AUDITED PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2015

EQSTRA HOLDINGS LIMITED

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

OPERATING PROFIT INCREASED BY **10.6%** to R1 037 million

CASH GENERATED BY OPERATIONS BEFORE CHANGES IN WORKING CAPITAL INCREASED BY **4.9%** to R3 111 million

HEADLINE EARNINGS PER SHARE INCREASED BY **2.6%** to 78.7 cents per share

NET ASSET VALUE PER SHARE INCREASED BY **11.5%** to 921.8 cents

INTEREST-BEARING BORROWINGS DECREASED BY **5.7%** to R7 519 million

REVENUE DECREASED BY **5.2%** to R9 463 million

KEY ACHIEVEMENTS

- Capital adequacy up to 27.2%
- Liquidity buffer R1 023 million
- Excess assets reduced to R645 million
- Reduction of capital expenditure by 23.2% to R1 882 million
- Exit of non-core businesses

KEY CHALLENGES

- Cost of excess assets amounting to R147 million
- Impairment of R97 million on yellow equipment
- Reduce exposure to Contract Mining to a balance risk portfolio
- Reduced liquidity in South African capital markets
- No dividend declared

- **Revenue** decreased by 5.2% to R9 463 million (2014: R9 978 million), due to sub-optimal utilisation of revenue-generating assets and the conclusion of loss making contracts in the Contract Mining and Plant Rental division. Fleet Management and Logistics closure of used vehicle retail branches and termination of subcontractor agreements resulted in lower revenue, however profitability increased. Industrial Equipment division grew its forklift market share, but low mining truck unit sales reduced distribution revenue.
- **Operating profit** increased 10.6% to R1 037 million (2014: R938 million) on a strong performance from Fleet Management and Logistics and Industrial Equipment divisions. Contract Mining and Plant Rental also benefitted by improved efficiencies and cost reductions.
- **Revenue-generating assets** (leasing assets and finance lease receivables) decreased by R52 million or 0.5% to R9 982 million (2014: R10 034 million), largely due to a decrease of R213 million in Contract Mining and Plant Rental division in a focused effect to reduce the division's assets base relative to the group.
- **Interest-bearing borrowings** decreased by 5.7% to R7 519 million (2014: R7 976 million) mainly due to free cash generated by the business on the back of Eqstra reducing expansionary capital expenditure.
- **Net asset value per share** increased by 11.5% to 921.8 cents per share (2014: 826.8 cents per share).
- **Cash generated by operations before changes in working capital** increased by 4.9% to R3 111 million (2014: R2 965), demonstrating Eqstra's ability to generate predictable cash flows on the back of annuity contracts.
- **Headline earnings per share** (HEPS) increased by 2.6% to 78.7 (2014: 76.7) cents per share as overall group performance marginally improved in a subdued market. Despite the impairment of leasing assets, earnings per share (EPS) increased by 1.2% to 61.3 cents per share (2014: 60.6).

DIVISIONAL REVIEWS

Industrial Equipment	30 June 2015 Rm	30 June 2014 Rm	% change
Revenue	**3 045**	3 037	+0.3
Operating profit	**328**	311	+5.5
Net finance costs	**(169)**	(153)	+10.5
Profit before taxation	**161**	153	+5.2
PBT margin (%)	**5.3**	5.0	+6.0
Revenue-generating assets	**2 513**	2 286	+9.9

The Industrial Equipment's forklift businesses, both in SA and the UK, performed well with SA market share increasing to 35%. The Heavy Equipment and 600SA business units performed below expectations largely on the back of a depressed order book. Expansion in the UK is progressing well with the securing of the Konecrane distributorship. Subsequent to year end the distribution agreement with Terex Trucks was terminated.

