FAST MOVING
FORWARD THINKING

IMPERIAL™

SUPPORTING
PEOPLE THROUGH
MOBILITY

Imperial Holdings Limited
Unaudited interim results
for the six months ended 31 December 2012

Highlights and key data

Revenue 18% higher at R45 262 million

Operating profit improved 12% to R2 939 million

HEPS up 14% to 829 cps

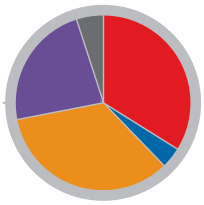
Core EPS up 15% to 872 cps

Cash generated by operations up 111% to R2 061 million

Interim dividend increased 27% to 380 cps

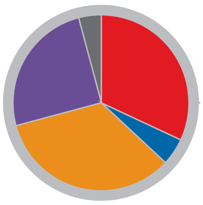
Divisional revenue

December 2012



Logistics 34%
Car rental and tourism 4%
Distributorships 34%
Automotive retail 23%
Financial services 5%

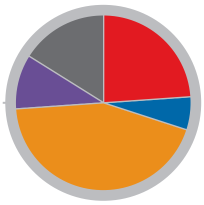
December 2011



Logistics 32%
Car rental and tourism 5%
Distributorships 34%
Automotive retail 25%
Financial services 4%

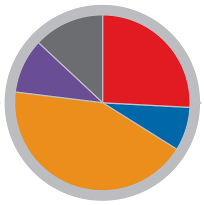
Divisional operating profit

December 2012



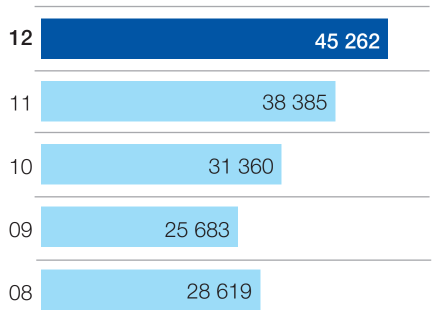
Logistics 24%
Car rental and tourism 6%
Distributorships 44%
Automotive retail 10%
Financial services 16%

December 2011

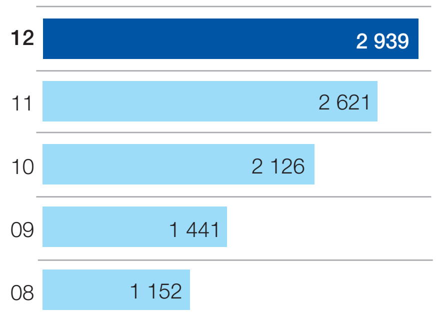


Logistics 26%
Car rental and tourism 8%
Distributorships 43%
Automotive retail 10%
Financial services 13%

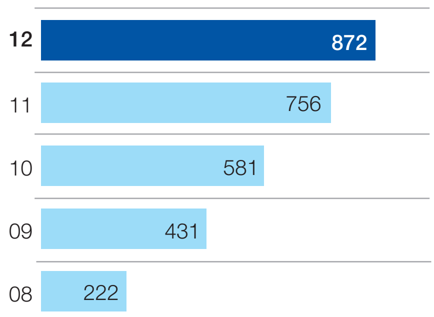
Revenue (R million)



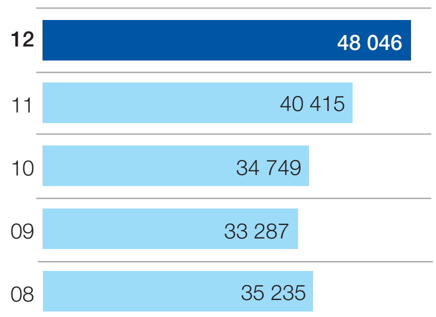
Operating profit (R million)



Core earnings per share (cents)



Total assets (R million)



Overview of results

Imperial group achieved a good first half performance with varied results across its portfolio, amid challenging trading conditions in South Africa and Europe.

Revenue was 18% higher at R45,3 billion and operating profit increased by 12% to R2,9 billion. Core EPS improved by 15%. The annualised return on equity of the group was 22% and despite share buybacks and significant recent acquisitions, the balance sheet remains healthy with a net debt to equity ratio (excluding preference shares) of 52%.

Imperial's retail cluster of businesses (Distributorships, Automotive Retail and Financial Services) performed well in the circumstances and each unit delivered growth. Revenue and operating profit in this cluster of businesses were up 14% and 19% respectively. This was achieved notwithstanding new vehicle volume growth and sales mix being negatively impacted by supply disruptions experienced by the Distributorships division due to strike action and shortened work hours in the manufacturing plants of Hyundai and Kia in Korea during the period. The Automotive Retail division, which is not involved in the importation of vehicles, performed well. The Financial Services division had an excellent six months, showing strong operating profit growth. Investment returns benefited from the robust growth in equity markets during the period. Higher used car sales and further improvements in annuity streams from service, parts and related financial products also contributed to the pleasing performance of this business cluster.

The Logistics division increased its revenue by 27%; however, operating profit reduced by 1%. Trading conditions in both our Southern African and International Logistics divisions were challenging. The Southern African Logistics division was negatively impacted by the transport workers' strike during the period and the International Logistics division had to contend with a slowing German economy, late in the second quarter.

Revenue in the Car Rental and Tourism division was flat, mainly due to a decline in revenue days, the growth in lower rate insurance replacement business and a particularly weak performance of our tourism unit. Operating profit reduced by 13% as costs rose ahead of revenue improvement. Accident and theft costs were significantly higher in the Car Rental business and the disappointing performance of the Tourism division also contributed to the decline in operating profit from the prior period.

The group operating margin reduced from 6,8% to 6,5%. This was caused by the reduced margins experienced in the Distributorships and Logistics divisions. The Distributorships division achieved an operating margin of 8,3% against 8,6% in the prior period. This decline was mainly caused by the aforementioned supply disruptions, the impact on sales mix and the weakening of the Rand. Automotive Retail improved its margin to 2,7% from 2,6%, with revenue up by 11%. The margin in the combined Southern African and European Logistics business declined to 4,4% from 5,7%, primarily due to the transport workers' strike in South Africa during the period and challenging trading conditions experienced in both the SA and International Logistics divisions.

The Financial Services division performed well, achieving operating profit growth of 43%. Revenue in the insurance business grew by 12%, and investment income was higher than in the prior period, due to a larger exposure to equity markets, which performed favourably. The underwriting margin declined to 7,2% from 9,0%. This performance was satisfactory considering the high claims that affected the short-term insurance industry during the period. The life insurance unit grew premium income by 20% while the rest of Africa insurance businesses continue to show good growth. Operating profit from other financial services, which is mainly represented by LiquidCapital improved strongly from the annuity income streams that include service and maintenance plans, vehicle financing alliances and a growing range of value added financial products.

Operating profit generated in Africa outside South Africa rose by 36% to R183 million for the half year and has nearly doubled over two years. The acquisition of RTT Health Sciences, now Imperial Health Sciences, which became effective from January 2013 will further contribute to this growth. Operating profit from international activities inclusive of Lehnkering increased to 18% of the group result.

The cluster of businesses involved in aftermarket parts, components and industrial equipment performed well. These include Jurgens, Beekman Canopies, Midas, Turbo Exchange, Alert Engine parts, Goscor, E-Z-GO and the recently acquired Datadot, Sedgeway, Bobcat and access equipment businesses. In total, across the group including NAC, these businesses contributed turnover of R3,9 billion and operating profit of R282 million, 11% and 16% respectively better than the prior period.

Overview of results continued

In aggregate, the group's operating profit grew by 12%, and core earnings per share (core EPS) increased by 15%. The table below summarises the reconciliation from HEPS to Core EPS:

Cents per share	Dec 2012	Dec 2011
HEPS	**829**	727
Amortisation on intangibles other than goodwill arising from business combinations	**57**	7
Business acquisition costs	**3**	28
Core earnings adjustments included in income from associates	**1**	
CGT on post-acquisition earnings of associates disposed		1
Headline earnings from discontinued operations	**(1)**	(5)
Tax	**(17)**	(2)
Core EPS	**872**	756

Net finance costs increased by 19% to R362 million on higher debt, which was mainly incurred for the acquisition of Lehnkering, that was effective from 2 January 2012. Despite the higher net finance costs, interest covered by operating profit remains healthy at 8,1 times (2011: 8,6 times).

