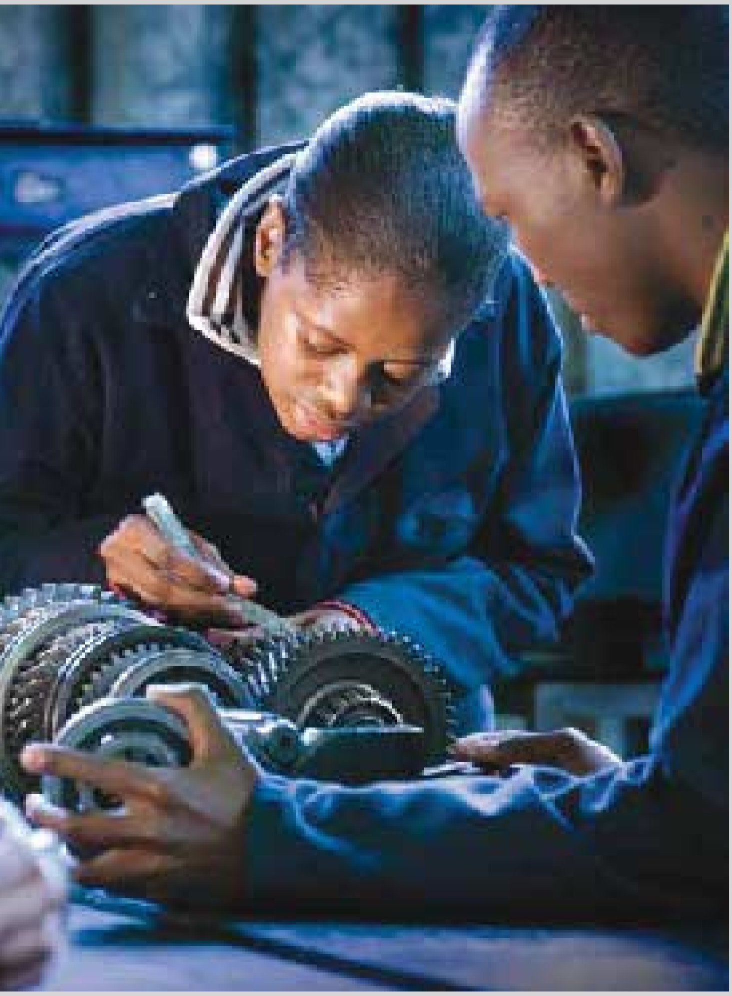
INTEGRATED ANNUAL REPORT **2013**

EQSTRA
HOLDINGS LIMITED

CONTENTS

INTRODUCTION FROM THE CEO

IN THE FACE OF CHALLENGING CONDITIONS, WE RETURNED A MOST SATISFACTORY SET OF RESULTS THIS YEAR, WHILE GROWING OUR **RESILIENCE AND ABILITY TO DELIVER** SUSTAINABLE VALUE.



Eqstra Holdings Limited (Eqstra, or the group) has been listed on the JSE Limited for five years since unbundling from Imperial Holdings Limited in May 2008. This report, covering the financial year ended 30 June 2013, is the group's third integrated annual report compiled in line with the principles of the King III Code of Governance.

While we acknowledge that we have only started out on our journey towards integrated reporting, our decision-making and strategy formulation has always aimed to be integrated. We attempt here to reflect the interconnectedness of the different kinds of capital which Eqstra utilises to create value.

As is evident this year, our reporting is increasingly guided by addressing the group's most material issues, which were identified and prioritised in consultation with a range of stakeholders. We actively welcome feedback on our identification of material issues, as well as the extent of disclosure. Please contact us for feedback at **+27 11 966 2000** or **investor.relations@eqstra.co.za.**

We fully appreciate that different stakeholders have differing requirements and expectations in terms of disclosure, but hope to have produced a report that is both meaningful and appropriately concise. This year is the first year we have chosen not to print certain sections of our report, but to place additional information which is likely to be of interest to particular groups of stakeholders on our website, **www.eqstra.co.za.**

The audit committee reviewed and recommended this report, which was subsequently approved by the board.

WS Hill
CHIEF EXECUTIVE OFFICER

INTRODUCTION TO THE GROUP

INTRODUCTION TO THE GROUP

THE GROUP WAS RESTRUCTURED DURING THE YEAR, FOLLOWING THE SALE OF THE EQSTRA MINING SERVICES (BUCYRUS) BUSINESS UNIT. THE REMAINING PART OF THE CONSTRUCTION AND MINING EQUIPMENT DIVISION WAS CONSOLIDATED INTO THE INDUSTRIAL EQUIPMENT DIVISION.

THE GROUP NOW **CONSISTS OF THREE DIVISIONS** WHICH ARE MANAGED AS STAND-ALONE AND DECENTRALISED BUSINESS UNITS.

Our business model

Our business model is unique amongst listed industrial companies on the JSE Limited, as the group is a financially geared enterprise with high levels of debt that are matched to contracted annuity revenue-generating assets. The group only increases debt based on matching long-term contracted cash flows which service interest and capital payments. This should in the long run result in above-average returns on shareholders' equity. This was the case in the years running up to our listing in May 2008. Post listing the group was impacted by the global financial crisis and the under-performance of two divisions most impacted by the downturn, Construction and Mining Equipment and Contract Mining and Plant Rental.

INDUSTRIAL EQUIPMENT

29% OF GROUP REVENUE

20% OF REVENUE-GENERATING ASSETS

29% OF GROUP PROFIT BEFORE TAXATION

Distribution, leasing, rental and value-added services for materials handling, industrial, agricultural, construction and mining equipment, as well as the provision of aftermarket services.

FLEET MANAGEMENT AND LOGISTICS

25% OF GROUP REVENUE

33% OF REVENUE-GENERATING ASSETS

32% OF GROUP PROFIT BEFORE TAXATION

Leasing, rental, fleet management, contracted logistics, maintenance and related services for passenger and light, medium and heavy commercial vehicles.

CONTRACT MINING AND PLANT RENTAL

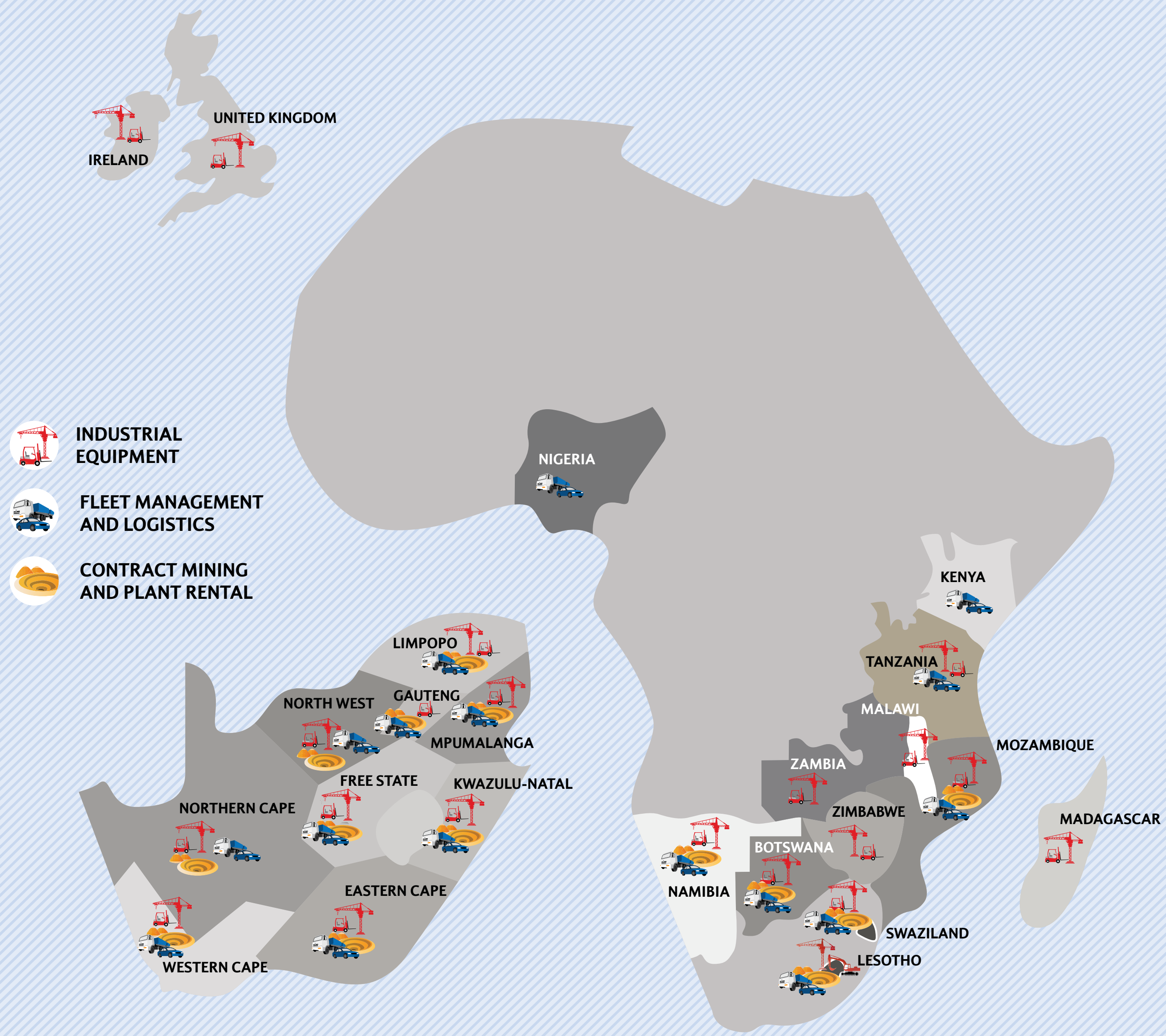
46% OF GROUP REVENUE

47% OF REVENUE-GENERATING ASSETS

39% OF GROUP PROFIT BEFORE TAXATION

Contracted drilling, blasting, loading, hauling and rehabilitation on opencast mines, as well as heavy construction and mining equipment plant rental.

