AUDITED PROVISIONAL RESULTS

FOR THE YEAR ENDED 30 June

2016

EQSTRA HOLDINGS LIMITED

EQSTRA HOLDINGS LIMITED 1998/011672/06 SHARE CODE: EQS ISIN: ZAE000117123

EQSTRA TO DISPOSE OF THE FLEET MANAGEMENT AND LOGISTICS AND INDUSTRIAL EQUIPMENT DIVISIONS TO ENX

RIGHT SIZED BUSINESSES AND DISCONTINUED NON-CORE OPERATIONS IN ALL DIVISIONS

ENX TO RECAPITALISE THE CONTRACT MINING GROUP POST TRANSACTION

NEW LONG-TERM FUNDING SECURED FOR THE CONTINUING OPERATIONS POST TRANSACTION

INTRODUCTION

The year under review has been an eventful and challenging year for Eqstra, with the group now set to undergo a radical change that will realise its strategic objectives and position Eqstra for long-term sustainability.

Following approval of the enX transaction at the shareholders' meeting held on 22 September 2016, Eqstra will transform into a different group. The transaction results in the disposal of Fleet Management and Logistics and Industrial Equipment to enX Group Limited in exchange for enX shares. The enX shares received will be subsequently distributed to Eqstra shareholders as a dividend in specie. The contract mining businesses will remain and will be recapitalised with a cash injection of R1.4 billion and new borrowing facilities.

Eqstra will change its name to eXtract Group Limited and a new board of directors will be constituted once the transaction is finalised. The intended board to be ZB Swanepoel as independent non-executive chairperson, J Colling as CEO, DAG Chadinha as CFO, JL Serfontein and MS Teke as non-executive directors and CS Halsey, SA Nkosi and OM Matloa as independent non-executive directors.

FINANCIAL REVIEW

The group reported a loss for the year of R2 253 million compared to a profit of R254 million in the prior year. The loss is best explained by analysing the components being:

- **Contract Mining and Plant Rental** division loss of R463 million (2015: R130 million);
- **Industrial Equipment** division profit of R94 million (2015: R131 million);
- **Fleet Management and Logistics** division profit of R141 million (2015: R124 million);
- **Other operations**, including the fair value adjustment associated with the enX transaction, loss of R1 007 million (2015: R21 million loss); and lastly
- **Remaining discontinued operations** (see details below) loss of R1 018 million (2015: R150 million profit).

DIVISIONAL REVIEWS

Contract Mining and Plant Rental (continuing operations)	30 June 2016 Rm	30 June 2015 Rm	% change
Revenue	2 964	2 801	+5.8
Operating profit	151	104	+45.2
Net finance costs	(219)	(200)	+9.5
Loss before taxation	(620)	(175)	+254.3
Revenue-generating assets	2 046	4 170	(50.9)

The division, as the only continuing operation, retained its focus on improving operating profits. The current year's continuing results were impacted by leasing asset impairments of R536 million (2015: R79 million). In addition, as at 30 June 2016 the division had R809 million of impaired assets classified as assets held for sale.

The Benga contract in Mozambique concluded in December 2015 and assets were impaired to expected sale values. Negotiations with various parties are ongoing to sell these assets. The assets were classified as assets held for sale. Related asset impairments of R731 million were raised during the year.

The division also discontinued its plant rental operations and related asset impairments of R200 million (2015: R18 million) were raised during the year.

The division improved its lost time injury frequency rate at 0.18 (2015: 0.20).

Industrial Equipment (to be sold to enX)	30 June 2016 Rm	30 June 2015 Rm	% change
Revenue	3 036	2 602	+16.7
Operating profit	316	333	(5.1)
Net finance costs	(148)	(154)	(3.9)
Profit before taxation	131	181	(27.6)
PBT margin (%)	4.3	7.0	(38.6)
Revenue-generating assets	2 555	2 513	+1.7

The division successfully increased new and used unit sales in a declining SA forklift market by securing a number of new contracts with major blue-chip companies. A foreign exchange loss of R37 million (2015: R2 million gain) impacted results. The Industrial Equipment's forklift business in the UK continued to perform well. During the year the division discontinued its non-core Construction Equipment, Agricultural, 600SA manufacturing and Air Supreme businesses following continued suboptimal performance. The division will be transferred to enX on the transaction effective date.