The effective tax rate of 28% is in line with the statutory rate.

Income from associates showed a positive contribution of R3 million compared to a loss of R17 million in the prior period. MixTelematics, in which Imperial holds a 28% interest, performed well and contributed R17 million (2011: R9 million). This was offset by the contribution from smaller associates, which declined from the prior year. Ukhamba was negatively impacted by a higher finance charge due to the debt incurred for the distributions to its shareholders.

Balance sheet

Total assets increased by 20% to R48 billion (2011: R40 billion) mainly due to the acquisition of Lehnkering, which was effective 2 January 2012, organic growth and expansion of existing businesses.

Intangible assets rose to R4,4 billion from R1,9 billion at December 2011 again primarily as a result of the Lehnkering acquisition.

Net debt to equity (excluding preference shares) at 52% was higher than the prior year (39%) because of the Lehnkering acquisition. It was also higher than at the end of June 2012 (39%) due to the share buyback of R474 million and seasonal impacts on our working capital that occur in December. The net debt level is below the target gearing range of 60% to 80% and leaves significant room for further expansion of the group. The group's liquidity position is strong with R3,5 billion in unutilised facilities (excluding asset-based finance facilities).

Net working capital decreased by R374 million compared to December 2011 as a consequence of NAC's net working capital being classified as assets held for sale in the current period and inventories at our Distributorships division not being fully replenished by period end. Overall, working capital was well managed during the period with the net working capital turn improving to 8,0 times compared to 6,6 times after adjusting for the NAC asset reclassification.

Shareholders' equity increased due to higher retained income and the weakening of the Rand which resulted in gains on the foreign currency translation reserve accounted for in the statement of comprehensive income. This was offset by dividends paid and by R474 million utilised for the repurchase and cancellation of 2,6 million shares in the open market.

New business written on service, maintenance and warranty contracts generated by the Financial Services division, on the back of strong vehicle sales, resulted in insurance, investment, maintenance and warranty contracts growing to R3,6 billion which is up by 29% (2011: R2,8 billion).

Cash flow

Cash generated by operations before capital expenditure on rental assets was 54% higher than the prior period at R2,8 billion. After financing costs, tax payments and capital expenditure on rental assets, net cash flow from operating activities increased to R1,1 billion, up from R170 million in the prior period. This was mainly due to a lower absorption of cash by working capital compared to the prior period. Capital expenditure on rental assets was lower than in the corresponding period in 2011.

Net replacement and expansion capital expenditure excluding car rental vehicles, was slightly higher than the prior period. A net R41 million was spent on acquisitions and R79 million was received for businesses disposed of during the period.

Cash flows during the six-month period from investing activities were impacted by our insurance business increasing its exposure to equity markets which benefited the group through good equity returns.

Under financing activities, 2,6 million shares worth R474 million were repurchased from the open market.

Business conditions in Imperial's markets

Although trading conditions in the automotive retail market continue to be favourable, growth is slowing down. Reduced disposable income, a weaker currency and the high base created by strong volume growth in the last three years all present potential headwinds for growth. The new vehicle market grew by 9% for calendar year 2012 compared to 16% in 2011. Demand has been underpinned by low interest rates, low vehicle price inflation and increased appetite by banks for vehicle finance. The commercial vehicle market, while reversing its negative trend, lagged the upturn in passenger vehicle sales. The used car market is improving and expected new vehicle price increases could see further improvements, as the price gap between new and used vehicles widens.

Industrial action impacted the group over the period and could affect the group from time to time. Supply from Korea was disrupted by strike action and shortened work hours at the Hyundai and Kia plants. In South Africa, the national transport industry strike in the last week of September and first two weeks of October significantly curtailed our ability to service our South African transport clients for more than three weeks.

In SA Logistics, in addition to industrial action, trading was characterised by difficult market conditions where volumes and price increases remained under continued pressure, especially within our manufacturing customer base.

The slowing German economy, especially in the second quarter, impacted our businesses negatively. Volumes in our customer base, particularly in the steel industry were under pressure. Inland shipping volumes across the industry in Germany declined compared to the previous year.

Lower volumes in the international and local leisure car rental segments persist and competition remains fierce in this industry. The tourism business continues to operate under challenging market conditions with low inbound group travel volumes and an oversupply of coaches in the market.

Insurance underwriting conditions in the short-term industry were more challenging particularly due to a number of severe hail storms over the Gauteng area. Investment markets were more favourable as a result of a better performing equity market.

The current growth cycle in the motor industry favours our Financial Services division. Strong vehicle sales enable us to generate high volumes of new contracts which provide a valuable underpin to our earnings.

Vehicle sales

In South Africa, the group sold 60 997 new and 32 590 used vehicles in the period, respectively 6% and 10% more than the prior period. The national vehicle market grew by 9% year on year for the six-month period to December 2012, according to NAAMSA.

The Australian and United Kingdom operations sold 5 446 new vehicles, which was in line with the prior year, and 2 215 used vehicles, which was 6% lower.

Acquisitions and disposals during the period

Acquisitions during the period consisted of

- Midas acquiring 80% of Afintapart SA (Pty) Limited, a commercial vehicle parts distributor;
- 60% of LTS Kenzam (Pty) Limited, a logistics business that distributes bituminous products throughout southern Africa to sites in SA and cross-border to Mozambique, Malawi, Zimbabwe, Zambia, Botswana, Democratic Republic of Congo, Lesotho, Swaziland as well as Namibia; and
- Effective January 2013, 100% of the pharmaceutical distribution and healthcare supply chain services business conducted by RTT Group (Pty) Limited (RTT Health Sciences) was acquired. The business is now branded Imperial Health Sciences and is one of Africa's leading pharmaceutical distributor and healthcare supply chain service providers. Imperial Health Sciences specialises in multi-channel solutions for delivering essential medicines and consumer health products in South Africa as well as to developing markets across the African continent, including inter alia, Namibia, Botswana, Mozambique, Zimbabwe, Zambia, Kenya, Tanzania, Malawi, Uganda, Ethiopia, Rwanda, Ghana, Côte d'Ivoire and Nigeria.

The group continues to focus on the strategic fit and returns of its businesses. As a result, the following disposals were made:

- Our 60% of Megafreight, a freight forwarding business; and
- On 15 February 2013, our 62% of NAC, the aircraft distributor and aviation services business was sold, releasing R433 million of capital.

Divisional reports

Logistics

Southern African Logistics

R million	H1 2013	H1 2012	Change %	H2 2012	Change % on H2 2012
Revenue	**8 677**	8 311	4,4	8 146	6,5
Operating profit	**400**	513	(22,0)	397	0,8
Operating margin %	***4,6***	*6,2*		*4,9*	

The division faced a challenging trading environment and a transport workers' strike in September and October had a material impact on profitability across all South African business units. Volumes and rates in our customer base, especially those involved in manufacturing were depressed. The Africa division, including CIC, which is involved in the distribution of FMCG products into many African markets, however, performed well and has good prospects. If the impact of the strike is eliminated, the division would have been able to maintain operating margins when compared to the prior period.

The Transport and Warehousing business, which services the manufacturing, mining, commodities and construction industries, was under pressure as a result of the industrial action and lower volumes in tough trading conditions.

Although also impacted by the strike, the Specialised Freight business has performed well. The LTS Kenzam Bulk Transport acquisition was concluded and the operation was integrated into this division with effect from 1 October 2012. The business was successful in obtaining significant new contract gains during the period.

The Consumer Logistics business was negatively impacted by weak volumes, mainly in the manufacturing client base. This affected all businesses in the supply chain, including our warehousing and distribution operations. The Cold Chain continues to impact results negatively as difficult trading conditions persist. Despite a difficult trading environment, the business was successful in gaining some significant new contracts and will benefit from the inclusion of the FMCG and South African consumer healthcare components of the new Imperial Health Sciences business.