Our geographic presence



Our differentiators

- Low exposure to the retail market. Key client lists are dominated by large corporates and well-known multi-nationals
- Balance sheet strength and liquidity allow us to grow the business
- All divisions' core operations are amongst the market leaders in their sectors
- We own recognised brands and also act on behalf of principals, most of which have strong, well-recognised global brands
- A flexible organisation where change can occur quickly and loyal employees with an entrepreneurial spirit can thrive

Salient features

REVENUE **INCREASED** **11.6%** to R9 089 million

OPERATING PROFIT **INCREASED** **16.2%** to R1 038 million

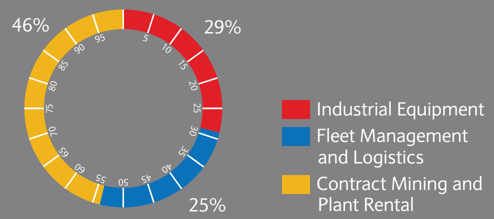
HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS **INCREASED** **34.7%** to 104 cents

FINAL CASH DIVIDEND OF **36 CENTS** PER SHARE, AN **INCREASE** OF **28.6%**

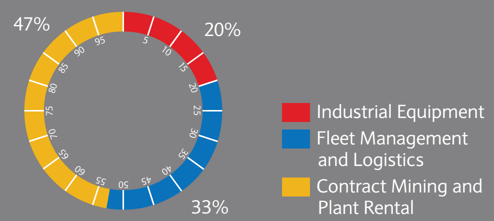
CASH GENERATED FROM OPERATIONS **INCREASED** **30.6%** to R3 159 million

REVENUE-GENERATING ASSETS **INCREASED** **7.8%** to R9 578 million

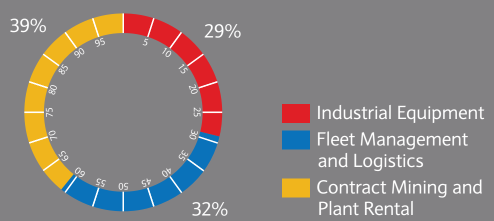
REVENUE
(R9 089 MILLION)



REVENUE-GENERATING ASSETS
(R9 578 MILLION)



PROFIT BEFORE TAXATION
(R486 MILLION)



REFER TO PAGES 43 TO 46 FOR THE **VALUE EACH MEMBER OF THE BOARD AND EXECUTIVE COMMITTEE ADDS** TO THE TEAM, AS WELL AS HOW THEY ARE REMUNERATED.

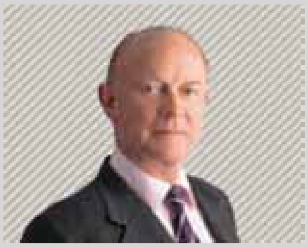
Board of directors

ALC, NOM, REM

NKATEKO PETER MAGEZA (58)
FCCA (UK)

INDEPENDENT NON-EXECUTIVE CHAIRPERSON

Peter was appointed as the chairperson of the board in November 2011. Peter was the group chief operations officer and executive director of Absa Group Limited until 2009. Peter started his career within the audit environment at Coopers & Lybrand and worked as an audit manager within Transnet Limited's group internal audit services. He became the chief executive officer of Autonet, the road passenger and freight logistics division of Transnet, in 1995. Peter is a non-executive director of Sappi Limited, Bidvest Limited, MTN Group Limited, Rainbow Chicken Limited, Remgro Limited and Anglo American Platinum Limited.



AC, NOM, REM, RC

ANTHONY JOHN (TONY) PHILLIPS (67)
BSC (ENG)

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Tony was appointed MD of Barlows Equipment Co in 1988, and MD of Finanzauto SA, Spain, in 1992. He was appointed a director of Barloworld Limited in 1996 and was CEO from 1998 until 2006. From 2005 until 2007 Tony was the chairperson of Pretoria Portland Cement Company Limited. Tony is currently a director of Austro Group Limited (chairperson), Newman Lowther and Associates (chairperson), Worldwide Fund for Nature, Wasteman Holdings (Proprietary) Limited, Kansai Plascon Limited (vice-chairperson) and Mpact Limited (chairperson).

RC, SEC

SALUKAZI (SALU) DAKILE-HLONGWANE (63)
BA (Economics and Statistics), MA (Development Economics)

NON-EXECUTIVE DIRECTOR

Salu is the deputy chairperson of Nozala Investments (Proprietary) Limited, a company she co-founded in 1996. Her early career experience included being a senior investment officer at the Lesotho National Development Corporation (LNDC), working at African Development Bank, being a senior manager in Structured Finance at FirstCorp Merchant Bank, and being an assistant general manager at BOE Specialised Finance. Salu is a non-executive director of a number of Nozala's investee companies. She is also a director of MultiChoice South Africa Holdings (Proprietary) Limited.

AC, SEC

SANKIE DOLLY MTHEMBI-MAHANYELE (62)
BA, PHD (HON)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Sankie has been a deputy secretary-general of the African National Congress since 2002 and served in government as Housing Minister for eight years. She was awarded a doctorate by the Central University of Technology in the Free State in recognition of her work in that department. Sankie was the first female cabinet minister to act as State President for South Africa. Sankie is currently a director of ITB Manufacturing (Proprietary) Limited, Edwin Construction (Proprietary) Limited, DAWN Limited, Ma-Africa Film Productions (Proprietary) Limited and the Central Energy Fund (a state-owned enterprise).

ALC, AC

MARTHINUS JOHANNES (MARTIN) CROUCAMP (68)
IAC, AEP, AMP

INDEPENDENT NON-EXECUTIVE DIRECTOR

Martin spent his entire career in the banking sector, which included being the managing director of MLS Bank Limited and a member of ABSA's executive team, as well as a member of the ABSA enterprise risk management committee. He chaired the Imperial Bank risk and remuneration committees until November 2010. He has extensive general business management experience at executive level, with particular emphasis on strategy formulation, marketing and administration.

NOM, REM, RC

VELI JOSEPH MOKOENA (53)
BA, PDM (WBS)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Veli is a director and co-founder of investment holding company Ninathi Investments Holdings (Proprietary) Limited. Until December 2010, Veli was CEO of Ukhamba Holdings (Proprietary) Limited. He was also previously an executive director of Imperial Fleet Services. Veli is currently a director of DAWN Limited, Executive Carport (Proprietary) Limited and chairperson of Giuricich Brothers Construction (Proprietary) Limited.

AC, RC

TIMOTHY DACRE AIRD (TIM) ROSS (69)
CTA, CA(SA)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Tim was a partner with Deloitte & Touche for 36 years and retired in May 2008. He led the Deloitte & Touche Johannesburg audit practice and served on the executive committee as client service director, as well as on the board and remuneration committees. He is an independent non-executive director of Liberty Life Limited where he chairs the audit and actuarial committee and is a member of the group risk committee. He is also a director of PPC Limited, Mpact Limited, Adcorp Holdings Limited and CIDA Empowerment (Proprietary) Limited, where he chairs the audit committees. Tim is also a member of the Mpact Limited remuneration and nomination committee and the PPC risk and compliance committee.

ALC

GRANT GLENN GELINK (63)
H DIP EDUCATION, B.COMPT (HONS), CA(SA)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Grant spent 26 years with Deloitte & Touche and held the position of chief executive at retirement. During this time he served in a number of roles at Deloitte & Touche, which included that of the chief executive (2006 – 2012), chief executive: human capital (2004 – 2006), head of consulting and advisory services (2001 – 2006), the partner in charge of the Pretoria office (1997 – 1999), national head of public sector (1995 – 1999) and partner (1993 – 2012). Prior to joining Deloitte, Grant was a high school teacher for six years. He is also a director of Santam Limited, FirstRand Limited, Altron Limited and Grindrod Limited.

Executive committee

ALC, RC, SEC

WALTER STANLEY HILL (54)*
HN DIP (IND ENG), AEP

CHIEF EXECUTIVE OFFICER

Walter joined the Imperial group in 1998 as MD of Imperial Fleet Services. He was appointed to the executive committee of Imperial Holdings Limited in 2002 and to the board in 2006. He was CEO of the Leasing and Capital Equipment division of Imperial when it unbundled in May 2008 to become Eqstra Holdings. Walter has been the CEO of Eqstra since unbundling. Before joining Imperial, Walter had a diverse management career with Eskom from 1980 until 1997.

ALC, RC

JAN LODEWYK (JANNIE)* SERFONTEIN (38)
BCOM (HONS), CA(SA)

CHIEF FINANCIAL OFFICER

Jannie was appointed as CFO of Eqstra Holdings in January 2011. He started his career with Deloitte & Touche in 1999. After completing his training contract, he spent two years in the United States of America in Deloitte & Touche's Washington DC practice as part of its global development programme. He returned to South Africa in 2002. In 2007, he joined the Deloitte & Touche partnership as an assurance partner in the Pretoria office.

