

AUDITED ABRIDGED YEAR-END RESULTS

FOR THE YEAR ENDED 30 JUNE 2011



Eqstra Holdings Limited
1998/011672/06
Share code: EQS ISIN: ZAE000117123
("Eqstra" or "the Group")

Salient Features

- Revenue increased 9.3% to R7 586 million
- Operating profit increased 25.8% to R903 million
- Profit before taxation increased 385.0% to R388 million
- Headline earnings per share improved to 77.9 cents from a headline loss per share of 21.7 cents
- Cash generated by operations up 11.3% to R3 209 million
- Maiden dividend of 25 cents per share declared

INTRODUCTION

The board of directors is pleased to report that the Eqstra group ("the group") delivered improved results during another challenging year, testifying to the resilience of the group's underlying business model. **Contract Mining and Plant Rental** performance remained below expectations. **Construction and Mining Equipment Distributorships (CMED)** turnaround was due to the benefits of past restructuring and increased equipment demand from the mining sector. **Passenger and Commercial Vehicles** delivered a solid performance underpinned by annuity contracts and growth in non-capital based value added services. **Industrial Equipment** delivered a commendable performance as firm demand for its established products in southern Africa, the United Kingdom (UK) and Ireland continued.

OVERVIEW OF RESULTS

- **Revenue** increased by 9.3% to R7 586 million (2010: R6 939 million) primarily as a result of increased revenue in CMED and Industrial Equipment.
- **Operating profit** increased by 25.8% to R903 million (2010: R718 million) mainly on the back of a turnaround in CMED.
- **Net finance costs** decreased by 29.3% to R448 million (2010: R634 million) as average debt levels decreased during the year due to efficient working capital management, effects of the rights issue in June 2010 and a lower prime interest rate.
- **The taxation charge** of 22.9% is below the statutory rate due to the utilisation of R27 million of previously impaired deferred tax assets.
- **Basic earnings per share and headline earnings per share** are 71.5 cents and 77.9 cents respectively, against the comparable basic loss per share of 19.6 cents and headline loss per share of 21.7 cents.
- **Leasing assets** increased by 13.1% to R7 625 million (2010: R6 740 million) primarily as a result of the ramp-up of the Benga project in Mozambique.
- **Working capital** decreased by R822 million, further contributing to the increase in cash generated by operations.

LONG-TERM DEBT FUNDING

The group successfully concluded its long-term debt funding package in February 2011, whereby the quantum and duration of long-term debt was increased. In August 2011 the group renewed its UK debt facilities for a further three years.

The group comfortably exceeded all bank debt covenants.

- **Interest cover** (EBITDA) increased to 5.3 times (2010: 4.6 times); and
- **Capital adequacy** improved to 25.3% (2010: 24.6%).

The board believes that sufficient facilities are in place to meet the group's liquidity requirements.

DIVISIONAL REVIEW

Contract Mining and Plant Rental

	Unaudited		Audited	Unaudited		Audited
	H1'11 2011 Rm	H2'11 2011 Rm	30 June 2011 Rm	H1'10 2010 Rm	H2'10 2010 Rm	30 June 2010 Rm
Revenue	1 628	1 561	3 189	1 588	1 535	3 123
Operating profit	170	153	323	194	163	357
Operating margin	10.4%	9.8%	10.1%	12.2%	10.6%	11.4%
Net finance costs	(101)	(116)	(217)	(130)	(120)	(250)
Profit (loss) before taxation	69	(13)	56	64	43	107
Leasing assets	3 033	3 839	3 839	3 173	3 061	3 061

Operating profit declined due to higher preventative maintenance costs, lower asset utilisation and new contract start-up costs. The unprecedented illegal industrial action during the latter part of the financial year resulted in reduced margins as lost revenue opportunities and standing costs relating to equipment and people affected results. A R50 million net impairment charge to leasing assets following damages during illegal industrial action at Pilanesberg Platinum mine has been made, which could be reduced by salvage and insurance claims. The plant rental business unit experienced weak demand from the construction industry and reduced infrastructure spend.

