

EQOSTRA

HOLDINGS LIMITED



Walter Hill
Chief Executive

Investor Day
29 November 2011

Group structure

EQSTRA HOLDINGS LIMITED

**Contract Mining
and
Plant Rental**



**Construction and
Mining Equipment
Distributorships**



**Passenger and
Commercial
Vehicles**

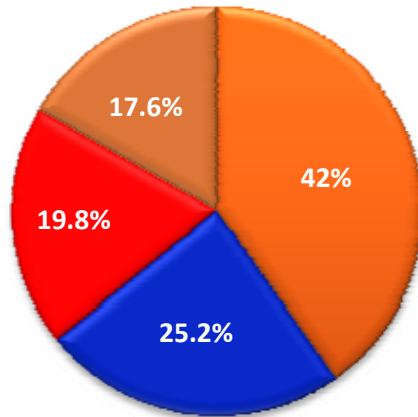


**Industrial
Equipment**

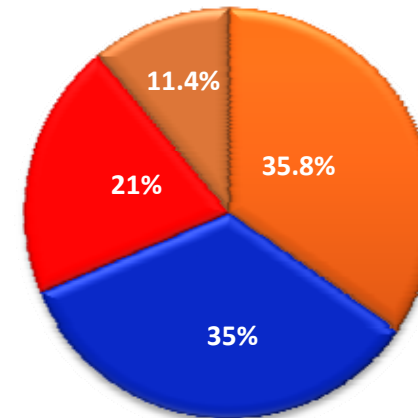


FY2011 divisional contributions

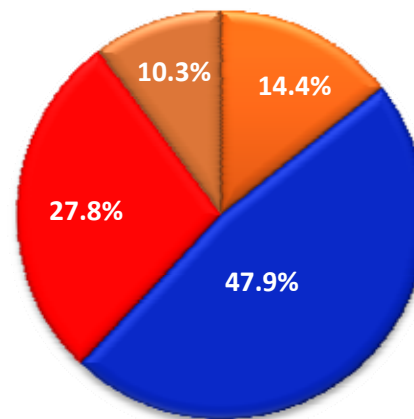
Revenue R7.6bn



Operating profit R903m



Profit Before Tax R388m

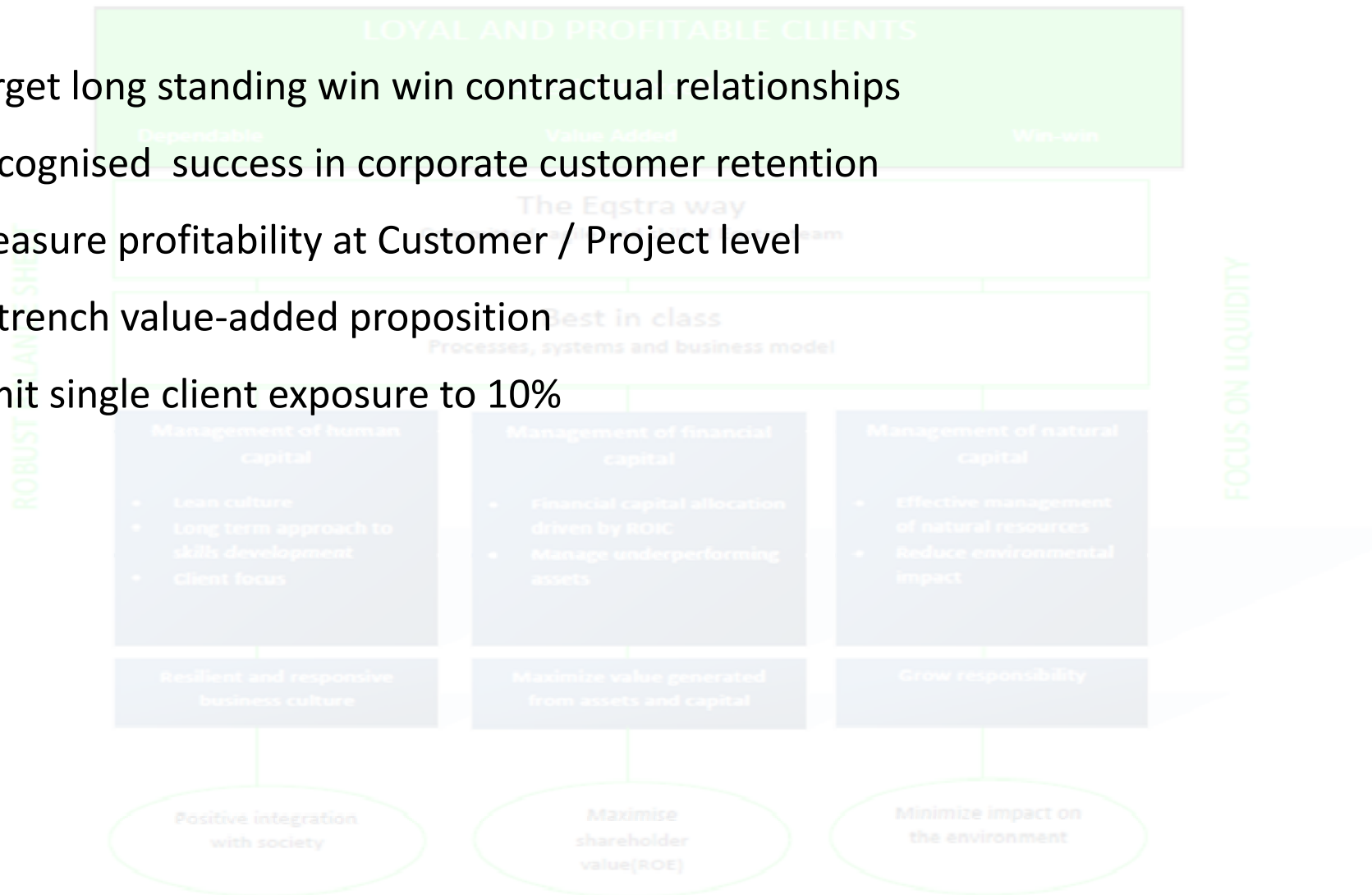


- Contract Mining & Plant Rental
- Passenger and Commercial Vehicles
- Industrial Equipment
- Construction and Mining Equipment Distributorships