ERICH CLARKE (48)*
CTA, CA(SA), CIA

DIVISIONAL CEO: CONTRACT MINING AND PLANT RENTAL

Erich was appointed CEO of Contract Mining and Plant Rental in January 2011 after being Eqstra Holdings CFO since April 2008. He joined Imperial Holdings in 1996 as financial director of Cargo Motors. In 2000, he moved to Imperial's corporate office as group financial controller. In 2004, he was appointed group audit and risk executive to establish the internal audit and risk management functions. In 2006, with the acquisition of the MCC group, he was appointed to the board of the MCC group, now Contract Mining and Plant Rental.

JACQUELINE VERONICA (JACQUI) CARR (45)

DIVISIONAL CEO: FLEET MANAGEMENT AND LOGISTICS

Jacqui joined the leasing division of Imperial Holdings in 1989 and was appointed to the board of Imperial Fleet Services in 1996. Over the years, she has filled numerous leadership positions within the business, ranging from sales to general management. She became CEO of the Passenger and Commercial Vehicle division of Imperial Holdings group in 2007 (now Fleet Management and Logistics). In her current position, she is accountable for the strategic and operational performance of the leasing and fleet management operations of the group.

GARY DEREK NEUBERT (47)
N.DIP ENG (MECH), MBA

DIVISIONAL CEO: INDUSTRIAL EQUIPMENT

Gary started his career at Volkswagen SA where he held various positions in the engineering and marketing divisions. After eight years with Volkswagen, he joined Barloworld Limited where he was responsible for the Audi sales and services divisions before becoming the Cape Town branch assistant general manager. In 2000, he joined the Imperial Holdings' Saficon Industrial Equipment (SIE) division as the general manager of the Western Cape, with national responsibility for aftersales. In 2003, he was appointed to the SIE board. In July 2006, he was appointed as CEO of Industrial Equipment of the Imperial Holdings group, and also joined the Leasing and Capital Equipment division's board and executive committee.

GAVIN EDGAR BANTAM (39)
BCOM (HONS), CA(SA)

EXECUTIVE: CORPORATE AFFAIRS

Gavin joined Eqstra in October 2010 and is responsible for corporate affairs, sustainability and investor relations. After completing articles at Deloitte & Touche in 1998, he joined the Vodacom group, where he worked in a senior financial management position. In 2000, he joined Vunani Securities as an equity research analyst. In 2003, he joined Nedgroup Securities, the stockbroking arm of Nedbank Capital, where he covered the Construction & Materials and Diversified Industrial & Transport sectors as an equity research analyst.

DENISH VENHOD HARIPAL (35)

CHIEF INFORMATION OFFICER

Denish joined RTG Fleet Services, a business unit of Imperial Fleet Services, in 1999 as a network administrator. In 2005, Denish became the infrastructure services manager responsible for the desktop, laptop, network and server infrastructure for the Imperial Fleet Services group. He was appointed chief information officer of Eqstra Holdings in June 2010 and is responsible for the strategic direction of information and communication technology for the group.

** Board members*

ALC / Asset and liability committee
AC / Audit committee
NOM / Nominations committee
REM / Remuneration committee
RC / Risk committee
SEC / Social and ethics committee

Key products and services

THE THREAD ACROSS EACH DIVISION IS **THE MANAGEMENT OF MOBILE CAPITAL EQUIPMENT**, FROM DISTRIBUTION OR PURCHASE TO DISPOSAL, **WITH VALUE ADDED** THROUGHOUT THE LIFECYCLE. THE NEXT THREE PAGES OUTLINE THE KEY PRODUCTS AND SERVICES OF THE GROUP.

INDUSTRIAL EQUIPMENT

OUR PRODUCTS


FORKLIFTS

CRANES AND PORT EQUIPMENT



TRUCK-MOUNTED CRANES

WASTE COMPACTORS



AERIAL PLATFORMS

TRACTORS, COMBINE HARVESTERS AND FARM IMPLEMENTS



INDUSTRIAL BATTERIES AND CHARGERS

MINING AND CONSTRUCTION RIGID AND ARTICULATED DUMP TRUCKS


OTHER PRODUCTS

- COMPRESSORS
- INDUSTRIAL CLEANING EQUIPMENT

OTHER SERVICES

FORKLIFT RENTAL – SHORT-TERM AND LONG-TERM

- FLEET MANAGEMENT SYSTEMS
- PARTS, ACCESSORIES AND ATTACHMENTS
- SERVICE AND MAINTENANCE
- OPERATOR TRAINING AND LOAD TESTING

FLEET MANAGEMENT AND LOGISTICS

OUR SERVICES

FULL MAINTENANCE LEASES

OPERATING LEASES AND LONG-TERM RENTALS TO CORPORATES

FUEL MANAGEMENT, INSURANCE AND VEHICLE TRACKING

VEHICLE RE-MARKETING

COMMODITIES LOGISTICS

WORKSHOPS

OTHER SERVICES

MAINTENANCE PLANS/WARRANTIES

» MANAGED MAINTENANCE
» ACCIDENT AND FINE MANAGEMENT
» DRIVER MANAGEMENT
» PANEL SHOPS
» HEAVY PLANT LEASING
» FLEET CONSULTING

CONTRACT MINING AND PLANT RENTAL

OUR SERVICES

DRILLING AND BLASTING

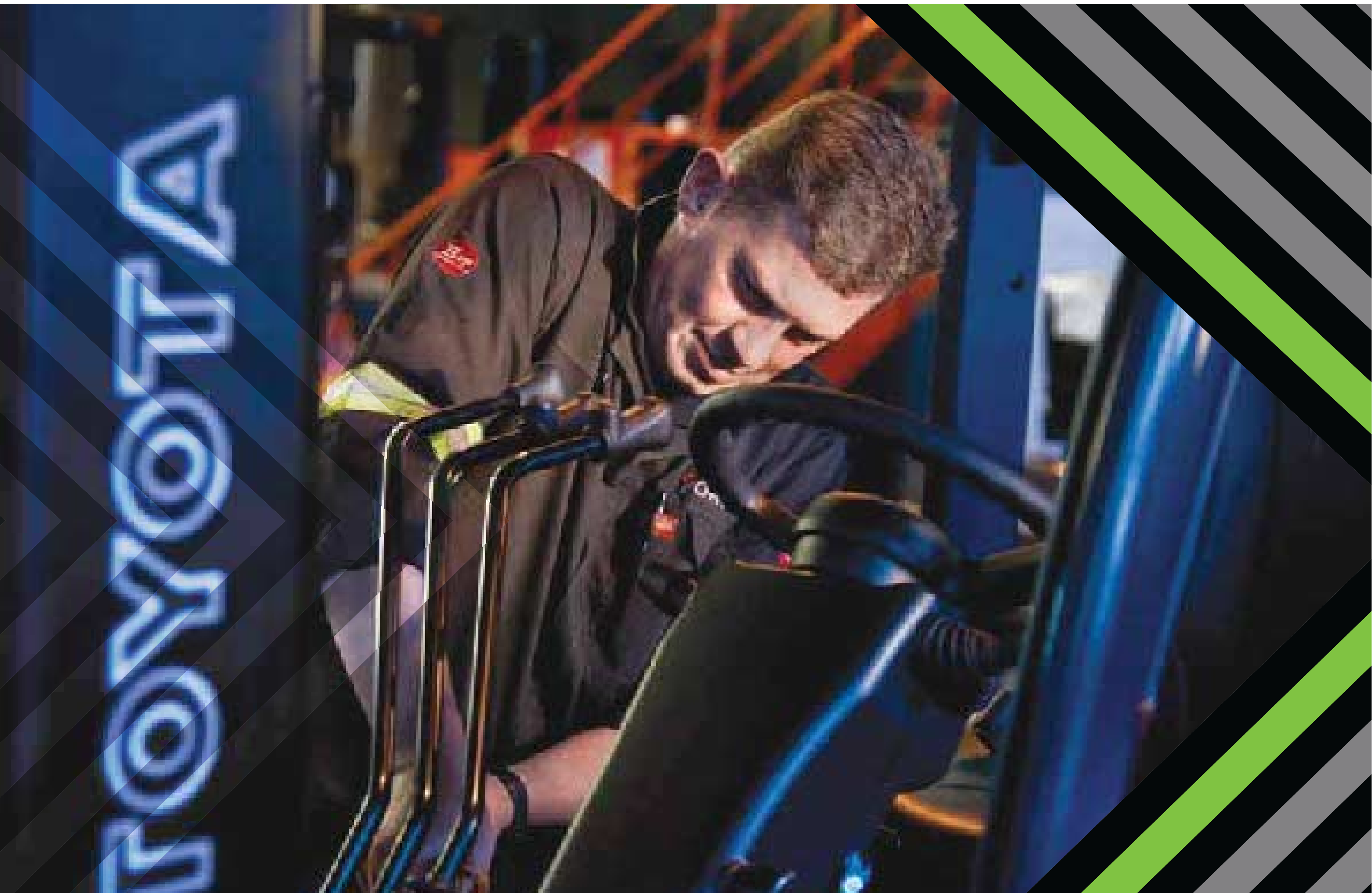
LOADING AND HAULING

PLANT RENTAL OF HEAVY EARTHMOVING EQUIPMENT

OTHER SERVICES

- MINE PLANNING
- MINE MANAGEMENT
- BLASTING
- MINE REHABILITATION

OUR STRATEGY



OUR STRATEGY

THE GROUP HAS A CLEAR STRATEGY OF CREATING SUSTAINABLE ANNUITY REVENUE STREAMS THROUGH THE **DISTRIBUTION, LONG-TERM LEASE AND RENTAL OF MOBILE CAPITAL EQUIPMENT** AND THE PROVISION OF RELATED **VALUE-ADDED SERVICES TO CLIENTS** IN THE CONSTRUCTION, MINING, INDUSTRIAL AND COMMERCIAL SECTORS.

