soon as an appointment has been confirmed by the board. The current deputy Chief Executive, Hafiz Mahomed, has requested not to be taken into consideration in the process of identifying suitable candidates. He will however continue in his position as deputy Chief Executive and Group Financial Director.

Leslie Boyd has agreed to remain as Chairman of the group beyond November 2007, thereby providing further continuity and keeping available his considerable wealth of experience and knowledge of the group.

In addition to the appointment of a new Chief Executive, the company will seek to identify a suitable black candidate for appointment to the board as a non-executive deputy Chairman alongside Bill. In accordance with the articles of association, the appointment of the two deputy Chairmen and the re-appointment of Leslie Boyd as Chairman will also be tabled at the next annual general meeting of shareholders for approval.

The company wishes to thank Bill for his enormous contribution to the company and industry during his executive service with the group, a period during which the group grew from a small motor retail business to a powerful force in the mobility industry, both in South Africa and abroad. We look forward to his contribution in his new capacity for years to come.

Remuneration and Nomination Committee

Phumzile Langeni, Roddy Sparks and Younaid Waja have been appointed as members of the Remuneration and Nomination Committee with effect from 27 February 2007. The committee will then consist of Leslie Boyd (Chairman), Phumzile Langeni, Mike Leeming, Roy McAlpine, Roddy Sparks, Oshy Tugendhalf and Younaid Waja.

By order of the board

L Boyd, *Chairman*

W G Lynch, *Chief Executive*

A H Mahomed, *Financial Director*

Condensed income statement

for the half year ended 25 December

	Unaudited December 2006 Rm	Unaudited December 2005 Rm	% change	Audited Year ended June 2006 Rm
Revenue	33 388	25 825	29	54 105
Profit from operations before depreciation and recoupments	3 444	2 948		6 090
Depreciation and recoupments	(945)	(816)		(1 632)
Operating profit	2 499	2 132	17	4 458
Foreign exchange gains (losses)	50	34		(138)
Fair value (losses) gains on foreign exchange derivatives	(13)	(53)		26
Fair value gains (losses) on financial instruments (Lereko Mobility)	10	(83)		(74)
Profit before net financing costs	2 546	2 030	25	4 272
Net financing costs	(498)	(352)		(782)
Income from associates and joint ventures	165	170		282
Profit before exceptional items	2 213	1 848	20	3 772
Exceptional items	27			(53)
Profit before taxation	2 240	1 848	21	3 719
Income tax expense	641	573		1 234
Profit after taxation	1 599	1 275	25	2 485
Attributable to:				
Equity holders of Imperial Holdings Limited	1 429	1 157		2 247
Minority interest	170	118		238
Net attributable profit for the period	1 599	1 275	25	2 485
	Cents	Cents		Cents
Earnings per share*				
– Basic	764,0	618,3	24	1 198,1
– Diluted	700,5	579,6	21	1 125,8
Additional information				
Headline earnings per share*				
– Basic	749,0	616,9	21	1 222,1
– Diluted	686,9	578,2	19	1 148,3
<i>Earnings per share reconciliation</i>				
Headline basic earnings per share	749,0	616,9		1 222,1
Impairment of property, plant and equipment				(4,2)
Profit on sale of property, plant and equipment	3,2	1,4		5,5
Exceptional items	11,8			(25,3)
Basic earnings per share	764,0	618,3		1 198,1
<i>*Based on the weighted average number of shares in issue for the period</i>				
Net asset value per share (cents)	5 825,5	4 432,4		5 330,3
Number of ordinary shares (million)				
– in issue	186,7	188,0		187,5
– weighted average	185,3	187,1		187,5
Other shares in issue (million)				
– Preferred ordinary	14,5			
– Deferred ordinary	19,2	21,0		21,0
Financing	Rm	Rm		Rm
Net interest	497	364		808
Foreign exchange (gain) loss on monetary items	(15)			284
Fair value losses (gains) on borrowings and interest swaps	16	(12)		(310)
	498	352		782
Exceptional items				
Impairment of goodwill	(1)			(43)
Profit (loss) on disposal of investments in subsidiaries and associates and joint ventures	28			(10)
	27			(53)