Loyal and profitable customers

- Target long standing win win contractual relationships
- Recognised success in corporate customer retention
- Measure profitability at Customer / Project level
- Entrench value-added proposition
- Limit single client exposure to 10%



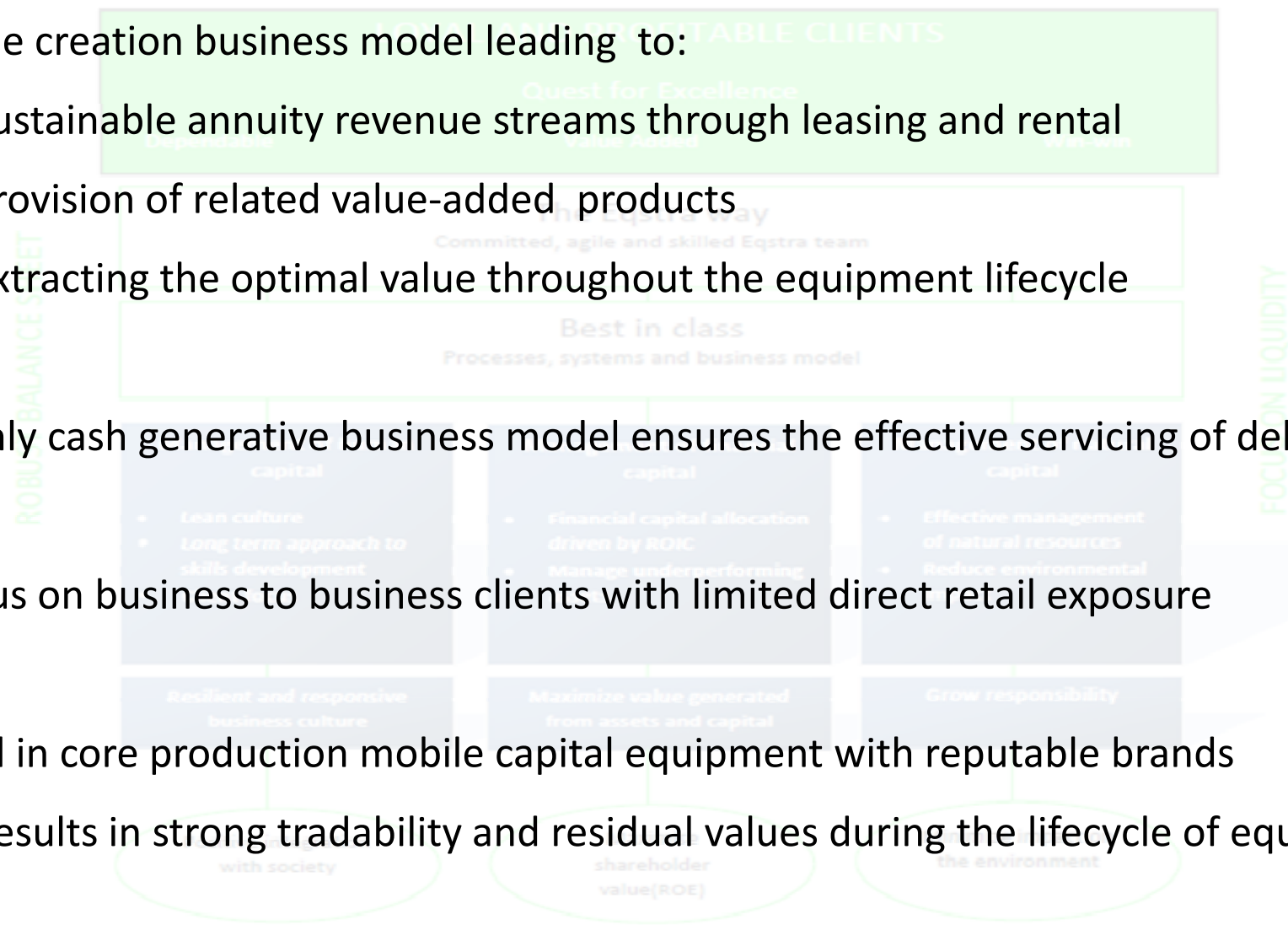
The Eqstra Way

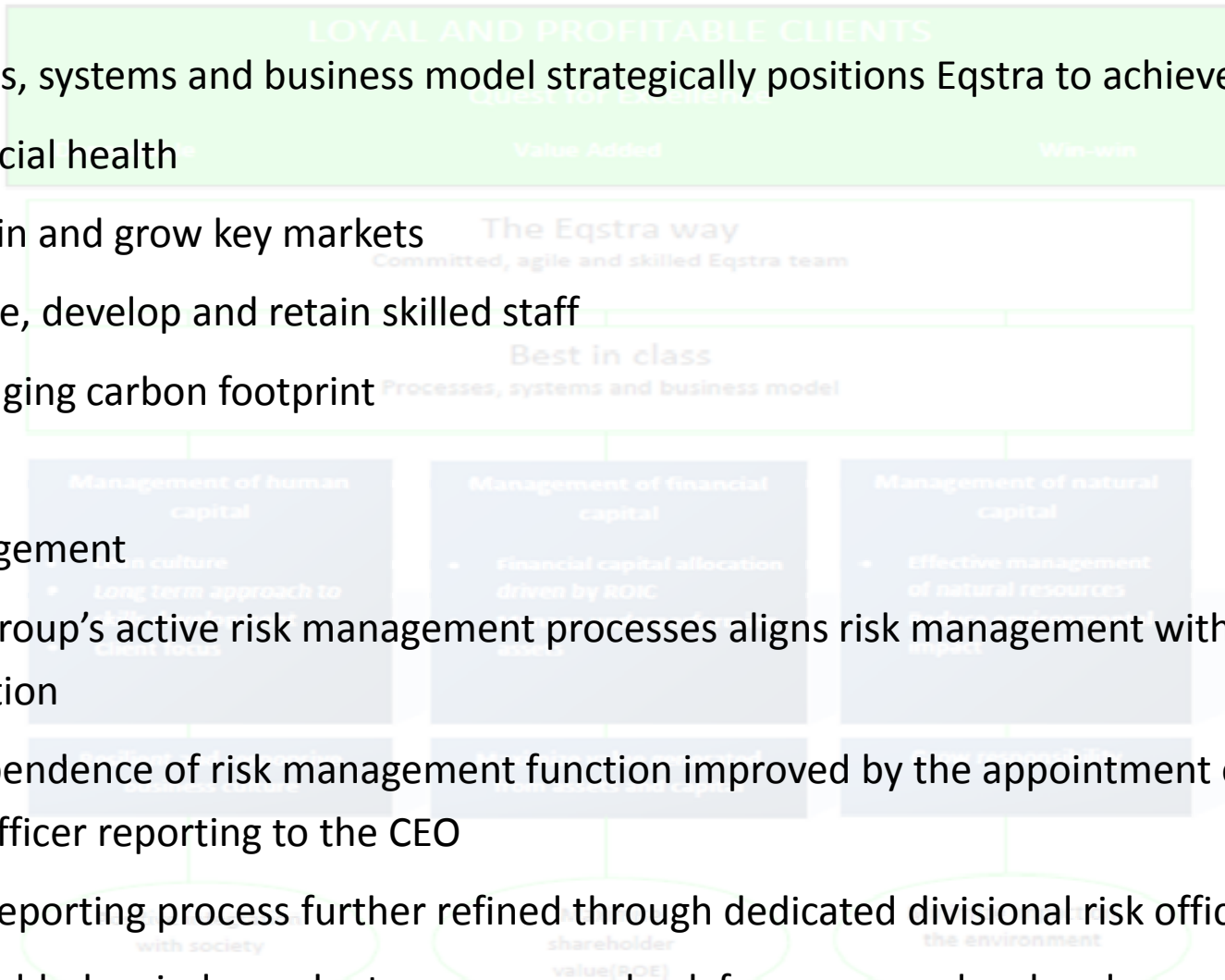
- // Value creation business model leading to:
 - // Sustainable annuity revenue streams through leasing and rental
 - // Provision of related value-added products
 - // Extracting the optimal value throughout the equipment lifecycle