Construction and Mining Equipment Distributorships

	Unaudited		Audited	Unaudited		Audited
	H1'11 2011 Rm	H2'11 2011 Rm	30 June 2011 Rm	H1'10 2010 Rm	H2'10 2010 Rm	30 June 2010 Rm
Revenue	691	646	1 337	530	550	1 080
Operating profit (loss)	24	79	103	(89)	(27)	(116)
Operating margin	3.5%	12.2%	7.7%	(16.8%)	(4.9%)	(10.7%)
Net finance costs	(35)	(15)	(50)	(76)	(63)	(139)
(Loss) profit before taxation	(14)	54	40	(175)	(97)	(272)
Inventories	575	576	576	1 088	771	771

Profit before taxation of R40 million compares to a loss of R272 million in the prior year. The division benefited from a rationalised overhead cost base, reduced debt, an impairment reversal and increased equipment demand from the mining industry. The construction sector however remained depressed. Inventories reduced by a further 25.3% during the year with a continued focus on working capital management.

The Bucyrus distribution agreement remains in place until December 2013, with profitable maintenance contracts extending to 2015.

Passenger and Commercial Vehicles

	Unaudited		Audited	Unaudited		Audited
	H1'11 2011 Rm	H2'11 2011 Rm	30 June 2011 Rm	H1'10 2010 Rm	H2'10 2010 Rm	30 June 2010 Rm
Revenue	967	944	1 911	911	911	1 822
Operating profit	154	162	316	160	166	326
Operating margin	15.9%	17.2%	16.5%	17.6%	18.2%	17.9%
Net finance costs	(69)	(61)	(130)	(81)	(85)	(166)
Profit before taxation	85	101	186	79	81	160
Leasing assets	2 524	2 576	2 576	2 691	2 567	2 567

The division delivered a solid performance on the back of its annuity contracts with revenue increasing 4.9% as a result of the growth in value added products. Operating profit decreased by 3.1% on the back of a lower prime interest rate and lower margins attributable to non-capital intensive services. The decrease was countered by a positive contribution from the remarketing of vehicles.

Industrial Equipment

	Unaudited		Audited	Unaudited		Audited
	H1'11 2011 Rm	H2'11 2011 Rm	30 June 2011 Rm	H1'10 2010 Rm	H2'10 2010 Rm	30 June 2010 Rm
Revenue	728	774	1 502	655	690	1 345
Operating profit	96	94	190	80	105	185
Operating margin	13.2%	12.1%	12.6%	12.2%	15.2%	13.8%
Net finance costs	(41)	(39)	(80)	(52)	(46)	(98)
Profit before taxation	48	60	108	29	56	85
Leasing assets	1 101	1 201	1 201	1 134	1 096	1 096

Revenue increased by 11.7% and profit before taxation increased by a robust 27.1% as the division benefited from improved demand for its products in most sectors of the economy. Reduced financing costs due to the improvement of working capital management.

The CAT Lift Trucks distributorship in the UK and Ireland has exceeded our short-term expectations.

DIVIDEND

In line with the dividend policy as stated in the pre-listing statement and given the profitability of the group, the annual dividend payout ratio will be conservatively managed between 30% to 35% of attributable headline earnings.

The recovery in earnings gives the board confidence to declare a maiden dividend of 25 cents per share. The board considered the solvency and liquidity of the company and is satisfied that the company will be solvent and liquid immediately after completing the distribution.

OUTLOOK

The group is well positioned to improve profitability notwithstanding the current global economic uncertainty. We remain cautious about the economic developments in our major markets in view of continued market volatility. Sectors have been identified for opportunities to expand our footprint through organic growth and complementary acquisitions.