THIS ANNUITY INCOME AND HIGHLY CASH-GENERATIVE BUSINESS MODEL ENSURES EFFECTIVE SERVICING OF DEBT IN THE GROUP.

1 OUR PURPOSE

WHY WE EXIST

Quest for Excellence

2 CULTURE AND VALUES

HOW WE OPERATE

The Eqstra Way

- Act like a leader, not a manager
- Building a market-leading company
- Forging the boundary-less organisation
- Harnessing our people for competitive advantage
- Push service and globalisation for double-digit growth
- Drive quality throughout the organisation

3 VALUE-CREATION BUSINESS MODEL

HOW WE ARE ORGANISED

Distribute assets

- Captured at the beginning of the asset life by supplying the product directly and negotiating with original equipment manufacturers, distributors or dealers

Lease or rent assets

- Extracted through the ability of the group to leverage its balance sheet
- Strong annuity income streams are conducive to leveraging the group's balance sheet

4 STRATEGIC PILLARS

HOW WE MANAGE OUR RESOURCES

Financial capital

- Financial capital allocation driven by return on equity
- Manage under-performing assets
- Optimise working capital cycle

Natural capital

- Effective management of natural resources
- Managing our impact on the environment

5 SCORECARD

HOW WE PERFORM

Maximise shareholder value (ROE)

- Optimise value created from assets and capital

REFER TO pages 18, 20, 33, 35, and 38 and divisional reviews

Minimise environmental impact

- Growing responsibly

REFER TO pages 18 and 20 and divisional reviews

6 STRATEGIC INTENT

Growth through committed clients

THE GROUP HAS **LIMITED RETAIL EXPOSURE**, AS ITS CLIENTS ARE MAINLY **LARGE CORPORATES**. THE GROUP ONLY DEALS IN CORE PRODUCTION MOBILE CAPITAL EQUIPMENT WITH REPUTABLE BRANDS, WHICH RESULTS IN STRONG TRADABILITY AND **THE ABILITY TO MAINTAIN HIGH RESIDUAL VALUES** THROUGH THE LIFECYCLE OF THE EQUIPMENT.

Value-add

- Extracted by providing complete management of the asset
- Includes maintenance, parts, fuel cards, driver training, best route tracking systems, batteries and insurance
- Contract Mining and Plant Rental provides mine management, planning, load and haul and blasting services

Sell assets after lease period

Captured on sale of asset. Disposal margin is optimised by careful upfront selection of asset class and brand, high-quality care and maintenance of the asset through its lifecycle and use of the group's established sales channels

FOR SALE

Human capital

- Long-term approach to skills development
- Committed to transformation
- Client focus
- Social and community focus
- Values-based way of operating – "The Eqstra Way"

Positive integration with society

- Through a resilient and responsible business culture

REFER TO page 20 and divisional reviews

How we delivered on our strategy

THE NEXT FEW PAGES OUTLINE **HOW WE DELIVERED ON OUR STRATEGY** OUTLINED ON PAGES 14 TO 15.

1 OUR PURPOSE QUEST FOR EXCELLENCE

ACHIEVEMENTS
- Contract Mining and Plant Rental operated over five million fatality-free shifts
- Contract Mining and Plant Rental experienced no direct industrial action during the year
- Industrial Equipment's Toyota Forklift business unit was awarded the top distributor sales award by Toyota Japan
- Industrial Equipment grew its domestic materials-handling market share
- Fleet Management and Logistics renewed its Clover SA contract for a further ten years despite intense competition

CHALLENGES
- Our overall group financial return on equity remains below our expectations and those required by equity shareholders
- Skills shortages, particularly at junior and middle management level, require focus to ensure the provision of excellent service to our clients

ACTION PLANS
- Critically assess return on equity of contracts and asset clusters to improve group return on equity
- The group will continue to build on training, skills retention and development initiatives

REFER TO p31, 36, 38 and divisional reviews

2 OUR CULTURE AND VALUES THE EQSTRA WAY

ACHIEVEMENTS
- Eqstra Operator Academy produced 1 765 (2012: 2 104) trained operators
- Eqstra Leadership Academy produced 11 Certificate Programme in Leadership Development and 19 Certificate Programme in Management Development graduates
- We adopted additional technical and agricultural schools as part of Eqstralution, our flagship socio-economic development programme to alleviate skills shortages in South Africa
- Our group corporate values were extensively communicated throughout the group

CHALLENGES
- Managing the diverse cultures of the different industries in which the group operates
- Getting closer to our people
- Improving communication in the group

ACTION PLANS
- We continue to focus on initiatives that educate employees on diversity and culture management
- Employee interventions and induction
- Continue leadership and supervisory skills development
- Improve group communication of key messages

REFER TO the supplementary information of the integrated annual report at www.eqstra.co.za

OUR VALUES
The group standardised its corporate values during the year.

EMPOWERMENT	**HEALTH AND SAFETY**	**TEAMWORK**	**PRIDE**	**RESPECT**	**INTEGRITY**
Uplifting our people	Zero harm	Partners for life	Be the brand	Appetite to serve	Make the business your own

3.1 OUR VALUE-CREATION BUSINESS MODEL
DISTRIBUTE ASSETS

ACHIEVEMENTS
- » Industrial Equipment recorded 20.6% higher sales from the distribution of equipment, which will result in long-term aftermarket revenues
- » Industrial Equipment's expanded product range created opportunities and leverage for other divisions

CHALLENGES
- » Industrial Equipment's inventory holdings in the domestic market was higher than normal during the year
- » Industrial Equipment's UK forklift business experienced inventory shortages due to a supplier factory relocation, which also resulted in longer lead times
- » Adverse currency fluctuations impacted planning and competitiveness
- » Mining truck sales were below expectations

ACTION PLANS
- » We will further expand our product offering into complementary products in familiar industries and where aftermarket services are capable of generating long-term annuity income with corporate clients
- » We will continue to focus on inventory management to ensure optimal levels

REFER TO divisional reviews

3.2 OUR VALUE-CREATION BUSINESS MODEL
LEASE OR RENT ASSETS

ACHIEVEMENTS
- » Industrial Equipment and Fleet Management and Logistics grew their revenue-generating assets by 26.4% and 8.1% respectively, securing new clients and increasing market share
- » Contract Mining and Plant Rental delivered improved profitability and returns on its assets

CHALLENGES
- » Leasing growth has higher upfront finance costs that negatively impact initial earnings
- » Contract Mining and Plant Rental is not delivering expected returns on equity considering the value of its revenue-generating asset base

ACTION PLANS
- » Meaningful leasing growth will be targeted in Fleet Management and Logistics and Industrial Equipment
- » Contract Mining and Plant Rental will target contracts that do not require the upfront investment of significant capital by utilising its existing fleet more optimally

REFER TO divisional reviews

3.3 OUR VALUE-CREATION BUSINESS MODEL
VALUE-ADD

ACHIEVEMENTS
- » Fleet Management and Logistics increased value-added products by 17.8% and secured new key clients on value-added service-only mandates
- » Industrial Equipment's value-added revenues increased by 23.2%

CHALLENGES
- » Managing value-added services generally requires more administration
- » High volume sales of value-added products are more closely linked to leasing asset growth

ACTION PLANS
- » Implementation of a new enterprise resource planning (ERP) system in Fleet Management and Logistics to improve administrative efficiencies and increase the flow of information to management is in progress and will go live in the new financial year
- » We continue to tender for and have meaningful capacity to secure new fleet management contracts that will grow our value-added services

REFER TO divisional reviews

3.4 OUR VALUE-CREATION BUSINESS MODEL
SELL ASSETS AFTER LEASE PERIOD

ACHIEVEMENTS
- » The majority of end of lease assets in the group was sold at prices in excess of their residual values
- » Contract Mining and Plant Rental created a dedicated used equipment sales channel

CHALLENGES
- » The Hypercar sales channel in Fleet Management and Logistics performed below expectations
- » An oversupply of used heavy mining equipment impacted market dynamics

ACTION PLANS
- » Management changes were made in Hypercar and business processes and policies realigned
- » Where deemed prudent and appropriate, end of lease assets in good condition will be utilised in our replacement cycles

REFER TO divisional reviews

How we delivered on our strategy(continued)

4.1 OUR STRATEGIC PILLARS MANAGEMENT OF FINANCIAL CAPITAL

ACHIEVEMENTS

- The group delivered satisfactory headline earnings growth and maintained its stated dividend payment profile
- The bulk of debt maturing in the medium-term was proactively refinanced at competitive interest rates
- The group further diversified its sources of funding, with only 45% of debt sourced from banks (2012: 58%). The majority of debt (51%) is now sourced from the capital market
- Standard and Poor's reaffirmed the group's A- long-term credit rating

CHALLENGES

- Return on equity remains below the group's targeted levels

ACTION PLANS

- Identification of under-performing assets that should either be sold or redeployed to activities that will earn higher financial returns
- We will focus on our core business of long-term corporate leasing and rental