The Integration Services business continues to make a valuable contribution to the intellectual capital of the group, specifically by assisting other businesses to expand and integrate client solutions and offer value added services to their customers. Megafreight was only included for two months versus six months in the prior period as we disposed of our shareholding during the period.

In the Africa business, the CIC operation continues to grow and perform well. Transport volumes were also better and the business was less affected by the transport workers' strike. The business increased its revenue and operating profit by 24% and 22% respectively. The rest of Africa component of the new Imperial Health Sciences business will contribute significantly to our distribution footprint in Africa and will lead to further opportunities to grow the business across the continent.

The net investment in the fleet is lower than the prior period, as significant investment was made in the prior year, in line with the scheduled replacement cycle. We incurred gross capital expenditure of R579 million.

International Logistics

International Logistics (EUR)

EUR million	H1 2013	H1 2012	Change %	H2 2012	Change % on H2 2012
Revenue	**669**	397	68,5	690	(3,0)
Operating profit	**29**	20	45,0	39	(25,6)
Operating margin %	***4,3***	*5,0*		*5,7*	

International Logistics (ZAR)

R million	H1 2013	H1 2012	Change %	H2 2012	Change % on H2 2012
Revenue	**7 211**	4 149	73,8	7 088	1,7
Operating profit	**307**	202	52,0	396	(22,5)
Operating margin %	***4,3***	*4,9*		*5,6*	

The prior period is not directly comparable as the acquisition of Lehnkering was effective on 2 January 2012. The division faced tougher trading conditions as the result of a slowing German economy, especially late in the second quarter. Volumes became generally depressed across most industries but the steel industry was particularly poor. Transport volumes across the German inland shipping industry were 6% down.

The group's shipping activities, including those of Lehnkering, have been integrated into one unit, namely the Imperial Shipping Group. The division experienced difficult trading conditions with dry bulk volumes significantly lower than that of the prior period. Freight rates are expected to weaken further. To counter this, we are enhancing business processes and optimising our fleet of contracted vessels. Gas shipping, which was acquired as part of Lehnkering achieved good results assisted by healthy volumes.

Lehnkering, which after restructuring of our operations, houses all our non-shipping chemical industry logistics activities, including warehousing, road transport and chemical manufacturing services, experienced normal seasonally low activity levels and was impacted by some once-off costs. The agrochemicals industry typically generates higher revenues in the second half of our financial year.

Panopa, which provides parts distribution and in-plant logistics services to automotive, machinery and steel manufacturers, performed well despite a depressed steel market and the slowing European automotive industry. Contract gains and renewals were the main drivers of good performance. The integration of Lehnkering's steel and retail contract logistics divisions into Panopa was successfully completed and is performing in line with expectations.

Neska, the terminal operator, was affected by one client being placed under administration and another having a fire which disrupted operations at our container terminal in Krefeld. The remaining terminals performed satisfactorily.

Gross capital expenditure of R150 million was incurred, in line with the prior year.

Car Rental and Tourism

R million	**H1 2013**	H1 2012	Change %	H2 2012	Change % on H2 2012
Revenue	**1 924**	1 939	(0,8)	1 862	3,3
Operating profit	**183**	210	(12,9)	170	7,6
Operating margin %	***9,5***	*10,8*		*9,1*	

Trading conditions in the Car Rental business remain tough and the performance was below expectation. International inbound and leisure rental rates and volumes remain a concern in an extremely competitive market. Revenue growth was flat in the Car Rental business as revenue days declined 2% with revenue per day increasing by only 2%. The revenue per day was impacted by the growth in the lower rate replacement business. Revenue per day grew by 4% if the replacement business is excluded.

Utilisation reduced from 70% to 69% due to the increase in the number of vehicles at the panelshops following the damage caused by hail storms. The average rental fleet size was in line with the prior year.

Operating margins were under pressure as costs increased ahead of revenue. Accident and theft costs were significantly higher in the Car Rental business and the disappointing performance of the Tourism division also contributed to the decline in operating margins.

Retail unit sales at Auto Pedigree were higher and the business improved its performance significantly from the prior period. The stock level and stock profile at Auto Pedigree have also improved.

The panel business performed better than the prior year. This was due to management actions taken and improved activity levels, assisted by recent hail storms. As a result, the panelshops were running at full capacity.

Our tourism subdivision performance was disappointing as inbound group travel demand continues to be slow and the tough trading conditions persist. This continues to affect the profitability of our Springbok Atlas tourism operations.

Divisional reports continued

Distributorships

R million	H1 2013	H1 2012	Change %	H2 2012	Change % on H2 2012
Revenue	**15 843**	13 590	16,6	14 728	7,6
Operating profit	**1 316**	1 162	13,3	1 294	1,7
Operating margin %	***8,3***	*8,6*		*8,8*	

The Distributorships division performed well considering the negative impact of the stock availability constraints due to the industrial action experienced by our principals in Korea. Excluding the Australian operation, new vehicle registrations as reported to NAAMSA by Associated Motor Holdings (AMH) (including TATA) and Amalgamated Automobile Distributors (AAD) were 6% higher, compared to a market increase of 9%. Volume growth in used car sales was better and strong growth was achieved in annuity revenue streams generated from after-sales parts and service. The growing vehicle parc of our imported brands will secure good future levels of after-market activity for our dealerships, which are performing better.

Our Mitsubishi vehicle distribution business has been in operation for approximately 18 months and the brand is being reestablished in key market segments notwithstanding a challenging currency situation relative to the Yen.

Vehicle distribution margins declined as a result of the impact of a weaker Rand exchange rate, and stock shortages which caused a suboptimal sales mix. Forward exchange contracts enabled us to manage the impact of the very volatile currency throughout the period.

In Australia, new and used retail unit sales were down 3% and 10% respectively. The dealerships in Australia had to realign their business away from selling to rental companies and selling more to retail, which impacted volumes negatively.

In the Auto Parts division, Midas and the engine parts businesses performed satisfactorily in a sluggish market. In line with the group's strategy to extend into other areas of parts distribution, 80% of Afintapart SA (Pty) Limited, a commercial vehicle parts distributor, was acquired by Midas during the period.

The Goscor Group continues to make a good contribution, trading ahead of expectations. Crown and Doosan increased market share while maintaining a strong order book.

The contribution from businesses that augment and are allied to our motor related activities, which include Car Find, Bid 4 Cars and the recently acquired Datadot, continue to grow well.

NAC's results were included for the period, as the disposal was only concluded after the reporting period. The business performed in line with the prior year which was satisfactory, as aircraft sales were subdued. Demand for chartering and flight services operations into Africa were, however, strong and showed growth.

Automotive Retail

R million	H1 2013	H1 2012	Change %	H2 2012	Change % on H2 2012
Revenue	**10 926**	9 877	10,6	9 683	12,8
Operating profit	**299**	261	14,6	312	(4,2)
Operating margin %	***2,7***	*2,6*		*3,2*	

The division performed well and produced good growth in operating profit for the year. Growth in new vehicle retail sales units from South African operations was 9% in line with the industry. Used vehicle sales also improved compared to the prior year.

The commercial vehicle market in SA continues to lag the increase in passenger cars, producing a rise of 5% in unit sales across all brands.

Growth in after sales service revenue was slow but parts revenue has improved well for the period as we continue to focus on growing our revenue streams that arise out of after sales activities. The significant increase in new car sales over the last few years bodes well for the future parts and services revenue of the division.

In the UK, the truck dealerships grew in a depressed market. The strategy to add an LCV business to our existing footprint was successful and contributed positively.

Beekman Canopies was a good performer with sales up on last year. Although the operating profit improved, sales volumes at Jurgens Ci were flat due to a caravan market suffering from lower consumer spending on leisure activities.