- // Highly cash generative business model ensures the effective servicing of debt

- // Focus on business to business clients with limited direct retail exposure

- // Deal in core production mobile capital equipment with reputable brands
 - // Results in strong tradability and residual values during the lifecycle of equipment

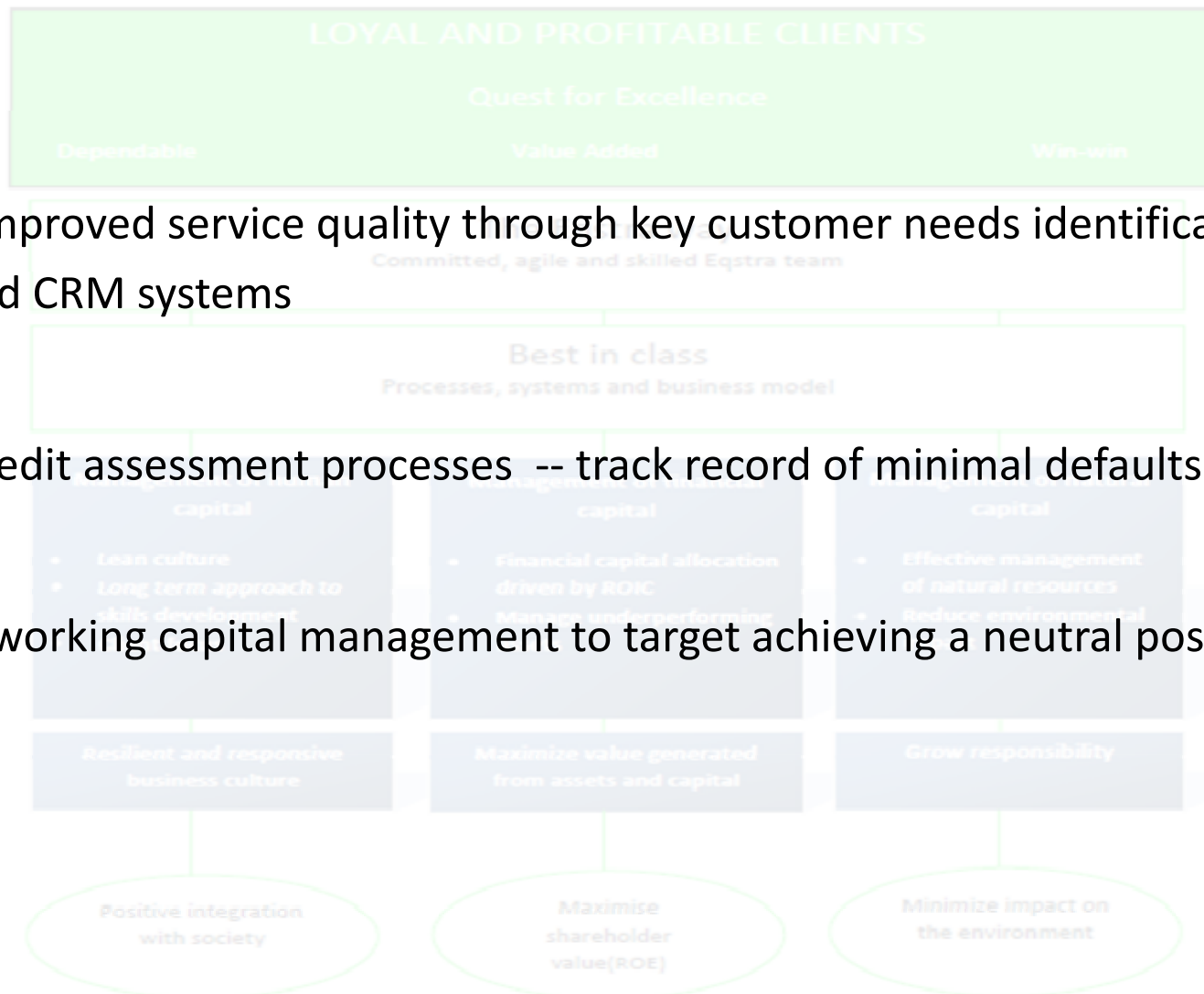




- // Processes, systems and business model strategically positions Eqstra to achieve and ensure:
 - // Financial health
 - // Sustain and grow key markets
 - // Secure, develop and retain skilled staff
 - // Managing carbon footprint

