UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

EQSTRA HOLDINGS LIMITED

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

IMPLEMENTATION OF 2020 STRATEGY IS BASED ON:
- Balanced capital structure
- Evolving differentiated services business model
- Operating efficiencies/margin improvement

OPERATING PROFIT FROM CONTINUING OPERATIONS INCREASED BY

7.1%

to R436 million

CASH GENERATED BY OPERATIONS BEFORE CHANGES IN WORKING CAPITAL INCREASED

0.9%

to R1 510 million

HEPS FROM CONTINUING OPERATIONS INCREASED

18.1%

to 22.2 cents

DIVISIONAL OVERVIEW:
- Industrial Equipment – market share increased
- Fleet Management and Logistics – improved operating margin
- Contract Mining and Plant Rental – drive efficiencies

INTRODUCTION

Eqstra Holdings Limited ("the group" or "Eqstra") reported profit from continuing operations before depreciation, amortisation and recoupments of R1 360 million (2014: R1 301 million). The loss for the period from continuing operations of R438 (2014: R80 million profit) was mainly attributable to an asset impairment of R736 million in Contract Mining and Plant Rental. The loss for the period of R1 122 million (2014: R152 million profit) includes discontinued operations comprising the Benga operations in Mozambique and impairment of assets to a fair value less costs to sale, the closure of the Construction Equipment business unit in Industrial Equipment division and the closure of the Commodities business unit in Fleet Management and Logistics division. The closures are elements of Eqstra's strategy to exit non-core operations.

The period under review was a pivotal one for Eqstra as management moved ahead with implementation of several key initiatives. These initiatives are expected to accelerate the transition of Eqstra to a services oriented group. The focus remained liquidity and working capital management.

The Industrial Equipment division continued to perform well in its core forklift businesses. However, foreign exchange losses of R20 million (2014: R3 million gain) in the period contributed to a decrease in continuing operations operating profit of 5.5% to R154 million (2014: R163 million). Following the exit from the Terex distribution business in July 2015, and as part of implementing Eqstra's stated strategy, the division is in the process of closing the Construction Equipment business unit, resulting in a loss of R69 million (2014: R7 million).

The core operations in the Industrial Equipment division represented by the forklift businesses in South Africa and the United Kingdom continued to grow and improve market share even in a declining forklift market in South Africa.

During the period the Fleet Management and Logistics division delivered improved continuing operating profit of R202 million (2014: R192 million). The division's operating margin improved to 19.2% (2014: 17.0%) mainly as a result of benefits flowing from previous restructuring. The division also consciously decreased its revenue-generating assets as part of its ongoing drive to preserve cash. The division is also in the process of closing the Commodity business unit.

The Contract Mining and Plant Rental division improved operating profit by 46.2% to R76 million (2014: R52 million) as a result of improved efficiencies. Management responded to the continuing changes in the mining sector by earmarking R1 102 million of mining equipment for sale. This resulted in an impairment of R736 million. The value of assets held for sale differs to the valuation-in-use methodology applied in June 2015. In addition, on 31 December 2015 the contract mining operations at Benga, Mozambique concluded and the assets were impaired to a fair value on anticipated sale. This resulted in a discontinued operations loss of R572 million (2014: R75 million profit). The anticipated sale of the assets were in line with Eqstra's strategy to decrease exposure to the mining sector and also to improve liquidity.

The decrease in revenue-generating assets is part of the group's continued efforts to curtail capital expenditure to ensure liquidity and to counteract the prevailing constraints in the capital markets. The continued positive cash generation ensured that Eqstra was able to fund replacement capital expenditure without raising additional debt as well as repay debt that matured during the period.

Salient features of the results for the interim period include:
- **Continuing operating profit** improved by 7.1% to R436 million (2014: R407 million) as the Contract Mining and Plant Rental division's contribution improved.
- **Discontinued operations** includes the closure of Construction Equipment and Commodities business units as well as the Benga operations.
- **Revenue-generating assets** (leasing assets and finance lease receivables), decreased by 19.6% to R8 030 million (H2'15: R9 982 million), as a result of a combination of the divisions curtailing growth, asset impairments and classifying R1 181 million as assets held for sale. The decrease in revenue-generating assets is central to our intent to focus on core competencies and services.
- **Net asset value per share** decreased by 19.7% to 704.8 cents per share (2014: 877.6 cents per share) as a result of asset impairments in the Contract Mining and Plant Rental division.
- **Continuing operations headline earnings per share** (HEPS) increased by 18.1% to 22.2 cents per share, mainly due to an improvement in the performance of the Contract Mining and Plant Rental division.