Fleet Management and Logistics	30 June 2015 Rm	30 June 2014 Rm	% change
Revenue	**2 482**	2 796	(11.2)
Operating profit	**410**	366	+12.0
Net finance costs	**(220)**	(184)	+19.6
Profit before taxation	**190**	182	+4.4
PBT margin (%)	**7.7**	6.5	+18.5
Revenue-generating assets	**3 312**	3 399	(2.6)

The Fleet Management and Logistics division continued to perform well. The successful launch of its new ERP system in the African countries, together with the business restructure in SA contributed to cost saving, with further reductions anticipated following the full integration of the SA operations. The division successfully retained contracts in line with its focus on retaining and optimising existing client relationships.

During the year the division achieved a 13.3% unit increase in value-added products (GPS, managed maintenance, warranties) and developed a successful supply chain partnership with a leading dealership group. The growth is in line with the strategic intent of evolving into an asset light integrated services business.

Contract Mining and Plant Rental	30 June 2015 Rm	30 June 2014 Rm	% change
Revenue	**4 094**	4 515	(9.3)
Operating profit	**308**	239	+28.9
Net finance costs	**(261)**	(263)	(0.8)
Loss before taxation	**(38)**	(24)	+58.3
Revenue-generating assets	**4 170**	4 383	(4.9)

The Contract Mining and Plant Rental division successfully implemented a turnaround strategy, with losses curtailed through improvement in efficiencies, ensuring that execution is according to contract terms and tender, improved utilisation on projects, change in personnel on some projects and engaging with our employees.

The division implemented a ring-fencing process with strict underlying protocols in order to accurately assess our excess assets. Of the approximately R1 610 million of assets that came off contract or identified as underutilised assets on existing contracts in the year, R868 million was redeployed, sold, rented or leased. This is evidence of the opportunities still available for earthmoving plant. Management further provided for an impairment of R97 million in this regard.

The Benga contract in Mozambique concludes in December 2015. Management is in negotiations with the concession holders to either extend the contract or sell the assets to them.

The division maintained its lost time frequency rate at 0.20 (2014: 0.21).

LONG-TERM DEBT FUNDING

Eqstra's debt maturity profile continues to match the long-term nature of associated capital equipment investments.

Total interest-bearing borrowings decreased by 5.7% to R7 519 million (2014: R7 976 million). This is in line with the group strategy to reduce debt and increase its capital adequacy ratio.

During the year the group was impacted by the constraints in the capital market. Despite this the group successfully refinanced all maturing debt by extending R635 million term bank debt maturing in 2015 into longer term debt, arranging R300 million new term facilities in Botswana, reducing overall group debt levels by R457 million and by utilising R820 million of the liquidity facility to refinance the commercial paper that matured during the year.

In addition Eqstra continues to manage the duration, currency and interest rate of its debt in accordance with underlying revenue-generating assets and in line with group treasury policy.

Standard and Poor's Rating Agency confirmed the long-term credit rating of Eqstra as zaBBB+. The group complied with all bank debt covenants. The group achieved an interest cover (EBITDA) ratio of 4.5 times (2014: 5.0 times) and a capital adequacy ratio of 27.2% (2014: 24.9%).

At 30 June 2015 the bank common terms agreement areas, being CMA and Botswana, had R1 023 million liquidity headroom available to repay maturing bonds of R508 million in the first six months of the 2016 financial year.

R442 million of bank debt maturing in March and June 2016 was extended by one year subsequent to 30 June 2015 to March and June 2017.

The board is satisfied that the group has sufficient facilities in place to meet known and anticipated liquidity requirements.

DIVIDEND

The board decided not to declare a dividend in order to preserve cash and increase the capital adequacy ratio of the group in line with group's future strategy to restructure the balance sheet.

The board considered the solvency and liquidity of the company and is satisfied that the company will remain solvent and liquid.

ACKNOWLEDGEMENT

Mr E Clarke, CEO of the Contract Mining and Plant Rental division and executive director, resigned effective 1 October 2014 and Mr GG Gelink resigned on 30 November 2014 as non-executive director. In January 2015 the board welcomed Mr J Colling as the CEO of the Contract Mining and Plant Rental division on 12 January 2015. Mr WS Hill retired on 1 June 2015 as CEO and executive director. The board thanks the exiting members for their contribution and wishes them well in their future endeavours.