By order of the board

DC Cronjé
Chairman

WS Hill
Chief executive officer

22 August 2011

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

as at	30 June 2011 Rm		30 June 2010 Rm	
ASSETS				
Non-current assets		8 316		7 261
Intangible assets		22		9
Property, plant and equipment		429		367
Leasing assets		7 625		6 740
Deferred tax assets		56		54
Finance lease receivables ⁽²⁾		51		2
Other investments, loans and derivatives ⁽³⁾		133		89
Current assets		2 325		2 401
Inventories		986		1 130
Trade and other receivables and derivatives		1 084		949
Finance lease receivables ⁽²⁾		39		4
Taxation in advance		25		51
Cash and cash equivalents		191		267
Total assets		10 641		9 662
EQUITY AND LIABILITIES				
Share capital and premium		2 060		2 060
Other reserves		31		22
Retained income		578		278
Equity attributable to owners of the parent		2 669		2 360
Non-controlling interest		19		20
Total equity		2 688		2 380
Non-current liabilities		5 206		5 403
Interest-bearing borrowings		4 570		4 796
Deferred tax liabilities		636		607
Current liabilities		2 747		1 879
Trade and other payables and provisions and derivatives		1 726		1 142
Current tax liabilities		20		17
Current portion of interest-bearing borrowings ⁽⁴⁾		1 001		720
Total liabilities		7 953		7 282
Total equity and liabilities		10 641		9 662

CONDENSED GROUP INCOME STATEMENT

for the years ended	30 June 2011 Rm		30 June 2010 Rm	
Revenue		7 586		6 939
Profit from operations before depreciation, amortisation and recoupments		2 417		2 257
Depreciation, amortisation and recoupments		(1 514)		(1 539)
Operating profit		903		718
Foreign exchange losses		(17)		(20)
Reversal of impairment of share scheme loan				16
Net impairment of leasing assets		(50)		
Profit before net finance costs		836		714
Net finance costs		(448)		(634)
Finance costs including fair value gains (losses) ⁽⁹⁾		(474)		(653)
Finance income		26		19
Profit before taxation		388		80
Income tax expense		(89)		(135)
Profit (loss) for the year		299		(55)
Attributable to:				
Owners of the parent		300		(56)
Non-controlling interest		(1)		1
Profit (loss) for the year		299		(55)
Earnings (loss) per share ⁽⁹⁾		Cents		Cents
Ordinary shares (cents)		71.5		(19.6)
– Basic		71.5		(19.6)
– Diluted		68.8		(19.6)

CONDENSED GROUP STATEMENT OF CASH FLOWS

for the years ended	30 June 2011 Rm		30 June 2010 Rm	
Cash flows from operating activities				
Cash generated by operations before working capital movements		2 387		2 203
Working capital movements		822		681
Cash generated by operations		3 209		2 884
Finance income		26		19
Interest expense		(481)		(648)
Income tax paid		(40)		(51)
Net cash flows from operating activities		2 714		2 204
Cash flows from investing activities				
Acquisition of business		(3)		
Gross capital expenditure		(3 076)		(1 657)
Proceeds on disposal of assets		292		140
Increase in finance lease receivables		(84)		
(Increase) decrease in other investments and loans		(4)		73
Net cash flows from investing activities		(2 875)		(1 444)
Cash flows from financing activities				
Increase of share capital				650
Share issue expenses				(17)
Increase of share call option				(1)
Increase (decrease) in interest-bearing borrowings		89		(1 175)
Net cash flows from financing activities		89		(543)
Net (decrease) increase in cash and cash equivalents		(72)		217
Foreign exchange effects on cash and cash equivalents held in foreign currencies		(4)		(1)
Cash and cash equivalents at beginning of year		267		51
Cash and cash equivalents at end of year		191		267