Fleet Management and Logistics (to be sold to enX)	30 June 2016 Rm	30 June 2015 Rm	% change
Revenue	2 113	2 019	+4.7
Operating profit	372	371	+0.3
Net finance costs	(173)	(200)	(13.5)
Profit before taxation	188	171	+9.9
PBT margin (%)	8.9	8.5	+4.7
Revenue-generating assets	2 764	3 199	(13.6)

The division performed well. Value add products continued to record growth and profit before taxation improved by 9.9%, despite a strategy of limiting leasing growth to reduce group gearing. The division sold its Commodities business during the year and closed operations in Nigeria. The division will be transferred to enX on the transaction effective date.

DIVIDEND

The board has not declared a dividend given the company performance, transition and planned corporate action.

LOOKING AHEAD

Under the new eXtract banner, Contract Mining will continue to focus on improving the efficiencies of the mines on which it operates as well as seeking new projects to diversify its geographic and commodity exposures. Over the next 24 months, management will continue to realise best value for the impaired excess and idle assets within the business and proceeds will be applied to repay debt. In the long-term the new mining services group will look to grow by acquisition.

The company will change its year-end from June to August. The next set of annual results for Eqstra (then renamed eXtract) will therefore be for the 14 months ending 31 August 2017.

Prospects for Fleet Management and Industrial Equipment will be outlined in enX's integrated report.

DIRECTOR CHANGES AND APPRECIATION

JL Serfontein (previous CFO) was appointed CEO in July 2015, DA Austin appointed CFO on 1 May 2016 and ZB Swanepoel was appointed as independent non-executive director on 1 December 2015.

We thank our fellow board members for their contribution and our employees for their ongoing hard work in a challenging environment.

By order of the board

NP Mageza
Chairperson

JL Serfontein
Chief executive officer

30 September 2016

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	30 June 2016 Rm	30 June 2015 Rm
ASSETS		
Non-current assets	2 201	10 739
Intangible assets	37	220
Property, plant and equipment	77	468
Leasing assets	2 044	9 950
Deferred tax assets	41	65
Finance lease receivables	1	16
Other investments and loans	1	20
Current assets	9 321	3 127
Finance lease receivables	1	16
Other investments and loans	–	58
Inventories	87	1 062
Trade and other receivables and derivatives	952	1 770
Taxation in advance	6	18
Cash and cash equivalents	148	203
Assets held for sale (4)	8 127	–
Total assets	11 522	13 866
EQUITY AND LIABILITIES		
Stated capital	1 839	1 839
Other reserves	449	330
Retained (loss) income	(688)	1 569
Equity attributable to owners of the parent	1 600	3 738
Non-controlling interests	29	32
Total equity	1 629	3 770
Non-current liabilities	2 588	6 351
Interest-bearing borrowings (2)	2 539	5 601
Deferred tax liabilities	49	750
Current liabilities	7 305	3 745
Current portion of interest-bearing borrowings (2)	92	1 918
Trade and other payables and derivatives	675	1 782
Current tax liabilities	15	45
Liabilities associated with assets held for sale (4)	6 523	–
Total equity and liabilities	11 522	13 866

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended	30 June 2016 Rm	30 June 2015 Rm*
Continuing operations		
Revenue	2 964	2 801
Profit from operations before depreciation, amortisation and recoupments	563	525
Depreciation and amortisation	(412)	(422)
Profit on sale of property, plant and equipment	–	1
Operating profit	151	104
Net foreign exchange gains	1	–
Net impairment of property, plant and equipment (6)	(17)	–
Net impairment of leasing assets (6)	(536)	(79)
(Loss) profit before net finance costs	(401)	25
Net finance costs (7)	(219)	(200)
Finance costs	(248)	(208)
Finance income	29	8
Loss before taxation	(620)	(175)
Income tax	157	45
Loss for the year from continuing operations	(463)	(130)
Discontinued operations (11)		
(Loss) profit for the year from discontinued operations	(1 790)	384
(Loss) profit for the year	(2 253)	254
Attributable to:		
Owners of the parent	(2 257)	243
– Loss for the year from continuing operations	(463)	(131)
– (Loss) profit for the year from discontinued operations	(1 794)	374
Non-controlling interests	4	11
(Loss) profit for the year	(2 253)	254
	Cents	Cents
Loss per share from continuing operations (9)		
– Basic and diluted loss per share	(118.3)	(33.5)
(Loss) earnings per share from discontinued operations (9)		
– Basic and diluted (loss) earnings per share	(458.5)	94.3

*2015 re-presented to show comparative results from continuing operations.