DIVISIONAL REVIEW

Industrial Equipment

	For the six months ended			For the year ended
Continuing operations	31 December 2015 Rm	31 December 2014 Rm	30 June 2015 Rm	30 June 2015 Rm
Revenue	1 448	1 389	1 219	2 608
Operating profit	154	163	158	321
Net finance costs	(72)	(80)	(73)	(153)
Profit before taxation	61	86	86	172
PBT margin (%)	4.2%	6.2%	7.1%	6.6%
Revenue-generating assets	2 714	2 365	2 513	2 513

Industrial Equipment's South African forklift business continued to perform well, increasing market share. The United Kingdom and Ireland business delivered a solid performance in line with expectations. The division will continue to focus on core businesses and look for further opportunities in the UK and Europe.

Fleet Management and Logistics

	For the six months ended			For the year ended
Continuing operations	31 December 2015 Rm	31 December 2014 Rm	30 June 2015 Rm	30 June 2015 Rm
Revenue	1 054	1 132	1 059	2 191
Operating profit	202	192	196	388
Net finance costs	(95)	(106)	(101)	(207)
Profit before taxation	107	86	95	181
PBT margin (%)	10.2%	7.6%	9.0%	8.3%
Revenue-generating assets	3 054	3 484	3 199	3 199

The Fleet Management and Logistics division's operating profit margin improved by 12.9% despite difficult market conditions. The phased rollout of the ERP system is reaching its final stages. Further efficiencies are expected in the next financial year following the full implementation of our ERP system. The division continues to explore alternative funding solutions to support future growth.

Contract Mining and Plant Rental

	For the six months ended			For the year ended
Continuing operations	31 December 2015 Rm	31 December 2014 Rm	30 June 2015 Rm	30 June 2015 Rm
Revenue	1 651	1 575	1 688	3 263
Operating profit	76	52	120	172
Net impairment of leasing assets	(736)	–	(97)	(97)
Net finance costs	(133)	(118)	(112)	(230)
Loss before taxation	787	(63)	(219)	(156)
Revenue-generating assets	2 271	4 329	4 283	4 283

The Contract Mining and Plant Rental business continued to drive operational improvements and initiatives to improve shareholder returns, making encouraging progress in a sector under extreme pressure.

The Contract Mining and Plant Rental division focused on improving efficiencies at mining operations during the past six months. Regrettably, one of the mine sites reported a fatality resulting in 14 days of operations being lost. Other sites continued to report excellent LTIFR statistics. The impairment of assets held for sale is an important step in the strategy of improving liquidity and reducing exposure to the mining sector.

The PPM contract was extended for a further five years and the scope of the project increased. The contract allowed for a sharing of any upwards movement in the platinum price. The Tharisa project was also extended for a further two years with scope increases. The Dorstfontein contract terminates in March 2016, with extension possibilities. The Nsele Coal contract should commence in April 2016.

Shareholders are referred to the SENS announcement on 3 February 2016 regarding the Benga operations in Mozambique termination in December 2015 and the group's intention to sell the assets associated with these operations. The sale is subject to shareholder approval. Assets were valued as assets held for sale at 31 December 2015.

The division also earmarked underutilised equipment for sale. An impairment of R736 million was raised in anticipation of the proposed sale of assets.

FUNDING

During July and September 2015, the group successfully repaid the EQS02 and EQS04 bonds in the amounts of R50 million and R411 million respectively. These bonds were repaid from a combination of free cash generated by the business and general banking facilities. During September 2015 an additional R100 million commercial paper was issued as a private placement.

Subsequent to the period end Eqstra continued to engage with its funding partners to refinance existing bank debt by extending and smoothing the repayment profile. The board's intent is to further reduce the groups gearing over the medium term. An update will be published once these arrangements have been completed.