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the years ended	Share capital and premium Rm	Other reserves Rm	Retained income Rm	Non-controlling interest Rm	Total Rm
Balance at 30 June 2009	1 475	(2)	334	19	1 826
Total comprehensive income (loss) for the year		9	(56)	1	(46)
– Loss for the year			(56)	1	(55)
– Other comprehensive income		9			9
Proceeds from share issue	650				650
Share issue expense	(17)				(17)
Transfer to treasury shares	(48)				(48)
Revaluation of Lereko call option		5			5
Increase in share call option		(1)			(1)
Share-based payment expense		11			11
Balance at 30 June 2010	2 060	22	278	20	2 380
Total comprehensive (loss) income for the year		(22)	300	(1)	277
– Profit for the year			300	(1)	299
– Other comprehensive loss		(22)			(22)
Revaluation of Lereko call option		17			17
Deferred tax effect on share call option		(7)			(7)
Share-based payment expense		21			21
Balance at 30 June 2011	2 060	31	578	19	2 688

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the years ended	30 June 2011 Rm	30 June 2010 Rm
Profit (loss) for the year	299	(55)
Other comprehensive income		
Net losses arising on translation of foreign subsidiaries	(15)	(2)
Fair value (loss) gain	(7)	11
Other comprehensive (loss) income for the year	(22)	9
Total comprehensive income (loss) for the year	277	(46)
Attributable to:		
Owners of the parent	278	(47)
Non-controlling interest	(1)	1
	277	(46)

NOTES
(1) Basis of preparation and accounting policies

The audited abridged consolidated financial statements have been prepared using accounting policies compliant with International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board or its successor and contains information required by IAS 34: Interim Financial Reporting, the JSE Limited Listings Requirements and the South African Companies Act. The accounting policies and their application are consistent, in all material respects with those detailed in Egstra's 2010 annual report, except for the adoption on 1 July 2010 of those new, revised and amended standards and interpretations in Egstra's 2011 annual report. The adoption of the new and amended statements of generally accepted accounting practice, interpretations of statements of generally accepted accounting practice, and improvements project amendments has not had an effect on the group's financial results.

(2) Finance lease receivables

In the prior year, finance lease receivables were disclosed as part of trade and other receivables.

(3) Other investments, loans and derivatives

as at	30 June 2011 Rm	30 June 2010 Rm
– Listed, at market value	61	47
– Unlisted, at fair value or directors' valuation	44	26
– Loans receivable	10	16
– Derivative financial asset	18	
	133	89

(4) Current portion of interest-bearing borrowings

The current portion of interest-bearing borrowings includes R652 million (2010: R569 million) commercial paper that is supported by a R1 000 million standby liquidity facility that has a 13-month rolling notice period.

	30 June 2011 Rm	30 June 2010 Rm
(5) Capital commitments	3 058	2 506
– Contracted	1 042	1 346
– Authorised by directors but not contracted	2 016	1 160
Contingent liabilities	5	27

This expenditure is substantially for the acquisition and replacement of leasing assets. Expenditure will be financed from proceeds on disposals and existing banking facilities.

(6) Funding for the Benga project in Mozambique

US Dollar funding outside of the Common Monetary Area was put in place for the contracted capital commitments relating to the Benga project in Mozambique.

(7) Net asset value per share attributable to owners of the parent
(8) Earnings (loss) per share

	30 June 2011 Cents	30 June 2010 Cents
(7) Net asset value per share attributable to owners of the parent	624.0	571.2
(8) Earnings (loss) per share		
Ordinary shares		
– Basic	71.5	(19.6)
– Diluted	68.8	(19.6)*
Headline earnings (loss) per share		
– Basic	77.9	(21.7)
– Diluted	74.9	(21.7)*
Reconciliation		
Basic earnings (loss) per share	71.5	(19.6)
Profit on sale of property, plant and equipment	(0.5)	(0.3)
Profit on sale of leasing assets	(2.6)	(2.7)
Net impairment of leasing assets	11.9	
Taxation effect	(2.4)	0.9
Headline earnings (loss) per share	77.9	(21.7)

Limited to loss per share per IAS 33.