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the years ended	30 June 2016 Rm	30 June 2015 Rm
(Loss) profit for the year	(2 253)	254
Total other comprehensive income for the year, net of taxation		
Items that may be reclassified subsequently to profit or loss	132	109
Exchange differences on translation of foreign subsidiaries	124	92
Net fair value gain on cash flow hedges and other fair value reserves	8	17
Total comprehensive (loss) income for the year, net of taxation	(2 121)	363
Attributable to:		
Owners of the parent	(2 125)	352
Non-controlling interests	4	11
	(2 121)	363

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the years ended	Stated capital Rm	Other reserves Rm	Retained income Rm	Non-controlling interests Rm	Total Rm
Balance at 1 July 2014	1 839	272	1 314	26	3 451
Total comprehensive income for the year	–	109	243	11	363
Profit for the year	–	–	243	11	254
Other comprehensive income for the year, net of taxation	–	109	–	–	109
Net share-based payment expense	–	2	–	–	2
Vesting of share incentive scheme	–	(2)	–	–	(2)
Devaluation of Lereko call option	–	(16)	–	–	(16)
Derecognition of Lereko call option	–	(23)	–	–	(23)
Dividends paid	–	–	–	(5)	(5)
Realisation of currency translation reserve	–	(12)	12	–	–
Balance at 30 June 2015	1 839	330	1 569	32	3 770
Total comprehensive income for the year	–	132	(2 257)	4	(2 121)
Loss for the year	–	–	(2 257)	4	(2 253)
Other comprehensive income for the year, net of taxation	–	132	–	–	132
Net share-based payment expense	–	5	–	–	5
Vesting of share incentive scheme	–	(1)	–	–	(1)
Goodwill reserve arising on additional interest in subsidiary	–	(16)	–	–	(16)
Dividends paid	–	–	–	(7)	(7)
Deferred taxation directly in equity	–	(1)	–	–	(1)
Balance at 30 June 2016	1 839	449	(688)	29	1 629

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the years ended	30 June 2016 Rm	30 June 2015 Rm
Cash flows from operating activities		
Cash receipts from customers	9 426	9 463
Cash paid to suppliers and employees	(5 993)	(5 561)
Cash generated from operations	3 433	3 902
Interest received	45	19
Interest paid	(651)	(672)
Taxation paid	(101)	(33)
Net cash flows from operating activities	2 726	3 216
Cash flows from investing activities		
Disposal (acquisition) of businesses	42	(12)
Purchase of intangible assets	(39)	(71)
Purchase of property, plant and equipment	(32)	(33)
Purchase of leasing assets	(2 305)	(2 447)
Proceeds on disposal of property, plant and equipment	49	19
Proceeds on disposal of leasing assets	32	12
(Increase) decrease in finance lease receivables	(6)	11
Proceeds on disposal of other investments and loans	2	–
Net cash flows from investing activities	(2 257)	(2 521)
Cash flows from financing activities		
Purchase of non-controlling interests	(16)	(3)
Dividends paid	(7)	(5)
Net decrease in interest-bearing borrowings	(324)	(590)
Net cash flows from financing activities	(347)	(598)
Net increase in cash and cash equivalents	122	97
Effect of exchange rate translation on cash and cash equivalents	9	13
Cash and cash equivalents at beginning of year	203	93
Cash and cash equivalents at end of year	334	203

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF DISCONTINUED CASH FLOWS

	30 June 2016 Rm	30 June 2015 Rm
CASH FLOWS FROM DISCONTINUED OPERATIONS		
Net cash flows from operating activities	2 471	2 821
Net cash flows from investing activities	(1 758)	(2 085)
Net cash flows from financing activities	(603)	(685)
Net cash inflow	110	51