Condensed balance sheet

at 25 December

	Unaudited December 2006 Rm	Unaudited December 2005 Rm	Audited Year ended June 2006 Rm
ASSETS			
Intangible assets	1 024	728	945
Investments in associates and joint ventures	2 458	1 599	1 602
Property, plant and equipment	5 003	3 194	4 231
Transport fleet	2 649	2 655	2 570
Leasing assets	6 707	5 771	6 443
Vehicles for hire	1 213	1 162	896
Deferred tax assets	394	365	426
Other investments and loans	2 369	2 071	2 208
Other non-current financial assets	782	542	718
Inventories	8 177	5 932	7 535
Taxation in advance	215	89	108
Trade and other receivables	8 591	7 116	8 248
Cash resources	1 686	1 248	1 630
Total assets	41 268	32 472	37 560
EQUITY AND LIABILITIES			
Capital and reserves			
Attributable to Imperial Holdings' shareholders	11 721	8 333	10 002
Minority interest	820	617	785
Total shareholders' equity	12 541	8 950	10 787
Liabilities			
Non-redeemable, non-participating cumulative preference shares	300		
Equity-settled interest-bearing borrowings		771	794
Retirement benefit obligations	218	178	218
Interest-bearing borrowings	12 326	10 362	10 699
Liabilities under insurance contracts	1 515	1 148	1 331
Deferred tax liabilities	1 014	873	941
Other non-current financial liabilities	31	136	127
Trade and other payables and provisions	12 301	9 011	11 545
Current tax liabilities	1 022	1 043	1 118
Total liabilities	28 727	23 522	26 773
Total equity and liabilities	41 268	32 472	37 560
SUPPLEMENTARY INFORMATION	Rm	Rm	Rm
Capital commitments	770	596	1 038
Contingent liabilities	786	495	810

Declaration of distributions

Preference shareholders and Ordinary shareholders

Notice is hereby given that:

- a preference dividend of 88,15 cents per preference share has been declared payable to holders of non-redeemable, non-participating preference shares; and
- a distribution of 280 cents per ordinary share has been declared payable to ordinary shareholders as follows:
 - a capital distribution out of share premium of 160 cents per ordinary share payable in terms of the general authority granted at the annual general meeting of shareholders held on 1 November 2006; and
 - a dividend of 120 cents per ordinary share

payable to the respective shareholders recorded in the registers of the company at the close of business on Friday, 30 March 2007.

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

2007

Last day for preference shares and ordinary shares to trade cum-preference dividend and cum capital distribution respectively	Friday, 23 March
Preference and ordinary shares commence trading ex-preference dividend and ex capital distribution respectively	Monday, 26 March
Record date	Friday, 30 March
Payment date	Monday, 2 April

Share certificates may not be dematerialised/rematerialised between Monday, 26 March 2007 and Friday, 30 March 2007, both days inclusive.

On Monday, 2 April 2007, amounts due in respect of the preference dividend and 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 2 April 2007 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, 2 April 2007.

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

Preferred ordinary shareholders (Unlisted)

Notice is hereby further given that a dividend of 267,5 cents per preferred ordinary share has been declared and is payable to preferred ordinary shareholders recorded in the registers of the company at the close of business on Thursday, 29 March 2007.

On Friday, 30 March 2007 the dividend will be electronically transferred to the bank accounts of preferred ordinary shareholders.

On behalf of the board

RA Venter, *Group Company Secretary*
27 February 2007

Condensed cash flow statement

for the half year ended 25 December

	Unaudited December 2006 Rm	Unaudited December 2005 Rm	% change	Audited Year ended June 2006 Rm
Cash flows from operating activities				
Cash generated by operations before changes in working capital	3 442	2 999		5 889
Net working capital movements	(230)	(1 140)		(255)
Cash generated by operations	3 212	1 859	73	5 634
Net financing costs	(498)	(364)		(782)
Taxation paid	(727)	(20)		(597)
Net cash flows from operating activities	1 987	1 475	35	4 255
Cash flows from investing activities				
Net acquisition of subsidiaries and businesses	(108)	(120)		(755)
Expansion capital expenditure	(1 724)	(1 328)		(2 662)
Net replacement capital expenditure	(645)	(782)		(1 104)
Investments, equities and loans	(397)	(460)		(321)
Net cash flows from investing activities	(2 874)	(2 690)		(4 842)
Cash flows from financing activities				
Cash flow from financing activities	864	(12)		3 809
Purchase of treasury stock	(298)			(1 539)
Issue of preference shares	298			
Dividends paid	(80)	(55)		(138)
Capital distribution	(462)	(413)		(846)
Net cash flows from financing activities	322	(480)		1 286
Net (decrease) increase in cash and cash equivalents	(565)	(1 695)		699
Cash and cash equivalents at beginning of period	(1 643)	(2 342)		(2 342)
Cash and cash equivalents at end of period	(2 208)	(4 037)		(1 643)