Financial Services

R million	H1 2013	H1 2012	Change %	H2 2012	Change % on H2 2012
Insurance					
Revenue	**1 659**	1 481	12,0	1 631	1,7
Operating profit	**270**	213	26,8	206	31,1
Adjusted investment income	**151**	80	88,8	95	58,9
Adjusted underwriting result	**119**	133	(10,5)	111	7,2
Operating margin %	***16,3***	*14,4*		*12,6*	
Underwriting margin %	***7,2***	*9,0*		*6,8*	
Other financial services					
Revenue	**506**	352	43,8	535	(5,4)
Operating profit	**221**	131	68,7	225	(1,8)
Operating margin %	***43,7***	*37,2*		*42,1*	
Total financial services					
Revenue	**2 165**	1 833	18,1	2 166	
Operating profit	**491**	344	42,7	431	13,9
Operating margin %	***22,7***	*18,8*		*19,9*	

Note:

The profit before tax of an insurance business is made up of the underwriting result and investment return. Policyholder investment returns include investment income and fair value gains for the benefit of policyholders. The above table reflects a reallocation of policyholder investment returns from investment income to the underwriting result. The adjusted underwriting result and investment return more accurately reflect the performance from a shareholder point of view.

The Financial Services division had an excellent six months.

Investment returns were significantly higher than the prior year as a result of a larger exposure to equity markets, which performed favourably during the period. Management increased Regent's exposure to equity markets from the prior year while maintaining conservative management of the portfolio.

Regent's underwriting result declined by 11% from R133 million to R119 million, primarily driven by a deteriorating claims experience in the short-term motor comprehensive business impacted by the severe hail storms during the period. The Broker division at Regent also underperformed. In contrast, Regent's other significant product lines in the short-term insurance business (Adcover, Paintech and Warranties) delivered excellent results and showed healthy growth from the prior year.

Regent Life also performed well, with gross written premiums up 20% for the year.

Botswana and Lesotho continue to grow and the exposure to other African countries is becoming a much more meaningful contributor to the division.

Other Financial Services, mainly represented by LiquidCapital, performed well. The rise in the number of new maintenance plans written in the strong new vehicle market provides a valuable annuity earnings underpin to our future profits.

The advances book generated through our joint ventures with financial institutions has grown encouragingly, as have the funds held under service and maintenance plans, warranties and roadside assistance.

Divisional reports continued

The release from the funds created on the sale of service and maintenance plans was significantly higher than the prior year due to a change in accounting estimate which was implemented in the second half of the previous financial year.

Volumes in Imperial Fleet Management continue improving as we gain new contracts. Ariva, a private leasing joint venture with JD Group targeting the entry-level car market, is performing in line with expectations and presents growth potential in a largely untapped market.

Skills development and Corporate Social Investment

Building a robust internal skills pipeline

We recognise that skilled people offer the business a powerful competitive advantage, particularly in a global environment of critical skills shortages, and skills development is therefore a key business driver across Imperial's many diverse operations.

Skills development delivers a range of other sustainable benefits in areas such as employment equity and transformation, staff retention and employee satisfaction. Among the many new initiatives launched is the expansion of our artisan and technician training centres to include two new facilities, which will increase our training capacity. Our Car Rental division also opened its new Europcar Learning Centre, which will host the training of its employees.

Investing in education

The development of a sustainable skills pipeline in South Africa requires investment in the education of the next generation.

To assist in achieving this objective, Imperial Holdings together with its empowerment partner, Ukhamba, has made a strategic investment in the upliftment of education facilities and teaching in eight schools in the greater Gauteng area in which we operate. This is carried out through the Imperial and Ukhamba Community Development Trust, to which each division contributes on an annual basis.

The Trust plays a hands-on role in uplifting education in the beneficiary schools, ensuring that learners have sufficient stationery and that educators have access to suitable teaching resources and materials, receive curriculum training and are assisted by mentors. The Trust has assisted in establishing libraries at some of these schools. In addition, learners are exposed to a range of cultural, sporting and extracurricular activities. The Trust touches the lives of approximately 9 800 children.

Leading corporate citizenship initiatives

Imperial also places strategic emphasis on establishing itself as a leading corporate citizen. The IMPERIAL I-Pledge campaign is our flagship project and has recorded 121 000 pledges from individuals in South Africa. It seeks to promote safer, friendlier roads by encouraging South Africans to commit to safer driving practices. Fewer road accidents are a key goal for the Imperial group. Current initiatives highlight the vulnerability of children on our roads and projects launched during this period were our car seat campaign which collected 750 car seats for refurbishment and distribution, as well as our scholar patrol initiative which to date has refurbished equipment for 100 school scholar patrols and reached over 61 000 primary school learners in road safety awareness.

Strategic intentions

Our strategic focus remains on generating higher returns on capital while investing in growing the business in existing and related industries and geographies.

The development of African economies and the world-wide trend towards outsourcing offer good growth potential in the logistics industry, both in Africa and abroad. Imperial is expanding its footprint in this industry as illustrated by recent acquisitions in the SA Logistics, Rest of Africa and International Logistics businesses. Our Rest of Africa Logistics business will place its emphasis on consumer logistics and distribution growth opportunities while also ensuring that it is a strong transport operator on certain key corridors of the continent.

We continue to optimise the value chain in our motor vehicle businesses. Our experience in this field stands us in good stead and will enable us to earn increasing annuity income streams as the vehicle parc of brands we distribute exclusively grows, and we refine the use of technology and market intelligence.

The distribution of products which carry strong brands in the automotive and industrial markets remain a core focus. We continually seek and investigate expansion opportunities into potential new areas of distribution, including new regions.

Ordinary dividend

An interim ordinary dividend of 380 cents per share, reflecting a 27% increase (2012: 300 cents per share), has been declared.

Prospects

The group holds leading positions in its main markets and is well positioned to take advantage of growth opportunities as they arise.

Trading conditions in South African Logistics will remain challenging. Pressure on the mining, construction and manufacturing client base persists. The market has also become more competitive. The acquisition of RTT Health Sciences will have a positive impact on results in the second half and the expansion into Africa will continue to gain momentum. The fundamentals of the logistics industry are good and given Imperial's infrastructure and network, it is ideally positioned to capitalise on these growth opportunities and gain more business.

We expect the performance of our International Logistics division, which comes off a high base, to be impacted by a slowing German economy. The Lehnkering acquisition and the favourable terms of the financing arrangements will have a positive impact on results as it will make a contribution for the full year in 2013 compared to six months in the previous year. Our businesses remain well positioned in attractive niches in the logistics industry in Germany and acquisitions could be a further growth driver.

Conditions in the car rental and tourism industries will continue to be challenging. Some improvement can be expected in the used car market as the price differential widens between used and new cars.

The outlook for new vehicle sales is for a slower rate of growth. Reduced disposable income, a weaker currency and the high base created by strong volume gains in the last three years all present potential headwinds for growth. While our inventory position has improved post the impact of the strike in Korea, product supply remains tight but stable. We will, however, continue benefiting from the growth in parts and service revenue streams as the car parc of our imported brands increases further.

The Autoparts business is not affected directly by new vehicle sales and should continue to perform solidly as initiatives to expand its product range and geographic footprint bear fruit despite the increasingly competitive market. Goscor will perform well as it capitalises on a strong order book, grows its rental business and after sales maintenance opportunities.

While short-term insurance underwriting conditions and equity markets are unpredictable, other earnings in the Financial Services division should be robust as it generates increasing annuity income due to new business being placed on its book. The investment portfolio continues to be conservatively managed despite our increased exposure to equities.

Imperial's balance sheet remains strong despite significant organic and acquisitive growth in the recent past. As a result, the group is well positioned to take advantage of attractive organic growth and acquisition opportunities as they arise.

Given current market conditions, we expect subdued growth in the 2013 financial year.

By order of the board

TS Gcabashe
Chairman

HR Brody
Chief Executive

AH Mahomed
Financial Director

Declaration of dividends for the six months ended 31 December 2012

Ordinary shareholders

Notice is hereby given that a gross ordinary dividend in an amount of 380 cents per ordinary share has been declared payable, by the board of Imperial, to holders of ordinary shares.

The ordinary dividend will be subject to a local dividend tax rate of 15%. The company's STC credits have been fully utilised and consequently there are no further credits available to reduce the withholding tax payable. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 323 cents per share. The number of ordinary shares in issue as at the declaration date is 209 964 264 shares.

