

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED
31 DECEMBER 2015



IMPERIALTM
LEADERS IN MOBILITY



UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

CONTENTS

| | | |
|-----|--|---|
| 2 | | PERFORMANCE AND OVERVIEW OF RESULTS |
| 13 | | DECLARATION OF PREFERENCE AND ORDINARY DIVIDENDS |
| 14 | | CONTINUING AND DISCONTINUED OPERATIONS |
| 16 | | CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS |
| 17 | | CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME |
| 18 | | EARNINGS PER SHARE INFORMATION |
| 20 | | CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION |
| 21 | | CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS |
| 22 | | CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY |
| 24 | | NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS |
| 30 | | SEGMENTAL INFORMATION |
| 34 | | GLOSSARY OF TERMS |
| IBC | | CORPORATE INFORMATION |

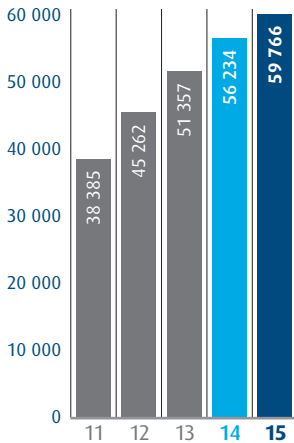
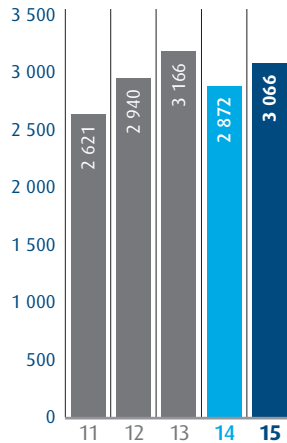
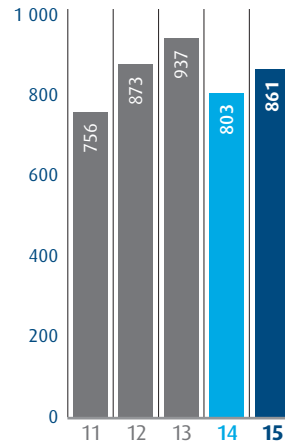
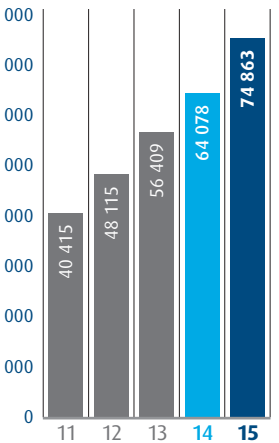
Imperial Holdings is a JSE listed South African-based international Group of companies active in two chosen areas of mobility:

- > consumer and industrial logistics; which constitutes respectively 40% and 42% of Group* revenue and operating profit, with 66% of the latter generated internationally; and
- > vehicle import, distribution, dealerships, rental and aftermarket parts, and vehicle-related financial products and services; which constitutes respectively 60% and 58% of Group* revenue and operating profit, with 11% of the latter generated internationally

Imperial employs over 51 000 people who generate annual revenues of approximately R120 billion, mainly in Africa and Europe, through five major divisions which operate under separate management structures to enable decentralised entrepreneurial creativity within the Group's clearly-defined strategic, capital, budgetary and governance principles.

* Excluding Regent, head office and eliminations

FINANCIAL HIGHLIGHTS

REVENUE
 (R MILLION)

OPERATING PROFIT
 (R MILLION)

CORE EARNINGS PER SHARE
 (CENTS)

TOTAL ASSETS
 (R MILLION)


23% LOGISTICS AFRICA
 16% INTERNATIONAL LOGISTICS
 25% VEHICLE IMPORT, DISTRIBUTION
 AND DEALERSHIPS
 32% VEHICLE RETAIL, RENTAL
 AND AFTERMARKET PARTS
 4% MOTOR RELATED FINANCIAL
 SERVICES AND PRODUCTS



21% LOGISTICS AFRICA
 17% INTERNATIONAL LOGISTICS
 25% VEHICLE IMPORT, DISTRIBUTION
 AND DEALERSHIPS
 33% VEHICLE RETAIL, RENTAL
 AND AFTERMARKET PARTS
 4% MOTOR RELATED FINANCIAL
 SERVICES AND PRODUCTS

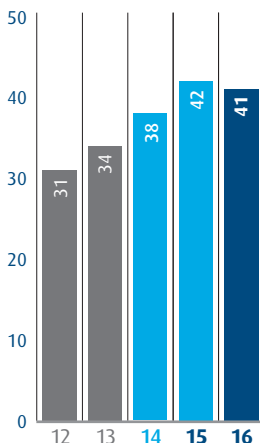
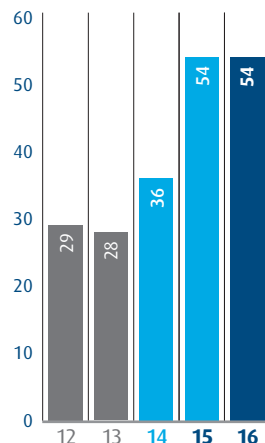
REVENUE
 ↑ 6% TO
**R59,8
 BILLION**
 (41% foreign)

OPERATING PROFIT
 ↑ 7% TO
**R3,1
 BILLION**
 (34% foreign)

HEPS
 ↑ 6% TO
801 CENTS
 PER SHARE

CORE EPS
 ↑ 7% TO
861 CENTS
 PER SHARE

EPS
 ↑ 19% TO
881 CENTS
 PER SHARE

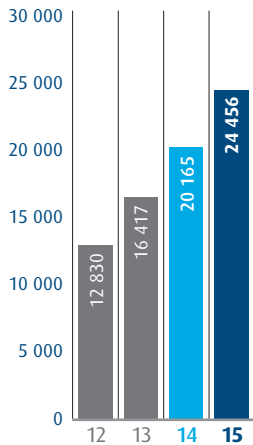
NON VEHICLE REVENUE
 (%) CONTRIBUTION

NON VEHICLE OPERATING PROFIT
 (%) CONTRIBUTION


RESULTS OVERVIEW

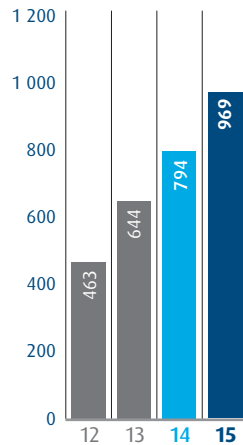
Imperial's performance in the six months to December reflects sound management of controllable factors under testing circumstances.

- > Revenue and operating profit for the Imperial Group grew 6% to R59,8 billion and 7% to R3,1 billion respectively, partly due to the inclusion of the Imres and S&B Commercials acquisitions for the full six months.
- > Excluding current year acquisitions, revenue and operating profit increased 4%. Revenue and operating profit from continuing operations, excluding Regent, was up 6% to R58,2 billion and 4% to R2,8 billion respectively.
- > The Group's operating margin was maintained at 5,1%.
- > A full reconciliation from earnings to headline earnings and core earnings is provided in the Group Financial Performance section.
- > The net debt to equity ratio (including preference shares as equity) improved to 76% from 79% in December 2014.
- > The Group's return on invested capital (ROIC) was 11,6% and the weighted average cost of capital (WACC) was 8,7%.
- > Cash flow from operating activities decreased to R89 million from R909 million in the prior period, largely as a result of increases in capital expenditure on rental assets, working capital, interest and taxes paid.
- > An interim cash dividend of 370 cents per share was declared, up 6% on the prior period.

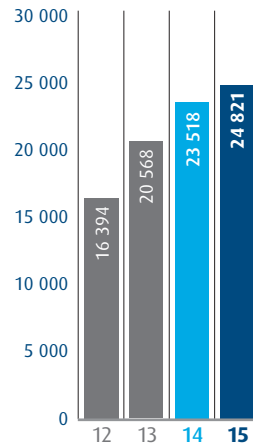
REVENUE FOREIGN BUSINESSES (R MILLION)



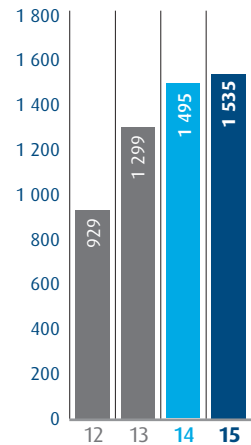
OPERATING PROFIT FOREIGN BUSINESSES (R MILLION)



REVENUE NON VEHICLE BUSINESSES (R MILLION)



OPERATING PROFIT NON VEHICLE BUSINESSES (R MILLION)



28% LOGISTICS AFRICA
14% INTERNATIONAL LOGISTICS
19% VEHICLE IMPORT, DISTRIBUTION AND DEALERSHIPS
27% VEHICLE RETAIL, RENTAL AND AFTERMARKET PARTS
12% MOTOR RELATED FINANCIAL PRODUCTS AND SERVICES



29% LOGISTICS AFRICA
14% INTERNATIONAL LOGISTICS
17% VEHICLE IMPORT, DISTRIBUTION AND DEALERSHIPS
29% VEHICLE RETAIL, RENTAL AND AFTERMARKET PARTS
11% MOTOR RELATED FINANCIAL PRODUCTS AND SERVICES

RETURN ON INVESTED CAPITAL
11,6%

WEIGHTED AVERAGE COST OF CAPITAL
8,7%

RETURN ON EQUITY
17%

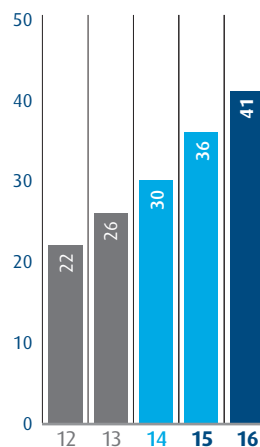
INTERIM CASH DIVIDEND OF
6% TO 370 CENTS PER SHARE

These results reflect progress with Imperial's previously espoused intent to decouple the Group's performance from the impact of Rand weakness on the Vehicle Import, Distribution and Dealerships division, as it pertains specifically to the competitiveness and profitability of directly imported new vehicles.

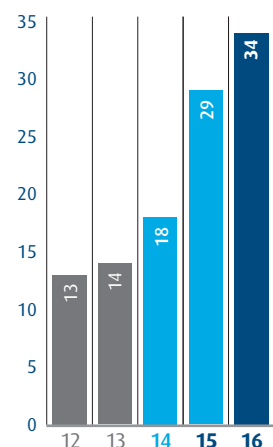
- > Non vehicle revenue and operating profit increased 6% to R24,8 billion (41% of Group* revenue) and 3% to R1,5 billion (54% of Group* operating profit) respectively.
- > Foreign revenue increased 21% to R24,5 billion (41% of Group* revenue) and foreign operating profit increased 22% to R969 million (34% of Group* operating profit). Rest of Africa revenue increased 26% to R6,8 billion (12% of Group* revenue) and operating profit increased 42% to R446 million (16% of Group* operating profit).

* Excluding Regent, head office and eliminations.

FOREIGN REVENUE (%) CONTRIBUTION



FOREIGN OPERATING PROFIT (%) CONTRIBUTION



ENVIRONMENT

In January 2016 the IMF again lowered its global growth forecasts for 2016 to 3,4%; for Advanced Europe to 1,7%; for Germany to 1,7%; and for the United Kingdom to 2,2%. The sub-Saharan Africa 2016 forecast has been reduced to 4,0%, with South Africa forecast to grow below 0,7% compared to 1,5% in 2015.

In addition to slowing global growth and the factors affecting all commodity based emerging economies, South Africa's growth during the reporting period was depressed by the structural impediments of unemployment and low skills and the early effects of the drought. The deterioration of business confidence, private sector investment, capital flows, the balance of payments and the Rand was exacerbated by political ineptitude, policy uncertainty and rising perceptions of corruption.

With 59% of its revenues generated in South Africa, 29% in Advanced Europe and 12% in sub Saharan Africa north of South Africa in H1 F 2016, Imperial is affected by these global and local economic conditions.

More specific uncontrollable factors directly influencing Imperial's businesses in the first half of the 2016 financial year were: a sharp decline in commodity volumes; subdued consumer goods volumes; currency movements in Africa; unusually long periods of low water levels on the River Rhine; a 24% decline of the average R/\$ exchange average rate on the comparable half and a 6% decline in national new vehicle sales.