Weighted average number of shares in issue for the period

	million	million
Number of ordinary shares		
– in issue	427.7	413.2
– weighted average	413.2	258.4
– effects of June 2010 rights issue		28.6
– transfer to treasury shares	(8.3)	(1.1)
– conversion of "B" deferred ordinary shares	14.5	
Weighted average number of shares	419.4	285.9
– dilutionary shares	16.8	26.7
Diluted weighted average number of shares	436.2	312.6

(9) Finance costs including fair value (gains) losses

	Rm	Rm
Interest expense	481	648
Fair value (gains) losses on borrowings and interest swaps (unrealised)	(7)	5
	474	653

(10) The auditors, Deloitte and Touche, have audited the financial statements in accordance with section 29(1)(e) of the Companies Act (Act 71 of 2008) and have issued their unmodified opinion on the group's annual financial statements for the year ended 30 June 2011. The audit was conducted in accordance with International Standards on Auditing. These abridged financial statements have been derived from the group financial statements and are consistent in all material respects with the group financial statements.

A copy of their audit report is available for inspection at the company's registered office.

SEGMENTAL INFORMATION – STATEMENTS OF FINANCIAL POSITION

as at

	Group		Contact Mining and Plant Rental		Construction and Mining Equipment Distributorships		Passenger and Commercial Vehicles		Industrial Equipment		Corporate office and eliminations	
	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm
BUSINESS SEGMENTATION												
ASSETS												
Intangible assets	22	9			2	4	19	5			1	
Property, plant and equipment	429	367	203	150	75	74	52	44	68	72	31	27
Leasing assets	7 625	6 740	3 839	3 061	73	60	2 576	2 567	1 201	1 096	(64)	(44)
Finance lease receivables	90	6			90	6						
Other investments, loans and derivatives	133	89	72	64			3	3			58	22
Inventories	986	1 130	60	62	576	771	44	28	306	269		
Trade and other receivables and derivatives	1 084	949	505	461	243	210	139	127	226	168	(29)	(17)
Operating assets and derivatives	10 369	9 290	4 679	3 798	1 059	1 125	2 833	2 774	1 801	1 605	(3)	(12)
Deferred tax assets	56	54										
Taxation in advance	25	51										
Cash and cash equivalents	191	267										
Total assets per statement of financial position	10 641	9 662										
LIABILITIES												
Trade and other payables and provisions and derivatives	1 726	1 142	761	335	283	191	285	335	322	180	75	101
Interest-bearing borrowings	5 571	5 516	2 656	2 340	636	842	1 379	1 507	1 054	1 034	(154)	(207)
Operating liabilities	7 297	6 658	3 417	2 675	919	1 033	1 664	1 842	1 376	1 214	(79)	(106)
Deferred tax liabilities	636	607										
Current tax liabilities	20	17										
Total liabilities per statement of financial position	7 953	7 282										
GEOGRAPHIC SEGMENTATION												
Operating assets and derivatives	10 369	9 290	4 679	3 798	1 059	1 125	2 833	2 774	1 801	1 605	(3)	(12)
– South Africa	8 958	8 624	3 947	3 733	985	1 078	2 606	2 575	1 423	1 250	(3)	(12)
– Rest of World	1 411	666	732	65	74	47	227	199	378	355		
Trade and other payables and provisions and derivatives	1 726	1 142	761	335	283	191	285	335	322	180	75	101
– South Africa	1 267	997	486	318	219	174	229	275	258	129	75	101
– Rest of World	459	145	275	17	64	17	56	60	64	51		
Interest-bearing borrowings	5 571	5 516	2 656	2 340	636	842	1 379	1 507	1 054	1 034	(154)	(207)
– South Africa	5 001	5 136	2 369	2 340	632	807	1 359	1 422	795	774	(154)	(207)
– Rest of World	570	380	287	4	4	35	20	85	259	260		
Gross capital expenditure	3 076	1 657	1 698	695	6	28	932	731	432	212	8	(9)
– South Africa	2 210	1 520	1 040	688	6	28	837	659	319	154	8	(9)
– Rest of World	866	137	658	7			95	72	113	58		
Less: Proceeds on disposal	(292)	(140)	(159)	(85)	(8)	(1)	(94)	(52)	(30)	(2)	(1)	
Net capital expenditure	2 784	1 517	1 539	610	(2)	27	838	679	402	210	7	(9)