- // Risk management
 - // The group’s active risk management processes aligns risk management with the group’s strategic direction
 - // Independence of risk management function improved by the appointment of an executive group risk officer reporting to the CEO
 - // Risk reporting process further refined through dedicated divisional risk officers
 - // This added an independent governance check from a group level and ensures early and proactive identification and assessment of risks

Best in class (cont.)



Overall improved service quality through key customer needs identification, with integrated CRM systems

Strong credit assessment processes -- track record of minimal defaults

Efficient working capital management to target achieving a neutral position

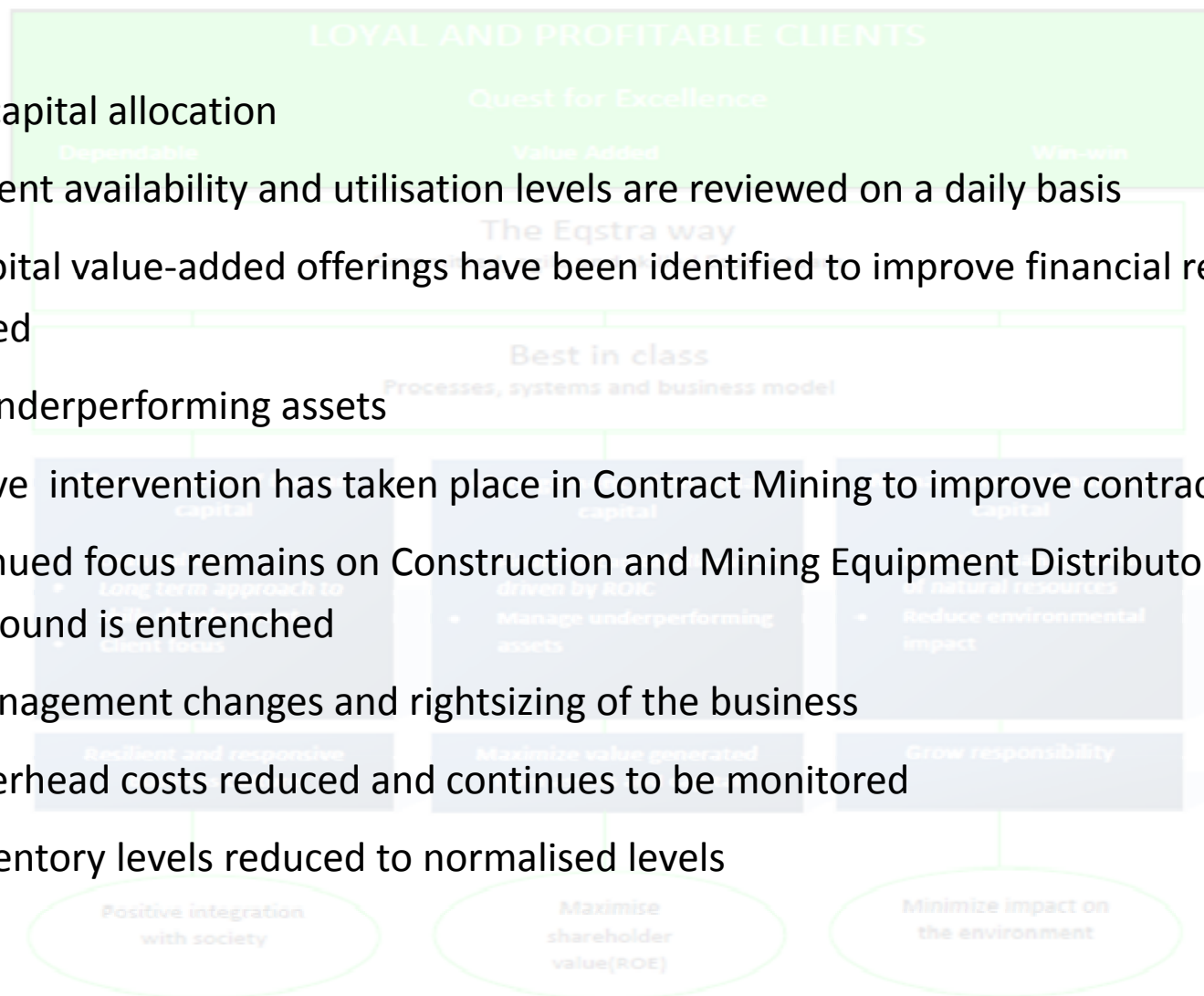
Management of human capital

- // Long term approach to skills development at 4 levels :
 - // Eqstra Leadership Academy has partnered with Wits Business School to provide a wide range of middle management courses to help identify and develop key business and staff needs
 - // Divisional academies target divisional specific training
 - // Eqstra Technical Training Academy provides apprentice training on service and maintenance of heavy equipment,
 - // Eqstra identified 10 technical high schools to partner with to enhance the technical education and support underprivileged students through the introduction of the Eqstralution program
 - // Eqstra Operator Training Academy uses state of the art simulators to train operators on heavy machinery
 - // R54m spent on human resources development in 2011

- // Industrial Relations
 - // Strengthen labour and community relations
 - // Rejuvenating workplace forums to improve communication and involving senior executives
 - // Facilitation workshops to be established between trade unions and management