Condensed statement of changes in equity

for the half year ended 25 December

	Share capital and premium Rm	Share repurchases/ consolidated shares Rm	Other reserves Rm	Retained earnings Rm	Minority interest Rm	Total Unaudited December 2006 Rm	Unaudited December 2005 Rm	Audited Year ended June 2006 Rm
Balance at 25 June	1 762	(2 497)	1 272	9 465	785	10 787	8 355	8 355
Net gains (losses) arising on translation of foreign operations not recognised in the income statement			33		1	34	(143)	279
Net profit attributable to equity holders of Imperial Holdings Limited				1 429		1 429	1 157	2 247
Minority share of attributable profits					170	170	118	238
Net acquisition of minority interest					1	1	92	128
Contingency reserve created in terms of the Insurance Act			28	(28)				
Movement in hedge accounting reserve			(479)		(57)	(536)	(181)	609
Reallocation of Imperial Banks' credit risk reserve to statutory reserve			5	(5)				
Net movement in share based payment reserves			(63)			(63)		(27)
Issue of ordinary shares							20	39
Issue of preferred ordinary shares								4
Repurchase of ordinary shares		(298)				(298)		(101)
Deconsolidation of Lereko Mobility		715	361	483		1 559		
Capital distributions	(550)	88				(462)	(413)	(846)
Minority share of dividends					(80)	(80)	(55)	(138)
Balance at 25 December	1 212	(1 992)	1 157	11 344	820	12 541	8 950	10 787

Basis of preparation

This condensed interim financial information for the half year ended 25 December 2006 has been prepared in accordance with International Accounting Standards applicable to interim financial reporting: IAS 34 – Interim Financial Reporting. This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 25 June 2006.

Our Black Economic Empowerment associate, Lereko Mobility (Proprietary) Limited, was previously consolidated (even though we held 49%) because there was significant risk relating to the recovery of the notional capital provided by the group. The directors are now of the opinion that as the Imperial share price has risen substantially this risk is now remote and Lereko is equity accounted with effect from 26 October 2006.

Accounting policies

The accounting policies adopted in preparation of this condensed interim financial information are consistent with those of the annual financial statements for the year ended 25 June 2006.

Revenue restatement

In line with the restatement in our June 2006 annual report, SAICA Circular 9/2006 – Discounts, rebates and extended payment terms, has revised the basis for determining revenue in our Car Rental and Tourism division:

	Rm
Revised revenue	1 719
As previously stated	1 687
	32
Revenue in the distributorship division was over stated in the prior period due to revenue between operations within the division being included in revenue that should have been eliminated.	
Revised revenue	7 276
As previously stated	7 655
	(379)
Net reduction in revenue	347

The above restatements only affect the revenue and cost of sales lines and had no effect on profits.