SEGMENTAL INFORMATION – INCOME STATEMENTS

for the years ended

	Group		Contact Mining and Plant Rental		Construction and Mining Equipment Distributorships		Passenger and Commercial Vehicles		Industrial Equipment		Corporate office and eliminations	
	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm	30 June 2011 Rm	30 June 2010 Rm
BUSINESS SEGMENTATION												
Revenue												
– Sales of goods	1 990	1 492			962	647	358	338	670	507		
– Rendering of services	5 596	5 443	2 976	2 921	260	219	1 531	1 469	826	830	3	4
– Other		4										4
Inter-segment revenue	7 586	6 939	2 976	2 921	1 222	866	1 889	1 807	1 496	1 337	3	8
	7 586	6 939	3 189	3 123	1 337	1 080	1 911	1 822	1 502	1 345	(353)	(431)
Operating expenses	(5 169)	(4 682)	(2 236)	(2 137)	(1 221)	(1 180)	(1 004)	(889)	(1 024)	(868)	316	392
Depreciation and amortisation	(1 527)	(1 548)	(633)	(631)	(16)	(17)	(597)	(613)	(289)	(292)	8	5
Recoupments	13	9	3	2	3	1	6	6	1			
Operating profit (loss)	903	718	323	357	103	(116)	316	326	190	185	(29)	(34)
Foreign exchange losses	(28)	(37)			(19)	(34)			(7)	(2)	(2)	(1)
Fair value gains on foreign exchange derivatives	11	17			6	17			5			
Reversal of impairment of share scheme loan		16										16
Net impairment of leasing assets	(50)		(50)									
Profit (loss) before net finance costs	836	714	273	357	90	(133)	316	326	188	183	(31)	(19)
Net finance costs (income)	(448)	(634)	(217)	(250)	(50)	(139)	(130)	(166)	(80)	(98)	29	19
Finance costs including fair value (losses) gains	(474)	(653)	(223)	(254)	(51)	(141)	(143)	(178)	(84)	(104)	27	24
Finance income	26	19	6	4	1	2	13	12	4	6	2	(5)
Profit (loss) before taxation	388	80	56	107	40	(272)	186	160	108	85	(2)	
Income tax expense	(89)	(135)	10	(31)	(4)	(38)	(56)	(50)	(41)	(18)	2	2
Profit (loss) for the year	299	(55)	66	76	36	(310)	130	110	67	67		2
GEOGRAPHIC SEGMENTATION												
Revenue	7 586	6 939	3 189	3 123	1 337	1 080	1 911	1 822	1 502	1 345	(353)	(431)
– South Africa	6 846	6 227	2 981	2 988	1 245	976	1 761	1 669	1 212	1 025	(353)	(431)
– Rest of World	740	712	208	135	92	104	150	153	290	320		
Operating profit (loss)	903	718	323	357	103	(116)	316	326	190	185	(29)	(34)
– South Africa	808	622	288	321	85	(123)	293	292	171	166	(29)	(34)
– Rest of World	95	96	35	36	18	7	23	34	19	19		
Net finance costs (income)	448	634	217	250	50	139	130	166	80	98	(29)	(19)
– South Africa	428	601	213	246	50	138	124	154	70	82	(29)	(19)
– Rest of World	20	33	4	4		1	6	12	10	16		

Contract Mining and Plant Rental



Construction and Mining Equipment Distributorships



Passenger and Commercial Vehicles



Industrial Equipment