Management of financial capital

- Financial capital allocation
 - Equipment availability and utilisation levels are reviewed on a daily basis
 - Non capital value-added offerings have been identified to improve financial returns on assets employed
- Manage underperforming assets
 - Executive intervention has taken place in Contract Mining to improve contract management
 - A continued focus remains on Construction and Mining Equipment Distributorships to ensure that a turnaround is entrenched
 - Management changes and rightsizing of the business
 - Overhead costs reduced and continues to be monitored
 - Inventory levels reduced to normalised levels

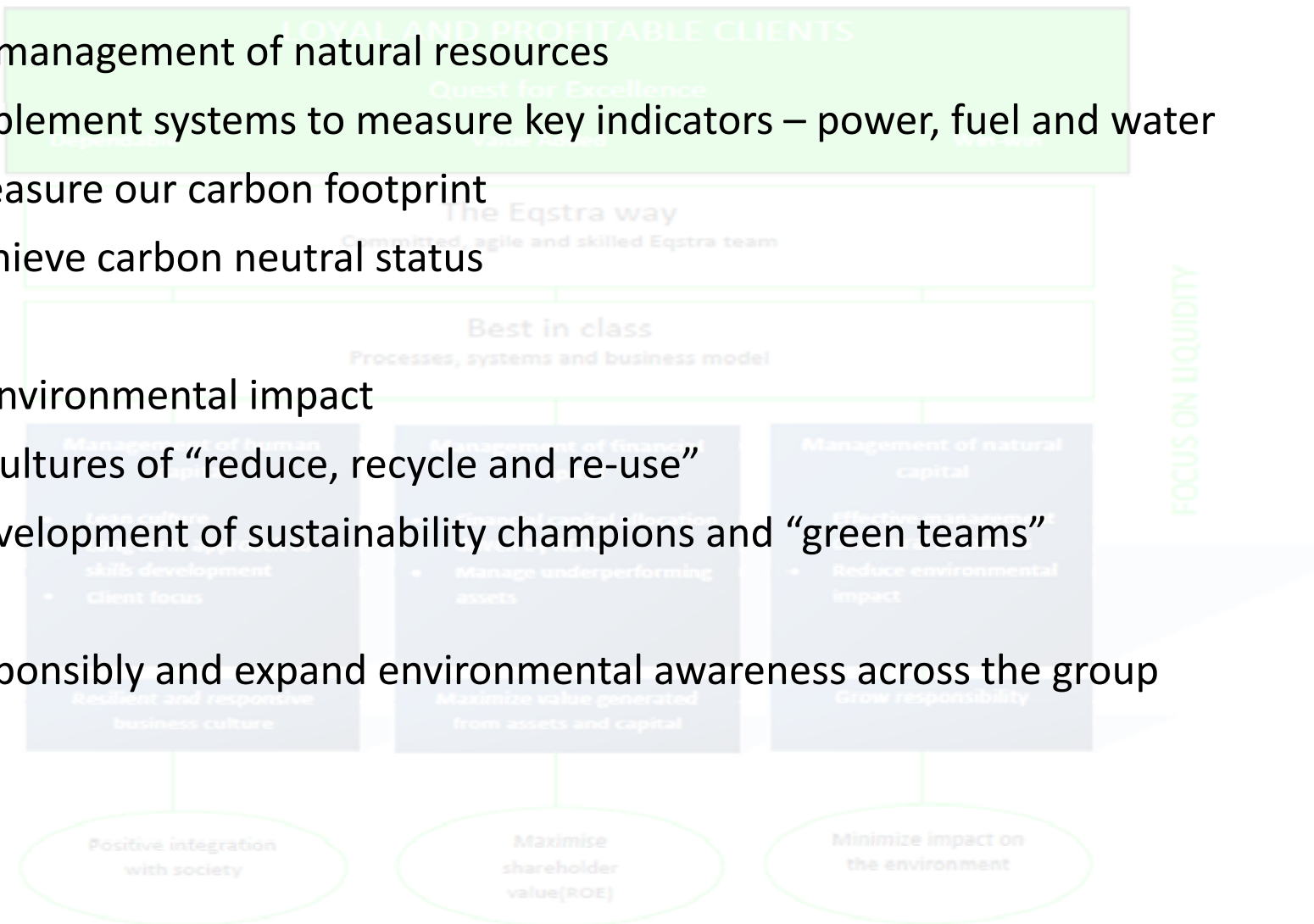


Management of natural capital

- // Effective management of natural resources
 - // Implement systems to measure key indicators – power, fuel and water
 - // Measure our carbon footprint
 - // Achieve carbon neutral status