MANAGEMENT OF FINANCIAL CAPITAL	30 June 2013	30 June 2012	30 June 2011*
Operating margin	**11.4%**	11.0%	12.0%
Profit before taxation margin	**5.3%**	6.0%	5.2%
Return on equity (based on opening equity) from continuing operations	**13.7%**	14.0%	11.7%
Earnings before interest, taxation, depreciation and amortisation (EBITDA) to interest	**5.3x**	5.6x	5.7x
Net operating cash flow before working capital movements to net debt	**39.3%**	40.8%	44.4%
Net working capital to revenue	**9.5%**	7.3%	5.4%
Capital adequacy ratio	**24.6%**	23.7%	25.3%
Price to book value (30 June)	**0.7x**	1.0x	1.1x
Credit rating	**zaA-**	zaA-	zaBBB+
Return on invested capital (ROIC)	**8.1%**	9.5%	8.3%

** F2011 re-presented to reflect continuing operations.*

REFER TO pages 27 to 28 and 35 to 39

4.2 OUR STRATEGIC PILLARS MANAGEMENT OF NATURAL CAPITAL

ACHIEVEMENTS

- There is increased awareness in the group that simply collecting data on environmental measures is not sufficient to meaningfully manage the group's impact on the environment

CHALLENGES

- While we have made progress on recording environmental data, completeness of data remains a challenge
- We require clarity on our carbon footprint calculation in Contract Mining and Plant Rental where the majority of clients supply us with fuel

ACTION PLANS

- In the coming financial year, we will focus on the completeness of environmental data, implementing meaningful efficiency measures and accurately disclosing carbon emission scope data in the correct categories

REFER TO the supplementary information of the integrated annual report at www.eqstra.co.za

4.3 OUR STRATEGIC PILLARS
MANAGEMENT OF HUMAN CAPITAL

ACHIEVEMENTS

- Contract Mining and Plant Rental introduced increased minimum benefits and production bonuses to incentivise employees. The division experienced limited industrial action during the year
- 264 (2012: 285) apprentices and 1 765 (2012: 2 104) operators were trained in our training academies
- R50.1 million (2012: R49.9 million) was spent on training and development

CHALLENGES

- The retention of skills remains a challenge throughout the group
- Throughput at Contract Mining and Plant Rental's training facilities remains a challenge due to high numbers of employees that require ongoing training
- Changes to B-BBEE scorecard legislation resulted in a zero score for employment equity for the group

ACTION PLANS

- Training programmes will be further expanded to include management and supervisory training
- More on-site training facilities will be used where dedicated off-site training centres are at capacity

MANAGEMENT OF HUMAN CAPITAL	30 June 2013	30 June 2012	30 June 2011
Number of employees	**7 878**	7 436	7 136
Revenue per employee (R000) (continuing and discontinued operations)	**1 162**	1 246	1 063
Profit per employee (R) (continuing and discontinued operations)	**49 505**	65 627	41 900
Training spend per employee (R)	**6 354**	6 681	7 624
B-BBEE rating level	**4**	3	3
B-BBEE rating scores			
Ownership	**18.7/23**	18.7/20	18.1/20
Management control	**5.4/11**	5.1/10	4.9/10
Employment equity	**0.0/12**	4.0/15	5.2/15
Skills development	**9.6/15**	10.4/15	10.8/15
Preferential procurement	**16.2/20**	18.5/20	16.7/20
Enterprise development	**15/15**	15/15	15/15
Socio-economic development	**5/5**	5/5	5/5
Lost-time injury frequency rate (Contract Mining and Plant Rental)	**0.25**	0.18	0.16
Number of fatalities	**0**	0	0

REFER TO the supplementary information of the integrated annual report at www.eqstra.co.za

How we delivered on our strategy(continued)

5.1 SCORECARD MAXIMISE SHAREHOLDER VALUE (ROE)

ACHIEVEMENTS

- The group repurchased 17.3 million shares at an average price of 650 cents per share (R113 million)
- The dividend policy of a payout of between 30% – 35% of headline earnings per share was maintained

CHALLENGES

- A below expectation performance from Fleet Management and Logistics constrained ROE growth
- Asset expansion in Contract Mining and Plant Rental will be limited until returns on capital stabilise

ACTION PLANS

- We will continue to focus on non-core operations to assess if operations should either be rationalised or closed
- Asset-light contracts requiring minimal upfront investment in equipment will be targeted in Contract Mining and Plant Rental

REFER TO pages 35 to 39

5.2 SCORECARD MINIMISE THE IMPACT ON THE ENVIRONMENT

ACHIEVEMENTS

- No material environmental incidents were reported during the year
- A major branch of Industrial Equipment implemented ISO 14001:2004 environmental systems. The aim is to have all regional offices certified in 2014

CHALLENGES

- Completeness of environmental data collection
- Meaningful efficiency measures for environmental data

ACTION PLANS

- Implement meaningful efficiency measures to promote the active management of environmental measures that meet both sustainability, commercial and social objectives

REFER TO the supplementary information of the integrated annual report at www.eqstra.co.za

5.3 SCORECARD POSITIVE INTEGRATION WITH SOCIETY

ACHIEVEMENTS

- The dedicated resource appointed in Contract Mining and Plant Rental, where labour relations have historically been a problem, achieved significant traction
- Contract Mining and Plant Rental trained approximately 400 people in communities surrounding operations
- R1.0 million was spent on community projects during the year
- R1.3 million was spent on Eqstralution, the group's flagship SED programme to assist technical and agricultural schools and their students

CHALLENGES

- Although industrial action decreased during the year, relations with organised labour and communities around certain mine operations remained a key focus area
- The overall domestic labour relations climate is expected to remain volatile

ACTION PLANS

- In the coming year, the dedicated resource in Contract Mining and Plant Rental will focus on rapid dispute resolution and improving the overall wellbeing of employees

REFER TO the supplementary information of the integrated annual report at www.eqstra.co.za

MATERIAL ISSUES

MATERIAL ISSUES

DURING THE YEAR, THE GROUP ENGAGED WITH ITS KEY STAKEHOLDERS TO ESTABLISH AREAS THEY REQUIRE THE GROUP TO REPORT ON AND WHAT THEY SEE AS THE GROUP'S KEY MATERIAL ISSUES. **THIS PROCESS WAS SUPPLEMENTED BY AN INTERNAL PROCESS WITH THE EXECUTIVE TEAM** TO INTERROGATE ISSUES IN THE BUSINESS. THE GROUP'S CURRENT MATERIAL ISSUES IMPACTING ITS BUSINESSES ARE:

REFER TO the supplementary section of the report at www.eqstra.co.za for key stakeholder issues and risks

1 MATERIAL ISSUE
SUSTAINABLE EARNINGS AND RETURN ON EQUITY

THE GROUP FOCUSES ON:

- generating sustainable earnings growth and an acceptable return on equity, not only driving revenue growth
- ensuring efficient asset utilisation and addressing under-performing assets

HOW IS THIS BEING ADDRESSED?

During the year, the group concentrated on its returns per capital allocation and its core leasing businesses, where there are lower operational risks.

- Contract Mining and Plant Rental – fix loss-making contracts and extract efficiencies after its restructuring
- Fleet Management and Logistics – increase higher-margin value-added services and exit non-performing logistics activities where the market is very competitive and shut down our tanker manufacturing facilities relating to the Clover contract, which was a loss leader

HOW DO WE MEASURE THIS?

- Group and divisional ROE
- Profit before taxation to revenue ratio
- Value-add percentage of revenue versus total revenue
- Revenue-generating asset turnover ratio

REFER TO pages 33, 35 and divisional reviews

THE GROUP FOCUSES ON:

- Contract management processes and compliance in Contract Mining and Plant Rental

HOW IS THIS BEING ADDRESSED?

Contract management processes in Contract Mining and Plant Rental have improved, but require further focus to ensure we proactively manage deviations from contracts and that operations on the ground are aligned to contract deliverables.

HOW DO WE MEASURE THIS?

- Individual contract profit/loss
- ROE per contract, major client or asset grouping
- Contract compliance check list and scope change tracking

REFER TO pages 61 – 65

THE GROUP FOCUSES ON:

- Capital allocation by division

HOW IS THIS BEING ADDRESSED?

The group evaluates capital allocation per division against its return on equity. If the division's return on equity is below 11.0%, management will not allocate expansion or additional capital. Returns above 16.0% will attract management's favourable consideration for expansion capital expenditure. Returns between 11.0% and 16.0% will only be considered for replacement capital expenditure.

Although we will look at complementary, value-adding acquisitions, we will not allocate capital to a significantly diversified fourth pillar or division, as we need to entrench our existing business model and produce an acceptable return on equity.

HOW DO WE MEASURE THIS?

- ROE performance vs percentage group capital allocation
- Risk-adjusted gearing model per asset class

REFER TO pages 27 – 28, 33 and 36

THE GROUP FOCUSES ON:

» Investment in systems

HOW IS THIS BEING ADDRESSED?

Investments in information technology remain a key area of focus – this will make the group more competitive, with efficient asset management and improved information availability for quicker decision-making and monitoring financial performance on a proactive basis.

We successfully implemented an enterprise resource planning (ERP) system in Contract Mining and Plant Rental to improve information for decision-making.

Fleet Management and Logistics' development of an ERP system continued during the year.

HOW DO WE MEASURE THIS?

» Internal efficiencies
» Number of assets managed per employee
» Number of new value-adding reports generated
» Systems investment repayment period

REFER TO divisional reviews

MATERIAL ISSUE

2 MANAGING THE GROUP'S FINANCIAL LIQUIDITY RISKS

THE GROUP FOCUSES ON:

» Managing a geared business model

HOW IS THIS BEING ADDRESSED?