SEGMENT INFORMATION
BALANCE SHEET

	Group		Logistics		Leasing and capital equipment		Aviation		Car rental and tourism		Distributorships		Motor vehicle dealerships		Insurance		Head office and eliminations	
at 25 December	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm
BUSINESS SEGMENTATION																		
ASSETS																		
Intangible assets (Inc Goodwill)	1 024	728	358	258	57	10	119	83	316	260	34	23	130	65	10	27	1 434	2
Investments, loans and associates	3 966	2 323	71		18	10	402	342	3	2	184	169	7	10	1 847	1 642	1 434	148
Property, plant and equipment	5 003	3 194	1 297	1 085	183	158	132	117	330	210	1 892	807	961	592	85	97	123	128
Transport fleet	2 649	2 655	2 746	2 750													(97)	(95)
Leasing assets	6 707	5 771			4 398	3 444	1 974	2 002			357	348					(22)	(23)
Vehicles for hire	1 213	1 162							1 208	1 164							5	(2)
Other non-current financial assets	782	542																
Inventories	8 177	5 932	176	181	356	357	629	602	504	413	4 661	3 041	1 971	1 522	447	434	335	108
Trade and other receivables	8 591	7 116	3 553	3 354	697	434	396	566	531	443	2 207	1 513	776	779	390	226	(120)	(184)
Cash in financial services businesses	763	559													763	559	41	(199)
Operating assets	38 875	29 982	8 201	7 628	5 709	4 413	3 652	3 712	2 892	2 492	9 335	5 901	3 845	2 968	3 542	2 985	1 699	(117)
Deferred tax assets	394	365																
Loans to associates and other investments	861	1 347																
Taxation in advance	215	89																
Cash and cash equivalents	923	689																
Total assets per balance sheet	41 268	32 472																
LIABILITIES																		
Retirement benefit obligations	218	178	218	178														
Liabilities under insurance contracts	1 515	1 148													1 515	1 148		
Other non-current financial liabilities	31	136															31	136
Trade and other payables and provisions	12 301	9 011	3 390	3 075	900	624	599	548	972	791	3 771	2 543	1 657	1 017	940	620	72	(207)
Non-interest-bearing liabilities	14 065	10 473	3 608	3 253	900	624	599	548	972	791	3 771	2 543	1 657	1 017	2 455	1 768	103	(71)
Equity-settled interest-bearing borrowings		771																
Interest-bearing borrowings	12 626	10 362																
Deferred tax liabilities	1 014	873																
Current tax liabilities	1 022	1 043																
Total liabilities per balance sheet	28 727	23 522																
GEOGRAPHIC SEGMENTATION																		
Operating assets	38 875	29 982	8 201	7 628	5 709	4 413	3 652	3 712	2 892	2 492	9 335	5 901	3 845	2 968	3 542	2 985	1 699	(117)
– South Africa	32 171	25 883	5 947	5 823	4 887	3 706	2 916	3 191	2 779	2 459	6 974	5 218	3 742	2 927	3 234	2 665	1 692	(106)
– Rest of Africa	1 041	877	223	151	341	309	3		93	21	73	75			308	320		1
– Rest of world	5 663	3 222	2 031	1 654	481	398	733	521	20	12	2 288	608	103	41			7	(12)
Non-interest-bearing liabilities	14 065	10 473	3 608	3 253	900	624	599	548	972	791	3 771	2 543	1 657	1 017	2 455	1 768	103	(71)
– South Africa	10 582	8 896	2 467	2 336	777	517	96	430	917	782	2 647	2 407	1 572	985	2 148	1 511	(42)	(72)
– Rest of Africa	494	402	62	45	66	63	3		29	9	26	27			307	257	1	1
– Rest of world	2 989	1 175	1 079	872	57	44	500	118	26		1 098	109	85	32			144	
Interest-bearing borrowings	12 626	10 362	1 246	1 439	3 411	2 539	2 055	2 982	544	566	2 646	1 739	840	333		1	1 884	763
– South Africa	11 099	9 389	985	1 229	2 798	2 244	1 813	2 675	574	566	1 984	1 298	830	310		1	2 115	1 066
– Rest of Africa	420	317	104	79	248	169			(30)		82	70					16	(1)
– Rest of world	1 107	656	157	131	365	126	242	307			580	371	10	23			(247)	(302)
Gross capital expenditure	3 880	3 278	460	636	1 175	714	80	310	946	856	948	577	214	186	19	11	38	(12)
– South Africa	3 349	3 000	368	545	1 037	582	67	276	937	849	670	564	214	186	19	11	37	(13)
– Rest of Africa	76	69	36	22	32	39			7	7		1					1	
– Rest of world	455	209	56	69	106	93	13	34	2		278	12						1
Gross capital expenditure	3 880	3 278	460	636	1 175	714	80	310	946	856	948	577	214	186	19	11	38	(12)
Less: Proceeds on disposal	(1 510)	(1 168)	(145)	(141)	(366)	(304)	(115)	(104)	(386)	(350)	(442)	(237)	(12)	(30)	(9)		(35)	(2)
Net capital expenditure	2 370	2 110	315	495	809	410	(35)	206	560	506	506	340	202	156	10	11	3	(14)