Total interest-bearing borrowings remained flat at R7 545 million (H2'15: R7 519 million) largely due to curtailment of capital expenditure during the period. Eqstra continues to manage the duration, currency and interest rate of its debt in accordance with underlying revenue generating assets.

Standard & Poor's Ratings Services placed its 'zaBBB+/zaA-2' long- and short-term South Africa national scale ratings of the group on negative CreditWatch in light of an expected fall in earnings following the trading update dated 3 February 2016. The formal review process has commenced and the outcome will be announced. Management are of the opinion that the reduced exposure to mining, improvement in liquidity and debt refinancing should have a positive impact on the credit rating of the group in the medium to long term.

SOLVENCY AND LIQUIDITY

The board is satisfied that the strategies to address the liquidity and refinancing risks, including the de-gearing strategy, are on track and are effectively addressed. In its assessment of the group's solvency and liquidity position, the board is comfortable that the assets of the group, fairly valued, exceed the liabilities of the group.

The board is also aware of the fact that the capital adequacy covenant was breached as at 31 December 2015 due to the impairment of the South African mining equipment amounting to R736 million. Lenders were proactively informed. The lenders have since decided to waive the breach on conditions accepted by the board.

In relation to the liquidity position of the group, the board is fully appraised of the group's position as it relates to upcoming maturities that will become due and payable. Management has been proactive in addressing the immediate liquidity concerns and are in the process of refinancing upcoming maturities to ensure that the group remains solvent and liquid.

The board realistically expects a favourable outcome on the debt refinancing process will be achieved. The achievement of this outcome is critical to the group meeting its repayment obligations.

DIVIDEND

The board agreed to withhold dividend payments to preserve cash as well as to strengthen the balance sheet and to consider resuming dividend payments only once the targeted leverage ratio has been achieved.

BOARD CHANGES

The board welcomed Mr ZB Swanepoel as non-executive director on 1 December 2015. His in-depth knowledge of the mining industry will add value to Eqstra. Mrs S Dakile-Hlongwane retired from the board in November 2015 and is thanked for her contribution.

PROSPECTS

Group continues to focus on cash management and quality of earnings in terms of the 2020 strategy.

Industrial Equipment anticipates that the solid performance in the forklift businesses will continue in South Africa and the United Kingdom. A healthy order book for long-term rental and cash sales is in place to support annuity revenue growth.

Fleet Management and Logistics earnings remain robust. We continue to drive value-add products with measured expansion on leasing activities.

Contract Mining and Plant Rental continues to reduce the exposure to contract mining so that it does not exceed 30% of the group's revenue-generating assets, focussing on efficiencies and contract management.

Any forecast financial information contained herein has not been reviewed and reported on by the company's external auditors.

By order of the board

NP Mageza
Chairperson

JL Serfontein
Chief executive officer

1 March 2016

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	Unaudited 31 December 2015 Rm	Unaudited 31 December 2014 Rm	Audited 30 June 2015 Rm
ASSETS			
Non-current assets	8 734	10 902	10 739
Intangible assets	229	191	220
Property, plant and equipment	382	495	468
Leasing assets	8 022	10 131	9 950
Deferred tax assets	83	57	65
Finance lease receivables	4	11	16
Other investments and loans [2]	14	17	20
Current assets	4 720	2 958	3 127
Finance lease receivables	4	16	16
Other investments and loans [2]	89	74	58
Inventories	1 108	1 115	1 062
Trade and other receivables and derivatives	1 887	1 605	1 770
Taxation in advance	18	16	18
Cash and cash equivalents	433	132	203
Assets held for sale [4]	1 181	–	–
Total assets	13 454	13 860	13 866
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	1 839	1 839	1 839
Other reserves	574	310	330
Retained income	445	1 461	1 569
Equity attributable to owners of the parent	2 858	3 610	3 738
Non-controlling interests	27	26	32
Total equity	2 885	3 636	3 770
Non-current liabilities	5 819	6 577	6 351
Interest-bearing borrowings	5 212	5 816	5 601
Deferred tax liabilities	607	761	750
Current liabilities	4 750	3 647	3 745
Current portion of interest-bearing borrowings [3]	2 333	2 048	1 918
Trade and other payables, provisions and derivatives	1 949	1 573	1 782
Current tax liabilities	43	26	45
Liabilities directly associated with assets held for sale [4]	425	–	–
Total equity and liabilities	13 454	13 860	13 866

