



Passenger and Commercial Vehicles

Investor Day
29 November 2011



EQSTRA
HOLDINGS LIMITED
PASSENGER AND COMMERCIAL VEHICLE DIVISION



EQSTRA
FLEET MANAGEMENT

- Eqstra Fleet Management
- HyperCar
- Eqstra Risk Solutions
- My Auto
- GPS Tracking Solutions
- Eqstra Connect
- Quick Cab



EQSTRA
FLEXI LOGISTICS

- Clover Partnership
- Flexi Logistics
- Flexi Manufacturing
- Flexi Workshops
- Flexi Panel Shops
- Eqstra Express
- Flexi Rent

SHARED SERVICES

- Finance
- Credit and Risk
- IT
- Office Services

What we do



- The division's core business is annuity leasing, maintenance and operational services of all on road vehicle classes to corporate customers in South Africa and the rest of Africa
- Value is created for clients by providing vehicles and support services which are vital for the efficient functioning of their core operations



Operational overview



✓ Fleet size:

Leased products – 15 963

Value added products - 44 865

✓ Total staff compliment: +- 750 employees

✓ BBBEE – Level 3

✓ ISO 9001 Compliant



Fleet management products summary

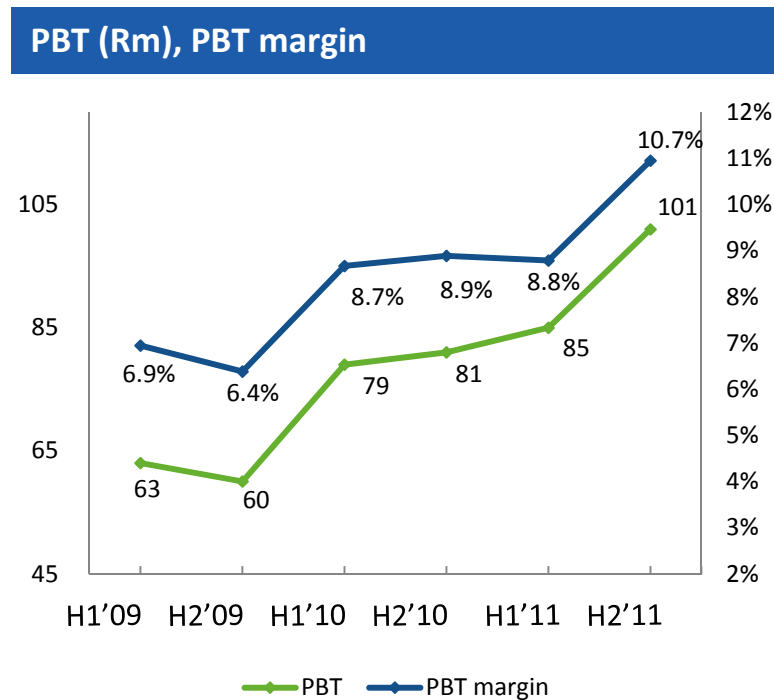
- Full Maintenance Lease
- Operating Rentals
- Maintenance Plans
- Managed Maintenance
- Insurance
- Accident Management
- Roadside Assistance
- GPS Tracking Solutions
- Fuel Management
- Driver Management
- Licence and Fines Management
- On line Reporting
- Disposal

Revenue	Total	Rent/lease	Value-add	Sell
2009	1 819	739	778	302
2010	1 807	729	740	338
2011	1 889	749	782	358



Recap of last three financial years

Rm	2009	2010	2011
Leasing assets	2 760	2 567	2 576
Inventories	31	28	44
Other assets	182	179	213
Operating assets	2 973	2 774	2 833
Revenue	1 847	1 822	1 911
Operating profit	361	326	316
Net finance costs	233	166	130
Profit before taxation	123	160	186
Operating margin	19.5%	17.9%	16.5%
Interest cover (EBITDA)	4.1x	5.7x	7.0x



Recap of last three financial years

- Successfully steered through the economic crisis- with no material exposure to bad debts
- Delivered consistent returns
- Maintenance of a healthy balance sheet
- Exited public sector contracts without a material negative impact (FY2009)
- Remarketing business delivered a solid financial performance
- Diversification of service offering including logistics
- Major clients gained on annuity value added products include SARS, SAB/ABI, Neotel and Schindler
- Acquisition of a tracking company and dry bulk logistics business further enhancing our competitive positioning

Recap of last three financial years: financial key points

- Revenue - directly impacted by move in interest rates
 - impact of non-capital related revenue
 - measured growth of leasing over last three years due to economic climate
- Depreciation- maintain conservative residual value policy
- Cost of funds- lower interest due to effects of Eqstra upgrade
- Operating margin- impacted by start up costs of logistics and slower than anticipated ramp up of coal transportation and costs related to new system implementation
- Capitalisation and gearing- business is adequately capitalised for growth opportunities, with head room to increase gearing level
- Working capital – our focus is to remain working capital neutral