Mr JL Serfontein was appointed CEO on 24 July 2015. He will continue to also serve as CFO until the position is filled. The board wishes him well in his new role. Other than mentioned above no further material subsequent events occurred.

LOOKING FORWARD

We are confident that our new 2020 strategy of restructuring the balance sheet, to become less capital intensive and more services orientated, will rebase our platform for growth. In addition, through improved operational efficiencies and complimentary diversification, Eqstra will be positioned to sustainably support our purpose of **"moving value globally, through powerful partnerships and creative solutions"**, enhancing shareholder returns.

Industrial Equipment anticipates the forklift market in SA to remain challenging this next year while the UK market is expected to increase marginally. We are in the process of expanding our footprint further through acquisitions in the forklift business in the UK. The distribution of the Terex Trucks distribution agreement was terminated by mutual agreement. We have secured the distribution rights for Link-Belt mobile cranes, launching September 2015. Looking ahead the division will continue to diversify further into complimentary distributorships both in SA and the UK.

Fleet Management and Logistics division will continue to drive annuity based non-capital intensive services with funding requirements for leasing being underwritten by partnering with financial institutions.

Contract Mining and Plant Rental anticipates global commodity prices to remain under pressure. The three-year SAFCEC wage agreements concluded set stability around increases in the short term. Globally, mining capital expenditure has decreased with mining houses demanding alternative solutions, allowing us opportunities to redeploy excess assets through the leasing or rental of mobile capital equipment. We are and remain committed to working closely with our clients to improve the sustainability of projects.

By order of the board

NP Mageza
Chairperson

JL Serfontein
Chief executive officer and Chief financial officer

28 August 2015

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	30 June 2015 Rm	30 June 2014 Rm
ASSETS		
Non-current assets	**10 739**	10 822
Intangible assets	**220**	167
Property, plant and equipment	**468**	519
Leasing assets	**9 950**	9 991
Deferred tax assets	**65**	67
Finance lease receivables	**16**	12
Other investments and loans[2]	**20**	66
Current assets	**3 127**	3 054
Trade and other receivables and derivatives	**1 770**	1 752
Finance lease receivables	**16**	31
Other investments and loans[2]	**58**	42
Inventories	**1 062**	1 117
Taxation in advance	**18**	19
Cash and cash equivalents	**203**	93
Total assets	**13 866**	13 876
EQUITY AND LIABILITIES		
Stated capital	**1 839**	1 839
Other reserves	**330**	272
Retained income	**1 569**	1 314
Equity attributable to owners of the parent	**3 738**	3 425
Non-controlling interests	**32**	26
Total equity	**3 770**	3 451
Non-current liabilities	**6 351**	5 665
Interest-bearing borrowings [3]	**5 601**	4 912
Deferred tax liabilities	**750**	753
Current liabilities	**3 745**	4 760
Current portion of interest-bearing borrowings[3]	**1 918**	3 064
Trade and other payables and derivatives	**1 782**	1 667
Current tax liabilities	**45**	29
Total equity and liabilities	**13 866**	13 876

SUMMARISED CONSOLIDATED INCOME STATEMENT

for the years ended	30 June 2015 Rm	30 June 2014 Rm
Revenue	**9 463**	9 978
Profit from operations before depreciation, amortisation and recoupments	**3 070**	3 004
Depreciation and amortisation	**(2 034)**	(2 067)
Recoupments	**1**	1
Operating profit	**1 037**	938
Foreign exchange gains (losses)	**14**	(1)
Net impairment of leasing assets[5]	**(97)**	(2)
Impairment of investment	**–**	(63)
Profit before net finance costs	**954**	872
Net finance costs	**(653)**	(603)
Finance costs including fair value gains[6]	**(672)**	(628)
Finance income	**19**	25
Profit before taxation	**301**	269
Income tax expense	**(47)**	(18)
Profit for the year	**254**	251
Attributable to:		
Owners of the parent	**243**	240
Non-controlling interests	**11**	11
Profit for the year	**254**	251
	Cents	Cents
Earnings per share[8]		
– Basic and diluted earnings per share (cents)	**61.3**	60.6