SUMMARISED CONSOLIDATED INCOME STATEMENT

	Unaudited for the six months ended 31 December 2015 Rm	Unaudited for the six months ended 31 December 2014 Rm	Audited year end 30 June 2015 Rm
Continuing operations			
Revenue	4 113	4 004	8 107
Profit from operations before depreciation, amortisation and recoupments	1 360	1 301	2 641
Depreciation and amortisation	(928)	(895)	(1 763)
Recoupments	4	1	1
Operating profit	436	407	879
Net foreign exchange (losses) gains	(16)	5	3
Net impairment of assets [7]	(736)	–	(97)
(Loss) profit before net finance costs	(316)	412	785
Net finance costs	(300)	(304)	(599)
Finance costs including fair value gains [8]	(306)	(311)	(617)
Finance income	6	7	18
(Loss) profit before taxation	(616)	108	186
Income tax income (expense)	178	(28)	(50)
(Loss) profit for the period from continuing operations	(438)	80	136
Discontinued operations			
(Loss) profit for the period from discontinued operations	(684)	72	118
(Loss) profit for the period	(1 122)	152	254
Attributable to:			
Owners of the parent	(1 124)	147	243
– (Loss) profit for the period from continuing operations	(440)	75	125
– (Loss) profit for the period from discontinued operations	(684)	72	118
Non-controlling interests	2	5	11
(Loss) profit for the period	(1 122)	152	254
	Cents	Cents	Cents
(Loss) earnings per share from continuing operations [10]			
– Basic and diluted (loss) earnings per share	(112.5)	18.9	31.5
(Loss) earnings per share from discontinued operations [10]			
– Basic and diluted (loss) earnings per share	(174.9)	18.1	29.7

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited for the six months ended 31 December 2015 Rm	Unaudited for the six months ended 31 December 2014 Rm	Audited year end 30 June 2015 Rm
(Loss) profit for the period	(1 122)	152	254
Total other comprehensive income for the period, net of taxation	241	38	109
Exchange differences on translation of foreign subsidiaries	194	43	92
Net fair value gains (losses) on cash flow hedges and other fair value reserves	47	(5)	17
Total comprehensive (loss) income for the period, net of taxation	(881)	190	363
Attributable to:			
Owners of the parent	(883)	185	352
Non-controlling interests	2	5	11
	(881)	190	363

SUMMARISED CONSOLIDATED DISCONTINUED OPERATIONS INCOME STATEMENT

	Unaudited for the six months ended 31 December 2015 Rm	Unaudited for the six months ended 31 December 2014 Rm	Audited year end 30 June 2015 Rm
Revenue	517	709	1 356
Profit from operations before depreciation, amortisation	(1)	233	429
Depreciation and amortisation	(82)	(137)	(271)
Operating (loss) profit	(83)	96	158
Net foreign exchange gains	29	8	11
Net impairment of assets [7]	(458)	–	–
(Loss) profit before net finance costs	(512)	104	169
Net finance costs	(16)	(32)	(54)
Finance costs	(17)	(32)	(55)
Finance income	1	–	1
(Loss) profit before taxation	(528)	72	115
Income tax (expense) income	(156)	–	3
(Loss) profit for the period	(684)	72	118

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital Rm	Other reserves Rm	Retained income Rm	Non-controlling interest Rm	Total Rm
Balance at 1 July 2014	1 839	272	1 314	26	3 451
Total comprehensive income for the period	–	38	147	5	190
Profit for the period	–	–	147	5	152
Other comprehensive income for the period, net of taxation	–	38	–	–	38
Net share-based payment movement	–	2	–	–	2
Dividends paid	–	–	–	(5)	(5)
Vesting of share incentive scheme	–	(2)	–	–	(2)
Balance at 31 December 2014	1 839	310	1 461	26	3 636
Total comprehensive income for the period	–	71	96	6	173
Profit for the period	–	–	96	6	102
Other comprehensive income for the period, net of taxation	–	71	–	–	71
Devaluation of Lereko call option	–	(16)	–	–	(16)
Derecognition of Lereko call option	–	(23)	–	–	(23)
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 period	–	241	(1 124)	2	(881)
Loss (profit) for the period	–	–	(1 124)	2	(1 122)
Other comprehensive income for the period, net of taxation	–	241	–	–	241
Net share-based payment movement	–	3	–	–	3
Dividends paid	–	–	–	(7)	(7)
Balance at 31 December 2015	1 839	574	445	27	2 885