Against this background we provide shareholders with current information on the Group's strategy and performance.

STRATEGY

Imperial strives to create long term value for stakeholders through strategic clarity, financial discipline, operational excellence and strictly defined capital allocation principles.

Our investment thesis is unchanged:

- > We will release capital and sharpen executive focus, by disposing of non-core, strategically misaligned, underperforming or low return on effort assets.
- > We will invest capital in South Africa to maintain the quality of our assets and our market leadership in logistics and motor vehicles.
- > We will invest capital in the Rest of Africa primarily to achieve our 2020 objective for the revenue and profits generated by logistics in that region to equal that of our South African logistics business, and secondarily to expand our vehicles and related businesses in the region.
- > We will invest cash generated from operations and from divestments to grow our businesses beyond the continent, but with an emphasis on logistics.

The development and sustainability of Imperial will be underpinned by investment in human capital and information systems.

DIVISIONAL PERFORMANCE

LOGISTICS AFRICA

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|---------------------------------------|-------------|-------------|-------------|-------------|----------------------------|
| Revenue (Rm) | 13 265 | 13 714 | 3 | 12 082 | 14 |
| Operating profit (Rm) | 802 | 802 | | 785 | 2 |
| Operating margin (%) | 6,0 | 5,8 | | 6,5 | |
| Return on Invested Capital* (%) | 11,9 | 9,6 | | | |
| Weighted average cost of capital* (%) | 8,9 | 8,9 | | | |

* Calculated on a rolling 12 month basis

In South Africa, the division's revenue and profitability was under pressure due to soft volumes in most sectors, particularly in consumer products and commodities.

The industrial logistics businesses servicing the manufacturing, mining, commodities, chemicals and construction industries continued to experience declining volumes, which depressed revenue growth and operating margins.

The consumer logistics businesses recorded revenue growth but operating profit was depressed by new systems implementation and the resultant managerial diversion and operational complexities.

The division's operations in the Rest of Africa continued to perform well, with revenue and operating profit growing by 15% and 35% respectively. This performance was supported by volume growth, the contribution of strategically aligned acquisitions in the pharmaceuticals sector, and the inclusion of Imres for the full six months in H1 2016. Expansion into new markets and partnerships with new principals delivered favourable

results. The strategy to be a significant provider of consumer goods and pharmaceutical routes-to-market in Southern, East and West Africa is on track with acquisitions performing in line with or ahead of expectations.

The division incurred net capital expenditure of R597 million (2014: R441 million), the increase mainly attributable to the transport fleet and property investments.

In HY2 2016 the continued slowdown of the South African economy is expected to exert ongoing pressure on profitability and margins in the South African division, while operations in the Rest of Africa are expected to sustain a positive trend.

Overall, we expect **Logistics Africa** to grow revenue, with a marginal growth in operating profit in F 2016.

LOGISTICS INTERNATIONAL

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|---------------------------------------|-------------|-------------|-------------|-------------|----------------------------|
| Revenue (Rm) | 9 595 | 10 306 | 7 | 9 476 | 9 |
| Operating profit (Rm) | 386 | 397 | 3 | 572 | (31) |
| Operating margin (%) | 4,0 | 3,9 | | 6,0 | |
| Return on Invested Capital* (%) | 7,6 | 8,1 | | | |
| Weighted average cost of capital* (%) | 6,7 | 6,2 | | | |

* Calculated on a rolling 12 month basis

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|---------------------------|-------------|-------------|-------------|-------------|----------------------------|
| Revenue (Euro m) | 678 | 688 | 2 | 713 | (4) |
| Operating profit (Euro m) | 27 | 27 | – | 43 | (37) |
| Operating margin (%) | 4,0 | 3,9 | | 6,0 | |

The restructuring of the division into two integrated client facing sub divisions (Imperial Transport Solutions and Imperial Supply Chain Solutions) was executed as planned, and opportunities for simplification and cost reduction are being exploited.

Operating profit pressures arising from soft volumes and unusually long period of low water levels on European waterways were offset by contract gains, cost-cutting measures and a growing contribution from the South American inland shipping business. The weakening of the Rand against the Euro assisted the Rand-denominated results.

Divisional net capital expenditure of R513 million (2014: 614 million) was incurred during the year. Most of this was invested in additional capacity for the chemical manufacturing business and two additional convoys commissioned during the year to meet the growing demand for inland waterway transport on the Rio Parana in South America. This business now utilises five push boats with 60 barges, some redeployed from Europe. The success of this business is evidence of the division's ability to transfer core capabilities to new markets.

We expect **Logistics International's** revenue and operating profit to decline in Euro's in F 2016, due to strategic disposals (largely Neska) and increased labour costs in certain of the automotive sites we serve.

VEHICLE IMPORT, DISTRIBUTION AND DEALERSHIPS

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|---------------------------------------|-------------|-------------|-------------|-------------|----------------------------|
| Revenue (Rm) | 14 278 | 14 590 | 2 | 13 159 | 11 |
| Operating profit (Rm) | 461 | 532 | 15 | 499 | 7 |
| Operating margin (%) | 3,2 | 3,6 | | 3,8 | |
| Return on Invested Capital* (%) | 5,7 | 6,1 | | | |
| Weighted average cost of capital* (%) | 9,1 | 9,5 | | | |

* Calculated on a rolling 12 month basis

Notwithstanding extremely challenging trading conditions during the period, operating profit increased by 15% and the operating margin increased to 3,6% from 3,2% in the prior period. Both were affected by lower new vehicle sales volumes, offset by price increases.

Although the Rand was weaker against the Euro and more so against the US Dollar, the division achieved increased profitability, which was enhanced by a strong performance from Renault, Goscor, the newly developed African operations and improved parts sales. Forward cover on the US Dollar and Euro imports currently extends to July/August 2016.

In South Africa, the division retailed 44 629 (2014: 49 269) new and 19 378 (2014: 18 690) pre-owned vehicles during the period. The division's South African new vehicle registrations as reported to NAAMSA were 9% lower than the previous period.

Annuity revenue streams generated from after-sales parts and service were under pressure with revenue from the rendering of services down 3%. The growing vehicle parc of our imported brands, over 1 million, is delivering good levels of after-market activity for the dealerships.

Divisional net capital expenditure increased to R1,1 billion (2014: R813 million) as a result of additional vehicles leased to car rental companies and an increased investment in properties.

In the absence of a marked deterioration of vehicle sales, we expect the **Vehicle Import, Distribution and Dealerships** division to deliver a real growth in revenue and flat operating profit in F 2016, despite the sale of the Goscor business.

VEHICLE RETAIL, RENTAL AND AFTERMARKET PARTS

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|---------------------------------------|-------------|-------------|-------------|-------------|----------------------------|
| Revenue (Rm) | 18 736 | 20 790 | 11 | 18 811 | 11 |
| Operating profit (Rm) | 798 | 801 | – | 879 | (9) |
| Operating margin (%) | 4,3 | 3,9 | | 4,7 | |
| Return on Invested Capital* (%) | 15,5 | 14,5 | | | |
| Weighted average cost of capital* (%) | 9,8 | 9,9 | | | |

* Calculated on a rolling 12 month basis

In South Africa, the division retailed 14 363 (2014: 15 611) new and 16 171 (2014: 16 249) pre-owned vehicles during the period.

The division delivered good growth in revenue as prices increased, while operating profit was flat.

In line with the market, South African passenger and commercial vehicle sales experienced a decline in new retail units. After sales parts revenue grew 8% from both price and volume increases with anticipated growth a result of the strong new vehicle sales in the past three years. Despite this, both revenue and operating profit in the local new and pre-owned vehicle businesses declined.

During the period car rental, Auto Pedigree and panel shops were placed under a single management team to facilitate integration throughout the rental, accident repair and resale value chain. Rental volumes felt the effects of lower usage as government and companies reacted to challenging market conditions. Unit sales at pre-owned specialist Auto Pedigree experienced moderate growth despite higher interest rates and a fragile consumer sentiment. Panel shops delivered a disappointing performance as a result of lower volumes and the disposal of two outlets, effective 30th September 2015.

The Aftermarket Parts business saw revenue growth arising from price increases but operating profit was unchanged.

The United Kingdom commercial vehicle market continued to grow strongly with the truck market up 27% and the light commercial vehicle market up 15%. Imperial's results were buoyed by this market growth and the acquisition of S&B Commercials, a Mercedes Benz commercial vehicle dealer, which is performing in line with expectations and is included for the full 6 months in H1 F 2016. A weaker Rand enhanced the growth in Rands.

Divisional net capital expenditure of R573 million was incurred (2014: R792 million) largely on vehicles for hire and property development.

We expect the **Vehicle Retail, Rental and Aftermarket Parts** division to deliver single digit growth of revenue and single digit decline in operating profit in F 2016.

FINANCIAL SERVICES

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|--|-------------|--------------|-------------|-------------|----------------------------|
| Motor Related Financial Products and Services | | | | | |
| Revenue (Rm) | 658 | 801 | 22 | 771 | 4 |
| Operating profit – restated (Rm) | 307 | 336 | 9 | 313 | 7 |
| Operating margin (%) | 47 | 42 | | 41 | |
| Insurance (discontinued operations) | | | | | |
| Revenue (Rm) | 1470 | 1 565 | 6 | 1 564 | – |
| Operating profit (Rm) | 180 | 274 | 52 | 384 | (29) |
| Adjusted investment income | 87 | 120 | 38 | 121 | (1) |
| Adjusted underwriting result | 166 | 244 | 47 | 313 | (22) |
| Intergroup eliminations | (73) | (90) | 23 | (50) | (80) |
| Operating margin (%) | 12,2 | 17,5 | | 24,6 | |
| Underwriting margin (%) | 11,3 | 15,6 | | 20,0 | |

The Motor Related Financial Products and Services business continued its strong financial performance and grew operating profit by 9% despite lower vehicle sales. Innovative new products and improved retention and penetration rates in our sales channels contributed positively to the growth in these businesses, providing valuable annuity earnings to underpin future profits. During the period, funds held under service, maintenance, roadside assistance and warranty plans remained stable. The book growth in the alliances with financial institutions continued to grow strongly and the profits are healthy, driven mainly driven by low credit loss ratios.

Notwithstanding management's additional responsibilities relating to executing the previously announced sale process, Regent is performing in line with expectations. Regent's underwriting result increased by 47% mainly due to a lower claims ratio. Investment income increased by 38% due to good growth in the off-shore equity portfolio as a result of Rand weakness, and the absence of the R16,0 million ABIL loss reported in the prior period.

The underwriting performance in Regent's short term business continued to benefit from more effective risk management resulting in improved loss ratios in the heavy commercial vehicle business. New business penetrations of motor related value added products remained under pressure due to subdued vehicle sales. Regent Life grew new business volumes. Regional business beyond South Africa remained a meaningful contributor to the division and performed to expectations.

We continue to focus on growing the leasing business via Imperial Fleet Management and Ariva (Private leasing alliance) and building synergies within the retail motor divisions.

Net capital expenditure of R453 million (2014: R636 million) was incurred in the Motor Related Financial Products and Services division, relating mainly to vehicles for hire.

We expect real growth of revenue and operating profit from Motor Related Financial Products and Services. However, the impact of the disposal of Regent on the **Financial Services** division's second half revenue and operating profit will depend on the timing of the regulatory approvals.

DISPOSALS

Our strategy to dispose of non-core, strategically misaligned, underperforming or low return on effort assets gained momentum during the reporting period. The disposals described below will generate proceeds of approximately R4,7 billion, which will initially be used to reduce debt until redeployed in accordance with our strategic, investment and capital allocation criteria. Proceeds of R2,5 billion have been received to date.

REGENT

On 29th September 2015 we announced the disposal of Imperial's 100% interest in the Regent Group. Imperial accepted an offer from the Holland Insurance Group and Yellowwoods Group (the umbrella holding company of Holland), to acquire the Regent Group, Regent Botswana and Regent Lesotho for a purchase consideration of R2,2 billion.

Agreements on this extraordinarily multifaceted transaction are approaching finality, with closure soon to be dependent only on regulatory approvals, the timing of which is unlikely to be before the end of Imperial's financial year on 30th June 2016.

NESKA GROUP

On the 5th October 2015 we announced the disposal of our 65% interest in Neska to Häfen und Güterverkehr Köln ('HGK'), the Port Authority in Cologne, Germany, for a total consideration of EUR 75 million (R1,3 billion), including loans repayments.