Our competitive positioning

- ✓ Eqstra's ability to extract value from the entire value chain by a total solutions offering
- ✓ Managed products gaining recognition and improves financial ratios as there is little balance sheet risk
- ✓ The move into the logistics arena on a small scale will further leverage our service offering
- ✓ Ability to service all vehicle classes
- ✓ The acquisition of the GPS Tracking business has proven to be beneficial to our service offering



How the fleet management division has evolved over the past 5 years

- Moved from a “product/commodity” to a “total solution” business
- Work on ROI solutions
- Drive down cost of ownership over time
- Avoid plain vanilla leasing
- Adding real value to all stakeholders



Logistics



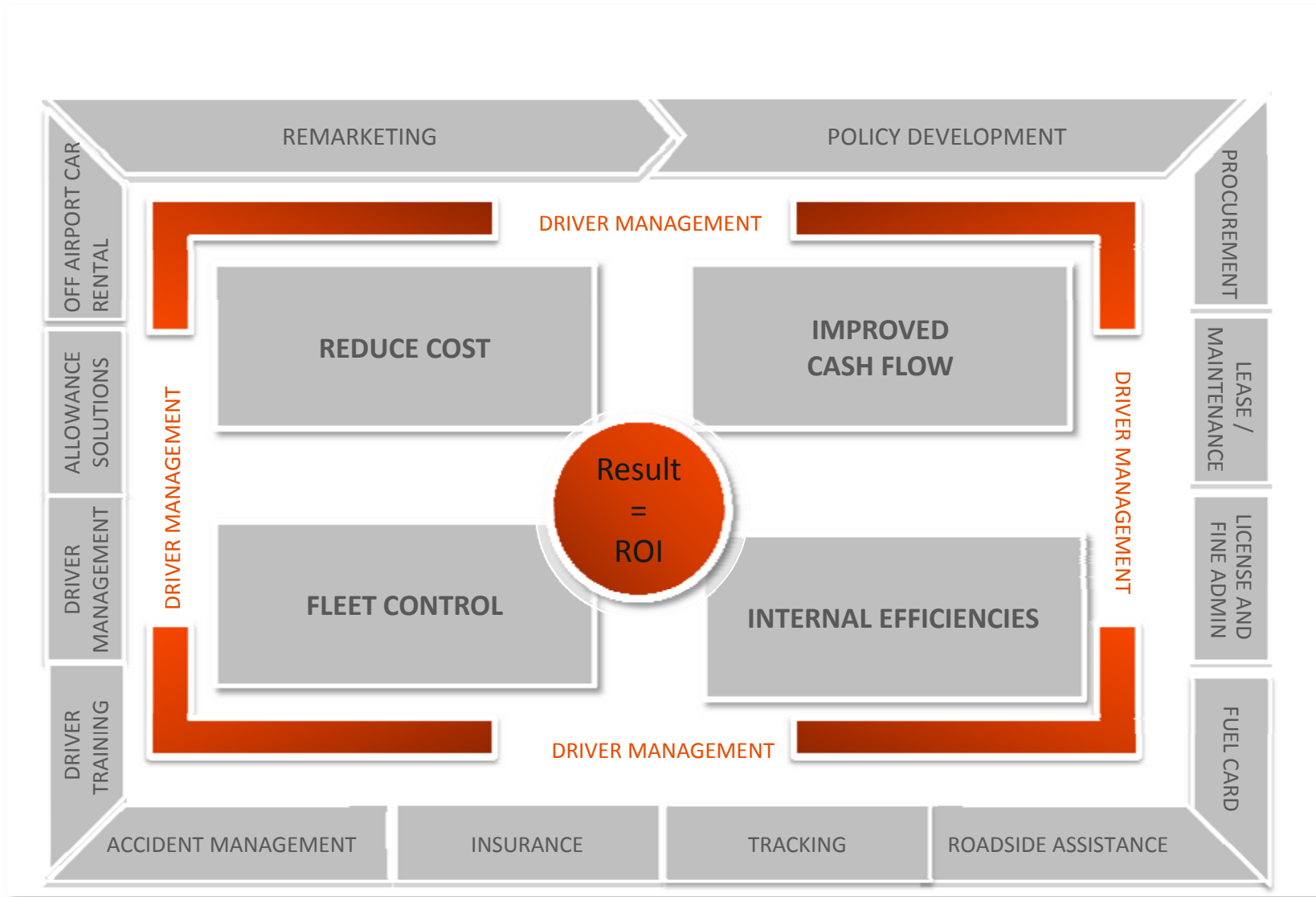
- ✓ Natural evolution of our service offering
- ✓ Add value to our contract mining business
- ✓ Coal transportation business still in start up phase
- ✓ Acquired a small business in dry bulk transportation
- ✓ Strategy is to grow these services and align them with our overall offering