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended 31 December 2015 Rm	Unaudited for the six months ended 31 December 2014 Rm	Audited year end 30 June 2015 Rm
Cash flows from operating activities			
Cash generated from operations before working capital movements	1 510	1 496	3 111
Working capital movements	263	409	791
Cash generated from operations	1 773	1 905	3 902
Finance income	7	7	19
Finance costs	(323)	(343)	(672)
Taxation paid	(24)	(12)	(33)
Net cash flows from operating activities	1 433	1 557	3 216
Cash flows from investing activities			
Acquisition of businesses	–	(22)	(12)
Net capital expenditure	(1 154)	(1 350)	(2 520)
Decrease in finance lease receivables	33	16	11
Net cash flows from investing activities	(1 121)	(1 356)	(2 521)
Cash flows from financing activities			
Repurchase of non-controlling interest	(16)	–	(3)
Decrease in derivative financial instruments	–	6	–
Dividends paid	(7)	(7)	(5)
Net decrease in interest-bearing borrowing	(91)	(168)	(590)
Net cash flows from financing activities	(114)	(169)	(598)
Net increase in cash and cash equivalents	198	32	97
Effect of exchange rate translation on cash and cash equivalents	32	7	93
Cash and cash equivalents at beginning of period	203	93	13
Cash and cash equivalents at end of period	433	132	203

SUMMARISED CONSOLIDATED STATEMENT OF DISCONTINUED CASH FLOWS

	Unaudited for the six months ended 31 December 2015 Rm	Unaudited for the six months ended 31 December 2014 Rm	Audited year end 30 June 2015 Rm
Net cashflows from operating activities	283	279	403
Net cashflows from investing activities	(11)	(19)	10
Net cashflows from financing activities	(279)	(263)	(439)
Net cash outflow	(7)	(3)	(26)

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	
	31 December 2015 Rm Unaudited	30 June 2015 Rm Audited	**31 December 2015 Rm Unaudited**	30 June 2015 Rm Audited	**31 December 2015 Rm Unaudited**	30 June 2015 Rm Audited	**31 December 2015 Rm Unaudited**	30 June 2015 Rm Audited	**31 December 2015 Rm Unaudited**	30 June 2015 Rm Audited
BUSINESS SEGMENTATION										
ASSETS										
Intangible assets	**229**	220	**15**	12	**173**	167	**40**	39	**1**	2
Property, plant and equipment	**382**	468	**196**	186	**80**	79	**81**	139	**25**	64
Leasing assets	**8 022**	9 950	**2 714**	2 513	**3 046**	3 182	**2 271**	4 268	**(9)**	(13)
Finance lease receivables	**8**	32	**–**	–	**8**	17	**–**	15	**–**	–
Other investments and loans	**103**	78	**2**	2	**16**	19	**89**	59	**(4)**	(2)
Inventories	**1 108**	1 062	**924**	841	**30**	40	**154**	181	**–**	–
Trade and other receivables and derivatives	**1 887**	1 770	**509**	503	**295**	261	**1 105**	985	**(22)**	21
Assets held for sale	**1 181**	–	**–**	–	**34**	–	**1 147**	–	**–**	–
Operating assets	**12 920**	13 580	**4 360**	4 057	**3 682**	3 765	**4 887**	5 686	**(9)**	72
Deferred tax assets	**83**	65								
Taxation in advance	**18**	18								
Cash and cash equivalents	**433**	203								
Total assets	**13 454**	13 866								
LIABILITIES										
Trade and other payables, provisions and derivatives	**1 949**	1 782	**709**	587	**473**	416	**689**	707	**78**	72
Interest-bearing borrowings	**7 545**	7 519	**2 513**	2 364	**1 945**	2 144	**2 881**	3 082	**206**	(71)
Liabilities directly associated with assets held-for-sale	**425**	–	**–**	–	**19**	–	**406**	–	**–**	–
Operating liabilities	**9 919**	9 301	**3 222**	2 951	**2 437**	2 560	**3 976**	3 789	**284**	1
Deferred tax liabilities	**607**	750								
Current tax liabilities	**43**	45								
Total liabilities	**10 569**	10 096								
GEOGRAPHIC SEGMENTATION										
Operating assets	**12 920**	13 580	**4 360**	4 057	**3 682**	3 765	**4 887**	5 686	**(9)**	72
– South Africa	**10 081**	9 938	**2 889**	2 812	**3 328**	3 405	**3 873**	3 649	**(9)**	72
– Rest of world	**2 839**	3 642	**1 471**	1 245	**354**	360	**1 014**	2 037	**–**	–
Trade and other payables, provisions and derivatives	**1 949**	1 782	**709**	587	**473**	416	**689**	707	**78**	72
– South Africa	**1 291**	1 339	**567**	440	**299**	386	**347**	441	**78**	72
– Rest of world	**658**	443	**142**	147	**174**	30	**342**	266	**–**	–
Interest-bearing borrowings	**7 545**	7 519	**2 513**	2 364	**1 945**	2 144	**2 881**	3 082	206	(71)
– South Africa	**6 073**	5 932	**1 492**	1 539	**1 877**	2 079	**2 498**	2 385	206	(71)
– Rest of world	**1 472**	1 587	**1 021**	825	**68**	65	**383**	697	**–**	–
Net capital expenditure	**1 154**	2 520	**444**	940	**433**	1 016	**318**	567	**(41)**	(3)
– South Africa	**888**	1 767	**261**	676	**390**	868	**278**	226	**(41)**	(3)
– Rest of world	**266**	753	**183**	264	**43**	148	**40**	341	**–**	–