Neska, a leading player in inland port operations in Europe, was facing growing competition and disintermediation from landlords (port owners). As a result, Neska's growth prospects under Imperial's ownership were limited.

The transaction was finalised on 11th December 2015.

GOSCOR GROUP

On 3rd November 2015, the Group announced that an agreement had been entered into to dispose of the 67,5% share of the Goscor group to management for a total purchase consideration of R1,03 billion, including loan repayments. Goscor, a subsidiary of our Vehicle Import, Distribution and Dealership division, is an importer and distributor of industrial equipment, which we regard as non-core to Imperial's logistics and vehicles businesses.

The transaction was finalised on 5th February 2016.

OTHER

During the period, the Vehicle Retail, Rental and Aftermarket Parts division disposed of two panel shop outlets and two commercial dealerships were sold to Lereko Motors, an Associate company, approved appropriately for a related party transaction.

Imperial Logistics International sold its 75% stake in ALS, a small shipping company, to the minority founder manager shareholders for EUR 5 million (R84 million). The transaction was finalised on 27th January 2016.

ACQUISITION OF THE REMAINING INTEREST IN THE AMH GROUP

In anticipation of the retirement of Mr Manny de Canha in January 2018 and in pursuit of inherent operational efficiencies and synergies that exist within Imperial's two vehicle divisions, Imperial has entered into an agreement to acquire Mr de Canha's indirectly owned 10% share of the AMH Group held via a holding company ("the Transaction"). Imperial currently has a 90% shareholding in AMH Group and if the Transaction is successfully implemented, AMH Group will become a wholly owned subsidiary of Imperial.

Mr de Canha is the Chief Executive Officer of the AMH Group and an executive director of Imperial Holdings Limited therefore due to its size in comparison to the market capitalisation and in terms of JSE Listings Requirements the Transaction is classified as a small related party transaction.

It is the express intent of Imperial and Mr de Canha that he should remain highly invested in the Imperial Group, and remain a director thereof. To this end the purchase consideration will insofar as possible be discharged by means of an exchange of Imperial shares.

The salient terms of the Transaction are as follows:

- > The AMH Group comprises Associated Motor Holdings (Pty) Ltd and Boundless Trade 154 (Pty) Ltd ("the South African shares"), Associated Motors Australia (Pty) Ltd ("the Australian shares"), Automotive Distributors Africa Limited (the Rest of Africa shares") collectively the ("AMH Group"). These companies have been reported on in Imperial's segmental accounts as the Vehicle Import, Distribution and Dealerships division and the Motor Related Financial Products and Services division
- > The consideration, which shall be discharged on the effective date, will in value be equivalent to R750m (seven hundred and fifty million Rand) comprising:
 - R650m (six hundred and fifty million Rand) discharged by means of the issue of Imperial shares for the South African shares, if so approved by Imperial shareholders within 75 days of the date of this SENS Announcement by way of a Special Resolution pursuant to Section 41(1) (b) of the Companies Act 71 of 2008. The number of shares will be determined by dividing R650m by the weighted average price of an Imperial share in the 45 days prior to the effective date. If for any reason shareholder approval has not been received within 75 days and the conditions precedent have been met, this portion of the purchase price will be discharged in cash by the Imperial Group; and
 - the balance of R100m (one hundred million Rand) will be discharged in cash for the Rest of Africa shares and the Australian shares.
- > PricewaterhouseCoopers Corporate Finance (Pty) Ltd, an independent professional expert acceptable to the JSE, has been appointed to provide a fairness opinion and advise the relevant Boards of the Imperial Group whether the Transaction is fair insofar as shareholders are concerned.
- > The Transaction is subject to the following conditions precedent being met within 75 days of the date of this SENS Announcement:
 - Compliance by Imperial with the provisions of section 10.7 of the Listings Requirements in respect of small related party transactions;
 - Approval by shareholders in terms of Section 41(1)(a) and (b) of the Companies Act; and
 - Any other regulatory approvals.
- > The effective date will be the day on which the conditions precedent are met.

Planning of the strategies, structures, systems and processes necessary to enhance the value of Imperial's total vehicle interests will commence immediately, with a view to a staged implementation and realisation of benefits commencing on 1st July 2016. As an Imperial board member, Mr de Canha's experience and expertise will be referenced to prioritise projects and mitigate risk in this process.

It is important to stress that Imperial is fully committed to preserving the independence of the Original Equipment Manufacturers and International Brands for whom we act as motor vehicle distributors and retailers. Any restructuring pursuant to this transaction will in no way infringe on our contractual commitments, compromise our obligations, or test the valued relationships with the OEM's and Brands that Imperial and its subsidiaries have developed over decades.

From 1st July 2016 Imperial's vehicle businesses, which generated combined revenues and operating profits of R35,38 billion and R1,33 billion respectively during the F1 2016, will be reported on as a single entity with due regard to the disclosures and transparency necessary to facilitate understanding and insight for shareholders.

A circular regarding the AMH Group acquisition will be distributed to shareholders in due course.

Please refer to the relevant cautionary announcement at the end of this statement.

GROUP FINANCIAL PERFORMANCE

PROFIT AND LOSS

GROUP PROFIT AND LOSS (Including discontinued operations)

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|--------------------------------------|-------------|---------------|-------------|-------------|----------------------------|
| Revenue (Rm) | 56 234 | 59 766 | 6 | 54 253 | 10 |
| Operating profit (Rm) | 2 872 | 3 066 | 7 | 3 363 | (9) |
| Operating margin (%) | 5,1 | 5,1 | | 6,2 | |
| Return on Invested Capital (%) | 11,9 | 11,6 | | | |
| Weighted average cost of capital (%) | 9,1 | 8,7 | | | |

GROUP PROFIT AND LOSS (Excluding discontinued operations)

| | HY1 2015 | HY1 2016 | % change | HY2 2015 | % change on HY2 2015 |
|-----------------------|-------------|---------------|-------------|-------------|----------------------------|
| Revenue (Rm) | 54 764 | 58 201 | 6 | 52 689 | 10 |
| Operating profit (Rm) | 2 692 | 2 792 | 4 | 2 979 | (6) |
| Operating margin (%) | 4,9 | 4,8 | | 5,7 | |

Revenue increased by 6% to R59,8 billion (4% up excluding acquisitions). Revenue for continuing operations, excluding Regent, increased 6% to R58,2 billion.

Operating profit increased 7% to R3,1 billion (4% up excluding acquisitions). Operating profit from continuing operations, excluding Regent, was R2,8 billion, up 4%. The increases in revenue and operating profit were enhanced by the inclusion of the Imres and S&B Commercials acquisitions for the full six months.

Group operating margin, including Regent, was maintained at 5,1%.

Net finance costs increased by 9% compared to the prior period on the back of increased debt levels and interest rates. Increase in debt is due to additional working capital, capital expenditure, higher tax and interest payments, translation of the foreign debt into Rand, and acquisitions and disposals.

Income from associates and joint ventures increased by R46 million on the prior period mainly attributable to Ukamba and MiX Telematics, in which Imperial holds a 25,3% shareholding.

The effective tax rate of 28,6% increased from 26,2% in the prior period mainly due to the goodwill impairments which are not tax deductible.

EARNINGS PER SHARE

| | H1 2016 | H1 2015 | % Change |
|--------------------------|------------|------------|-------------|
| Basic EPS (cents) | 881 | 738 | 19 |
| Diluted EPS (cents) | 869 | 736 | 18 |
| Basic HEPS (cents) | 801 | 759 | 6 |
| Diluted HEPS (cents) | 791 | 756 | 5 |
| Basic Core EPS (cents) | 861 | 803 | 7 |
| Diluted Core EPS (cents) | 849 | 800 | 6 |

RECONCILIATION FROM EARNINGS TO HEADLINE AND CORE EARNINGS:

| R million | H1 2016 | H1 2015 | % change |
|---|--------------|------------|-------------|
| Net profit attributable to Imperial shareholders (earnings) | 1 699 | 1 426 | 19 |
| Profit on disposal of assets | (41) | (15) | |
| Impairments of goodwill and other assets | 303 | 33 | |
| Profit on sale of businesses | (445) | 11 | |
| Other | 10 | 17 | |
| Tax effects of re-measurements | 85 | (1) | |
| Non-controlling interest | (66) | (5) | |
| Headline earnings | 1 545 | 1 466 | 5 |
| Amortisation of intangibles | 207 | 205 | |
| Foreign exchange gain on intergroup monetary items | (92) | (104) | |
| Re-measurement of contingent consideration, put option liabilities and business acquisition costs | 36 | 29 | |
| Change in economic assumptions on insurance funds | 18 | (1) | |
| Tax effects | (35) | (28) | |
| Non-controlling interest | (19) | (15) | |
| Core earnings | 1 660 | 1 552 | 7 |

Profit attributable to shareholders increased by 19% from R1,4 billion in the prior period to R1,7 billion. The net increase was largely as a result of an increase in operating profit of R194 million and a profit of R447 million recognised on the disposal of Neska, reduced by impairments of goodwill and other intangibles of R303 million.

FINANCIAL POSITION

| R million | H1 2016 | H2 2015 | % change |
|---|---------------|------------|-------------|
| Goodwill and intangible assets | 7 866 | 7 193 | 9 |
| Property, plant and equipment | 11 736 | 10 967 | 7 |
| Investment in associates and joint ventures | 1 618 | 1 351 | |
| Transport fleet | 6 372 | 5 610 | 14 |
| Vehicles for hire | 3 841 | 3 603 | |
| Investments and loans | 357 | 357 | |
| Net working capital | 11 475 | 9 267 | 24 |
| Other assets | 1 597 | 1 428 | |
| Assets classified as held for sale | 6 530 | 4 618 | |
| Net debt | (17 709) | (13 886) | 28 |
| Non-redeemable non-participating preference shares | (441) | (441) | |
| Other liabilities | (8 808) | (8 121) | |
| Liabilities directly associated with assets classified as held for sale | (3 243) | (2 713) | |
| Total shareholders' equity | 21 191 | 19 233 | 10 |
| Total assets | 74 863 | 65 712 | 14 |
| Total liabilities | 53 672 | 46 479 | 15 |

Goodwill and intangible assets rose to R7,9 billion as a result of Rand weakness and acquisitions.

Property plant and equipment increased by R769 million to R11,7 billion due mainly to investments in properties.

The transport fleet increased by R762 million mainly due to investment in trucks and barges of R505 million, currency adjustments of R632 million resulting from a weaker Rand, reduced by depreciation of R396 million.

Vehicles for hire increased by R238 million. Vehicles rented to companies outside the group increased by R665 million. Imperial Car Rental increased its fleet by R269 million ahead of its peak season. The additions to vehicles for hire were offset by the reclassification of Goscor and Bobcat's rental assets of R696 million to assets held for sale. Price increases have contributed further to the increase in vehicles for hire.

Net working capital increased by 24% to R11,5 billion compared to R9,3 billion at June 2015, largely as a result of the increase in trade receivables and inventory. OEM discounts created incentive for the vehicle importers to increase inventory.

Total assets increased by 14% to R74,9 billion due mainly to acquisitions, capital expenditure and currency adjustments.

Net debt to equity (including preference shares as equity and including Regent's cash resources) at 76% (Dec 2014: 79%) was higher than the 66% at June 2015 due to additional working capital, capital expenditure, higher tax and interest payments, translation of the foreign debt into Rand and acquisitions.

The net debt level is within the target gearing range of 60% to 80%. The net debt to EBITDA ratio (rolling 12 months basis) was 1.8 times (2014: 1.8 times).

In addition to attributable profits, shareholders' equity was positively impacted by: the weakening of the Rand against the Euro which resulted in a gain on foreign currency translation reserve of R 814 million; and a hedging reserve of R403 million as a result of the weakening Rand.