Preference shareholders

Notice is hereby given that a gross preference dividend of 354,2979 cents per preference share has been declared payable, by the board of Imperial, to holders of non-redeemable, non-participating preference shares.

The preference dividend will be subject to a local dividend tax rate of 15%. The company's STC credits have been fully utilised and consequently there are no further credits available to reduce the withholding tax payable. The net preference dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 301,15322 cents per share. The number of preference shares in issue as at the declaration date is 4 540 041 shares.

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

	2013
Last day for preference shares and ordinary shares respectively to trade cum-preference dividend and cum-ordinary dividend	Wednesday, 20 March
Preference and ordinary shares commence trading ex-preference dividend and ex-ordinary dividend respectively	Friday, 22 March
Record date	Thursday, 28 March
Payment date	Tuesday, 2 April

The company's income tax number is 9825778719.

Share certificates may not be dematerialised/rematerialised between Friday, 22 March 2013 and Thursday, 28 March 2013, both days inclusive.

On Tuesday, 2 April 2013, amounts due in respect of the preference dividend and the ordinary dividend will be electronically transferred to the bank accounts of certificated shareholders that utilise this facility. In respect of those who do not, cheques dated 2 April 2013 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 Tuesday, 2 April 2013.

On behalf of the board

RA Venter
Group Company Secretary

26 February 2013

Condensed consolidated income statement

for the six months ended	% change	Unaudited December 2012 Rm	Unaudited December 2011 Rm	Audited June 2012 Rm
Revenue	18	**45 262**	38 385	80 830
Net operating expenses		**(41 310)**	(34 930)	(73 402)
Profit from operations before depreciation and recoupments		**3 952**	3 455	7 428
Depreciation, amortisation, impairments and recoupments		**(1 013)**	(834)	(1 790)
Operating profit	12	**2 939**	2 621	5 638
Recoupments from sale of properties, net of impairments		**19**	(38)	(32)
Amortisation of intangibles arising on business combinations		**(110)**	(13)	(128)
Foreign exchange gains		**47**	9	16
Fair value losses on foreign exchange derivatives		**(42)**	(9)	(26)
Business acquisition costs		**(5)**	(53)	(51)
Realised gain on sale of available-for-sale investment		**10**		
Exceptional (loss) profit		**(9)**	3	(12)
Profit before net financing cost and associates	13	**2 849**	2 520	5 405
Net finance cost including fair value gains and losses		**(362)**	(305)	(681)
Income from associates and joint ventures		**3**	(17)	46
Profit before tax	13	**2 490**	2 198	4 770
Income tax expense		**(703)**	(664)	(1 382)
Net profit for the period		**1 787**	1 534	3 388
Net profit attributable to:				
Owners of Imperial		**1 579**	1 350	2 980
Non-controlling interests		**208**	184	408
		1 787	1 534	3 388
Earnings per share (cents)				
– Basic	17	**821**	703	1 552
– Diluted	18	**786**	666	1 474

Condensed consolidated statement of comprehensive income

for the six months ended	Unaudited December 2012 Rm	Unaudited December 2011 Rm	Audited June 2012 Rm
Net profit for the period	**1 787**	1 534	3 388
Other comprehensive income – to be subsequently reclassified to profit or loss	**78**	770	653
– Exchange gains arising on translation of foreign operations	**251**	199	210
– Movement in valuation reserves	**10**		19
– Reclassification of gain on sale of available-for-sale investments	**(10)**	(23)	(19)
– Movement in hedge accounting reserves	**(175)**	576	409
– Share of associates and joint ventures hedging reserves	**(3)**	18	18
– Income tax relating to components of other comprehensive income	**5**		16
Total comprehensive income for the period	**1 865**	2 304	4 041
Total comprehensive income attributable to:			
Owners of Imperial	**1 653**	2 040	3 578
Non-controlling interests	**212**	264	463
	1 865	2 304	4 041

Earnings per share information

for the six months ended	% change	Unaudited December 2012 Rm	Unaudited December 2011 Rm	Audited June 2012 Rm
Headline earnings reconciliation				
Earnings – basic		**1 579**	1 350	2 980
Saving of finance costs by associate on sale of Imperial shares		**20**		21
Earnings – diluted		**1 599**	1 350	3 001
Profit on disposal of assets (IAS 16, IAS 38)		**(29)**	(19)	(29)
Impairment of assets (IAS 36)		**1**	46	49
Exceptional loss (profit)		**9**	(3)	12
Exceptional loss included in income from associates and joint ventures		**12**	48	19
Realised gain on sale of available-for-sale investments (IAS 39)		**(10)**	(23)	(19)
Tax effects of remeasurements		**27**	3	9
Non-controlling interests in remeasurements		**6**	(6)	(14)
Headline earnings – diluted		**1 615**	1 396	3 028
Saving of finance costs by associate on sale of Imperial shares		**(20)**		(21)
Headline earnings – basic		**1 595**	1 396	3 007
Earnings per share (cents)				
– Basic	17	**821**	703	1 552
– Diluted	18	**786**	666	1 474
Headline earnings per share (cents)				
– Basic	14	**829**	727	1 566
– Diluted	15	**794**	688	1 487
Core earnings reconciliation				
Headline earnings – basic		**1 595**	1 396	3 007
Saving of finance costs by associate on sale of Imperial shares		**20**		21
Headline earnings – diluted		**1 615**	1 396	3 028
Amortisation of intangibles arising on business combinations		**110**	13	128
Business acquisition costs		**5**	53	51
Headline earnings from discontinued operations		**(2)**	(9)	(34)
Core earnings adjustments included in income from associates and joint ventures		**2**		
CGT on post-acquisition earnings of associates disposed			2	2
Tax effects of core earnings adjustments		**(34)**	(3)	(47)
Non-controlling interests in core earnings adjustments				10
Core earnings – diluted		**1 696**	1 452	3 138
Saving of finance costs by associate on sale of Imperial shares		**(20)**		(21)
Core earnings – basic		**1 676**	1 452	3 117
Core earnings per share (cents)				
– Basic	15	**872**	756	1 623
– Diluted	16	**834**	716	1 541

Additional information

	% change	Unaudited December 2012	Unaudited December 2011	Audited June 2012
Net asset value per share (cents)	10	**7 768**	7 052	7 479
Dividend per ordinary share (cents)	27	**380**	300	680
Number of ordinary shares in issue (million)				
– total shares		**210,0**	209,8	209,8
– net of shares repurchased		**196,2**	196,1	196,1
– weighted average for basic		**192,3**	192,0	192,0
– weighted average for diluted		**203,4**	202,8	203,6
Number of other shares in issue (million)				
– Deferred ordinary shares		**13,0**	14,1	14,1

Details of net finance cost and exceptional (loss) profit

for the six months ended	Unaudited December 2012 Rm	Unaudited December 2011 Rm	Audited June 2012 Rm
Net finance cost			
Net interest paid	**(362)**	(305)	(681)
Foreign exchange loss on monetary items	**(122)**	(106)	(88)
Fair value gain on interest-rate swap instruments	**122**	106	88
	(362)	(305)	(681)
Exceptional (loss) profit			
Impairment of goodwill		(31)	(123)
Net profit (loss) on disposal and rationalisation of investments in subsidiaries, associates and joint ventures		8	(1)
Remeasurement on disposal groups and discontinued operations	**(9)**	26	112
	(9)	3	(12)