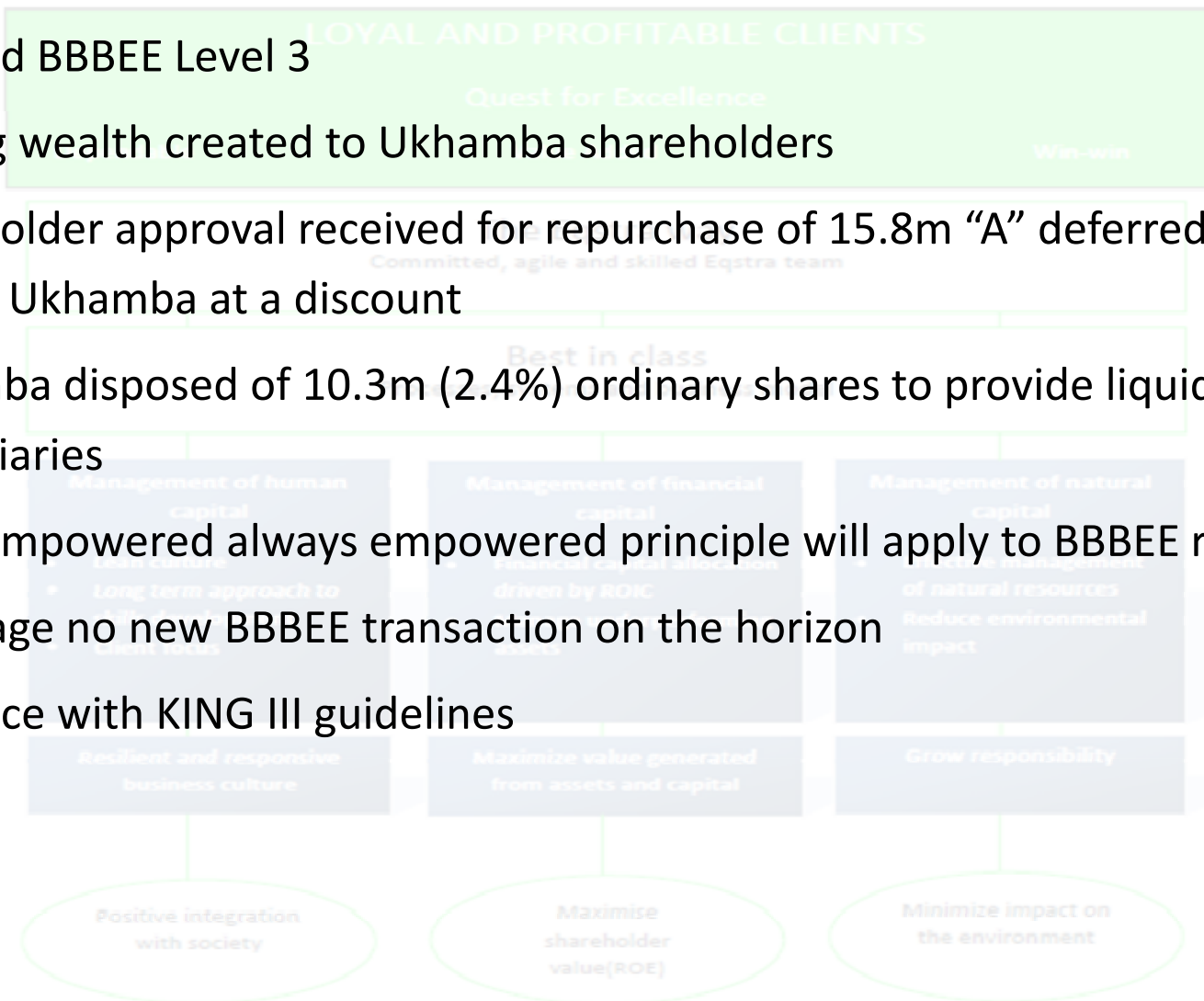
- // Reduce environmental impact
 - // A cultures of “reduce, recycle and re-use”
 - // Development of sustainability champions and “green teams”

- // Grow responsibly and expand environmental awareness across the group



Positive integration with society

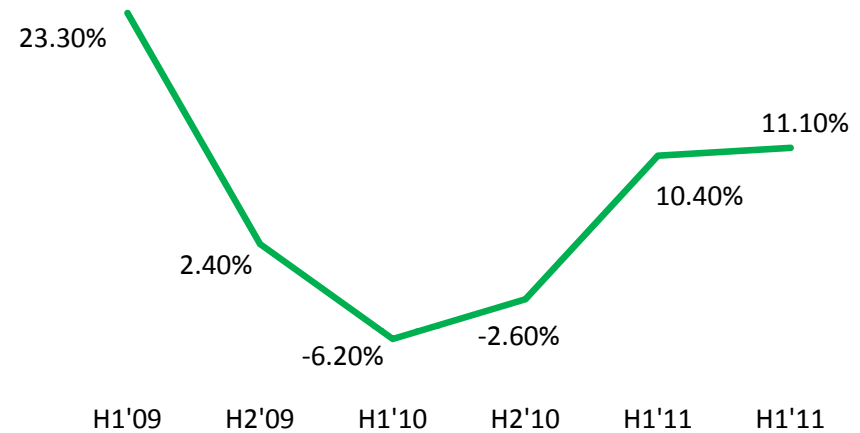
- ✓ Accredited BBBEE Level 3
- ✓ Returning wealth created to Ukhamba shareholders
 - ✓ Shareholder approval received for repurchase of 15.8m “A” deferred shares (unlisted) held by Ukhamba at a discount
 - ✓ Ukhamba disposed of 10.3m (2.4%) ordinary shares to provide liquidity for trust beneficiaries
 - ✓ Once empowered always empowered principle will apply to BBBEE rating scores
- ✓ At this stage no new BBBEE transaction on the horizon
- ✓ Compliance with KING III guidelines