CASH FLOW

| R million | H1 2016 | H1 2015 | % change |
|---|----------------|----------------|-------------|
| Cash generated by operations before movements in working capital | 4 485 | 4 357 | 3 |
| Movements in net working capital (excludes currency movements & net acquisitions) | (1 194) | (1 069) | |
| Cash generated by operations before capital expenditure on rental assets | 3 291 | 3 288 | - |
| Capital expenditure on rental assets (including Goscor) | (1 561) | (1 348) | |
| Interest paid | (696) | (580) | |
| Tax paid | (945) | (451) | |
| Cash flows from operating activities | 89 | 909 | (90) |
| Net proceeds from sale of businesses (net of acquisitions) | 726 | (905) | |
| Capital expenditure (non-rental assets) | (1 501) | (1 417) | |
| Equities, investments and loans | (43) | (972) | |
| Dividends paid | (1 030) | (917) | |
| Other | (550) | (206) | |
| Increase in net debt (excludes currency movements & net acquisitions) | (2 309) | (3 508) | (34) |

Cash generated by operations before capital expenditure on rental assets was R3,3 billion, unchanged on the prior period. After interest, tax payments and capital expenditure on rental assets, net cash flow from operating activities decreased to R89 million from R909 million in the prior period.

Capital expenditure on rental assets of R1,6 billion includes R140 million spent at Goscor which was sold in February 2016.

The main contributors to the net R726 million proceeds from sale of businesses (net of acquisitions) were the disposal of Neska, two dealerships and two panel shop outlets.

Outflows from equities, investments and loans amounted to R43 million, down from R972 million in 2014 due to the decision to decrease exposure to equities in the Regent portfolio.

Dividends amounting to R1,0 billion were paid during the period.

LIQUIDITY

The Group's liquidity position is strong with R8,5 billion in unutilised facilities (excluding asset based finance facilities). Fixed rate debt represents 41% of total debt and 71% is of a long term nature. The Group's credit rating as determined by Moody's was unchanged at Baa3 with a stable outlook.

DIVIDEND

An interim cash dividend of 370 cents per ordinary share (2014: 350 cents per share) has been declared.

BOARD CHANGES

As announced on 25 August 2015, Dr Suresh Kana, recent past Chief Executive Officer of PwC, was appointed as independent non-executive director of Imperial Holdings Limited from the 1st September 2015 and as Chairman of the board from the 3rd November 2015.

Mr. Moses Kgosana, a highly regarded member of the accounting profession, who established and later merged his own firm with KPMG where in recent years he served as Chief Executive and Senior Partner, was appointed as an independent non-executive director and chairperson of the Audit Committee from the 1st September 2015.

On the 3rd November 2015, Mr Roddy Sparks, who has served as a director since August 2006, was appointed Lead Independent Director.

PROSPECTS

The performance and volatility of commodity, equity and bond markets since the start of 2016 is cause for concern as a reflection of general uncertainty about the performance of economies worldwide. While there is no panacea for South Africa's economic recovery we are encouraged by government's more recent engagements with business. Imperial will continue to participate in and contribute to dialogue that results in economic growth and decisive action to avoid a rating downgrade and recession.

There is no reason to anticipate an improvement in the trading conditions facing Imperial during 2016. We expect volume growth throughout our logistics operations to be subdued, and national new vehicle sales in South Africa to decline between 5% and 10% in response to fragile consumer confidence and rising interest rates.

Despite a pleasing start to the second half we therefore anticipate single digit revenue growth and unchanged operating profit in continuing operations for the year to June 2016.

We will continue to execute on our espoused strategies.

MARK J. LAMBERTI – Chief Executive Officer

OSMAN S. ARBEE – Chief Financial Officer

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

CAUTIONARY ANNOUNCEMENT

With regards to the valuation of the AMH Group, a further announcement will be published upon receipt of the fairness opinion. Until then shareholders should exercise caution when dealing in Imperial's securities.

DECLARATION OF PREFERENCE AND ORDINARY DIVIDENDS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

PREFERENCE SHAREHOLDERS

Notice is hereby given that a gross interim preference dividend of 3.93401 cents per preference share has been declared payable to holders of non-redeemable, non-participating preference shares. The dividend will be paid out of reserves.

The preference dividend will be subject to a local dividend tax rate of 15%. The net preference dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 3.34391 cents per share.

ORDINARY SHAREHOLDERS

A further notice is hereby given that a gross interim ordinary dividend in the amount of 370 cents per ordinary share has been declared payable to holders of ordinary shares. The dividend will be paid out of reserves.

The ordinary dividend will be subject to a local dividend tax rate of 15%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 314.50 cents per share.

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

2016

| | |
|--|---------------------|
| Last day for preference shares and ordinary shares respectively to trade cum-preference dividend and cum ordinary dividend | Wednesday, 16 March |
| Preference and ordinary shares commence trading ex-preference dividend and ex-ordinary dividend respectively | Thursday, 17 March |
| Record date | Thursday, 24 March |
| Payment date | Tuesday, 29 March |

The company's income tax number is 9825178719.

The number of preference shares in issue at the date of declaration was 4 540 041.

The number of ordinary shares in issue at the date of the declaration was 202 782 278.

Share certificates may not be dematerialised/rematerialized between Thursday, 17 March 2016 and Thursday, 24 March 2016, both days inclusive.

On Tuesday, 29 March 2016, amounts due in respect of the preference dividend and the ordinary dividend will be electronically transferred to the bank accounts of certificated shareholders that utilise this facility. In respect of those who do not, cheques dated 29 March 2016 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, 29 March 2016.

On behalf of the board

RA Venter

Group Company Secretary

22 February 2016

The results of the Insurance business, which is in the process of being disposed, are presented in the condensed consolidated statement of profit or loss as discontinued operations. The comparative profit or loss has been re-presented accordingly. The assets and related liabilities of the Insurance businesses has been reclassified to 'Assets of discontinued operations' and 'Liabilities of discontinued operations' respectively on the condensed consolidated statement of financial position. The assets and related liabilities of the Goscor disposal group has been reclassified to 'Assets of disposal group' and 'Liabilities of disposal group' respectively on the condensed consolidated statement of financial position.

The following shows the combined result of the continued and discontinued operations after eliminating inter-group transactions. The results of the Goscor disposal group is included under continuing operations.

| | % change | Total operations 31 December 2015 Rm | Continuing operations 31 December 2015 Rm | Discontinued operations 31 December 2015 Rm | Total operations 31 December 2014* Rm | Continuing operations 31 December 2014* Rm | Discontinued operations 31 December 2014 Rm |
|---|-------------|--|---|---|---|--|---|
| Revenue | 6 | 59 766 | 58 201 | 1 565 | 56 234 | 54 764 | 1 470 |
| Net operating expenses | | (55 374) | (54 083) | (1 291) | (52 126) | (50 849) | (1 277) |
| Profit from operations before depreciation and recoupments | | 4 392 | 4 118 | 274 | 4 108 | 3 915 | 193 |
| Depreciation, amortisation, impairments and recoupments | | (1 326) | (1 326) | | (1 236) | (1 223) | (13) |
| Operating profit | 7 | 3 066 | 2 792 | 274 | 2 872 | 2 692 | 180 |
| Recoupments from sale of properties, net of impairments | | 6 | 6 | | 12 | 12 | |
| Amortisation and impairment of intangible assets arising on business combinations | | (358) | (358) | | (205) | (205) | |
| Other non-operating items | | 354 | 383 | (29) | 63 | 62 | 1 |
| Profit before net finance costs | 12 | 3 068 | 2 823 | 245 | 2 742 | 2 561 | 181 |
| Net finance costs | 9 | (651) | (651) | | (598) | (598) | |
| Profit before share of result of associates and joint ventures | | 2 417 | 2 172 | 245 | 2 144 | 1 963 | 181 |
| Share of result of associates and joint ventures | | 58 | 58 | | 12 | 12 | |
| Profit before tax | 15 | 2 475 | 2 230 | 245 | 2 156 | 1 975 | 181 |
| Income tax expense | | (692) | (615) | (77) | (562) | (498) | (64) |
| Profit for the period | 12 | 1 783 | 1 615 | 168 | 1 594 | 1 477 | 117 |
| Net profit attributable to: | | | | | | | |
| Owners of Imperial | 19 | 1 699 | 1 558 | 141 | 1 426 | 1 331 | 95 |
| Non-controlling interests | (50) | 84 | 57 | 27 | 168 | 146 | 22 |
| | | 1 783 | 1 615 | 168 | 1 594 | 1 477 | 117 |
| Earnings per share (cents) | | | | | | | |
| – Basic | 19 | 881 | 808 | 73 | 738 | 689 | 49 |
| – Diluted | 18 | 869 | 798 | 71 | 736 | 688 | 48 |
| Headline earnings per share (cents) | | | | | | | |
| – Basic | 6 | 801 | 728 | 73 | 759 | 710 | 49 |
| – Diluted | 5 | 791 | 720 | 71 | 756 | 708 | 48 |
| Core earnings per share (cents) | | | | | | | |
| – Basic | 7 | 861 | 781 | 80 | 803 | 754 | 49 |
| – Diluted | 6 | 849 | 771 | 78 | 800 | 752 | 48 |

* After restating for the change in accounting policy as described in note 2.1

The major classes of assets and liabilities of the discontinued operations were as follows:

| | 31 December 2015 Rm | 30 June 2015 Rm |
|---|------------------------------------|------------------------------------|
| Assets | | |
| Goodwill and intangible assets | 167 | 122 |
| Investment in associates and joint ventures | 13 | 17 |
| Property, plant and equipment | 160 | 146 |
| Income tax assets | 20 | 20 |
| Investments and other financial assets | 3 148 | 3 250 |
| Trade and other receivables | 215 | 218 |
| Cash resources | 1 140 | 845 |
| Assets of discontinued operations | 4 863 | 4 618 |
| Liabilities | | |
| Insurance and investment contracts | 1 435 | 1 361 |
| Income tax liabilities | 207 | 197 |
| Trade payables and provisions | 1 095 | 1 155 |
| Liabilities of discontinued operations | 2 737 | 2 713 |
| Investments and other financial assets consists of: | | |
| Listed investments at fair value (level 1) | 2 441 | 2 288 |
| Fixed and negotiable deposits at fair value (level 2) | 589 | 733 |
| Reinsurance receivables at amortised cost | 118 | 229 |
| | 3 148 | 3 250 |
| | 31 December 2015 Rm | 31 December 2014 Rm |
| The cash flows from discontinued operations were as follows: | | |
| Cash flows from operating activities | 159 | 201 |
| Cash flows from investing activities | 103 | (663) |
| Cash flows from financing activities | (9) | (7) |

| | Notes | % change | Unaudited Six months ended 31 December 2015 Rm | Unaudited Six months ended 31 December 2014* Rm | Audited Financial year ended 30 June 2015 Rm |
|---|-------|-------------|---|--|---|
| CONTINUING OPERATIONS | | | | | |
| Revenue | | 6 | 58 201 | 54 764 | 107 453 |
| Net operating expenses | | | (54 083) | (50 849) | (99 290) |
| Profit from operations before depreciation and recoupments | | | 4 118 | 3 915 | 8 163 |
| Depreciation, amortisation, impairments and recoupments | | | (1 326) | (1 223) | (2 492) |
| Operating profit | | 4 | 2 792 | 2 692 | 5 671 |
| Recoupments from sale of properties, net of impairments | | | 6 | 12 | 29 |
| Amortisation and impairment of intangible assets arising on business combinations | | | (358) | (205) | (415) |
| Other non-operating items | 6 | | 383 | 62 | (80) |
| Profit before net finance costs | | 10 | 2 823 | 2 561 | 5 205 |
| Net finance costs | 7 | 9 | (651) | (598) | (1 194) |
| Profit before share of result of associates and joint ventures | | | 2 172 | 1 963 | 4 011 |
| Share of result of associates and joint ventures | | | 58 | 12 | 33 |
| Profit before tax | | 13 | 2 230 | 1 975 | 4 044 |
| Income tax expense | | | (615) | (498) | (1 035) |
| Profit for the period from continuing operations | | 9 | 1 615 | 1 477 | 3 009 |
| DISCONTINUED OPERATIONS | | | | | |
| Profit for the period from discontinued operations | | | 168 | 117 | 377 |
| Net profit for the period | | 12 | 1 783 | 1 594 | 3 386 |
| Net profit attributable to: | | | | | |
| Owners of Imperial | | | 1 699 | 1 426 | 3 054 |
| – Continuing operations | | | 1 558 | 1 331 | 2 735 |
| – Discontinued operations | | | 141 | 95 | 319 |
| Non-controlling interests | | | 84 | 168 | 332 |
| – Continuing operations | | | 57 | 146 | 274 |
| – Discontinued operations | | | 27 | 22 | 58 |
| | | | 1 783 | 1 594 | 3 386 |
| Earnings per share (cents) | | | | | |
| Continuing operations | | | | | |
| – Basic | | 17 | 808 | 689 | 1 416 |
| – Diluted | | 16 | 798 | 688 | 1 406 |
| Discontinued operations | | | | | |
| – Basic | | 49 | 73 | 49 | 166 |
| – Diluted | | 48 | 71 | 48 | 162 |
| Total operations | | | | | |
| – Basic | | 19 | 881 | 738 | 1 582 |
| – Diluted | | 18 | 869 | 736 | 1 568 |