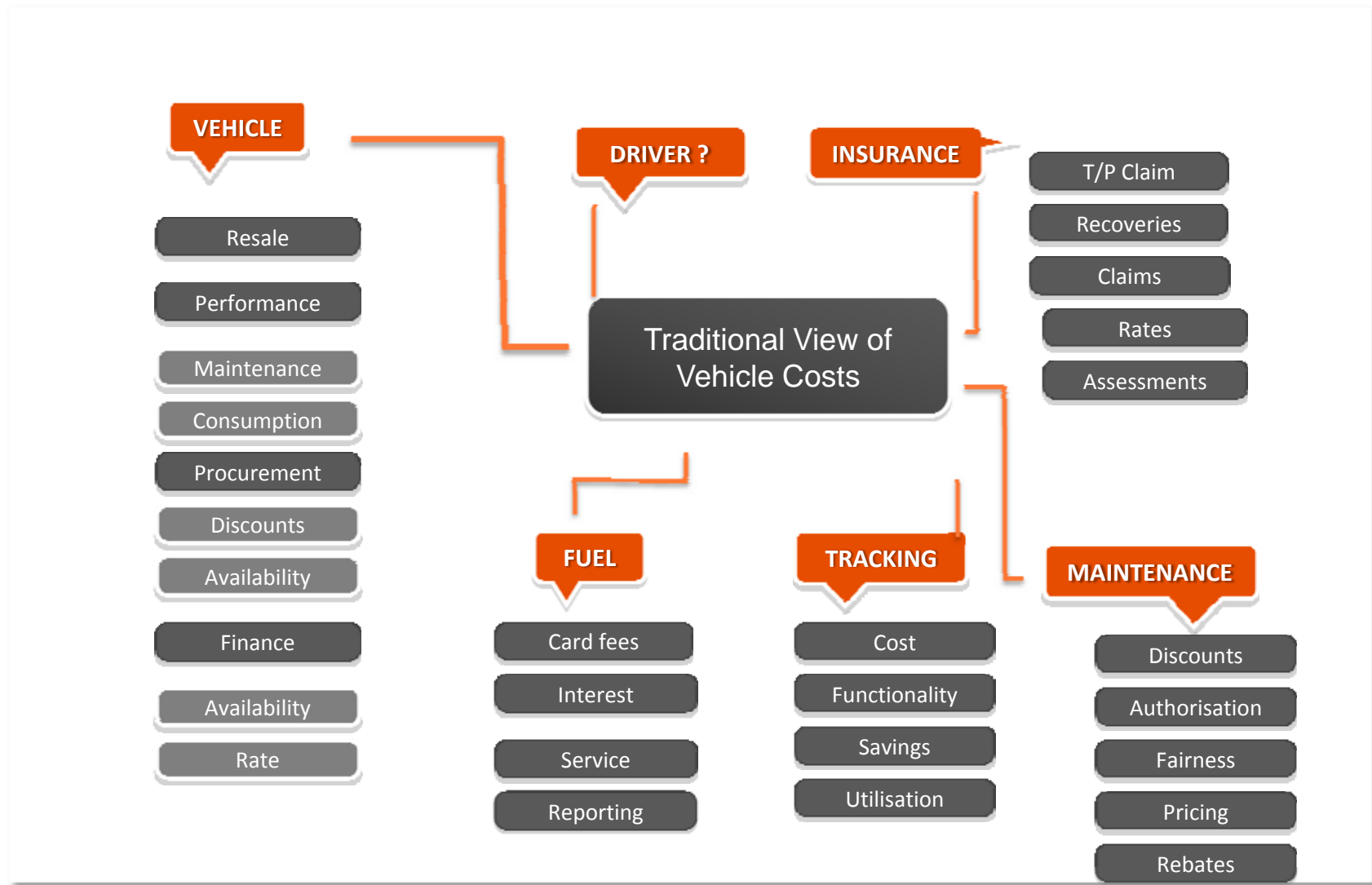
Major clients



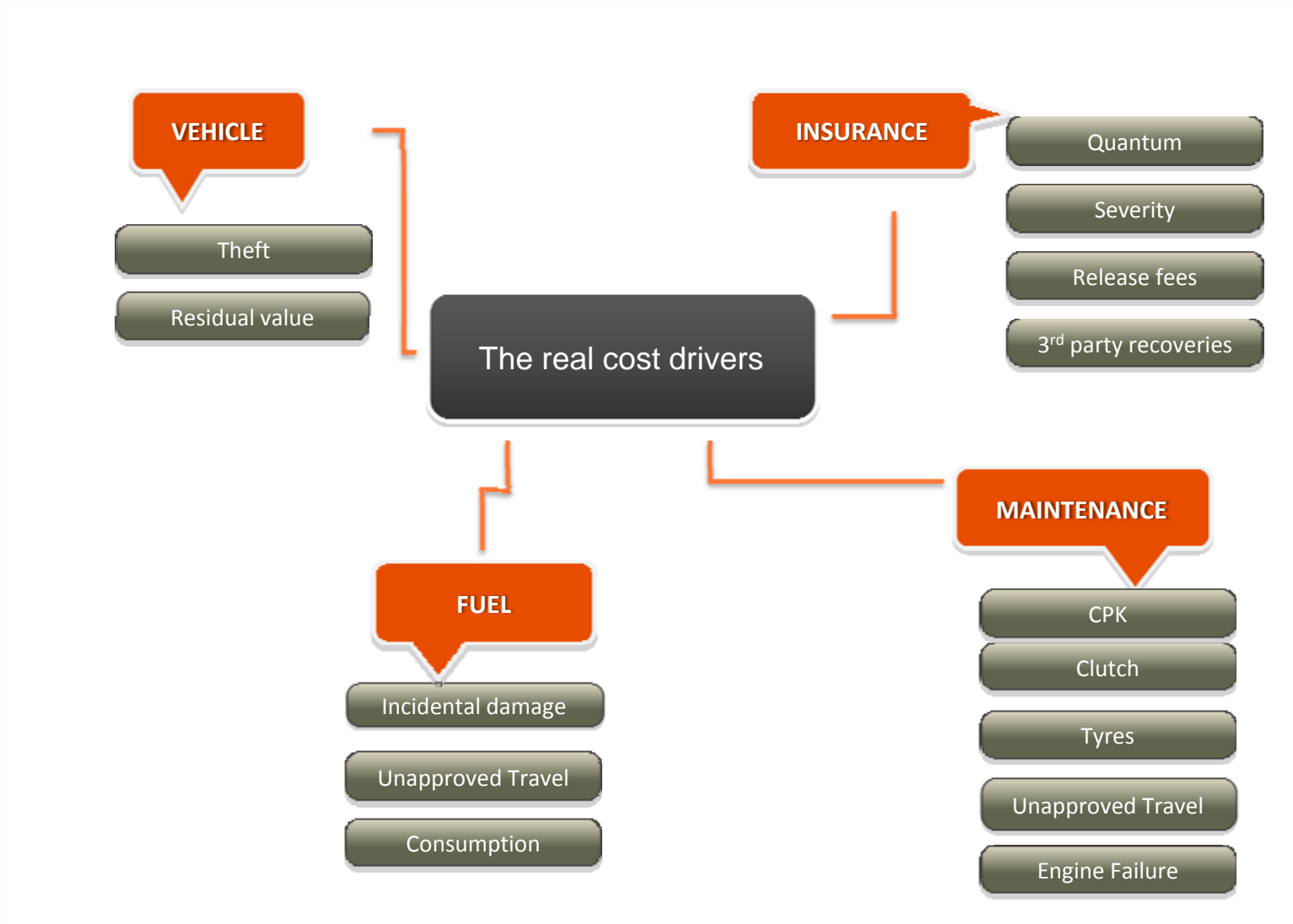
Fleet management methodology



Traditional view of vehicle costs



The real cost drivers



Local economy and industry

- Outsourcing fleet services still in growth phase in South Africa
- Due to tough economic conditions resulting in customers extending lease term and hence life of vehicles and holding back on replacement
- Downscaling size and types of vehicles
- Fierce competition from banks mainly due to their lower cost of funds
- Anticipated changes in IFRS that affects lease accounting could have an impact on the way we do business



Human capital and CSI

- In line with Eqstra's Eqstralution CSI initiative and the Leadership Academy, the division places strong focus on human capital development
- The focus of talent management is to give each employee the ultimate employee experience
- The division invested R2.6 million in human capital in FY2011
- Drive to be a green company and reduce carbon footprint

Looking ahead

- Focus is on both organic and inorganic growth
- Avoid vanilla leasing and move toward leasing coupled with value added services
- Diversification and further enhancement of product offering
- Small to medium sized bolt on acquisitions that complement our value chain
- Development of new IT system that will enable us to improve our service delivery



QUESTIONS?