Eqstra can be considered a quasi bank. However, we match our debt funding profile with our contracted annuity income. The group's strong cash generation allows it to effectively service its interest and debt repayments.

HOW DO WE MEASURE THIS?

» Our two bank key covenants, namely interest cover ratio and capital adequacy ratio, ensure that we grow in a responsible way and that our debt is mainly used to invest in revenue-generating assets

REFER TO pages 27 – 28

THE GROUP FOCUSES ON:

» Diversified sources of funding

HOW IS THIS BEING ADDRESSED?

The move into the debt capital market is key to Eqstra's objective of diversifying its sources of debt. The implementation of Basel III could also increase the cost of future bank debt. The group aims to further expand its sources of funding into Europe by sourcing debt in offshore capital markets.

HOW DO WE MEASURE THIS?

» The current contribution from bank debt funding is down from 58% in 2012 to 45%. Our medium-term target is 40%

REFER TO pages 27 – 28 and 33

THE GROUP FOCUSES ON:

» Managing refinancing risk

HOW IS THIS BEING ADDRESSED?

No more than 25% of total South African debt will mature in any financial year, with debt refinancing commencing at least 12 months before the maturity date.

HOW DO WE MEASURE THIS?

» Of the R1 278 million debt maturing in March 2014, R200 million was repaid and R530 million was rolled over to between three and five years

REFER TO pages 27 – 28

THE GROUP FOCUSES ON:

» Its credit rating

HOW IS THIS BEING ADDRESSED?

The group's long-term credit rating was reaffirmed at zaA- during the year. It is our aim to achieve a zaA long-term rating over the medium-term. After a three notch downgrade post the 2008 global financial crisis, Eqstra's credit rating was upgraded by two notches in recent years.

HOW DO WE MEASURE THIS?

» Standard & Poor's credit rating

REFER TO pages 28 and 37

3 MATERIAL ISSUE ENSURING DIVERSIFICATION ACROSS SECTORS AND BUSINESSES

THE GROUP FOCUSES ON:

» Ensuring that no division is dominant in the group

HOW IS THIS BEING ADDRESSED?

Growth and capital allocation will be focused in Fleet Management and Logistics and Industrial Equipment to ensure broader diversification. Contract Mining and Plant Rental is currently 47% of group revenue-generating assets and will not be allowed to increase to more than 50%.

HOW DO WE MEASURE THIS?

Exposure of a specific divisions based on:

- Profitability
- Revenue
- Revenue-generating assets

REFER TO divisional reviews

THE GROUP FOCUSES ON:

» Limiting the impact of the volatile South African mining sector

HOW IS THIS BEING ADDRESSED?

The group's South African mining sector exposure (excluding plant rental activities) represents 68.7% of Contract Mining and Plant Rental's divisional revenue. South African contract mining revenue now only accounts for 31.9% of group consolidated revenue.

The group is affiliated to the construction bargaining body, the South African Federation of Civil Engineering Contractors (SAFCEC), which bounds unions to submit grievances to the collective bargaining council. This sector has historically been a little less volatile than the mining sector.

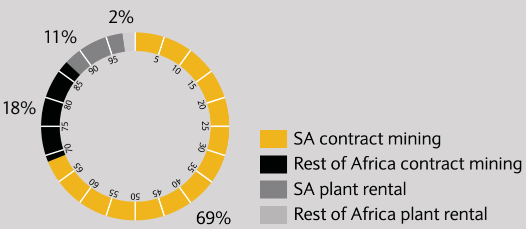
The break-even level for opencast mining is at the lower end of the production cost curve. In tough operating conditions, opencast mining is more resilient compared to underground mining.

HOW DO WE MEASURE THIS?

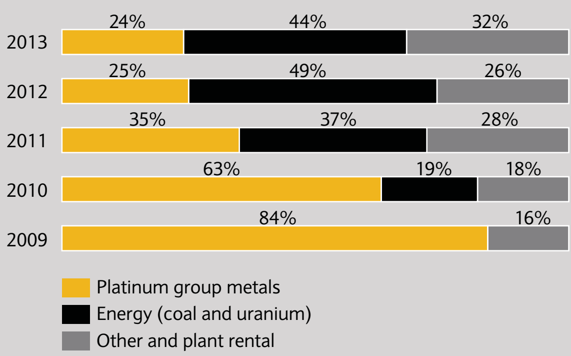
- Revenue and profit contribution from mining
- Revenue contribution from different commodities

REFER TO pages 27 – 28 and 61 – 65

CONTRACT MINING AND PLANT RENTAL REVENUE BY SEGMENT



CONTRACT MINING AND PLANT RENTAL REVENUE BY COMMODITY



4 MATERIAL ISSUE
MANAGING THE LABOUR ENVIRONMENT

THE GROUP FOCUSES ON:

» Minimising the impact of industrial or community upheaval

HOW IS THIS BEING ADDRESSED?

We improved the way we interact with our people through more direct and closer management interaction at all employee levels.

Industrial action decreased during the year, but engagement with organised labour and communities around certain mine site operations remains a material issue, especially as wage negotiations are coming up in the sector. During last year, a dedicated resource was appointed in Contract Mining and Plant Rental where labour issues has historically been a problem, with significant traction seen.

In terms of our wages, opencast mining workers are generally higher skilled due to mechanisation, with wages on average higher than underground mining.

HOW DO WE MEASURE THIS?

» Number of employee interactions and site meetings per mine site

» Number of production days lost due to direct industrial action

REFER TO divisional reviews

5 MATERIAL ISSUE
ATTRACTION AND RETENTION OF CRITICAL SKILLS

THE GROUP FOCUSES ON:

» Managing the shortage of key technical skills

HOW IS THIS BEING ADDRESSED?

The group requires technically skilled workers to deliver on contractual obligations to clients. As there is currently a shortage of the skills the group requires, the attraction, training and retention of these skills is therefore a key issue for the group.

To address this, the group launched in-house operator training centres, the Eqstra Technical Training Academy, the MCC Learning Centre and the Eqstra Leadership Academy in recent years in an attempt to ensure the effective management of the skills base.

HOW DO WE MEASURE THIS?

» Training spend per employee

» Number of artisans trained

» Percentage of artisans trained being employed in the group

» Number of Leadership Academy graduates

REFER TO the supplementary information of the integrated annual report at www.eqstra.co.za

The group recognises the impact its operations has on the environment. In the opencast mining operations of Contract Mining and Plant Rental the group operates as a contractor, with the mine or concession owner primarily responsible for environmental issues relating to the mine site. This includes obtaining regulatory approvals and adhering to environmental legislation relating to the rehabilitation once mining is complete.

Fleet Management and Logistics and Industrial Equipment's leasing and distributorship operations have an indirect impact on the environment through the distribution and leasing of carbon-emitting vehicles and equipment. However, these operations are considered similar to financial services operations as the lessee or equipment purchaser is in direct control of the asset and therefore take primary responsibility for their impact on the environment during usage.

CASE STUDIES

THIS SECTION OUTLINES CASE STUDIES ON TWO OF THE KEY MATERIAL ISSUES TO THE GROUP

The group's gearing model

EQSTRA'S GEARING MODEL INVOLVES **BORROWING MONEY TO BUY REVENUE-GENERATING ASSETS**.

THE BUSINESS MODEL

The majority of group debt is used to purchase and then lease out mobile capital equipment – heavy earthmoving equipment, forklifts, cranes, passenger and commercial vehicles and other related assets that are at the heart of our clients' businesses. These assets start generating revenue from the moment they are delivered to the client.

ANNUITY INCOME

Most importantly, these assets are used to derive contractual annuity revenue. Annuity-type revenue constitutes 61.2% of group annual revenue. The group is not exposed to the retail market. Instead, the majority of group clients are blue-chip corporates who sign long-term agreements with us. The average contract length is three to five years, but in some instances it can be as long as ten years. Our business therefore generates, predictable, net cash flows. In 2013 this was in excess of R3 billion. This allows the group to comfortably repay debt as it matures. Currently, no more than R1.5 billion of debt matures in any one coming year.

INCURRING DEBT ALIGNED TO REVENUE-GENERATING ASSETS

Our long-term contracts with clients (excluding Contract Mining and Plant Rental) are generally one agreement per vehicle or asset. In other words, contracts on individual assets are constantly ending and being renewed, which reduces the risks relating to the abrupt ending of a particular client's contract. Due to the group's high-quality client base and the high level of predictability from annuity business, debt requirements in all divisions can be matched to the life of the asset being financed. We therefore mainly borrow money for equipment that is deployed over a three- to five-year period.

Eqstra concentrates on equipment that is core to the client's business that we can manage and maintain. Should an Eqstra client renege on a contract, profitable redeployment of these assets is relatively easy without the need to resort to a hurried auction to realise some value. Ownership of the equipment throughout the lease period vests with Eqstra. As we offer full maintenance leases, we are aware of and can manage the mechanical condition of the asset at any given time.

SUITABLE GEARING TARGETS AND DIVERSIFICATION OF FUNDING

Gearing targets, which range between 100% and 600% per division (equating to an optimal 300% to 350% gearing for the group) are developed, refined and adapted to suit each particular division, its clients, its asset profiles and how the division utilises the assets under its control. For instance, the predictability of its business means that Fleet Management and Logistics is able to support the group's highest gearing target, while a lower target is appropriate for Contract Mining and Plant Rental. The gearing levels are also constantly tested by the group's asset and liability committee (ALCO).