* Restated for change in accounting policy as described in note 2.1 and represented for continued and discontinued operations. To view the results of total operations refer to page 14

| | Unaudited Six months ended 31 December 2015 Rm | Unaudited Six months ended 31 December 2014 Rm | Audited Financial year ended 30 June 2015 Rm |
|---|---|---|---|
| Net profit for the period | 1 783 | 1 594 | 3 386 |
| Other comprehensive income | 1 387 | (322) | (268) |
| Items that may be reclassified subsequently to profit or loss | 1 387 | (182) | (172) |
| Exchange gains (losses) arising on translation of foreign operations | 909 | (227) | (312) |
| Share of associates' and joint ventures' movement in foreign currency translation reserve | 18 | 5 | 8 |
| Movement in valuation reserve | | (8) | (87) |
| Reclassification of (loss) gain on disposal of available-for-sale investment | | (1) | 43 |
| Movement in hedge accounting reserve | 463 | 50 | 175 |
| Income tax relating to items that may be reclassified to profit or loss | (3) | (1) | 1 |
| Items that will not be reclassified to profit or loss | | (140) | (96) |
| Remeasurement of defined benefit obligations | | (202) | (137) |
| Income tax on remeasurement of defined benefit obligations | | 62 | 41 |
| Total comprehensive income for the period | 3 170 | 1 272 | 3 118 |
| Total comprehensive income attributable to: | | | |
| Owners of Imperial | 2 915 | 1 091 | 2 762 |
| Non-controlling interests | 255 | 181 | 356 |
| | 3 170 | 1 272 | 3 118 |

| | % change | Unaudited Six months ended 31 December 2015 Rm | Unaudited Six months ended 31 December 2014 Rm | Audited Financial year ended 30 June 2015 Rm |
|--|-------------|---|---|---|
| Headline earnings reconciliation | | | | |
| Earnings – basic | 19 | 1 699 | 1 426 | 3 054 |
| Saving of finance costs by associate on potential sale of Imperial shares | | 21 | 29 | 44 |
| Earnings – diluted | | 1 720 | 1 455 | 3 098 |
| Recoupment for disposal of property, plant and equipment (IAS 16) | | (40) | (15) | (85) |
| Recoupment for disposal of intangible assets (IAS 38) | | (1) | | |
| Impairment of property, plant and equipment (IAS 36) | | | 17 | 28 |
| Impairment of intangible assets (IAS 36) | | 151 | | |
| Impairment of goodwill (IAS 36) | | 152 | 16 | 67 |
| Impairment (profit) on disposal of investments in associates and joint ventures (IAS 28) | | 2 | | (2) |
| (Profit) loss on disposal of subsidiaries and businesses (IFRS 10) | | (447) | 11 | (15) |
| Reclassification of (gain) loss on disposal of available-for-sale investment (IAS 39) | | | (1) | 43 |
| Remeasurements included in share of result of associates and joint ventures | | 10 | 18 | 41 |
| Tax effects of remeasurements | | 85 | (1) | 13 |
| Non-controlling interests share of remeasurements | | (66) | (5) | (9) |
| Headline earnings – diluted | | 1 566 | 1 495 | 3 179 |
| Saving of finance costs by associate on potential sale of Imperial shares | | (21) | (29) | (44) |
| Headline earnings – basic | 5 | 1 545 | 1 466 | 3 135 |
| Headline earnings per share (cents) | | | | |
| Continuing operations | | | | |
| – Basic | 3 | 728 | 710 | 1 458 |
| – Diluted | 2 | 720 | 708 | 1 446 |
| Discontinued operations | | | | |
| – Basic | 49 | 73 | 49 | 166 |
| – Diluted | 48 | 71 | 48 | 163 |
| Total operations | | | | |
| – Basic | 6 | 801 | 759 | 1 624 |
| – Diluted | 5 | 791 | 756 | 1 609 |
| Core earnings reconciliation | | | | |
| Headline earnings – basic | 5 | 1 545 | 1 466 | 3 135 |
| Saving of finance costs by associate on potential sale of Imperial shares | | 21 | 29 | 44 |
| Headline earnings – diluted | 5 | 1 566 | 1 495 | 3 179 |
| Amortisation of intangible assets arising on business combinations | | 207 | 205 | 415 |
| Foreign exchange gain on inter-group monetary item | | (92) | (104) | (104) |
| Business acquisition costs | | 3 | 12 | 16 |
| Remeasurement of contingent consideration and put option liabilities | | 33 | 17 | 47 |
| Change in economic assumptions on insurance funds | | 18 | (1) | 6 |
| Tax effects of core earnings adjustments | | (35) | (28) | (85) |
| Non-controlling interests share of core earnings adjustments | | (19) | (15) | (43) |
| Core earnings – diluted | 6 | 1 681 | 1 581 | 3 431 |
| Saving of finance costs by associate on potential sale of Imperial shares | | (21) | (29) | (44) |
| Core earnings – basic | 7 | 1 660 | 1 552 | 3 387 |

| | % change | Unaudited Six months ended 31 December 2015 Rm | Unaudited Six months ended 31 December 2014 Rm | Audited Financial year ended 30 June 2015 Rm |
|--|-------------|---|---|---|
| Core earnings per share (cents) | | | | |
| Continuing operations | | | | |
| – Basic | 4 | 781 | 754 | 1 586 |
| – Diluted | 3 | 771 | 752 | 1 571 |
| Discontinued operations | | | | |
| – Basic | 63 | 80 | 49 | 168 |
| – Diluted | 63 | 78 | 48 | 165 |
| Total operations | | | | |
| – Basic | 7 | 861 | 803 | 1 754 |
| – Diluted | 6 | 849 | 800 | 1 736 |
| Additional information | | | | |
| Net asset value per share (cents) | 16 | 10 635 | 9 204 | 9 696 |
| Dividend per ordinary share (cents) | 6 | 370 | 350 | 795 |
| Number of ordinary shares in issue (million) | | | | |
| – total shares | | 202,8 | 207,8 | 202,8 |
| – net of shares repurchased | | 194,2 | 193,8 | 194,6 |
| – weighted average for basic | | 192,8 | 193,2 | 193,1 |
| – weighted average for diluted | | 198,0 | 197,7 | 197,6 |
| Number of other shares (million) | | | | |
| – Deferred ordinary shares to convert into ordinary shares | | 8,3 | 9,1 | 8,3 |

| | Note | Unaudited 31 December 2015 Rm | Restated 31 December 2014* Rm | Restated 30 June 2015* Rm |
|---|------|--|--|------------------------------------|
| ASSETS | | | | |
| Goodwill and intangible assets | 8 | 7 866 | 7 397 | 7 193 |
| Investment in associates and joint ventures | | 1 618 | 1 392 | 1 351 |
| Property, plant and equipment | | 11 736 | 10 746 | 10 967 |
| Transport fleet | | 6 372 | 5 513 | 5 610 |
| Deferred tax assets | | 1 245 | 1 290 | 1 097 |
| Investments and loans | | 357 | 3 102 | 357 |
| Other financial assets | | 30 | 294 | 36 |
| Vehicles for hire | | 3 841 | 3 875 | 3 603 |
| Inventories | | 17 815 | 14 115 | 15 465 |
| Tax in advance | | 322 | 264 | 295 |
| Trade and other receivables | | 14 391 | 13 470 | 12 849 |
| Cash resources | | 2 740 | 2 620 | 2 271 |
| Assets of discontinued operations | | 4 863 | | 4 618 |
| Assets of disposal group** | | 1 667 | | |
| Total assets | | 74 863 | 64 078 | 65 712 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | | | | |
| Share capital and share premium | | 382 | 382 | 382 |
| Shares repurchased | | (742) | (276) | (668) |
| Other reserves | | 2 036 | 1 053 | 1 089 |
| Retained earnings | | 18 977 | 16 678 | 18 065 |
| Attributable to owners of Imperial | | 20 653 | 17 837 | 18 868 |
| Put arrangement over non-controlling interests | | (1 188) | (1 391) | (1 473) |
| Non-controlling interests | | 1 726 | 1 816 | 1 838 |
| Total equity | | 21 191 | 18 262 | 19 233 |
| Liabilities | | | | |
| Non-redeemable, non-participating preference shares | | 441 | 441 | 441 |
| Retirement benefit obligations | | 1 369 | 1 261 | 1 157 |
| Interest-bearing borrowings | | 20 449 | 17 322 | 16 157 |
| Insurance, investment, maintenance and warranty contracts | | 3 229 | 4 497 | 3 191 |
| Deferred tax liabilities | | 1 069 | 1 513 | 1 193 |
| Other financial liabilities | | 2 438 | 1 914 | 2 019 |
| Trade, other payables and provisions | | 20 731 | 18 090 | 19 047 |
| Current tax liabilities | | 703 | 778 | 561 |
| Liabilities of discontinued operations | | 2 737 | | 2 713 |
| Liabilities of disposal group** | | 506 | | |
| Total liabilities | | 53 672 | 45 816 | 46 479 |
| Total equity and liabilities | | 74 863 | 64 078 | 65 712 |

* Restated for the application of the change in accounting policy (see note 2.1). The original 30 June 2015 amounts were audited, the 31 December 2014 amounts and the restatements have not been audited

** Assets and liabilities relating to the Goscor disposal group. The results of the Goscor disposal group is included in the results of continuing operations

| | Note | % change | Unaudited Six months ended 31 December 2015 Rm | Restated Six months ended 31 December 2014* Rm | Restated Financial year ended 30 June 2015* Rm |
|---|------|-------------|---|---|---|
| Cash flows from operating activities | | | | | |
| Cash generated by operations before movements in net working capital | | | 4 485 | 4 357 | 9 049 |
| Movements in net working capital | | | (1 194) | (1 069) | 9 |
| Cash generated by operations before capital expenditure on rental assets | | | 3 291 | 3 288 | 9 058 |
| Expansion capital expenditure – rental assets | | | (504) | (851) | (772) |
| Net replacement capital expenditure – rental assets | | | (1 057) | (497) | (759) |
| – Expenditure | | | (2 330) | (1 351) | (2 496) |
| – Proceeds | | | 1 273 | 854 | 1 737 |
| Cash generated by operations | (11) | | 1 730 | 1 940 | 7 527 |
| Net finance cost paid | | | (696) | (580) | (1 180) |
| Tax paid | | | (945) | (451) | (1 301) |
| | (90) | | 89 | 909 | 5 046 |
| Cash flows from investing activities | | | | | |
| Net disposals (acquisitions) of subsidiaries and businesses | | | 726 | (905) | (938) |
| Expansion capital expenditure – excluding rental assets | | | (917) | (806) | (1 743) |
| Net replacement capital expenditure – excluding rental assets | | | (584) | (611) | (1 245) |
| Net movement in associates and joint ventures | | | (114) | 25 | 178 |
| Net movement in investments, loans and other financial instruments | | | 71 | (997) | (1 203) |
| | | | (818) | (3 294) | (4 951) |
| Cash flows from financing activities | | | | | |
| Hedge cost premium paid | | | (145) | (118) | (128) |
| Ordinary shares repurchased | | | (74) | (56) | (56) |
| Dividends paid | | | (1 030) | (917) | (1 724) |
| Change in non-controlling interests | | | (355) | (32) | (90) |
| Capital raised from non-controlling interests | | | 24 | | 1 |
| Net increase in other interest-bearing borrowings | | | 1 071 | 1 659 | 831 |
| | | | (509) | 536 | (1 166) |
| Net decrease in cash and cash equivalents | | | (1 238) | (1 849) | (1 071) |
| Effects of exchange rate changes on cash resources in foreign currencies | | | 314 | (6) | 7 |
| Cash and cash equivalents at beginning of period | | | 38 | 1 102 | 1 102 |
| Cash and cash equivalents at end of period | 9 | (18) | (886) | (753) | 38 |