Condensed consolidated statement of financial position

at 31 December	Unaudited December 2012 Rm	Unaudited December 2011 Rm	Audited June 2012 Rm
ASSETS			
Intangible assets	**4 420**	1 921	4 234
Investments in associates and joint ventures	**902**	759	889
Property, plant and equipment	**8 545**	6 970	8 080
Transport fleet	**4 399**	3 999	4 336
Vehicles for hire	**2 688**	2 587	2 321
Deferred tax assets	**1 034**	766	930
Investments and loans	**3 236**	2 604	2 433
Non-current financial assets	**254**	259	242
Inventories	**8 851**	9 295	9 218
Tax in advance	**295**	192	195
Trade and other receivables	**10 202**	8 860	9 275
Cash resources	**2 590**	2 203	3 545
Assets classified as held for sale	**630**		
Total assets	**48 046**	40 415	45 698
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and share premium	**333**	22	22
Shares repurchased	**(227)**	(220)	(220)
Other reserves	**433**	818	503
Retained earnings	**14 701**	13 209	14 361
Attributable to owners of Imperial	**15 240**	13 829	14 666
Non-controlling interests	**1 254**	1 125	1 223
Total equity	**16 494**	14 954	15 889
Liabilities			
Non-redeemable, non-participating preference shares	**441**	441	441
Retirement benefit obligations	**643**	250	590
Interest-bearing borrowings	**11 088**	8 099	9 747
Insurance, investment, maintenance and warranty contracts	**3 633**	2 825	3 222
Deferred tax liabilities	**1 266**	548	1 107
Non-current financial liabilities	**274**	243	348
Trade and other payables and provisions	**13 467**	12 195	13 886
Current tax liabilities	**543**	860	468
Liabilities directly associated with assets classified as held for sale	**197**		
Total liabilities	**31 552**	25 461	29 809
Total equity and liabilities	**48 046**	40 415	45 698
Capital commitments	**483**	437	1 112
Contingent liabilities	**208**	57	46

Condensed consolidated statement of cash flows

for the six months ended	**Unaudited December 2012 Rm**	Unaudited December 2011 Rm	Audited June 2012 Rm
Cash flows from operating activities			
Cash generated by operations before movements in net working capital	**4 285**	3 842	8 198
Movements in net working capital	**(1 489)**	(2 021)	(758)
Cash generated by operations before capital expenditure on rental assets	**2 796**	1 821	7 440
Expansion capital expenditure – rental assets	**(439)**	(671)	(352)
Net replacement capital expenditure – rental assets	**(296)**	(174)	(505)
– Expenditure	**(1 188)**	(1 022)	(2 120)
– Proceeds	**892**	848	1 615
Cash generated by operations	**2 061**	976	6 583
Net finance costs paid	**(362)**	(305)	(681)
Tax paid	**(598)**	(501)	(1 522)
	1 101	170	4 380
Cash flows from investing activities			
Net disposal (acquisition) of subsidiaries and businesses	**38**	(77)	(1 868)
Expansion capital expenditure – excluding rental assets	**(597)**	(346)	(773)
Net replacement capital expenditure – excluding rental assets	**(531)**	(655)	(962)
Dividend received from Ukhamba Holdings (Pty) Limited		387	387
Net movement in other associates and joint ventures	**(25)**	(37)	(94)
Net movement in investments, loans and non-current financial instruments	**(854)**	(173)	(63)
	(1 969)	(901)	(3 373)
Cash flows from financing activities*			
Hedge cost premium paid	**(8)**		(105)
Repurchase of ordinary shares	**(7)**		
Ordinary shares repurchased and cancelled	**(474)**		
Repayment of IC 02 corporate bond			(522)
Proceeds on the Euro-syndicated bank term loan raised			2 482
Net increase (decrease) in interest-bearing borrowings	**1 190**	89	(1 432)
Change in non-controlling interests	**5**	(137)	(177)
Dividends paid	**(877)**	(620)	(1 350)
	(171)	(668)	(1 104)
Net decrease in cash resources	**(1 039)**	(1 399)	(97)

** There has been no cash flow for the shares issued under the share schemes.*

Condensed consolidated statement of changes in equity

for the six months ended	Share capital and share premium Rm	Shares re-purchased Rm	Other reserves Rm	Retained earnings Rm	Attributable to owners of Imperial Rm	Non-controlling interests Rm	Total equity Rm
Balance at 30 June 2011 – Audited	9	(220)	111	12 073	11 973	1 043	13 016
Total comprehensive income for the period			690	1 350	2 040	264	2 304
Movement in statutory reserves			4	(4)			
Share-based equity reserve transferred to retained earnings on vesting			8	(8)			
Share-based equity reserve utilisation including hedging cost			(12)		(12)		(12)
Share-based equity reserve charged to the income statement			63		63		63
Issue of 115 060 ordinary shares	13				13		13
Ordinary dividends paid				(507)	(507)		(507)
Dividend declared by Ukhamba Holdings (Pty) Limited on unrecognised fair value adjustments on Imperial shares				305	305		305
Non-controlling interests arising on business combinations						(7)	(7)
Net decrease in non-controlling interests			(46)		(46)	(62)	(108)
Non-controlling interests share of dividends						(113)	(113)
Balance at 31 December 2011 – Unaudited	22	(220)	818	13 209	13 829	1 125	14 954
Total comprehensive income for the period			(92)	1 630	1 538	199	1 737
Movement in statutory reserves			(137)	137			
Share-based equity reserve transferred to retained earnings on vesting			31	(31)			
Share-based equity reserve utilisation including hedging cost			(124)		(124)	(2)	(126)
Share-based equity reserve charged to the income statement			44		44	5	49
Ordinary dividends paid				(584)	(584)		(584)
Non-controlling interests arising on business combinations, net of disposals						43	43
Net decrease in non-controlling interests			(37)		(37)	(1)	(38)
Non-controlling interests share of dividends						(146)	(146)
Balance at 30 June 2012 – Audited	**22**	**(220)**	**503**	**14 361**	**14 666**	**1 223**	**15 889**
Total comprehensive income for the period			**74**	**1 579**	**1 653**	**212**	**1 865**
Movement in statutory reserves			**3**	**(3)**			
Share-based equity reserve transferred to retained earnings on vesting			**19**	**(19)**			
Share-based equity reserve utilisation including hedging cost			**(222)**		**(222)**	**(11)**	**(233)**
Share-based equity reserve charged to the income statement			**57**		**57**	**3**	**60**
Ordinary dividends paid				**(743)**	**(743)**		**(743)**
Issue of 1 620 884 ordinary shares	**311**				**311**		**311**
Cancellation of 2 631 559 ordinary shares repurchased from the open market				**(474)**	**(474)**		**(474)**
39 000 ordinary shares acquired by a subsidiary		**(7)**			**(7)**		**(7)**
Non-controlling interests disposed, net of acquisitions						**(45)**	**(45)**
Net increase in non-controlling interests			**(1)**		**(1)**	**6**	**5**
Non-controlling interests share of dividends						**(134)**	**(134)**
Balance at 31 December 2012 – Unaudited	**333**	**(227)**	**433**	**14 701**	**15 240**	**1 254**	**16 494**

Notes to the condensed consolidated financial statements

Basis of preparation

The condensed 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 31 December 2012 and the AC 500 standards issued by the Accounting Practices Board or its successor. The results are presented in accordance with IAS 34 – *Interim Financial Reporting* and comply with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 2008. These financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 30 June 2012.

These condensed consolidated financial statements have not been reviewed or audited by the Group's auditors.

These condensed consolidated financial statements have been prepared under the supervision of R Mumford, CA(SA) and were approved by the board of directors on 26 February 2013.

Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the condensed consolidated financial statements are in accordance with IFRS and are consistent with those of the annual financial statements for the year ended 30 June 2012 except where the Group has adopted new or revised accounting standards.

Revised accounting standards/circulars

The Group adopted amendments to the following accounting standards and interpretations that became applicable during the current reporting period:
IAS 1 – *Presentation of Financial Statements* – Amendments to the presentation of other comprehensive income.
IAS 12 – *Taxes* – Deferred Tax: recovery of underlying assets.
IAS 34 – *Interim Financial Reporting* – Disclosure of significant events and transactions.

The group also adopted Circular 3/2012 - Headline Earnings as issued by the South African Institute of Chartered Accountants (SAICA).

These amendments had no significant impact on the group's accounting policies and methods of computation.

Standards and interpretations issued but not yet effective

Following the withdrawal of Statements of Generally Accepted Accounting Practice for years beginning on or after 1 December 2012, the Accounting Practices Committee (APC) has issued the relevant AC 500 – series of Statement of Generally Accepted Accounting Practice as a Financial Reporting Guide (FRG). This change will become applicable to the Group in the 2014 financial year with no impact on the existing accounting policies and methods of computation.

For a list and impact of other standards and interpretations that will become applicable to the Group in future reporting periods please refer to note 2 of the Group's 2012 annual financial statements.