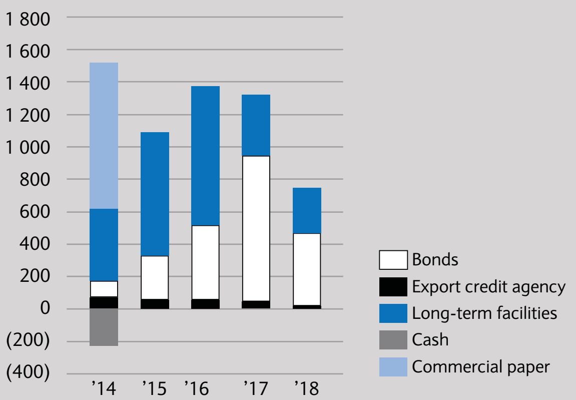
Interest rate movements are not material to the group, as the potentially negative impact of interest rate movements are mitigated as the majority of our leasing contracts are on a variable basis. However the group thrives in a high interest rate and high inflation environment. This is due to the fact that the majority of the R3 billion in shareholders' equity is used to finance prime-linked assets, with high inflation underpinning these asset residual values.

As part of our strategy of diversifying funding sources for the group, we have moved from 100% of funding with banks in 2008 to 45% exposure to banks in 2013. To further diversify sources of debt, we are now laying the groundwork necessary to potentially raise debt in the offshore market.

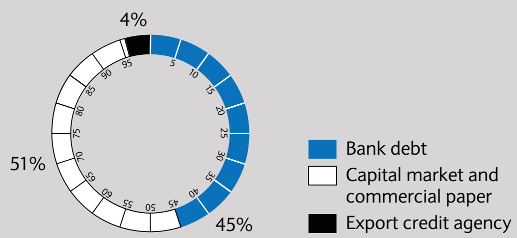
REDUCED CYCLICALITY

In the past, our Construction and Mining Equipment Distribution division was negatively affected by the 2008 financial crisis when large excess inventory holdings occurred. The cyclical nature of this business did not fit into our gearing model. A decision was therefore made in 2012 to dispose of or close down a large portion of this division. This was substantially completed in 2013.

SCHEDULE OF DEBT FINANCING



SOURCES OF DEBT FINANCING



The group's gearing model *(continued)*

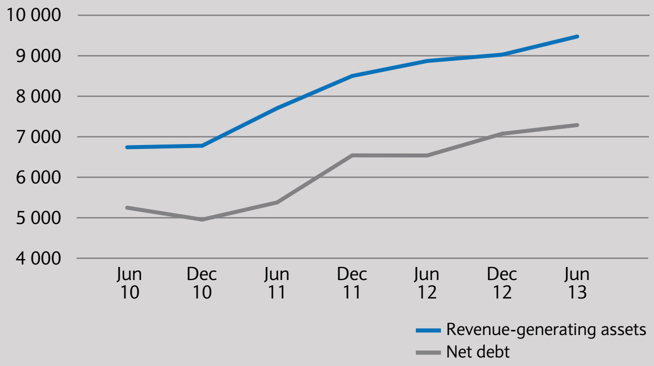
GEARING MODEL DOES NOT TRANSLATE INTO HIGHER RISK

Our long-term rating has remained unchanged since 2011 at zaA-. The group is targeting a zaA rating over the medium-term.

Part of our ongoing management of refinancing risk is to start refinancing debt at least a year before a particular facility becomes due. For example, by the end of 2013, some R730 million of R1 278 million maturing in April 2014 was already repaid or rolled over.

The Eqstra gearing model therefore does not translate into higher risk. We borrow to purchase annuity revenue-generating assets that are matched by solid long-term contracts without running the risk of tying up large amounts of debt into working capital, as we target a neutral working capital position. We retain the flexibility to grow the business and our debt exposures as market conditions dictate and as opportunities arise.

REVENUE-GENERATING ASSETS (R9 578 MILLION)



GEARING STRATEGY

GROUP	INDUSTRIAL EQUIPMENT	FLEET MANAGEMENT AND LOGISTICS	CONTRACT MINING AND PLANT RENTAL
» Target 300% – 350% Actual 223% » ROE target = 20% + » Dividend payout target = 30% – 35% of headline earnings per share	» Target 350% – 400% Actual 227% » Distribution and aftermarket mix reduces gearing appetite » UK operations capable of higher gearing	» Target of 550% – 600% Actual 279% » Most gearable division due to long-term annuity contracts	» Target 250% – 300% Actual 229% » Gearing will be reduced should financial performance not improve

Eqstra's exposure to South African mining

EQSTRA'S EXPOSURE TO MINING-RELATED ACTIVITIES IS **SOMETIMES PERCEIVED AS A HIGH RISK** DUE TO THE PROBLEMS THAT CURRENTLY BESET THE SOUTH AFRICAN MINING INDUSTRY.

Concerns about the extent to which group performance is tied to that of the mining industry are linked to the unsettled industrial-relations environment, rising labour costs, a negative outlook for foreign investment in local resource extraction and softening prices for a number of commodities.

However, against these concerns, it is important to consider a number of factors:

REVENUE AND PROFIT DIVERSIFICATION

Of Eqstra's three operating divisions, only one division, Contract Mining and Plant Rental, has direct exposure to mining. In 2013, this division accounted for 46% of group revenue and 39% of group profit before tax.

Of Contract Mining and Plant Rental's 46% contribution to group revenue, 13% was sourced from the plant rental part of the business – the leasing and rental of heavy equipment to clients mainly in the construction sector. This further reduced Eqstra's exposure to mining-related activities to 39% of group revenue.

GEOGRAPHIC DIVERSIFICATION

Of Contract Mining and Plant Rental's revenue of R4 223 million, 20% came from outside South Africa. With a contracted monthly volume of 2 100 000 m^3, our contract with Rio Tinto for the extraction of coal from its Benga operation in Mozambique is the division's largest client.

Excluding Benga and the group's other non-South African work, where labour relations and wage expectations are much more settled than is currently the case in South Africa, the group's exposure to South African mining reduces to 31.9% of group consolidated revenue. This percentage is likely to decrease further, as we seek additional contract mining work outside South Africa.

COMMODITY DIVERSIFICATION

In understanding Eqstra's exposure to commodity prices (and the costs of production), percentages tell only part of the story. To the numbers listed must be added a consideration of the types of minerals extracted. When Eqstra acquired the Contract Mining and Plant Rental business in 2005, it was almost exclusively dependent on platinum mining. Since 2010, the division reduced its revenue exposure to platinum from 63% to 24% (including non-South African operations).

Today, almost 5 100 000 m^3 of divisional monthly throughput (out of a total 9 050 000 m^3) comes from coal.

100% EXPOSURE TO LOWER-COST OPENCAST MINING

It also bears noting that Eqstra's contract mining activities are all focused on opencast mining, where extraction costs are significantly lower. At an average lower production cost than underground mining, the outlook for opencast mining is considerably more robust than underground mining.

OUR PERFORMANCE

WE APPRECIATE THAT WE ARE INTEGRATED INTO THE **SOCIAL AND HUMAN LANDSCAPES** IN WHICH WE OPERATE AND RECOGNISE THAT WE CANNOT KEEP CREATING VALUE WITHOUT THE ENDORSEMENT OF OUR COMMUNITIES, OUR SUPPLIERS, GOVERNMENT, AND MOST IMPORTANTLY, **OUR EMPLOYEES**.

Review from the chairperson and chief executive officer

WHAT WERE THE MATERIAL ISSUES WITH WHICH THE BOARD AND MANAGEMENT ENGAGED DURING THE YEAR?

Our major focus throughout the year was on answering the question: how do we create sustainable value for our investors and other stakeholders?

We can only create and grow value if we achieve acceptable after-tax returns on our equity. Simply put, we must demonstrate to shareholders that their investment has been well spent and that they should continue investing in Eqstra.

There were a number of very material questions we had to answer to ensure we achieve our after-tax profit targets. First of all, we have had to focus on our under-performing Contract Mining and Plant Rental division where we had to improve our contract management processes and asset utilisation. On each contract we execute, we focused on deriving appropriate profitability for the value we add. This meant that under-performing contracts had to be renegotiated to ensure we received our entitled reward. Refer to page 60.

There are also very real labour and human resource issues that face our business. We appreciate that we are integrated into the social and human landscapes in which we operate and recognise that we cannot keep creating value without the endorsement of our communities, our suppliers, government and most importantly, our employees. In Fleet Management and Logistics we identified under-performing logistics businesses and subsequently closed the tanker manufacturing unit and the Eqstra Express courier businesses and sold the Quickcab metered taxi business. We also rationalised the commodities and bulk transport businesses.

WHAT INTERVENTIONS WERE IMPLEMENTED TO OVERCOME THE CHALLENGES OF THIS YEAR?

We believe the group successfully engaged with its most significant challenges. For the full year, we delivered a 9.6% growth in pre-tax profit of R502 million excluding impairment adjustments (R424 million profit after tax), a return on equity of 13.7% from continuing operations (2012: 14.0%) and headline earnings per share growth of 34.7%. This was achieved despite significant investments in our non-financial value-creators. These include labour and community engagement, skills development, diversification and the establishment of new value-added revenue streams.

We remain focused on further improving our return on equity.

We again ended the year without a fatality and had minimal labour disruption.