SEGMENTAL INFORMATION – AUDITED SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	Contract Mining	
	30 June 2016 Rm	30 June* 2015 Rm
BUSINESS SEGMENTATION		
ASSETS		
Intangible assets	37	39
Property, plant and equipment	77	139
Leasing assets	2 044	4 160
Finance lease receivables	2	10
Other investments and loans	1	59
Inventories	87	164
Trade and other receivables and derivatives	952	962
Operating assets	3 200	5 533
Assets held for sale**	8 127	–
Deferred tax assets	41	–
Taxation in advance	6	2
Cash and cash equivalents	148	63
Total assets	11 522	5 598
LIABILITIES		
Trade and other payables and derivatives	675	697
Interest-bearing borrowings	2 631	2 990
Operating liabilities	3 306	3 687
Liabilities associated with assets held for sale**	6 523	–
Deferred tax liabilities	49	114
Current tax liabilities	15	8
Total liabilities	9 893	3 809

SEGMENTAL INFORMATION – AUDITED SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	Contract Mining 30 June 2016 Rm	30 June* 2015 Rm
GEOGRAPHIC SEGMENTATION		
Operating assets	3 200	5 533
– South Africa	2 784	3 496
– Rest of world	416	2 037
Trade and other payables and derivatives	675	697
– South Africa	598	431
– Rest of world	77	266
Interest-bearing borrowings	2 631	2 990
– South Africa	2 395	2 293
– Rest of world	236	697
Net capital expenditure	529	521
– South Africa	485	180
– Rest of world	44	341

SEGMENTAL INFORMATION – AUDITED SUMMARISED CONSOLIDATED INCOME STATEMENTS

No segmental statement of comprehensive income is disclosed as the remaining business comprises Contract Mining only. Refer to the continuing statement of comprehensive income for results.

* Represents to Contract Mining and Plant Rental segment for the year ended 30 June 2015.
** Refer to note 4 and 11 for analysis of previously reported segments.
Only the Contract Mining and Plant Rental is included in the segmental statement of financial position as the other divisions are held for sale in light of the corporate transaction.

NOTES

(1) Basis of preparation

These summarised provisional consolidated financial statements have been prepared in accordance with the framework concepts, measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contains at a minimum 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 Eqstra's 2015 annual financial statements, except for the adoption on 1 July 2015 of those new, revised and amended standards and interpretations in Eqstra's 2016 consolidated annual financial statements.

The adoption of the new and amended statements of IFRS, interpretations of IFRS, and improvements project amendments did not have a material impact on the group.

(2) Interest-bearing borrowings

Following a substantial impairment to the carrying value of various assets the group breached its capital adequacy covenant at 31 December 2015. Lenders agreed to condone the breach subject to certain conditions and a refinancing program was immediately commenced. In light of this and the corporate transaction approved by shareholders on 22 September 2016, the relevant debt has been reclassified as short term as at 30 June 2016.

	30 June 2016 Rm	30 June 2015 Rm
(3) Capital commitments and contingencies	429	1 776
– Contracted	50	224
– Authorised by directors but not contracted	379	1 552
Contingent liabilities	–	–
Guarantees	10	24

The capital commitments are substantially for the acquisition and replacement of leasing assets. Expenditure will be financed out of cash generated from operations, proceeds on disposals and existing banking facilities. The 2016 commitments relate to continuing operations only.

(4) Assets held for sale (also refer note 11)

30 June 2016	Total Rm	Corporate transaction: Industrial Equipment Rm	Corporate transaction: Fleet Management and Logistics Rm	Corporate transaction: Other Rm	Contract Mining and Plant Rental excess assets* Rm
BUSINESS SEGMENTATION					
ASSETS					
Intangible assets	196	15	181	–	–
Less: Allocation of loss on sale from the corporate transaction	(196)	–	–	(196)	–
Property, plant and equipment	273	192	68	13	–
Leasing assets	6 382	2 555	2 760	258	809
Other investments and loans	12	–	12	–	–
Finance lease receivables	36	–	4	32	–
Inventories	819	742	31	46	–
Trade and other receivables and derivatives	883	488	262	133	–
Operating assets	8 405	3 992	3 318	286	809
Deferred tax assets	63	40	7	16	–
Less: Allocation of loss on sale from the corporate transaction	(63)	–	–	(63)	–
Taxation in advance	23	–	–	23	–
Cash and cash equivalents	186	50	42	94	–
Unallocated loss on sale from the corporate transaction	(487)	–	–	(487)	–
Total assets	8 127	4 082	3 367	(131)	809
LIABILITIES					
Trade and other payables and derivatives	1 194	609	352	233	–
Interest-bearing borrowings	7 092	2 461	1 868	2 525	238
Loans from group entities	(2 403)	(159)	(132)	(2 112)	–
Operating liabilities	5 883	2 911	2 088	646	238
Deferred tax liabilities	498	161	330	7	–
Current tax liabilities	142	25	43	–	74
Total liabilities	6 523	3 097	2 461	653	312

* Contract Mining and Plant Rental excess assets comprise excess assets in the South African Contract Mining business (R163 million), the Plant Rental business (R135 million) and assets and associated liabilities in the Mozambique Benga operation. Non-current leasing assets of R511 million have been included as assets held for sale and the associated interest-bearing liabilities of R238 million and taxation liabilities of R74 million also separately disclosed.