** The Eqstra Plant Leasing business had been reclassified into the Contract Mining and Plant Rental division from Fleet Management and Logistics to align with change in management structures. Comparative amounts have been reclassified accordingly.*

SEGMENTAL INFORMATION – SUMMARISED CONSOLIDATED INCOME STATEMENT

for the six months ended

	Group		Industrial Equipment		Fleet Management and Logistics*		Contract Mining and Plant Rental*		Corporate Office and Eliminations	
	31 December 2015 Rm Unaudited	31 December 2014 Rm Unaudited	**31 December 2015 Rm Unaudited**	31 December 2014 Rm Unaudited	**31 December 2015 Rm Unaudited**	31 December 2014 Rm Unaudited	**31 December 2015 Rm Unaudited**	31 December 2014 Rm Unaudited	**31 December 2015 Rm Unaudited**	31 December 2014 Rm Unaudited
BUSINESS SEGMENTATION										
Revenue										
– Sales of goods	**829**	958	**629**	704	**188**	209	**12**	45	**–**	–
– Rendering of services, leasing income and other	**3 284**	3 046	**810**	644	**835**	872	**1 639**	1 530	**–**	–
	4 113	4 004	**1 439**	1 348	**1 023**	1 081	**1 651**	1 575	**–**	–
Inter-segment revenue	**–**	–	**9**	41	**31**	51	**–**	–	**(40)**	(92)
	4 113	4 004	**1 448**	1 389	**1 054**	1 132	**1 651**	1 575	**(40)**	(92)
Net operating expenses	**(2 753)**	(2 703)	**(990)**	(964)	**(499)**	(573)	**(1 302)**	(1 255)	**38**	89
Depreciation and amortisation	**(928)**	(895)	**(304)**	(262)	**(352)**	(368)	**(273)**	(268)	**1**	3
Recoupments	**4**	1	**–**	–	**(1)**	1	**–**	–	**5**	–
Operating profit	**436**	407	**154**	163	**202**	192	**76**	52	**4**	–
Net impairment of assets[7]	**(736)**	–	**–**	–	**–**	–	**(736)**	–	**–**	–
Net foreign exchange (losses) gains	**(16)**	17	**(20)**	3	**–**	–	**6**	3	**(2)**	11
Fair value gains on foreign exchange derivatives	**–**	(12)	**(1)**	–	**–**	–	**–**	–	**1**	(12)
(Loss) profit before net finance costs	**(316)**	412	**133**	166	**202**	192	**(654)**	55	**3**	(1)
Net finance costs	**(300)**	(304)	**(72)**	(80)	**(95)**	(106)	**(133)**	(118)	**–**	–
(Loss) profit before taxation	**(616)**	108	**61**	86	**107**	86	**(787)**	(63)	**3**	(1)
Income tax income (expense)	**178**	(28)	**(16)**	(24)	**(29)**	(22)	**224**	18	**(1)**	–
(Loss) profit for the period from continuing operations	**(438)**	80	**45**	62	**78**	64	**(563)**	(45)	**2**	(1)
Discontinued operations										
(Loss) profit for the period from discontinued operations	**(684)**	72	**(69)**	(7)	**(43)**	4	**(572)**	75	**–**	–
(Loss) profit for the period	**(1 122)**	152	**(24)**	55	**35**	68	**(1 135)**	30	**2**	(1)
GEOGRAPHIC SEGMENTATION										
Revenue	**4 113**	4 004	**1 448**	1 389	**1 054**	1 132	**1 651**	1 575	**(40)**	(92)
– South Africa	**3 185**	3 411	**961**	1 018	**935**	1 009	**1 329**	1 476	**(40)**	(92)
– Rest of world	**928**	593	**487**	371	**119**	123	**322**	99	**–**	–
Operating profit	**436**	407	**154**	163	**202**	192	**76**	52	**4**	–
– South Africa	**350**	339	**113**	139	**187**	169	**46**	31	**4**	–
– Rest of world	**86**	68	**41**	24	**15**	23	**30**	21	**–**	–
Net finance costs	**(300)**	(304)	**(72)**	(80)	**(95)**	(106)	**(133)**	(118)	**–**	–
– South Africa	**(264)**	(275)	**(58)**	(68)	**(89)**	(93)	**(117)**	(114)	**–**	–
– Rest of world	**(36)**	(29)	**(14)**	(12)	**(6)**	(13)	**(16)**	(4)	**–**	–