Maximise shareholder value

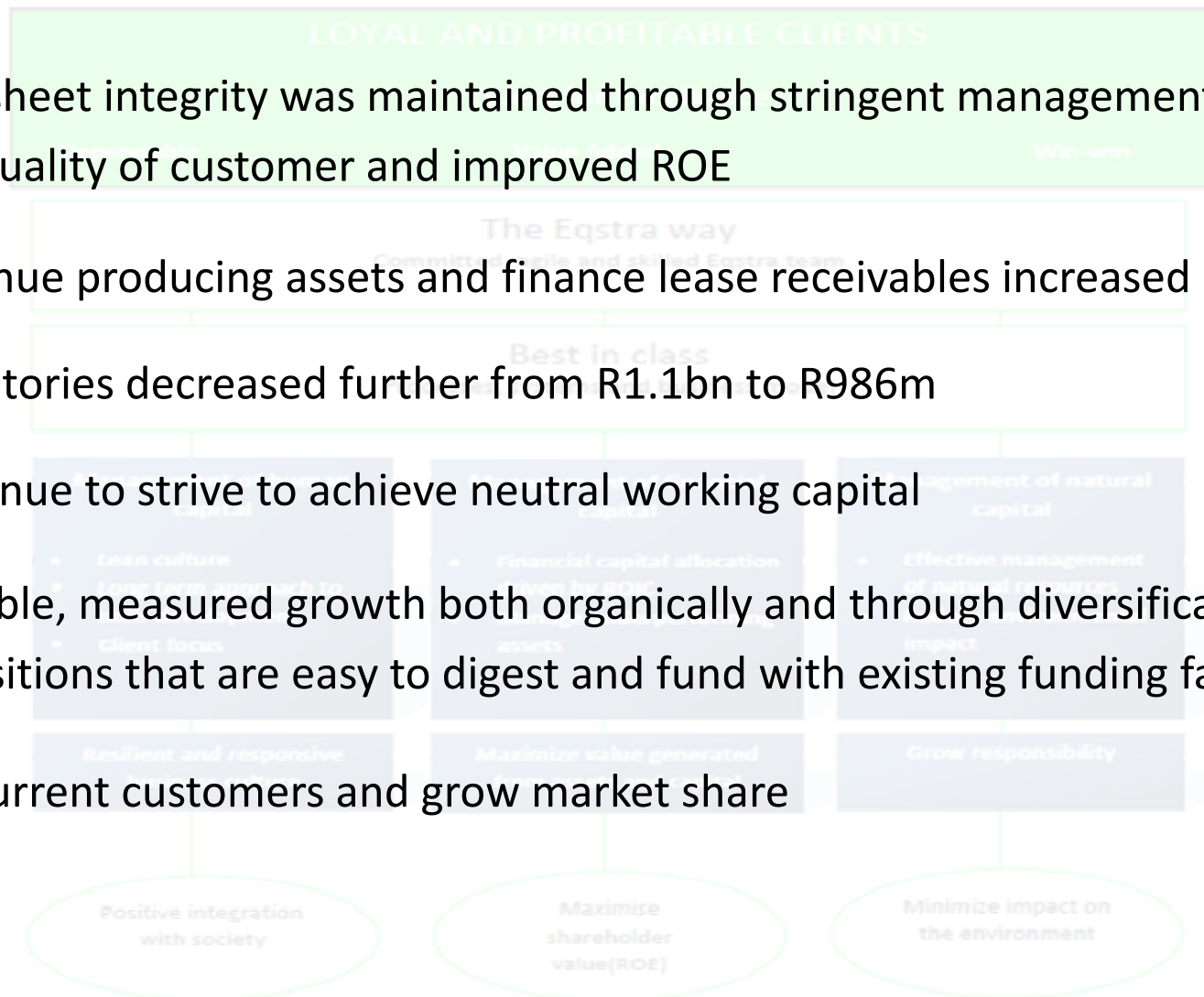
- Strong improvement in ROE since the -6.2% low recorded in the first half of 2010
- Maiden dividend declared of 25c
- Objective is to maintain dividend cover of 3x