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended	30 June 2015 Rm	30 June 2014 Rm
Profit for the year	**254**	251
Total other comprehensive income for the year, net of taxation	**109**	68
Exchange differences on translation of foreign subsidiaries	**92**	60
Net fair value gain on cash flow hedges and other fair value reserves	**17**	8
Total comprehensive income for the year, net of taxation	**363**	319
Attributable to:		
Owners of the parent	**352**	308
Non-controlling interests	**11**	11
	363	319

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 2013	**1 816**	**218**	**1 222**	**19**	**3 275**
Total comprehensive income for the year	–	68	240	11	319
Profit for the year	–	–	240	11	251
Other comprehensive income for the year, net of taxation	–	68	–	–	68
Net share-based payment reversal	–	(2)	–	–	(2)
Vesting of share incentive scheme	–	(19)	(2)	–	(21)
Revaluation of Lereko call option	–	3	–	–	3
Dividends paid	–	–	(146)	(4)	(150)
Disposal of treasury shares	23	–	–	–	23
Deferred taxation effect on items recorded directly in equity	–	4	–	–	4
Balance at 30 June 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 reversal	–	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**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the years ended	30 June 2015 Rm	30 June 2014 Rm
Cash flows from operating activities		
Cash generated from operations before working capital movements	**3 111**	2 965
Working capital movements	**791**	457
Cash generated from operations	**3 902**	3 422
Interest received	**19**	25
Interest paid	**(672)**	(628)
Taxation paid	**(33)**	(27)
Net cash flows from operating activities	**3 216**	2 792
Cash flows from investing activities		
Acquisition of businesses	**(12)**	(16)
Gross capital expenditure	**(2 551)**	(3 137)
Proceeds on disposal of assets	**31**	7
Decrease in finance lease receivables	**11**	44
Increase in other investments and loans	**–**	(15)
Net cash flows from investing activities	**(2 521)**	(3 117)
Cash flows from financing activities		
Purchase of non-controlling interests	**(3)**	–
Decrease in derivative	**–**	64
Dividends paid	**(5)**	(150)
Net (decrease) increase in interest-bearing borrowings	**(590)**	199
Net cash flows from financing activities	**(598)**	113
Net increase (decrease) in cash and cash equivalents	**97**	(212)
Effect of exchange rate translation on cash and cash equivalents	**13**	5
Cash and cash equivalents at beginning of year	**93**	300
Cash and cash equivalents at end of year	**203**	93