* Restated for the application of the change in accounting policy (see note 2.1). The original 30 June 2015 amounts were audited, the 31 December 2014 amounts and the restatements have not been audited

| | Share capital and share premium Rm | Shares re-purchased Rm |
|---|------------------------------------|------------------------|
| At 30 June 2014 – Audited | 382 | (220) |
| Total comprehensive income for the period | | |
| Net attributable profit for the period | | |
| Other comprehensive income | | |
| Movement in statutory reserves | | |
| Share-based cost charged to profit or loss | | |
| Share-based equity reserve transferred to retained earnings on vesting | | |
| Share-based equity reserve hedge cost refund | | |
| Ordinary dividend paid | | |
| Repurchase of 320 000 ordinary shares from the open market at an average price of R172,68 per share | | (56) |
| Initial recognition of put option written over non-controlling interests | | |
| Share of changes in net assets of associates and joint ventures | | |
| Non-controlling interests acquired | | |
| Net decrease in non-controlling interests through buy-outs | | |
| Non-controlling interests share of dividends | | |
| At 31 December 2014 – Unaudited | 382 | (276) |
| Total comprehensive income for the period | | |
| Net attributable profit for the period | | |
| Other comprehensive income | | |
| Movement in statutory reserves | | |
| Share-based cost charged to profit or loss | | |
| Share-based equity reserve transferred to retained earnings on vesting | | |
| Share-based equity reserve hedge utilisation | | |
| Ordinary dividend paid | | |
| Initial recognition of put option written over non-controlling interest | | |
| Cancellation of 5 864 944 ordinary shares held by Lereko Mobility | | 665 |
| Reallocation of prior year surplus on shares cancelled | | (1 057) |
| Share of changes in net assets of associates and joint ventures | | |
| Realisation on disposal of subsidiaries | | |
| Non-controlling interests acquired, net of disposals and shares issued | | |
| Net decrease in non-controlling interests through buy-outs | | |
| Non-controlling interests share of dividends | | |
| At 30 June 2015 – Audited | 382 | (668) |
| Total comprehensive income for the period | | |
| Net attributable profit for the period | | |
| Other comprehensive income | | |
| Movement in statutory reserves | | |
| Share-based cost charged to profit or loss | | |
| Share-based equity reserve transferred to retained earnings | | |
| Share-based equity reserve hedge cost utilisation | | |
| Ordinary dividend paid | | |
| Repurchase of 438 300 ordinary shares from the open market at an average price of R169,48 per share | | (74) |
| Realisation on disposal of subsidiaries | | |
| Non-controlling interests acquired, net of disposals and shares issued | | |
| Net decrease in non-controlling interests through buy-outs | | |
| Non-controlling interests share of dividends | | |
| At 31 December 2015 – Unaudited | 382 | (742) |

| Other reserves Rm | Retained earnings Rm | Attributable to owners of Imperial Rm | Put arrangement over non-controlling interests Rm | Non-controlling interests Rm | Total equity Rm |
|----------------------|-------------------------|--|--|---------------------------------|--------------------|
| 1 149 | 16 229 | 17 540 | (1 000) | 1 569 | 18 109 |
| (195) | 1 286 | 1 091 | | 181 | 1 272 |
| | 1 426 | 1 426 | | 168 | 1 594 |
| (195) | (140) | (335) | | 13 | (322) |
| 19 | (19) | | | | |
| 65 | | 65 | | 2 | 67 |
| 14 | (14) | | | | |
| 11 | | 11 | | (3) | 8 |
| | (804) | (804) | | | (804) |
| | | (56) | | | (56) |
| | | | (391) | | (391) |
| (2) | | (2) | | | (2) |
| (8) | | (8) | | 206 | 206 |
| | | | | (26) | (34) |
| | | | | (113) | (113) |
| 1 053 | 16 678 | 17 837 | (1 391) | 1 816 | 18 262 |
| (4) | 1 675 | 1 671 | | 175 | 1 846 |
| | 1 628 | 1 628 | | 164 | 1 792 |
| (4) | 47 | 43 | | 11 | 54 |
| 20 | (20) | | | | |
| 61 | | 61 | | 2 | 63 |
| (7) | 7 | | | | |
| (4) | | (4) | | | (4) |
| | (667) | (667) | | | (667) |
| | | | (82) | | (82) |
| | (665) | | | | |
| | 1 057 | | | | |
| (3) | | (3) | | | (3) |
| 12 | | 12 | | | 12 |
| | | | | 2 | 2 |
| (39) | | (39) | | (17) | (56) |
| | | | | (140) | (140) |
| 1 089 | 18 065 | 18 868 | (1 473) | 1 838 | 19 233 |
| 1 216 | 1 699 | 2 915 | | 255 | 3 170 |
| | 1 699 | 1 699 | | 84 | 1 783 |
| 1 216 | | 1 216 | | 171 | 1 387 |
| 7 | (7) | | | | |
| 71 | | 71 | | 2 | 73 |
| (60) | 60 | | | | |
| (128) | | (128) | | (4) | (132) |
| | (840) | (840) | | | (840) |
| | | (74) | | | (74) |
| 17 | | 17 | | | 17 |
| | | | | 4 | 4 |
| (176) | | (176) | 285 | (179) | (70) |
| | | | | (190) | (190) |
| 2 036 | 18 977 | 20 653 | (1 188) | 1 726 | 21 191 |

1. 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 2015 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council. The results are presented in accordance with IAS 34 – Interim Financial Reporting and comply with the Listings Requirements of the Johannesburg Stock Exchange Limited and the Companies Act of South Africa, 2008. These condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements as at and for the year ended 30 June 2015.

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 22 February 2016.

2. 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 2015.

2.1 CHANGE IN ACCOUNTING POLICY

Vehicles held under buy-back arrangements

In the prior year the Group changed its accounting policy for vehicles held under buy-back arrangements. The change in the accounting policy resulted in a reallocation between line items on the statement of profit or loss, the statement of financial position and the statement of cashflows without affecting operating profit, total assets or cash generated by operations.

Floorplans

During the current reporting period the Group decided to reclassify its interest-bearing trade payables, payable to vehicle suppliers, from interest-bearing borrowings to trade and other payables. As the interest-bearing amounts are a short-term credit line received from our vehicles suppliers to acquire vehicles as inventory it is considered more appropriate to show them as trade payables.

The impact of the above changes in policy on the 31 December 2014 and 30 June 2015 financial statements were as follows:

| | 31 December 2014 Rm | 30 June 2015 Rm |
|--|---------------------------|-----------------------|
| Statement of financial position | | |
| Increase in vehicles for hire | 1 082 | |
| Decrease in inventory | (1 082) | |
| Total assets | | |
| Interest-bearing borrowings | (407) | (607) |
| Trade, other payables and provisions | 407 | 607 |
| Total liabilities | | |
| Statement of profit or loss | | |
| Continuing operations | | |
| Decrease in net operating expenses | 100 | |
| Increase in profit from operations before depreciation and recoupments | 100 | |
| Increase in depreciation, amortisation, impairments and recoupments | (100) | |
| Operating profit | | |

2. ACCOUNTING POLICIES CONTINUED

2.1 CHANGE IN ACCOUNTING POLICY CONTINUED

| | 31 December 2014 Rm | 30 June 2015 Rm |
|--|---------------------------|-----------------------|
| Statement of cash flows | | |
| Cash flows from operating activities | | |
| Increase in cash generated by operations before movements in working capital | 100 | |
| Decrease in movements in net working capital | 336 | 59 |
| Increase in cash generated by operations before capital expenditure on rental assets | 436 | 59 |
| Increase in expansion capital expenditure – rental assets | (445) | |
| Increase in net replacement capital expenditure – rental assets | (95) | |
| – Increase in expenditure | (466) | |
| – Increase in proceeds | 371 | |
| | (104) | 59 |
| Cash flows from financing activities | | |
| Net increase in other interest-bearing borrowings | 307 | 344 |
| | 307 | 344 |
| Net increase in cash and cash equivalents | 203 | 403 |
| Increase in cash and cash equivalents at beginning of period | 204 | 204 |
| Increase in cash and cash equivalents at end of period | 407 | 607 |

2.2 RESTATEMENT OF THE SEGMENTAL INFORMATION

The segmental information has been restated to reflect the profit or loss for continuing operations only by excluding the Insurance segment, for the changes in accounting policies as described in note 2.1 and for the reallocation of the UK head office out of Head-Office and Eliminations to the Vehicles Retail, Rental and After Market Parts segment.

The impact of the restatements were as follows:

| | Revenue Rm | Operating profit Rm | Depreciation, amortisation, impairments and recoupments Rm | Net finance costs Rm | Pre-tax profits Rm |
|--|---------------|---------------------------|---|----------------------------|--------------------------|
| Segment profit or loss – 31 December 2014 | | | | | |
| Vehicle Import, Distribution and Dealerships | | | | | |
| Previously stated | 14 278 | 461 | 128 | 260 | 192 |
| Restatement for vehicles for hire | | | 144 | | |
| As restated | 14 278 | 461 | 272 | 260 | 192 |
| Vehicle Retail, Rental and After Market Parts | | | | | |
| Previously stated | 18 726 | 791 | 335 | 145 | 650 |
| Reallocation of UK head-office from Head Office and Eliminations | 10 | 7 | 2 | 5 | |
| As restated | 18 736 | 798 | 337 | 150 | 650 |
| Motor-related Financial Services and Products | | | | | |
| Previously stated | 658 | 258 | 51 | (1) | 269 |
| Continued access to cell captive arrangements with Regent | | 49 | | | 49 |
| Associate classified as discontinued operations | | | | | (2) |
| As restated | 658 | 307 | 51 | (1) | 316 |

2. ACCOUNTING POLICIES CONTINUED

2.2 RESTATEMENT OF THE SEGMENTAL INFORMATION CONTINUED

| | Operating assets Rm | Operating liabilities Rm | Net working capital Rm | Net debt Rm | Net capital expenditure Rm |
|--|---------------------------|--------------------------------|------------------------------|-------------------|----------------------------------|
| Segment financial position – 31 December 2014 | | | | | |
| Vehicle Import, Distribution and Dealerships | | | | | |
| Previously stated | 14 338 | 4 130 | 5 829 | 5 484 | 273 |
| Restated for vehicles for hire | | | (983) | | 540 |
| As restated | 14 338 | 4 130 | 4 846 | 5 484 | 813 |
| Vehicle Retail, Rental and After Market Parts | | | | | |
| Previously stated | 13 416 | 4 908 | 2 851 | 3 378 | 766 |
| Restated for floorplans | | 407 | (407) | (407) | |
| Reallocation of UK head-office from Head Office and Eliminations | 285 | 11 | 9 | 319 | 26 |
| As restated | 13 701 | 5 326 | 2 453 | 3 290 | 792 |
| Segment financial position – 30 June 2015 | | | | | |
| Vehicle Retail, Rental and After Market Parts | | | | | |
| Previously stated | 13 702 | 5 263 | 2 707 | 3 089 | 844 |
| Restated for floorplans | | 607 | (607) | (607) | |
| As restated | 13 702 | 5 870 | 2 100 | 2 482 | 844 |

3. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

IFRS 16 Leases introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of longer than 12 months. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Depreciation is recognised on the right-of-use asset and interest on the lease liability. In terms of lessor accounting, IFRS 16 substantially carries forward the requirements in IAS 17 and accordingly a lessor continues to account for its leases as operating leases or finance leases. Issued in January 2016 this standard becomes effective for annual reporting periods beginning on or after 1 January 2019.

Other standards that will become applicable to the group in future reporting periods includes IFRS 9 Financial Instruments (effective 1 January 2018) and IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018). The details of these standards was outlined in the 30 June 2015 annual financial statements.

The group is in the process of assessing the impact of these standards on its consolidated financial statements.

4. NEW HEADLINE EARNINGS CIRCULAR

Circular 2/2015 Headline Earnings which was issued by the South African Institute of Chartered Accountants (SAICA) in October 2015 replaces Circular 2/2013 Headline Earnings. The revisions contained in the new circular relate primarily to IFRS 9 Financial Instruments and has had no impact on the way the Group computes headline earnings.