(5) Fair value hierarchy disclosures
Valuation methodology
Level 1 – valuations with reference to quoted prices in an active market:
Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

Level 2 – valuations based on observable and unobservable inputs include:
Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as quoted price for similar assets or liabilities in an active market; quoted price for identical or similar assets or liabilities in inactive markets; valuation model using observable inputs; and valuation model using inputs derived from/corroborated by observable market data.

The table below shows the group's financial asset and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

30 June 2016	Level 1 Rm	Level 2 Rm	Fair value Rm
Financial assets			
Available-for-sale investments	–	13	–
Designated as fair value through profit and loss			
– Derivative financial assets	–	32	32
Total financial assets	–	45	32
Financial liabilities			
Financial liabilities designated as fair value through profit and loss			
– Derivative financial liabilities	–	4	–
Total financial liabilities	–	4	–

	30 June 2016 Rm	30 June 2015 Rm
(6) Impairment of assets		
Impairment of leasing assets (1)	1 351	97
Impairment of intangible assets (2)	11	–
Impairment of property, plant and equipment (3)	77	–
Impairment of investments and loans (4)	59	–
Total impairments	1 498	97
Discontinued operations	(945)	(18)
Continuing operations	553	79

(1) The R1 351 million relates to specific leasing assets which have been written down to their estimated fair-value less costs-to-sell, being their current market values. During the year, the group performed a review of the market conditions and underutilised leasing assets in the Contract Mining and Plant Rental division. The review led to an impairment of R736 million (30 June 2015: R97 million) being recorded, of which R536 million (30 June 2015: R79 million) has been recognised in continuing operations. The leasing assets, equipment and property of the Benga operations were impaired to their estimated fair-value less costs-to-sell.
(2) The impairment of intangible assets relates to the write off of previously capitalised costs. This has been included in discontinued operations as it relates to the Fleet Management and Logistics division.
(3) The impairment of property , plant and equipment relates to the Contract Mining operation. R60 million has been included in discontinued operations as it relates to the write down of assets in the Mozambique Benga operation to fair-value less costs-to-sell. R17million relates to an impairment of South African property.
(4) The impairment of investments and loans is the write off of the amount previously included in long term loan receivables and has been included as discontinued operations.

	30 June 2016 Rm	30 June 2015 Rm
(7) Finance costs including fair value gains		
Net finance costs from continued operations	219	200
Net finance costs from discontinued operations	387	453
Total net finance costs	606	653

	Cents	Cents
(8) Net asset value per share attributable to owners of the parent	394.6	921.8
(9) Headline loss per share		
Continuing operations		
– Basic and diluted headline loss per share	(17.1)	(18.9)
Discontinued operations		
– Basic and diluted headline (loss) earnings per share	(12.8)	97.6
Reconciliation of continuing headline loss per share		
Basic and diluted loss per share	(118.3)	(33.5)
Profit on sale of property, plant and equipment	(1.5)	(0.3)
Net impairments of assets	141.3	19.9
Taxation effect	(38.6)	(5.0)
Continuing headline loss per share	(17.1)	(18.9)
Reconciliation of discontinued (loss) earnings per share		
Basic and diluted (loss) earnings per share	(458.5)	94.3
Net impairments of assets	241.5	–
IFRS 5 fair value adjustment	183.7	4.5
Taxation effect	20.5	(1.3)
Discontinued headline (loss) earnings per share	(12.8)	97.6

	Million	Million
(10) Weighted average number of shares in issue for the year		
Number of ordinary shares		
– in issue	405.5	405.5
– in issue (net of treasury shares)	391.3	397.0
Weighted average number of ordinary shares in issue during the year	391.3	396.6
– opening shares net of treasury shares	391.1	397.0
– disposal of treasury shares	0.2	–
– repurchase of ordinary shares	–	(0.4)
– Dilutionary effect	–	–
Diluted weighted average number of ordinary shares	391.3	396.6