INCOME STATEMENT

	group		logistics		capital equipment		aviation		tourism		leasing		dealerships		insurance		eliminations	
for the half year ended 25 December	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm	2006 Rm	2005 Rm
BUSINESS SEGMENTATION																		
Revenue																		
– Sales of goods	20 250	15 232	427	351	485	283	827	666	822	763	9 667	6 626	8 022	6 542				1
– Rendering of services	11 622	9 388	6 696	5 737	1 623	984	1 217	1 054	1 011	867	554	355	457	351	13	18	51	22
– Gross premiums received	1 473	1 175													1 473	1 175		
– Other	43	30	40	28	1	1	1	1							1			
Inter-segment revenue*	33 388	25 825	7 163	6 116	2 109	1 268	2 045	1 721	1 833	1 630	10 221	6 981	8 479	6 893	1 487	1 193	51	23
			158	133	26	22			54	89	351	295	569	420	94	100	(1 252)	(1 059)
	33 388	25 825	7 321	6 249	2 135	1 290	2 045	1 721	1 887	1 719	10 572	7 276	9 048	7 313	1 581	1 293	(1 201)	(1 036)
Operating expenses excluding gains and losses on investments	30 240	23 120	6 657	5 601	1 304	735	1 819	1 481	1 485	1 369	9 873	6 582	8 781	7 105	1 495	1 230	(1 174)	(983)
Investment income	(64)	(51)													(64)	(51)		
Fair value gains on investments	(232)	(192)													(232)	(192)		
Depreciation	1 046	871	251	251	435	332	115	109	139	121	84	48	24	18	7	5	(9)	(13)
Recoupments	(101)	(55)	(12)	(7)	(19)	(16)	(68)	(10)	(2)	(20)		(1)						(1)
Operating profit	2 499	2 132	425	404	415	239	179	141	265	249	615	647	243	190	375	301	(18)	(39)
Foreign exchange gains (losses)	50	34	(1)	(6)	3	1	(4)	(3)			49	45			4		(1)	(3)
Fair value losses on foreign exchange derivatives	(13)	(53)			(11)	(7)	(2)					(46)						
Fair value gains (losses) on financial instruments (Lereko Mobility)	10	(83)															10	(83)
Profit before net financing costs	2 546	2 030	424	398	407	233	173	138	265	249	664	646	243	190	379	301	(9)	(125)
Net financing costs	(498)	(352)	(31)	(38)	(143)	(90)	(91)	(85)	(22)	(19)	(98)	(47)	(52)	(27)	1	1	(62)	(47)
Income from associates and joint ventures	165	170	8	3			38	37	1		(1)	28		2			119	100
Profit before exceptional items	2 213	1 848	401	363	264	143	120	90	244	230	565	627	191	165	380	302	48	(72)
GEOGRAPHIC SEGMENTATION																		
Revenue	33 388	25 825	7 321	6 249	2 135	1 290	2 045	1 721	1 887	1 719	10 572	7 276	9 048	7 313	1 581	1 293	(1 201)	(1 036)
– South Africa	25 105	20 794	3 920	3 572	1 868	990	1 412	1 356	1 666	1 601	7 186	5 762	8 801	7 264	1 454	1 199	(1 202)	(950)
– Rest of Africa	660	494	189	117	112	157	5		132	59	95	95			127	94		(28)
– Rest of world	7 623	4 537	3 212	2 560	155	143	628	365	89	59	3 291	1 419	247	49			1	(58)
Operating profit	2 499	2 132	425	404	415	239	179	141	265	249	615	647	243	190	375	301	(18)	(39)
– South Africa	2 248	1 944	310	301	367	196	142	129	239	239	627	652	238	190	342	270	(17)	(33)
– Rest of Africa	95	73	13	6	29	30			22	8	(2)	1			33	31		(3)
– Rest of world	156	115	102	97	19	13	37	12	4	2	(10)	(6)	5				(1)	(3)
Net financing costs	498	352	31	38	143	90	91	85	22	19	98	47	52	27	(1)	(1)	62	47
– South Africa	455	328	41	44	127	76	86	79	23	20	87	35	51	27	(1)	(1)	41	48
– Rest of Africa	20	12	4	1	13	10			(1)	(1)	3	3					1	(1)
– Rest of world	23	12	(14)	(7)	3	4	5	6			8	9	1				20	