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Imperial books 40% profit increase Imperial Holdings says its profit climbs while headline earnings per share has risen to 976c from 698c and its spent approximately R750 million on new acquisitions through the year Des Latham Published: 2010/08/25 09:42:51 AM

South Africa's Imperial Holdings says it has registered a 40% increase in profit, boosted by cost cutting.

Headline Earnings per share rose to 976 cents in the year to end-June from 698 cents in the previous year.

Revenue inched up 2% to 53,4 billion rand (\$7,22 billion) with its auto retailing unit contributing 59% of sales, the company said.

Operating profit 34% higher at R3,3 billion and the company says a strong balance sheet has reduced gross debt reducing from R10,2 billion to R8,3.

It's also declared a final dividend of 200 cents which brings the full year dividend to 350 cents - an increase of (75%.

Imperial says all of the divisions in Imperial delivered outstanding results notwithstanding what it says have been tough economic conditions which still prevail.

During the year management concentrated on operational efficiencies and marketing.

Revenue from continuing operations was 2% higher at R53,4 billion.

Fifty nine percent of revenue was generated by automotive retail and distributorships, while divisions which derive the bulk of their revenue from the retailing of passenger and commercial vehicles and 31% was generated by the Southern African and European logistics operations.

Car Rental and Tourism and Insurance generated the remaining 10% of revenue. This revenue split indicates an increase of 3% in the contributions of the combined motor retailing businesses.

Imperial says operating profit was 34% higher, " a substantial increase in a market which has not yet recovered from the recession," says an online statement.

It's tax rate was 31% compared to the statutory tax rate of 28% the previous year.

That was attributable to the tax payable on the sale of their 49,9% shareholding in Imperial Bank and STC on dividends paid and on share buy-backs to hedge share appreciation rights obligations.

The group spent approximately R750 million on acquisitions during the year.

"The most significant of which were 75% of Midas, 25% in MiX Telematics , 65% of the Goscor group and 55% in Provaart. Midas markets and distributes quality automotive, DIY and leisure products through owned and franchised outlets under the brands Midas, Motolek, ADCO, CBS and Auto Care & Diagnostics. "

MiX Telematics is listed on the JSE and is focused on all levels of vehicle tracking through the Matrix brand, and commercial vehicle performance and driver monitoring with a complete range of fleet management products and services.

It supplies services to 200 000 subscribers, with operations in South Africa, the United Kingdom, the USA , UAE , and Australia and a global distribution network covering over 100 countries.

Imperial continues expansion of logistics division Imperial bids \$95m for CIC Holdings  
Imperial acquires majority stake in Goscor