Return on Equity



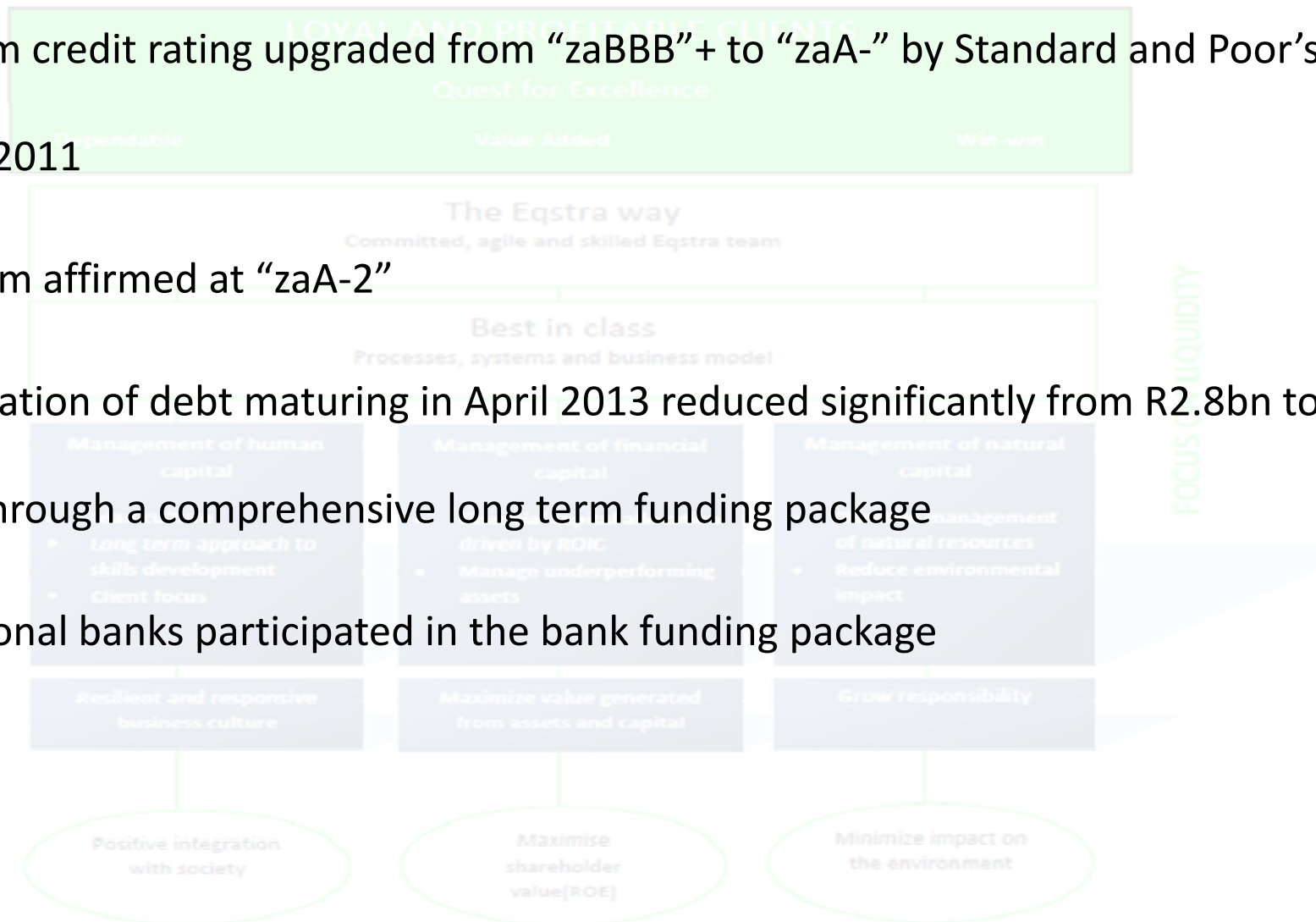
Robust balance sheet

- // Balance sheet integrity was maintained through stringent management of assets, quality of customer and improved ROE
- // Revenue producing assets and finance lease receivables increased by over 14%
- // Inventories decreased further from R1.1bn to R986m
- // Continue to strive to achieve neutral working capital
- // Sustainable, measured growth both organically and through diversification through bolt on acquisitions that are easy to digest and fund with existing funding facilities
- // Retain current customers and grow market share



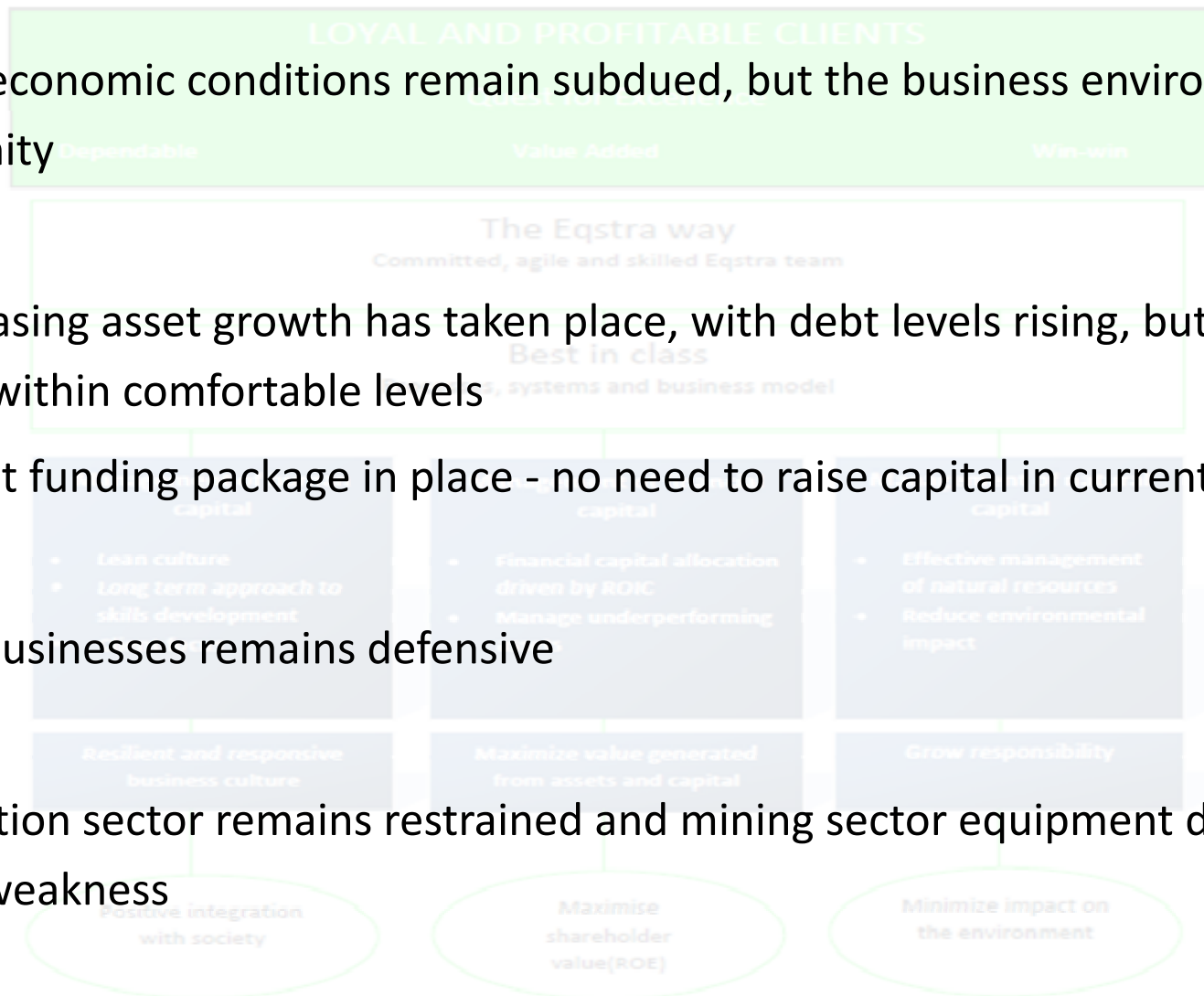
Focus on liquidity

- Long-term credit rating upgraded from “zaBBB”+ to “zaA-” by Standard and Poor’s in October 2011
- Short-term affirmed at “zaA-2”
- Concentration of debt maturing in April 2013 reduced significantly from R2.8bn to R878m through a comprehensive long term funding package
- International banks participated in the bank funding package



High level operational update

- // General economic conditions remain subdued, but the business environment still holds opportunity
- // Group leasing asset growth has taken place, with debt levels rising, but capital adequacy remains within comfortable levels
- // Bank debt funding package in place - no need to raise capital in current environment
- // Leasing businesses remains defensive
- // Construction sector remains restrained and mining sector equipment demand has shown signs of weakness



General

- // Eqstra holds 28.6% of Protech Khuthele
 - // Major shareholder exit created an opportunity
 Win-win
 - // Eqstra familiar with company, industry and business model
 Committed, agile and skilled Eqstra team
 - // At this stage no intention to gain control or take out minorities
 Best in Class
- // CAT/Bucyrus transaction
 - // Cautionary renewed 28 October 2011
 Processes, systems and business model



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/or complementary acquisitions.

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