Core earnings

The Group reports a core earnings number which excludes significant non-operational items of income and expenditure from reported headline earnings.

Discontinued operations

Discontinued operations are immaterial to the Group. Their results are included in continuing operations in the income statement and under Head Office and Eliminations on the segment report. The impact on the trading result is insignificant.

Changes to the composition of the Group

Acquisitions

For details about the acquisitions please refer to the business combinations section on page 17.

Disposals

The group disposed of its 60% interest in Megafreight for R80 million in September 2012.

Disposal group

The sale of NAC became highly probable in September 2012. As a result, assets of R630 million and liabilities of R197 million are shown as held for sale on the statement of financial position.

The assets and liabilities were measured in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

Foreign exchange rates	**December 2012**	December 2011	June 2012
The following major rates of exchange were used:			
SA Rand:European Union			
– closing	**11,21**	10,52	10,39
– average	**10,79**	10,47	10,38
SA Rand:US Dollar			
– closing	**8,50**	8,13	8,20
– average	**8,47**	7,59	7,75

Related party transactions

The company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with related parties.

These transactions were subject to terms that are no less favourable than those arranged with third parties.

Events after the reporting period

On 9 January 2013, Imperial acquired the pharmaceutical and consumer healthcare supply chain services business conducted by RTT Group (Pty) Limited for a total enterprise value of R515 million. The businesses acquired, collectively referred to as RTT Health Sciences, include RTT Medical, RTT Trans Africa, RTT Consumer Health and RTT Essentials as well as 100% of Fuel Africa Logistics (Pty) Limited, RTT Kenya and RTT Ghana. The acquisition was funded from existing funding resources. The net assets acquired, prior to the purchase price allocation, amounted to R121 million. For details about the acquisitions please refer to the business combinations section on page 17.

The sale of NAC was concluded on 15 February 2013.

Shareholders are advised that a preference dividend and an ordinary dividend has been declared by the Board of Imperial on 26 February 2013. For more details please refer to the dividend declaration on page 10.

Operational segmental reporting

For management purposes, the Group is organised into five major operating divisions – Logistics, Car Rental and Tourism, Distributorships, Automotive Retail and Financial Services. These divisions are the basis on which the Group reports its primary segment information.

The principal services and products of each of these divisions are as follows:
Logistics – provides complete logistics solutions including transportation, warehousing, inland waterway shipping, container handling, manufacturing and packaging of chemicals and related value added services.
Car Rental and Tourism – vehicle rental operations span the domestic corporate and leisure sectors as well as inbound tourists, with extensive support services. Tourism operations include inbound tour operations and niche tourism services.
Distributorships – this segment imports and distributes a range of passenger and commercial vehicles, automotive products, industrial equipment and motorcycles.
Automotive Retail – consists of a large network of motor vehicle and commercial vehicle dealerships in South Africa and represents most of the major original equipment manufacturers (OEMs). It also manufactures and sells caravans and canopies.
Financial Services – comprises insurance operations which are focused on a range of short-, medium- and long-term insurance and assurance products that are predominantly associated with the automotive market, the sale of warranty and maintenance products, income from joint ventures on the sale of financial services, cell captive arrangements and factoring of premium finance operations.

Business combinations (including businesses acquired after the reporting period)

Subsidiaries and businesses acquired	Nature of business	Operational segment	Date acquired	Interest acquired (%)	Acquired during the reporting period Rm	Acquired after the reporting period Rm
Afintapart SA (Pty) Limited	Truck part distributor	Distributorships	September 2012	80	40	
LTS Kenzam (Pty) Limited	Specialised freight	Logistics	October 2012	60	29	
RTT Health Sciences	Supply chain services	Logistics	January 2013	100		515
Total purchase consideration transferred					**69**	**515**

Reason for the acquisitions

These businesses were acquired to complement and expand our distribution and logistics businesses within South Africa and the rest of Africa.

Assets acquired and liabilities assumed at date of acquisition:*	Aggregate of immaterial acquisitions* Rm	RTT Health Sciences* Rm
Assets		
Intangible assets	41	9
Property, plant and equipment	14	55
Transport fleet	19	
Inventories	19	23
Trade and other receivables	50	256
Cash resources	3	15
	146	358
Liabilities		
Interest-bearing borrowings	22	2
Deferred tax liabilities	4	
Non-current financial liabilities	8	
Trade and other payables and provisions	46	233
Current tax liabilities	1	2
	81	237
Acquirees' carrying amount at acquisition	65	121
Less: Non-controlling interests	(16)	
Net assets acquired	49	121
Purchase consideration transferred	69	515
– Cash	44	515
– Contingent consideration	25	
Excess of purchase price over net assets acquired	20	394

Trade and other receivables acquired had gross contractual amounts of R313 million of which R7 million was doubtful. None of the resulting goodwill is expected to be deductible for tax purposes. Non-controlling interests has been calculated based on their proportionate share in net assets.

Details of contingent consideration

The contingent consideration requires the group to pay the vendors an additional total amount of R25 million over three years if the entity's net profit after tax exceeds certain earnings targets.

Acquisition costs

Acquisition costs, for acquisitions concluded during the period, amounted to R1 million and has been recognised as an expense in the income statement within business acquisition costs.

Impact of the acquisitions on the results of the Group

From the dates of acquisition the businesses acquired during the reporting period contributed revenue of R112 million and net profit of R5 million.

Had all the acquisitions been consolidated from 1 July 2012 the Group's revenue and net profit would have been R46 015 million and R1 804 million respectively, with the new acquisitions contributing revenue of R753 million and net profit of R17 million after adjusting for the funding costs on the acquisitions.

As the initial accounting for the business acquisitions were incomplete depreciation and amortisation of assets were calculated on their pre-acquisition carrying values before any purchase price allocation.

**The values of the assets acquired and the liabilities assumed are provisional as the initial accounting for the business combinations are incomplete.*

Segmental information – Financial position

at 31 December	Group 2012 Rm	Group 2011 Rm	Logistics 2012 Rm	Logistics 2011 Rm	Car Rental and Tourism 2012 Rm
Business segmentation					
Assets					
Intangible assets	4 420	1 921	3 713	1 265	76
Investments, associates and joint ventures	3 605	2 701	150	118	8
Property, plant and equipment	8 545	6 970	3 144	1 998	454
Transport fleet	4 399	3 999	4 445	4 050	
Vehicles for hire	2 688	2 587			2 059
Non-current financial assets	254	259			
Inventories	8 851	9 295	495	296	225
Trade and other receivables	10 202	8 860	6 253	5 341	363
Cash resources in financial services businesses	806	973			
Operating assets	43 770	37 565	18 200	13 068	3 185
Deferred tax assets	1 034	766			
Loans to associates and other investments	533	662			
Tax in advance	295	192			
Cash resources	1 784	1 230			
Assets classified as held for sale	630				
Total assets per statement of financial position	48 046	40 415			
Liabilities					
Retirement benefit obligations	643	250	643	250	
Insurance, investment, maintenance and warranty contracts	3 633	2 825			
Trade and other payables and provisions	13 467	12 195	6 170	4 886	539
Non-current financial liabilities	274	243	78	131	
Non-interest-bearing liabilities	18 017	15 513	6 891	5 267	539
Non-redeemable, non-participating preference shares	441	441			
Interest-bearing borrowings	11 088	8 099			
Deferred tax liabilities	1 266	548			
Current tax liabilities	543	860			
Liabilities directly associated with assets classified as held for sale	197				
Total liabilities per statement of financial position	31 552	25 461			
Geographic segmentation					
Operating assets	43 770	37 565	18 200	13 068	3 185
– South Africa	29 946	30 660	7 674	8 437	3 128
– Rest of Africa	3 264	1 795	2 026	1 276	57
– Rest of world	10 560	5 110	8 500	3 355	
Non-interest-bearing liabilities	18 017	15 513	6 891	5 267	539
– South Africa	12 730	12 680	3 080	3 217	523
– Rest of Africa	1 287	773	625	534	16
– Rest of world	4 000	2 060	3 186	1 516	
Interest-bearing borrowings	11 088	8 099	6 877	3 601	1 354
– South Africa	4 500	4 493	2 794	2 691	1 303
– Rest of Africa	746	419	510	337	51
– Rest of world	5 842	3 187	3 573	573	
Gross capital expenditure	3 022	2 894	729	851	903
– South Africa	2 741	2 627	528	618	888
– Rest of Africa	82	87	51	79	15
– Rest of world	199	180	150	154	
Gross capital expenditure	3 022	2 894	729	851	903
Less: Proceeds on disposal	(1 159)	(1 048)	(190)	(147)	(314)
Net capital expenditure	1 863	1 846	539	704	589