5. FOREIGN EXCHANGE RATES

The following major rates of exchange was used in the translation of the Group's foreign operations:

SA Rand : Euro

– closing

– average

SA Rand: US Dollar

– closing

– average

**31 December
2015**

31 December
2014

30 June
2015

16,79

14,06

13,55

15,03

14,15

13,73

15,46

11,57

12,15

13,62

10,98

11,44

| | Unaudited 31 December 2015 Rm | Unaudited 31 December 2014 Rm | Audited 30 June 2015 Rm |
|--|--|--|------------------------------------|
| 6. OTHER NON-OPERATING ITEMS | | | |
| Remeasurement of financial instruments not held-for-trading | 93 | 101 | (15) |
| Foreign exchange gains on foreign currency monetary items | 126 | 117 | 75 |
| Charge for remeasurement of put option liabilities | (32) | (21) | (49) |
| (Losses) gains on remeasurement of contingent consideration liabilities | (1) | 4 | 2 |
| Reclassification of gain (loss) on disposal of available-for-sale investment | | 1 | (43) |
| Capital items | 290 | (39) | (65) |
| Impairment of goodwill | (152) | (16) | (66) |
| (Impairment) profit on disposal of investments in associates and joint ventures | (2) | | 2 |
| Profit (loss) on disposal of subsidiaries and businesses | 447 | (11) | 15 |
| Business acquisition costs | (3) | (12) | (16) |
| | 383 | 62 | (80) |
| 7. NET FINANCE COSTS | | | |
| Net interest paid | (696) | (580) | (1 180) |
| Fair value gain (loss) on interest-rate swap instruments | 45 | (18) | (14) |
| | (651) | (598) | (1 194) |
| 8. GOODWILL AND INTANGIBLE ASSETS | | | |
| Goodwill | | | |
| Cost | 6 642 | 5 987 | 5 944 |
| Accumulated impairment | (1 078) | (875) | (926) |
| | 5 564 | 5 112 | 5 018 |
| Carrying value at beginning of period | 5 018 | 4 737 | 4 737 |
| Net (disposal) acquisition of subsidiaries and businesses | (111) | 429 | 463 |
| Impairment charge | (152) | (16) | (67) |
| Reclassified to assets held for sale | (53) | | (13) |
| Currency adjustment | 862 | (38) | (102) |
| Carrying value at end of period | 5 564 | 5 112 | 5 018 |
| Intangible assets | 2 302 | 2 285 | 2 175 |
| Goodwill and intangible assets | 7 866 | 7 397 | 7 193 |
| | | | |
| | Restated 31 December 2015 Rm | Restated 31 December 2014* Rm | Restated 30 June 2015* Rm |
| 9. CASH AND CASH EQUIVALENTS | | | |
| Cash resources | 2 740 | 2 620 | 2 271 |
| Cash resources included in assets of discontinued operations and disposal groups | 1 211 | | 845 |
| Short-term loans and overdrafts (included in interest-bearing borrowings) | (4 837) | (3 373) | (3 078) |
| | (886) | (753) | 38 |

* Restated for the application of the change in accounting policy (see note 2.1). The original 30 June 2015 amounts were audited, the 31 December 2014 amounts and the restatements have not been audited

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

10.1 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

The following table sets out instances where the carrying amount of financial liabilities, as recognised on the statement of financial position, differ from their fair values.

| | Carrying value Rm | Fair value* Rm |
|--|-------------------------|----------------------|
| 31 December 2015 | | |
| Listed corporate bonds (included in interest-bearing borrowings) | 5 342 | 5 237 |
| Listed non-redeemable, non-participating preference shares | 441 | 331 |

* Level 1 financial instrument

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

10.2 FAIR VALUE HIERARCHY

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

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

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

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

The following table presents the valuation categories used in determining the fair values of financial instruments carried at fair value. For assets and liabilities of the discontinued operations refer to page 15.

| | Total Rm | Level 2 Rm | Level 3 Rm |
|--|-------------|---------------|---------------|
| 31 December 2015 | | | |
| Financial assets carried at fair value | | | |
| Interest-rate swap instruments (<i>included in Other financial assets</i>) | 30 | 30 | |
| Foreign exchange contracts and other derivative instruments (<i>included in Trade and other receivables</i>) | 457 | 457 | |
| Financial liabilities carried at fair value | | | |
| Put option liabilities (<i>included in Other financial liabilities</i>) | 1 816 | | 1 816 |
| Contingent consideration liabilities (<i>included in Other financial liabilities</i>) | 118 | | 118 |
| Swap instruments (<i>included in Other financial liabilities</i>) | 336 | 336 | |
| Foreign exchange contracts (<i>included in Trade, other payables and provisions</i>) | 190 | 190 | |

Transfers between hierarchy levels

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

10.3 MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following table shows a reconciliation of the opening and closing balances of level 3 financial liabilities carried at fair value.

| | Put option liabilities Rm | Contingent consideration liabilities Rm | Total Rm |
|---|---------------------------------|--|--------------|
| Financial liabilities | | | |
| Carrying value at beginning of period | 1 640 | 31 | 1 671 |
| Derecognition directly in equity | (285) | | (285) |
| Arising on acquisition of subsidiaries and businesses | | 91 | 91 |
| Fair valued through profit or loss | 32 | 1 | 33 |
| Settlements | | (22) | (22) |
| Currency adjustments | 429 | 17 | 446 |
| Carrying value at end of period | 1 816 | 118 | 1 934 |

10. FAIR VALUE OF FINANCIAL INSTRUMENTS CONTINUED

10.3 MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE CONTINUED

Level 3 sensitivity information

The fair values of the level 3 financial liabilities of R1 934 million were estimated by applying an income approach valuation method including a present value discount technique. The fair value measurement is based on significant inputs that are not observable in the market. Key assumptions used in the valuations includes the assumed probability of achieving profit targets and the discount rates applied. The assumed profitabilities were based on historical performances but adjusted for expected growth.

The following table shows how the fair value of the level 3 financial liabilities as at 31 December 2015 would change if the significant assumptions were to be replaced by a reasonable possible alternative.

| Financial instruments | Valuation technique | Key assumption | Carrying value Rm | Increase in liabilities Rm | Decrease in liabilities Rm |
|--------------------------------------|---------------------|-----------------|----------------------|----------------------------------|----------------------------------|
| Put option liabilities | Income approach | Earnings growth | 1 816 | 4 | (127) |
| Contingent consideration liabilities | Income approach | Assumed profits | 118 | | (11) |

| | Unaudited 31 December 2015 Rm | Unaudited 31 December 2014 Rm | Audited 30 June 2015 Rm |
|--|--|--|----------------------------------|
|--|--|--|----------------------------------|

11. CONTINGENCIES AND COMMITMENTS

| | | | |
|------------------------|-------|-------|-------|
| Capital commitments | 1 213 | 1 656 | 2 289 |
| Contingent liabilities | 457 | 306 | 405 |

12. ACQUISITIONS AND DISPOSALS DURING THE PERIOD

ACQUISITIONS

A number of businesses were acquired during the period. These businesses are individually and collectively immaterial in terms of size and value. The total assets acquired was R312 million and total liabilities R180 million. The purchase consideration of R318 million resulted in goodwill and other intangible assets of R217 million. From the dates of acquisition the businesses contributed revenue of R661 million and operating profit of R32 million. The initial accounting for the business combinations are incomplete and based on provisional figures.

DISPOSALS

The Group disposed of its 65% interest in Neska, a subsidiary of Imperial Logistics International BV. The pre-tax profit on disposal amounted to R447 million and is included in 'Other non-operating items'.

13. EVENTS AFTER THE REPORTING PERIOD

DISPOSAL OF GOSCOR

The disposal of Goscor was completed on 5 February 2016.

DIVIDEND DECLARATION

Shareholders are advised that a preference and an ordinary dividend has been declared by the board of Imperial on 22 February 2016. For more details please refer to the dividend declaration on page 13.

| | Continuing operations | | Logistics Africa | | Logistics International | | |
|---|-----------------------|----------------------|------------------|---------------|-------------------------|------------|--|
| Segment profit or loss – Continuing operations | 2015 Rm | 2014 [^] Rm | 2015 Rm | 2014 Rm | 2015 Rm | 2014 Rm | |
| Revenue | 58 201 | 54 764 | 13 714 | 13 265 | 10 306 | 9 595 | |
| – South Africa | 33 744 | 34 599 | 7 733 | 8 073 | | | |
| – Rest of Africa | 6 843 | 5 443 | 5 981 | 5 184 | | | |
| – International | 17 614 | 14 722 | | 8 | 10 306 | 9 595 | |
| Operating profit | 2 792 | 2 692 | 802 | 802 | 397 | 386 | |
| – South Africa | 1 829 | 1 904 | 410 | 511 | | | |
| – Rest of Africa | 446 | 315 | 392 | 294 | | | |
| – International | 517 | 473 | | (3) | 397 | 386 | |
| Depreciation, amortisation, impairments and recoupments | 1 678 | 1 416 | 457 | 455 | 380 | 393 | |
| – South Africa | 1 088 | 830 | 309 | 317 | | | |
| – Rest of Africa | 163 | 147 | 148 | 138 | | | |
| – International | 427 | 439 | | | 380 | 393 | |
| Net finance costs | 651 | 598 | 233 | 202 | 89 | 92 | |
| – South Africa | 442 | 423 | 152 | 142 | | | |
| – Rest of Africa | 87 | 64 | 81 | 60 | | | |
| – International | 122 | 111 | | | 89 | 92 | |
| Pre-tax profits* | 1 937 | 2 014 | 539 | 633 | 232 | 215 | |
| – South Africa | 1 299 | 1 454 | 242 | 369 | | | |
| – Rest of Africa | 324 | 286 | 297 | 267 | | | |
| – International | 314 | 274 | | (3) | 232 | 215 | |
| Additional segment information – Continuing operations | | | | | | | |
| Analysis of revenue by type | | | | | | | |
| – Sale of goods | 35 336 | 32 531 | 5 081 | 4 309 | | | |
| – Rendering of services | 22 865 | 22 233 | 8 585 | 8 845 | 10 306 | 9 590 | |
| Inter-group revenue | 58 201 | 54 764 | 13 666 48 | 13 154 111 | 10 306 | 9 590 5 | |
| | 58 201 | 54 764 | 13 714 | 13 265 | 10 306 | 9 595 | |
| Analysis of depreciation, amortisation, impairment and recoupments | 1 678 | 1 416 | 457 | 455 | 380 | 393 | |
| – Depreciation and amortisation | 1 361 | 1 209 | 367 | 362 | 307 | 294 | |
| – Recoupments and impairments | (41) | 2 | (18) | (9) | (15) | 6 | |
| – Amortisation and impairment of intangible assets arising on business combinations | 358 | 205 | 108 | 102 | 88 | 93 | |
| Share of result of associates and joint ventures included in pre-tax profits | 58 | 12 | 16 | 21 | 13 | 8 | |