** The Eqstra Plant Leasing business had been reclassified into the Contract Mining and Plant Rental division from Fleet Management and Logistics to align with change in management structures. Comparative amounts have been reclassified accordingly.*

NOTES

(1) Basis of preparation

The unaudited summarised consolidated financial statements for the six months ended 31 December 2015 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 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 report, except for the adoption on 1 July 2015 of those new, revised and amended standards and interpretations detailed therein.

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.

	Unaudited 31 December 2015 Rm	Unaudited 31 December 2014 Rm	Audited 30 June 2015 Rm
(2) Other investments and loans			
Non-current assets	**14**	17	20
– Listed, at market value	**–**	1	1
– Unlisted, at fair value or director's valuation	**14**	16	19
Current assets	**89**	74	58
– Call option	**–**	20	–
– Other loans	**89**	54	58
	103	91	78

(3) Current portion of interest-bearing borrowings

The current portion of interest-bearing borrowings includes R100 million commercial paper that is supported by a R1 000 million standby liquidity facility with R180 million headroom as at 31 December 2015 and that has an 13-month rolling notice period.

	31 December 2015 Rm	31 December 2014 Rm	30 June 2015 Rm
(4) Assets classified as held for sale			
Leasing assets	**1 181**	–	–

The leasing assets classified as held for sale comprise assets from the Commodities discontinued operation amounting to R34 million, assets from the Benga discontinued operation amounting to R782 million and leasing assets of R365 million in the Contract Mining & Plant Rental division which have been earmarked for sale.

Liabilities directly associated with assets held for sale comprise Mozambique debt, tax liabilities and provisions.

	31 December 2015 Rm	31 December 2014 Rm	30 June 2015 Rm
(5) Capital commitments	**1 738**	2 164	1 776
– Contracted	**239**	177	224
– Authorised by directors but not contracted	**1 499**	1 987	1 552
Contingent liabilities	**–**	–	–
Guarantees	**24**	18	24

The expenditure is substantially for the acquisition and replacement of leasing assets. Expenditure will be financed from cash generated from operations and existing banking facilities.

(6) 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.