(11) Discontinued operations

CONSOLIDATED DISCONTINUED STATEMENT OF COMPREHENSIVE INCOME	Total Rm	Corporate transaction: Industrial Equipment Rm	Corporate transaction: Fleet Management and Logistics Rm	Corporate transaction: Other Rm	Contract Mining and Plant Rental discontinued operations Rm
30 June 2016					
Revenue	6 566	3 036	2 113	472	945
Net operating expenses	(4 672)	(2 111)	(1 070)	(578)	(914)
Profit (loss) from operations before depreciation, amortisation and recoupments	1 894	925	1 043	(106)	31
Depreciation and amortisation	(1 494)	(610)	(670)	(92)	(121)
Profit (loss) on disposal of property, plant and equipment	6	1	(1)	6	–
Operating profit (loss)	406	316	372	(192)	(90)
Net foreign exchange (losses) gains	–	(37)	–	(1)	38
Net impairment of assets	(945)	–	(11)	(3)	(931)
Fair value adjustment	(719)	–	–	(719)	–
(Loss) profit before net finance costs	(1 258)	279	361	(915)	(983)
Net finance costs	(387)	(148)	(173)	(35)	(31)
(Loss) profit before taxation	(1 645)	131	188	(950)	(1 014)
Income tax	(145)	(37)	(47)	(57)	(4)
(Loss) profit from discontinued operations	(1 790)	94	141	(1 007)	(1 018)
Attributable to:					
Owners of the parent	(1 794)	94	137	(1 007)	(1 018)
Non-controlling interests	4	–	4	–	–
(Loss) profit from discontinued operations	(1 790)	94	141	(1 007)	(1 018)
30 June 2015					
Revenue	6 662	2 602	2 019	679	1 362
Net operating expenses	(4 117)	(1 736)	(945)	(580)	(856)
Profit from operations before depreciation, amortisation and recoupments	2 545	866	1 074	99	506
Depreciation and amortisation	(1 612)	(533)	(703)	(81)	(295)
Recoupments	–	–	–	–	–
Operating profit	933	333	371	18	211
Net foreign exchange gains	14	2	–	–	12
Net impairment of leasing assets	(18)	–	–	–	(18)
Profit before net finance costs	929	335	371	18	205
Net finance costs	(453)	(154)	(200)	(42)	(57)
Profit (loss) before taxation	476	181	171	(24)	148
Income tax	(92)	(50)	(47)	3	2
Profit (loss) from discontinued operations	384	131	124	(21)	150
Attributable to:					
Owners of the parent	374	131	114	(21)	150
Non-controlling interests	10	–	10	–	–
Profit (loss) for the period from discontinued operations	384	131	124	(21)	150

CORPORATE TRANSACTION

On 30 June 2016, Eqstra announced the proposed sale of the Fleet Management and Logistics division and the Industrial Equipment division to enX Group Limited. Shareholders approved the sale at the general meeting held on 22 September 2016.

As part of the corporate transaction, subsidiaries of Eqstra Holdings in the Fleet Management and Logistics and the Industrial Equipment divisions will be transferred to enX on the effective date, being the date that all conditions are met, These divisions have been disclosed as assets and associated liabilities held for sale.

The pre-tax IFRS 5 fair value adjustment of R719 million comprises the loss on sale from the corporate transaction amounting to R683 million before taxation of R63 million (calculated using proceeds of R1 107 million, being the enX Consideration Shares, and the net asset values of the entities being sold as at 30 June 2016) as well as R36 million relating to entities which were discontinued during the year.

Included in Other is the previously reported corporate office segment and entities which were discontinued during the year. The corporate office segment includes R40 million of transaction related costs.

In line with the group strategy to close or sell non-core businesses, the group closed the Construction Equipment business, following the termination of the Terex distribution agreement as well as the Air Supreme and Agricultural businesses.

The Commodities business has been disposed of with effect from 1 May 2015.

CONTRACT MINING AND PLANT RENTAL DISCONTINUED OPERATIONS

Eqstra Mozambique
The operations which have ceased in Mozambique with the conclusion of the Benga contract, have been included as discontinued operations. An impairment of R731 million was recognised for leasing assets, loans, property and equipment collectively.