** The assets and liabilities of NAC were classified as held for sale.*

Car Rental and Tourism 2011 Rm	**Distri-butorships 2012* Rm**	Distri-butorships 2011 Rm	**Automotive Retail 2012 Rm**	Automotive Retail 2011 Rm	**Financial Services 2012 Rm**	Financial Services 2011 Rm	**Head Office and Eliminations 2012 Rm**	Head Office and Eliminations 2011 Rm
84	**451**	418	**156**	129	**30**	29	**(6)**	(4)
7	**170**	140	**16**	(2)	**3 227**	2 426	**34**	12
440	**2 622**	2 437	**2 009**	1 766	**141**	129	**175**	200
							(46)	(51)
2 119	**474**	320			**602**	582	**(447)**	(434)
					254	259		
416	**5 459**	6 075	**2 419**	2 259	**330**	301	**(77)**	(52)
290	**2 170**	1 961	**994**	864	**490**	549	**(68)**	(145)
					806	973		
3 356	**11 346**	11 351	**5 594**	5 016	**5 880**	5 248	**(435)**	(474)
	83	33			**3 550**	2 792		
330	**3 593**	4 034	**1 972**	1 826	**1 463**	1 365	**(270)**	(246)
	33						**163**	112
330	**3 709**	4 067	**1 972**	1 826	**5 013**	4 157	**(107)**	(134)
3 356	**11 346**	11 351	**5 594**	5 016	**5 880**	5 248	**(435)**	(474)
3 316	**10 133**	10 309	**4 783**	4 318	**4 871**	4 836	**(643)**	(556)
40	**166**	68	**6**		**1 009**	412		(1)
	1 047	974	**805**	698			**208**	83
330	**3 709**	4 067	**1 972**	1 826	**5 013**	4 157	**(107)**	(134)
314	**3 513**	3 895	**1 516**	1 452	**4 420**	3 978	**(322)**	(176)
16	**49**	38	**5**		**593**	179	**(1)**	6
	147	134	**451**	374			**216**	36
1 778	**2 927**	2 711	**1 602**	1 257	**(1 342)**	(987)	**(330)**	(261)
1 812	**2 108**	1 975	**1 414**	1 145	**(1 342)**	(987)	**(1 777)**	(2 143)
(34)	**185**	117						(1)
	634	619	**188**	112			**1 447**	1 883
1 182	**432**	258	**390**	157	**513**	474	**55**	(28)
1 174	**404**	249	**352**	140	**512**	474	**57**	(28)
8	**16**				**1**		**(1)**	
	12	9	**38**	17			**(1)**	
1 182	**432**	258	**390**	157	**513**	474	**55**	(28)
(523)	**(101)**	(39)	**(40)**	(22)	**(512)**	(313)	**(2)**	4
659	**331**	219	**350**	135	**1**	161	**53**	(32)

Segmental information – Income statement

for the six months ended 31 December	Group 2012 Rm	Group 2011 Rm	Logistics 2012 Rm	Logistics 2011 Rm	Car Rental and Tourism 2012 Rm
Business segmentation					
Revenue					
– Sale of goods	26 193	23 245	1 930	1 959	649
– Rendering of services	17 479	13 708	13 844	10 419	1 218
– Gross premiums received	1 528	1 374			
– Other	62	58	61	59	
	45 262	38 385	15 835	12 437	1 867
Inter-segment revenue			53	33	57
	45 262	38 385	15 888	12 470	1 924
Operating expenses including cost of sales	(41 535)	(35 062)	(14 642)	(11 360)	(1 486)
Investment income	89	97			1
Fair value gains on investments	136	35			
Depreciation, amortisation and impairments	(1 023)	(847)	(553)	(406)	(256)
Recoupments (excluding properties)	10	13	14	11	
Operating profit	2 939	2 621	707	715	183
Recoupments from sale of properties, net of impairments	19	(38)	2		
Amortisation of intangibles arising on business combinations	(110)	(13)	(107)	(11)	
Foreign exchange gains (losses)	47	9	(6)	3	
Fair value (losses) gains on foreign exchange derivatives	(42)	(9)			
Business acquisition costs	(5)	(53)	(5)	(51)	
Realised gain on sale of available-for-sale investment	10		10		
Profit before net finance cost and exceptional (loss) profit	2 858	2 517	601	656	183
Net finance cost including fair value gains and losses	(362)	(305)	(216)	(108)	(54)
Income from associates and joint ventures	3	(17)	8	14	
Profit before tax and exceptional (loss) profit	2 499	2 195	393	562	129
Geographic segmentation					
Revenue	45 262	38 385	15 888	12 470	1 924
– South Africa	32 142	29 154	6 388	6 462	1 867
– Rest of Africa	2 788	2 201	2 289	1 849	57
– Rest of world	10 332	7 030	7 211	4 159	
Operating profit	2 939	2 621	707	715	183
– South Africa	2 400	2 245	300	431	177
– Rest of Africa	183	135	100	82	6
– Rest of world	356	241	307	202	
Net finance cost including fair value gains and losses	362	305	216	108	54
– South Africa	234	255	115	97	51
– Rest of Africa	26	14	17	10	3
– Rest of world	102	36	84	1	

Car Rental and Tourism 2011 Rm	Distri-butorships 2012 Rm	Distri-butorships 2011 Rm	Automotive Retail 2012 Rm	Automotive Retail 2011 Rm	Financial Services 2012 Rm	Financial Services 2011 Rm	Head Office and Eliminations 2012 Rm	Head Office and Eliminations 2011 Rm
575	13 937	12 037	9 689	8 667			(12)	7
1 301	1 240	889	908	821	253	314	16	(36)
					1 528	1 374		
					1			(1)
1 876	15 177	12 926	10 597	9 488	1 782	1 688	4	(30)
63	666	664	329	389	383	145	(1 488)	(1 294)
1 939	15 843	13 590	10 926	9 877	2 165	1 833	(1 484)	(1 324)
(1 480)	(14 422)	(12 349)	(10 574)	(9 570)	(1 882)	(1 582)	1 471	1 279
					141	136	(53)	(39)
					136	35		
(250)	(101)	(80)	(52)	(46)	(69)	(78)	8	13
1	(4)	1	(1)				1	
210	1 316	1 162	299	261	491	344	(57)	(71)
	17	(44)				6		
	(3)	(2)						
	10	(18)		1			43	23
	1	12					(43)	(21)
		(2)						
210	1 341	1 108	299	262	491	350	(57)	(69)
(66)	(108)	(108)	(62)	(52)	(5)		83	29
	12	15		1	16	9	(33)	(56)
144	1 245	1 015	237	211	502	359	(7)	(96)
1 939	15 843	13 590	10 926	9 877	2 165	1 833	(1 484)	(1 324)
1 865	13 999	11 830	9 497	8 675	1 885	1 694	(1 494)	(1 372)
74	157	139	4		280	139	1	
	1 687	1 621	1 425	1 202			9	48
210	1 316	1 162	299	261	491	344	(57)	(71)
196	1 291	1 135	275	243	415	305	(58)	(65)
14	1	1			76	39		(1)
	24	26	24	18			1	(5)
66	108	108	62	52	5		(83)	(29)
66	88	90	59	50	5		(84)	(48)
	6	3						1
	14	15	3	2			1	18

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Business address and registered office:
Imperial Place, Jeppe Quondam, 79 Boeing Road East, Bedfordview, 2007

Share transfer secretaries:
Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

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

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

BASTION GRAPHICS