31 Dec 2015	Level 1 Rm	Level 2 Rm	Fair value Rm
Financial assets			
Available-for-sale financial assets			
– Investments	**–**	**14**	**14**
Financial assets designated as fair value through profit and loss			
– Derivative financial assets	**–**	**65**	**65**
– Loan and receivables	**–**	**89**	**89**
Total financial assets	**–**	**168**	**168**
Financial liabilities			
Financial liabilities designated as fair value through profit and loss			
– Derivative financial liabilities	–	**4**	**4**
Total financial liabilities	**–**	**4**	**4**

The following summary sets out the principal instruments whose valuation may involve judgemental inputs:

Debt instruments held as assets

These instruments are valued based on valuation techniques using inputs derived from observable market data, and, where relevant, assumptions in respect of unobservable inputs.

Derivatives

Derivative contracts can be exchange traded or traded over-the-counter (OTC). OTC derivative contracts include forward and swap contracts related to interest rates, bonds, foreign currencies, credit spreads and equity prices. Fair values of derivatives are obtained from dealer price quotations, discounted cash flow and option pricing models.

	31 December 2015 Rm	31 December 2014 Rm	30 June 2015 Rm
(7) Impairment of assets			
Continuing operations	**736**	–	97

During the period, 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, which has been recognised in profit and loss from continued operations. The R736 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.

Discontinued operations	**458**	–	–

During the period, the leasing assets, equipment and property of the Benga operations as well as the leasing assets of the Commodities business were impaired to their estimated fair-value less costs-to-sell.

	31 December 2015 Rm	31 December 2014 Rm	30 June 2015 Rm
(8) Finance costs including fair value gains			
Finance costs from continued operations	**(306)**	(311)	(617)
Finance costs from discontinued operations	**(17)**	(32)	(55)
Total finance costs	**(323)**	**(343)**	(672)
	Cents	**Cents**	**Cents**
(9) Net asset value per share attributable to owner of the parent	**704.8**	**877.6**	**921.8**
(10) Headline earnings per share			
Continuing operations			
– Basic and diluted headline earnings per share	**22.2**	18.8	48.9
Discontinued operations			
– Basic and diluted headline earnings per share	**(24.4)**	18.1	29.7
Reconciliation of continuing headline earnings per share			
Basic and diluted earnings per share	**(112.5)**	18.9	31.5
Profit on sale of property, plant and equipment and leasing assets	**(1.0)**	(0.1)	(0.3)
Net impairments of assets	**188.2**	–	24.5
Taxation effect	**(52.5)**	–	(6.8)
Continuing headline earnings per share	**22.2**	18.8	48.9

	Unaudited 31 December 2015 Rm	Unaudited 31 December 2014 Rm	Audited 30 June 2015 Rm
Reconciliation of discontinued earnings per share			
Basic and diluted earnings per share	**(174.9)**	18.1	29.7
Profit on sale of property, plant and equipment and leasing assets	**–**	–	–
Net impairments of assets	**117.1**	–	–
Taxation effect	**33.4**	–	–
Discontinued headline earnings per share	**(24.4)**	18.1	29.7
	Million	Million	Million
(11) Weighted average number of shares in issue for the period			
Number of ordinary shares			
– in issue	**405.5**	411.4	405.5
– in issue (net of treasury shares)	**391.3**	397.2	397
Weighted average number of ordinary shares in issue during the period	**391.2**	397.1	397.3
– opening shares (net of treasury shares)	**391.1**	396.9	397.7
– disposal of treasury shares	**0.1**	0.2	(0.4)
Diluted weighted average number of ordinary shares	**391.2**	397.1	397.3

(12) Discontinued operations

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, being included as a discontinued operation.

Operations in Mozambique have also ceased with the termination of the Benga contract. Non-current leasing assets of R782 million have been included as assets held for sale and the associated interest-bearing liabilities and taxation liabilities of R406 million also separately disclosed.

Management has entered into a plan to dispose of the Commodities business and leasing assets of R34 million have been disclosed as assets held for sale.

(13) Events after reporting period

Other than matters noted above, there are no additional subsequent events.

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*, LL von Zeuner*, ZB Swanepoel**
*(*Independent)*

EXECUTIVE DIRECTORS

JL Serfontein (CEO & 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 RELATION

FTI Consultants
021 487 9022