Construction Botswana
In line with the group strategy to close or sell non-core businesses, the Botswana construction business was discontinued.

Inventories have been written down to their net realisable value

Plant Hire
In May 2016, the directors announced a plan to dispose of the Plant Hire business. The disposal is consistent with the group's stated strategy of exiting non-core loss making businesses. As a result, leasing assets were impaired by R200 million.

(12) Significant judgements and estimates

Following the turmoil in the mining and resources sector, and in addition to the specific impairments raised related to the relevant Assets Held for Sale, the group performed a review of the recoverable amount of the South African Contract Mining cash-generating unit (CGU), a significant CGU of the group. The net operating assets of the CGU at 30 June 2016 is R2 362 million (30 June 2015: R2 653 million). The value-in-use for the CGU is calculated at R2 755 million (30 June 2015: R3 407 million).

The recoverable amount of this CGU was determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 13.22% (2015: 11.94%) per annum.

(13) Related party transactions

The following intercompany revenue included in each division's revenue: (Rm)	30 June 2016	30 June 2015
Industrial Equipment	17	75
Fleet Management and Logistics	69	83
Total intergroup revenue eliminated	86	158

(14) Going concern

The annual financial statements presented for the Eqstra group have been prepared on the assumption that the Eqstra group as a whole will continue to operate as a going concern. This assumption is predicated on the enX transaction being implemented in substantially the form approved by shareholders at a general meeting on 22 September 2016.

The enX transaction will result in a cash injection into the group of R1 400m in the form of ordinary share capital of R100m, preference share capital of R600m and subordinated debt of R700m. New banking facilities have also been negotiated with a consortium of lenders subject to the transaction being implemented and management believe that these facilities will provide adequate financial resources to enable the group to meet its obligations over the next twelve months and beyond.

(15) Post-balance sheet events

Subsequent to year-end, the group's year end was changed to 31 August 2017. Shareholders voted in favour of the corporate transaction with enX Group Limited (enX) and in favour of the name change to eXtract Group Limited (eXtract) at the meeting on 22 September 2016. The transaction will result in the issuance of 101 400 000 ordinary shares (20%) to enX by Eqstra.

(16) The auditors, Deloitte & Touche, have issued their unmodified opinion in terms of International Standards on Auditing (ISA) on the group's consolidated financial statements for the year ended 30 June 2016. The audit was conducted in accordance with ISA. A copy of the auditors report together with a copy of the audited consolidated financial statements are available for inspection at the company's registered office. These summarised provisional consolidated financial statements have been derived from the group's consolidated financial statements and are consistent in all material respects with the group's consolidated financial statements. These summarised provisional consolidated financial statements have been audited by the company's auditors who have issued an unmodified opinion and the audit report on these summarised provisional consolidated financial statements is available for inspection at the company's registered office.

The auditors' report does not necessarily report on all of the information contained in this announcement/financial report. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report, together with the financial information from the issuer's registered office. Any reference to future accompanying financial information included in this announcement has not been reviewed or reported on by the auditors.

INDUSTRIAL EQUIPMENT | FLEET MANAGEMENT AND LOGISTICS | CONTRACT MINING AND PLANT RENTAL

NAME AND REGISTRATION NUMBER
EQSTRA HOLDINGS LIMITED
1998/011672/06
JSE codes: EQS; EQS05; EQS06;
EQS07; EQS08A; EQS09
ISIN: ZAE000117123

REGISTERED OFFICE AND BUSINESS ADDRESS
61 Maple Street, Pomona, Kempton Park, 1619 PO Box 1050, Bedfordview, 2008

NON-EXECUTIVE DIRECTORS
NP Mageza(Chairperson), MJ Croucamp*, VJ Mokoena*, SD Mthembi-Mahanyele*, AJ Phillips*, TDA Ross*, ZB Swanepoel* LL von Zeuner*,*
*(*Independent)*

EXECUTIVE DIRECTORS
JL Serfontein (CEO) CA(SA)
DA Austin (CFO)[1] CA(SA)
([1]Preparer of financial results)

COMPANY SECRETARY
L Möller

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

SPONSOR
Rand Merchant Bank
(a division of FirstRand Bank Limited)

INVESTOR RELATIONS
FTI Consulting
021 487 9022

www.eqstra.co.za

ince