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

SEGMENTAL INFORMATION – SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at

	Group		Industrial Equipment		Fleet Management and Logistics		Contract Mining and Plant Rental		Corporate Office and Eliminations	
	30 June 2015 Rm	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm
BUSINESS SEGMENTATION										
ASSETS										
Intangible assets	**220**	167	**12**	6	**167**	119	**39**	39	**2**	3
Property, plant and equipment	**468**	519	**186**	183	**79**	94	**139**	157	**64**	85
Leasing assets	**9 950**	9 991	**2 513**	2 286	**3 290**	3 356	**4 160**	4 383	**(13)**	(34)
Finance lease receivables	**32**	43	**–**	–	**22**	43	**10**	–	**–**	–
Other investments and loans	**78**	108	**2**	–	**19**	12	**59**	50	**(2)**	46
Inventories	**1 062**	1 117	**841**	917	**57**	55	**164**	145	**–**	–
Trade and other receivables and derivatives	**1 770**	1 752	**503**	501	**284**	389	**962**	820	**21**	42
Operating assets	**13 580**	13 697	**4 057**	3 893	**3 918**	4 068	**5 533**	5 594	**72**	142
Deferred tax assets	**65**	67								
Taxation in advance	**18**	19								
Cash and cash equivalents	**203**	93								
Total assets	**13 866**	13 876								
LIABILITIES										
Trade and other payables and derivatives	**1 782**	1 667	**587**	527	**426**	490	**697**	592	**72**	58
Interest-bearing borrowings	**7 519**	7 976	**2 364**	2 426	**2 236**	2 463	**2 990**	3 300	**(71)**	(213)
Operating liabilities	**9 301**	9 643	**2 951**	2 953	**2 662**	2 953	**3 687**	3 892	**1**	(155)
Deferred tax liabilities	**750**	753								
Current tax liabilities	**45**	29								
Total liabilities	**10 096**	10 425								
GEOGRAPHIC SEGMENTATION										
Operating assets	**13 580**	13 697	**4 057**	3 893	**3 918**	4 068	**5 533**	5 594	**72**	142
– South Africa	**9 938**	10 586	**2 812**	2 784	**3 558**	3 687	**3 496**	3 973	**72**	142
– Rest of world	**3 642**	3 111	**1 245**	1 109	**360**	381	**2 037**	1 621	**–**	–
Trade and other payables and derivatives	**1 782**	1 667	**587**	527	**426**	490	**697**	592	**72**	58
– South Africa	**1 339**	1 327	**440**	409	**396**	424	**431**	436	**72**	58
– Rest of world	**443**	340	**147**	118	**30**	66	**266**	156	**–**	–
Interest-bearing borrowings	**7 519**	7 976	**2 364**	2 426	**2 236**	2 463	**2 990**	3 300	**(71)**	(213)
– South Africa	**5 932**	6 280	**1 539**	1 670	**2 171**	2 192	**2 293**	2 631	**(71)**	(213)
– Rest of world	**1 587**	1 696	**825**	756	**65**	271	**697**	669	**–**	–
Net capital expenditure	**2 520**	3 130	**940**	856	**1 062**	1 517	**521**	752	**(3)**	5
– South Africa	**1 767**	2 717	**676**	630	**914**	1 358	**180**	724	**(3)**	5
– Rest of world	**753**	413	**264**	226	**148**	159	**341**	28	**–**	–