[^] Restated as described in note 2.1 and 2.2

* Defined in the glossary of terms on page 34

** The 2014 revenue split has a misallocation between 'Rendering of services' and 'Inter-group revenue' of R68 million.

The revised figures are: – Rendering of services – R1 191 million

– Inter-group revenue – R1 001 million

| | Vehicle Import, Distribution and Dealerships | | Vehicle Retail, Rental and After Market Parts | | Motor-related Financial Services and Products | | Head-Office and Eliminations | |
|--|---|-------------------------|---|-------------------------|---|-------------------------|------------------------------------|-------------------------|
| | 2015 Rm | 2014 [^] Rm | 2015 Rm | 2014 [^] Rm | 2015 Rm | 2014 [^] Rm | 2015 Rm | 2014 [^] Rm |
| | 14 590 | 14 278 | 20 790 | 18 736 | 801 | 658 | (2 000) | (1 768) |
| | 12 151 | 12 454 | 15 060 | 15 182 | 801 | 658 | (2 001) | (1 768) |
| | 793 | 192 | 68 | 67 | | | 1 | |
| | 1 646 | 1 632 | 5 662 | 3 487 | | | | |
| | 532 | 461 | 801 | 798 | 336 | 307 | (76) | (62) |
| | 468 | 422 | 685 | 720 | 336 | 307 | (70) | (56) |
| | 34 | 2 | 20 | 19 | | | (6) | (6) |
| | 30 | 37 | 96 | 59 | | | | |
| | 448 | 272 | 385 | 337 | 81 | 51 | (73) | (92) |
| | 436 | 264 | 336 | 292 | 81 | 51 | (74) | (94) |
| | 4 | 1 | 11 | 7 | | | 1 | 1 |
| | 8 | 7 | 38 | 38 | | | 1 | 1 |
| | 275 | 260 | 168 | 150 | (2) | (1) | (112) | (105) |
| | 265 | 249 | 137 | 132 | (2) | (1) | (110) | (99) |
| | 3 | 1 | 4 | 3 | | | (1) | |
| | 7 | 10 | 27 | 15 | | | (1) | (6) |
| | 142 | 192 | 616 | 650 | 372 | 316 | 36 | 8 |
| | 108 | 162 | 531 | 603 | 372 | 316 | 46 | 4 |
| | 11 | 3 | 16 | 15 | | | 1 | 1 |
| | 23 | 27 | 69 | 32 | | | (10) | 3 |
| | | | | | | | | |
| | | | | | | | | |
| | 12 354 | 12 086 | 17 902 | 16 137 | | | (1) | (1) |
| | 1 156 | 1 259** | 2 475 | 2 282 | 332 | 255 | 11 | 2 |
| | 13 510 | 13 345 | 20 377 | 18 419 | 332 | 255 | 10 | 1 |
| | 1 080 | 933** | 413 | 317 | 469 | 403 | (2 010) | (1 769) |
| | 14 590 | 14 278 | 20 790 | 18 736 | 801 | 658 | (2 000) | (1 768) |
| | 448 | 272 | 385 | 337 | 81 | 51 | (73) | (92) |
| | 335 | 272 | 336 | 324 | 81 | 51 | (65) | (94) |
| | (2) | | (7) | 3 | | | 1 | 2 |
| | 115 | | 56 | 10 | | | (9) | |
| | (13) | (3) | 24 | 14 | 38 | 9 | (20) | (37) |

| | Group | | | Logistics Africa | | | Logistics International | | |
|--|---------------|----------------------|----------------------|------------------|---------|---------|-------------------------|---------|---------|
| | 31 December | 30 June | | 31 December | 30 June | | 31 December | 30 June | |
| | 2015 Rm | 2014 [^] Rm | 2015 [^] Rm | 2015 Rm | 2014 Rm | 2015 Rm | 2015 Rm | 2014 Rm | 2015 Rm |
| Segment financial position | | | | | | | | | |
| Operating assets* | 63 437 | 60 596 | 56 944 | 17 281 | 15 550 | 15 310 | 12 996 | 11 300 | 11 250 |
| – South Africa | 35 682 | 37 555 | 34 312 | 9 474 | 9 441 | 9 034 | | | |
| – Rest of Africa | 8 673 | 7 578 | 6 557 | 7 807 | 6 108 | 6 275 | | | |
| – International | 19 082 | 15 463 | 16 075 | | 1 | 1 | 12 996 | 11 300 | 11 250 |
| Fixed assets included in operating assets | 21 949 | 20 134 | 20 180 | 5 589 | 5 178 | 5 308 | 5 634 | 4 543 | 4 682 |
| – Property, plant and equipment | 11 736 | 10 746 | 10 967 | 2 466 | 1 876 | 2 096 | 2 344 | 2 291 | 2 244 |
| – Transport fleet | 6 372 | 5 513 | 5 610 | 3 123 | 3 302 | 3 212 | 3 290 | 2 252 | 2 438 |
| – Vehicles for hire | 3 841 | 3 875 | 3 603 | | | | | | |
| Operating liabilities* | 25 951 | 24 271 | 23 774 | 6 360 | 5 678 | 5 512 | 4 952 | 4 216 | 4 304 |
| – South Africa | 14 255 | 15 270 | 14 794 | 3 503 | 3 970 | 3 682 | | | |
| – Rest of Africa | 3 348 | 2 600 | 1 896 | 2 857 | 1 705 | 1 824 | | | |
| – International | 8 348 | 6 401 | 7 084 | | 3 | 6 | 4 952 | 4 216 | 4 304 |
| Net working capital* | 11 475 | 9 495 | 9 267 | 1 729 | 1 460 | 1 183 | 358 | 539 | 416 |
| – South Africa | 9 056 | 7 387 | 7 253 | 764 | 563 | 336 | | | |
| – Rest of Africa | 1 169 | 750 | 924 | 965 | 899 | 852 | | | |
| – International | 1 250 | 1 358 | 1 090 | | (2) | (5) | 358 | 539 | 416 |
| Net debt** | 18 150 | 15 143 | 14 327 | 6 064 | 5 340 | 4 872 | 3 362 | 4 383 | 4 150 |
| – South Africa | 11 248 | 8 688 | 8 204 | 3 172 | 2 752 | 2 669 | | | |
| – Rest of Africa | 3 246 | 2 287 | 2 454 | 2 892 | 2 585 | 2 209 | | | |
| – International | 3 656 | 4 168 | 3 669 | | 3 | (6) | 3 362 | 4 383 | 4 150 |
| Net capital expenditure | 3 062 | 2 765 | 4 519 | 597 | 441 | 1 046 | 513 | 614 | 1 173 |
| – South Africa | 2 226 | 1 897 | 2 856 | 369 | 277 | 711 | | | |
| – Rest of Africa | 293 | 189 | 369 | 228 | 164 | 335 | | | |
| – International | 543 | 679 | 1 294 | | | | 513 | 614 | 1 173 |

[^] Restated as described in note 2.1 and 2.2

* Defined in the glossary of terms on page 34

~ The assets and liabilities of the Insurance business are shown as discontinued operations at 30 June and 31 December 2015

The 30 June 2015 net debt restated to include the non redeemable, non participating preference shares

| | Vehicle Import, Distribution and Dealerships | | | Vehicle Retail, Rental and After Market Parts | | | Motor-related Financial Services and Products | | | Head-Office and Eliminations | | | Insurance | | |
|--|--|-------------------------|------------|---|-------------------------|-------------------------|---|------------|------------|------------------------------------|-------------------------|------------|-------------------------|------------|-------------------------|
| | 31 December | | 30 June | 31 December | | 30 June | 31 December | | 30 June | 31 December | | 30 June | 31 December | | 30 June |
| | 2015 Rm | 2014 [^] Rm | 2015 Rm | 2015 Rm | 2014 [^] Rm | 2015 [^] Rm | 2015 Rm | 2014 Rm | 2015 Rm | 2015 Rm | 2014 [^] Rm | 2015 Rm | 2015 [~] Rm | 2014 Rm | 2015 [~] Rm |
| | 15 861 | 14 338 | 15 350 | 15 425 | 13 701 | 13 702 | 3 435 | 2 414 | 2 647 | (1 561) | (1 183) | (1 315) | | 4 476 | |
| | 13 562 | 12 839 | 13 885 | 10 916 | 10 943 | 10 113 | 3 435 | 2 414 | 2 647 | (1 705) | (1 345) | (1 367) | | 3 263 | |
| | 741 | 169 | 201 | 125 | 88 | 81 | | | | | | | | 1 213 | |
| | 1 558 | 1 330 | 1 264 | 4 384 | 2 670 | 3 508 | | | | 144 | 162 | 52 | | | |
| | 5 141 | 5 013 | 5 103 | 5 325 | 5 220 | 4 982 | 1 372 | 1 044 | 997 | (1 112) | (1 014) | (892) | | 150 | |
| | 3 553 | 3 229 | 3 346 | 3 387 | 3 203 | 3 313 | 8 | 25 | 9 | (22) | (28) | (41) | | 150 | |
| | | | | | | | | | | (41) | (41) | (40) | | | |
| | 1 588 | 1 784 | 1 757 | 1 938 | 2 017 | 1 669 | 1 364 | 1 019 | 988 | (1 049) | (945) | (811) | | | |
| | 5 581 | 4 130 | 5 594 | 6 489 | 5 326 | 5 870 | 3 902 | 3 442 | 3 468 | (1 333) | (1 124) | (974) | | 2 603 | |
| | 4 907 | 3 918 | 5 358 | 3 422 | 3 496 | 3 338 | 3 902 | 3 442 | 3 468 | (1 479) | (1 325) | (1 052) | | 1 769 | |
| | 473 | 45 | 62 | 18 | 16 | 10 | | | | | | | | 834 | |
| | 201 | 167 | 174 | 3 049 | 1 814 | 2 522 | | | | 146 | 201 | 78 | | | |
| | 5 130 | 4 846 | 4 294 | 2 742 | 2 453 | 2 100 | 526 | 287 | 565 | 990 | 855 | 709 | | (945) | |
| | 4 415 | 4 328 | 3 834 | 2 371 | 2 187 | 1 924 | 526 | 287 | 565 | 980 | 757 | 594 | | (735) | |
| | 195 | 53 | 62 | 10 | 7 | 11 | | | | (1) | 1 | (1) | | (210) | |
| | 520 | 465 | 398 | 361 | 259 | 165 | | | | 11 | 97 | 116 | | | |
| | 5 967 | 5 484 | 4 661 | 3 223 | 3 290 | 2 482 | (1 529) | (1 839) | (1 738) | 1 063 | (416) | (100) | | (1 099) | |
| | 5 329 | 4 930 | 4 185 | 2 772 | 2 899 | 2 199 | (1 529) | (1 839) | (1 738) | 1 504 | 525 | 889 | | (579) | |
| | 278 | 181 | 194 | 76 | 41 | 51 | | | | (441) | (941) | (989) | | (520) | |
| | 360 | 373 | 282 | 375 | 350 | 232 | | | | | | | | | |
| | 1 141 | 813 | 1 199 | 573 | 792 | 844 | 453 | 636 | 649 | (273) | (587) | (500) | 58 | 56 | 108 |
| | 1 111 | 810 | 1 182 | 510 | 707 | 710 | 453 | 636 | 649 | (273) | (588) | (501) | 56 | 55 | 105 |
| | 17 | 1 | 8 | 46 | 22 | 23 | | | | | 1 | | 2 | 1 | 3 |
| | 13 | 2 | 9 | 17 | 63 | 111 | | | | | | 1 | | | |

| | |
|--|--|
| Net asset value per share | equity attributable to owners of Imperial divided by total ordinary shares in issue net of share repurchased (the deferred ordinary shares only participate to the extent of their par value of 0,04 cents). |
| Net debt | is the aggregate of interest-bearing borrowings, non-redeemable, non-participating preference shares less cash resources. |
| Net working capital | consists of inventories, trade and other receivables, trade, other payables and provisions. |
| Operating assets | total assets less loans receivable, tax assets, assets held for sale and cash resources in respect of non-financial services segments. |
| Operating liabilities | total liabilities less non-redeemable, non participating preference shares, interest-bearing borrowings, tax liabilities, put option liabilities and liabilities held for sale. |
| Operating margin (%) | operating profit divided by revenue. |
| Pre-tax profits | calculated as profit before tax, impairment of goodwill and profit or loss on sale of investment in subsidiaries, associates and joint ventures and other businesses. |
| Return on invested capital (%) | return divided by invested capital. Return is calculated using profit after tax and share of non-controlling interests, increased by the after-tax effects of net finance costs and exceptional items. Invested capital is a 12-month average of shareholders equity plus preference shares plus debt (long term and short term interest-bearing borrowings less long term loans receivable) less non-financial services cash resources. |
| Weighted average cost of capital (WACC) (%) | calculated by multiplying the cost of each capital component by its proportional weight, therefore: $WACC = (\text{after tax cost of debt \% multiplied by average debt weighting}) + (\text{cost of equity multiplied by average equity weighting})$. |

Directors

SP Kana# (Chairman), A Tugendhaft##, (Deputy Chairman), MJ Lamberti (Chief Executive), OS Arbee, MP de Canha, P Cooper#, GW Dempster#, T Dingaen#, RM Kgosana#, P Langeni#, PB Michaux, MV Moosa##, RJA Sparks#, M Swanepoel, Y Waja#

Independent non-executive ## Non-executive

Company Secretary

RA Venter

Investor Relations Manager

E Mansingh

Business address and registered office

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

Share transfer secretaries

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

Sponsor

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

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

IMPERIAL HOLDINGS LIMITED

Registration number: 1946/021048/06

Ordinary share code: IPL ISIN: ZAE000067211

Preference share code: IPLP ISIN: ZAE000088076

IMPERIAL PLACE
JEPPE QUONDAM
79 BOEING ROAD EAST
BEDFORDVIEW
2007

PO BOX 3013
EDENVALE
1610
SOUTH AFRICA

WWW.IMPERIAL.CO.ZA