SEGMENTAL INFORMATION – SUMMARISED CONSOLIDATED INCOME STATEMENTS

for the years ended

	Group		Industrial Equipment		Fleet Management and Logistics		Contract Mining and Plant Rental		Corporate Office and Eliminations	
	30 June 2015 Rm	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm	**30 June 2015 Rm**	30 June 2014 Rm
BUSINESS SEGMENTATION										
Revenue										
– Sales of goods	**2 092**	2 275	**1 583**	1 538	**401**	654	**108**	83	**–**	–
– Rendering of services, leasing income and other	**7 371**	7 703	**1 387**	1 249	**1 998**	2 022	**3 986**	4 432	**–**	–
	9 463	9 978	**2 970**	2 787	**2 399**	2 676	**4 094**	4 515	**–**	–
Inter-segment revenue	**–**	–	**75**	250	**83**	120	**–**	–	**(158)**	(370)
	9 463	9 978	**3 045**	3 037	**2 482**	2 796	**4 094**	4 515	**(158)**	(370)
Net operating expenses	**(6 393)**	(6 974)	**(2 173)**	(2 252)	**(1 285)**	(1 691)	**(3 079)**	(3 403)	**144**	372
Depreciation and amortisation	**(2 034)**	(2 067)	**(544)**	(474)	**(788)**	(739)	**(707)**	(873)	**5**	19
Recoupments	**1**	1	**–**	–	**1**	–	**–**	–	**–**	1
Operating profit (loss)	**1 037**	938	**328**	311	**410**	366	**308**	239	**(9)**	22
Foreign exchange gains (losses)	**14**	(1)	**2**	(5)	**–**	–	**12**	2	**–**	2
Net impairment of leasing assets	**(97)**	(2)	**–**	–	**–**	–	**(97)**	(2)	**–**	–
Impairment of investment	**–**	(63)	**–**	–	**–**	–	**–**	–	**–**	(63)
Profit (loss) before net finance costs	**954**	872	**330**	306	**410**	366	**223**	239	**(9)**	(39)
Net finance costs	**(653)**	(603)	**(169)**	(153)	**(220)**	(184)	**(261)**	(263)	**(3)**	(3)
Finance costs including fair value gains	**(672)**	(628)	**(171)**	(155)	**(240)**	(208)	**(269)**	(265)	**8**	–
Finance income	**19**	25	**2**	2	**20**	24	**8**	2	**(11)**	(3)
Profit (loss) before taxation	**301**	269	**161**	153	**190**	182	**(38)**	(24)	**(12)**	(42)
Income tax (expense) income	**(47)**	(18)	**(44)**	(20)	**(51)**	(51)	**46**	58	**2**	(5)
Profit (loss) for the year	**254**	251	**117**	133	**139**	131	**8**	34	**(10)**	(47)
GEOGRAPHIC SEGMENTATION										
Revenue	**9 463**	9 978	**3 045**	3 037	**2 482**	2 796	**4 094**	4 515	**(158)**	(370)
– South Africa	**7 038**	7 999	**2 194**	2 280	**2 262**	2 599	**2 740**	3 490	**(158)**	(370)
– Rest of world	**2 425**	1 979	**851**	757	**220**	197	**1 354**	1 025	**–**	–
Operating profit (loss)	**1 037**	938	**328**	311	**410**	366	**308**	239	**(9)**	22
– South Africa	**725**	589	**263**	256	**380**	333	**91**	(22)	**(9)**	22
– Rest of world	**312**	349	**65**	55	**30**	33	**217**	261	**–**	–
Net finance costs	**653**	603	**169**	153	**219**	184	**261**	263	**4**	3
– South Africa	**555**	520	**147**	134	**204**	172	**200**	211	**4**	3
– Rest of world	**98**	83	**22**	19	**15**	12	**61**	52	**–**	–

NOTES

(1) Basis of preparation

These summarised preliminary 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 2014 annual report, except for the adoption on 1 July 2014 of those new, revised and amended standards and interpretations in Eqstra's 2015 consolidated annual financial statements.

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 did not have a material impact on the group.

		30 June 2015 Rm	30 June 2014 Rm
(2)	**Other investments and loans**		
	– Listed, at market value	**1**	1
	– Unlisted, at fair value or directors' valuation	**19**	58
	– Other loans	**58**	49
		78	108

(3) Interest-bearing borrowings

All outstanding commercial paper as at 30 June 2014 was repaid and refinanced with the R1 billion standby liquidity facility during the 2015 financial year. R820 million was utilised under the liquidity facility at 30 June 2015. The liquidity facilty has a 13-month rolling notice period and is therfore classified as long term. Current portion of interest bearing borrowings also includes R442 million of bank debt maturing in March and June 2016 which has been extended subsequent to year-end, for an additional 12 months from maturity date.

		30 June 2015 Rm	30 June 2014 Rm
(4)	**Capital commitments and contingencies**	**1 776**	2 835
	– Contracted	**224**	530
	– Authorised by directors but not contracted	**1 552**	2 305
	Contingent liabilities	**–**	–
	Guarantees	**24**	18

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.

		30 June 2015 Rm	30 June 2014 Rm
(5)	**Impairment of leasing assets**		
	During the year, the group performed a review of the recoverable amount of the unutilised assets in the Contract Mining and Plant Rental division. The review led to the impairment of R97 million, which has been recognised in profit and loss.	**97**	2
	Of the R97 million, R47 million relates to specific assets which were written down to their fair-value less costs-to-sell, being their scrap values.		
	The remaining R50 million impairment was also accounted for to write down the assets to their fair-value less costs-to-sell. The valuation was done based on recent market prices of the assets with similar age and obsolescence.		

		30 June 2015 Rm	30 June 2014 Rm
(6)	**Finance costs including fair value gains**		
	Net interest expense	**672**	627
	Fair value gains on borrowings and interest swaps (unrealised)	**–**	1
		672	628
		Cents	Cents
(7)	**Net asset value per share attributable to owners of the parent**	**921.8**	826.8
(8)	**Headline earnings per share**		
	– Basic and diluted headline earnings per share (cents)	**78.7**	76.7
	Reconciliation of earnings per share		
	Basic and diluted earnings per share	**61.3**	60.6
	Profit on sale of property, plant and equipment and leasing equipment	**(0.3)**	(0.3)
	Impairment of investment	**–**	15.9
	Net impairment of leasing assets	**24.5**	0.5
	Taxation effect	**(6.8)**	–
	Headline earnings per share	**78.7**	76.7
		Million	Million
(9)	**Weighted average number of shares in issue for the year**		
	Number of ordinary shares		
	– in issue	**405.5**	411.4
	– opening shares net of treasury shares	**397.0**	394.2
	– disposal of treasury shares	**–**	2.1
	– repurchase of ordinary shares	**(0.4)**	–
	Weighted average number of ordinary shares in issue during the year	**396.6**	396.3
	– dilutionary effect	**–**	–
	Diluted weighted average number of ordinary shares	**396.6**	396.3

(10) Significant judgements and estimates

Following the turmoil in the mining and resources sector, the group performed a review of the recoverable amount of the South African Contract Mining cash-generating unit, a significant cash-generating unit of the Group.

The recoverable amount of this cash-generating unit 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 11.94% per annum.

Cash flow projections during the budget period were based on the same expected gross margins per contract as is currently being earned. The cash flow projections were performed on individual projected contract profiles. Based on current tender activity, 2 additional contracts were included in the five year projections, and it was assumed that all the existing contracts will be renewed after their current contract termination rate. The cashflows beyond that five year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate of the division.

Key assumptions used in value in use calculation:

Discount rate: The weighted average cost of capital (WACC) of 11.94% was used. Terminal growth rate: 5%

Capital expenditure: Capital expenditure is increased over the budget period in order to achieve a 1:1 revenue to asset ratio. The terminal period then assumes that this ratio is maintained.

(11) The auditors, Deloitte & Touche, have issued their unmodified opinion on the group's consolidated annual financial statements for the year ended 30 June 2015. The audit was conducted in accordance with International Standards on Auditing. 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 preliminary consolidated annual financial statements have been derived from the group's consolidated annual financial statements and are consistent in all material respects with the group's consolidated annual financial statements. These summarised preliminary consolidated financial statements have been audited by the company's auditors who have issued an unmodified opinion and the audit report on these summarised 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. 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 accompanying consolidated annual financial information from the company's registered office. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors.

NAME AND REGISTRATION NUMBER

EQSTRA HOLDINGS LIMITED
1998/011672/06
JSE codes: EQS; EQS02; EQS04; EQS05; EQS06; EQS07; EQS08A; EQS09
ISIN: ZAE000117123

REGISTERED OFFICE AND BUSINESS ADDRESS

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PO Box 1050, Bedfordview, 2008

NON-EXECUTIVE DIRECTORS

NP Mageza(Chairperson), MJ Croucamp*, S Dakile-Hlongwane, VJ Mokoena*, SD Mthembi-Mahanyele*, AJ Phillips*, TDA Ross*, LL von Zeuner**
*(*Independent)*

EXECUTIVE DIRECTORS

JL Serfontein (CEO & CFO)[1] CA(SA)
([1]Preparer of financial results)

COMPANY SECRETARY

L Möller

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