Numerous material contracts were renewed. These include:

- Fleet Management and Logistics successfully renewed its contract with one of its key clients, Clover SA, for a ten-year period
- Industrial Equipment entrenched itself with a number of key clients and most significantly, continued to receive strong support from its major equipment suppliers
- Contract Mining and Plant Rental retained all of its contracts and reported a pleasing turnaround on the Pilanesberg Platinum mine contract. This division's achievements on the problematic Nkomati mine contract and on negotiating an equitable outcome to the imposition of a force majeure provision by Rio Tinto's Benga mine are dealt with in the relevant operational report on page 60.

WHAT BUSINESS ENVIRONMENT DID EQSTRA OPERATE IN THIS YEAR?

The economic and labour markets were very challenging. Business confidence was lacking, government infrastructure spending did not materialise, the labour environment was volatile and commodities markets came under enormous pressure.

We weathered this turbulence very well, with proactive interventions to eliminate the majority of risks.

HOW WELL DO YOU BELIEVE THE GROUP DELIVERED ON ITS STRATEGY THIS YEAR?

Our strategy is to create sustainable annuity revenue streams through the distribution, long-term lease and rental of mobile capital equipment and by providing value-added services. Our overall financial performance was robust, particularly given the difficult environment in which we operated.

Most importantly, we ensured that our revenue streams remained sustainable. Both Industrial Equipment and Fleet Management and Logistics increased their revenue-generating asset fleets by 26.4% and 8.1% respectively and, while this had a short-term negative impact on profitability, it will result in future long-term annuity revenue and earnings.

Our ongoing success in extracting value from our Contract Mining and Plant Rental business will mean improved sustainable revenue streams. As with the other divisions, Contract Mining and Plant Rental is also poised over the next year to derive increased value from the significant investment of R42 million we made in state-of-the-art information systems.

The management teams of our various divisions have very explicit remuneration schemes that tie their financial incentives to the financial performance of their businesses. We believe these incentives are sufficient to ensure that our managers apply themselves to the utmost in creating and growing value. We discuss this on page 44 to 46.

WHAT IMPORTANCE DOES THE GROUP ATTACH TO NON-FINANCIAL INPUTS AND OUTPUTS?

Although we made important strides in quantifying how we consume and either add to or impact the value of our natural, human and social capital, we need to work on relating these numbers to our financial performance to really determine how our non-financial performance impacts on our bottom line. We continue to report valuable metrics, but believe we need to produce more tangible ratios and statements in terms of our creation of non-financial value. This is receiving management focus.

The value we attach to our people is detailed in the supplementary section of the integrated annual report published at www.eqstra.co.za. We invested significant, targeted amounts of financial capital this year in growing our skills base and in positioning Eqstra as the employer of choice in its various sectors. Overall training spend increased by 0.8% this year from R49.7 million to R50.1 million, notwithstanding business disposals and rationalisation of the Construction and Mining Equipment division. Our investment in training focused on improving technical and managerial skills.

The relative absence of industrial action this year and the group's profitable performance are, we believe, directly related to the extent to which our employees feel empowered to add value and the value they believe they obtain from working for Eqstra.

HOW HAS THE GROUP RESPONDED TO THE BELIEF THAT IT IS OVER-EXPOSED TO MINING AND MINERALS?

Contract Mining and Plant Rental represents 46% of group revenue. As outlined on page 29, plant rental accounts for 13% and African mining contracts for 18% of Contract Mining and Plant Rental's revenues for the year. At a group level, South African contract mining revenues account for 31.9%. This gives the group a balanced diversification considering the exposure our other divisions have to other market sectors.

In recent years, Eqstra substantially diversified its exposure to vulnerable commodity sectors (principally platinum) and succeeded in maintaining satisfactory profitability in the thermal coal sector where producer margins are under considerable strain. It bears noting that opencast mining has a much lower breakeven cost than underground mining and is therefore more resilient against global commodity price and demand fluctuations.

Although community-instigated disruptions to our production and labour disturbances have been largely beyond management's control, we continue to work with our clients to address community issues. During the year, these had a minimal impact on our Contract Mining and Plant Rental's profitability. Refer to page 64 for more information on our engagement with such issues.

HOW SUCCESSFUL WAS THE GROUP'S DECISION THIS YEAR TO ONLY ALLOCATE NEW CAPITAL TO THOSE DIVISIONS ACHIEVING ACCEPTABLE RETURNS ON EQUITY?

Return on equity is considered fundamental to the group's sustainability. With lessons learnt from the global financial crisis and the subsequent drop-off in demand for South African commodities, a decision was taken that a return on equity margin in excess of 11% should be the minimum rate at which the group will continue to inject capital to sustain operations in a particular division. On the other hand, returns in the region of 16% will attract management's favourable consideration for allocating further expansion capital.

For that reason, contract Mining and Plant Rental will not receive any equity other than replacement capital until it demonstrates its ability to sustainably deliver a satisfactory return on shareholders' equity.

THE GROUP'S GEARING REMAINS HIGH. IS THIS A CAUSE FOR CONCERN?

Eqstra's business model is to be a geared business underpinned by quality annuity-income contracts. We are unique amongst JSE Limited listed industrial companies, as we aim to simultaneously increase both revenue-generating assets and debt on a risk-adjusted basis. Our ability to service interest and capital repayments is underpinned by long-term contracted annuity cash flows. These were significantly strengthened this year by renewing and renegotiating contracts and by diversifying our sources of income.

The quality of the group's debtors book remains exemplary, underpinned by blue-chip clients and, to a lesser degree, by carefully-chosen public sector clients. Assets that are not able to generate long-term annuity income are not geared and capital is allocated to each asset class based on its own underlying liquidity and nature. The company's debts are solidly underpinned by robust cash flows and our ability to repay our bonds and other commitments remains beyond question. Refer to case study on pages 27 to 28.

HOW ARE YOU MANAGING YOUR EXPOSURE TO BANK FINANCE?

As communicated before, the group has sought to diversify its funding to spread its sources of finance from South African bank debt into a spread of bond and European debt financing. The Basel III capital adequacy requirements are not expected to have a material impact on our domestic funding rates, as local banking institutions are already suitably capitalised.

Our common terms agreement with all of our major bank debt funders was amended during the year to optimise returns to shareholders by increasing the maximum amount of profit after taxation we may distribute to shareholders through dividends and other capital from 50% to 100%. This is subject to the condition that our group capital adequacy ratio will not fall below 22% subsequent to any distribution.

This ratio is currently at 24.6%. Our stated dividend policy of targeting a payout of 30% – 35% of headline earnings per share remains in place. As we have indicated to the market, we believe that repurchasing our own shares is a low-risk undertaking that benefits shareholders. We intend to continue with this course in the new year.

ARE ACQUISITIONS PART OF YOUR SHORT-TERM STRATEGY?

Yes, they are. Complementary acquisitions enhance our existing earnings capability, but we do not foresee any major investments for the next two to three years.

The small acquisitions made during the year by our Industrial Equipment division and the success these achieved in a short space of time has encouraged the group to continue seeking opportunities that will enable us to add value and to maximise our existing offerings.

WHAT ARE EQSTRA'S PROSPECTS?

This year, we diversified our group further and are now even more resilient. Our brand awareness has been enhanced and our systems and people strengthened. The group's performance on executing its business plan and on reaching strategic targets this year points to a continued improvement in 2014. Eqstra retained and enhanced its business with existing clients and made very important progress in generating higher-margin income from value-added services and annuity income.

In the new year, we will continue to focus on improving our return on equity and headline growth.

On a divisional level, Industrial Equipment remains well positioned to grow its market share, with its market-leading domestic forklift franchise. The Heavy Equipment business unit has a strong product offering and is poised for meaningful growth. Further growth is expected from recent acquisitions, particularly 600SA, that added to the division's product range and benefited from being part of a large domestic group.

Fleet Management and Logistics should deliver a much-improved future performance with the curtailment of loss-making activities positive for earnings growth. Leasing asset growth in recent years should also add to earnings.

Contract Mining and Plant Rental should continue to build on an improved operating performance compared to recent years. Problem contracts have mostly been resolved. This, together with the renewal of key contracts during the year and increased volumes from clients, results in a positive outlook however, although the labour-relations climate will require careful management.

The group remains in a strong position to show increased earnings growth based on favourable prospects for all divisions. The strategy of long-term value-added leasing will continue to be the bedrock of the group's business model. All divisions have secured long-term contracts with good prospects for increased client penetration from higher-margin value-added product sales, which will continue to underpin growth.

APPRECIATION

In closing, we thank all our stakeholders for their continuing faith in the future of Eqstra and their contributions to its success. In particular, we thank and congratulate our employees for their efforts throughout the year.

We welcome Grant Gelink, who was appointed to the board as an independent non-executive director on 13 November 2012.

A special word of appreciation goes to our board members who consistently provided astute leadership and insight.

NP Mageza
CHAIRPERSON

WS Hill
CHIEF EXECUTIVE OFFICER

Review from the chief financial officer

EQSTRA CONTINUED TO DELIVER A ROBUST FINANCIAL PERFORMANCE AMIDST ANOTHER PERIOD OF TOUGH MARKET CONDITIONS, GLOBAL COMMODITY WEAKENING AND ECONOMIC UNCERTAINTY.

Management's focus on asset utilisation, selective growth and cost control was essential to the group's performance, with our business model supported by a robust balance sheet and strong cash flow.

FINANCIAL PERFORMANCE

The financial ratios from continuing operations outlined below remain the key measures of our financial performance:

	30 June 2013	30 June 2012
Headline earnings per share (cents)	**104.0**	77.2
Profit before taxation (Rm)	**486**	488
Net working capital to revenue (%)	**9.5**	7.3
Cash generated from operations to net debt before working capital changes (%)	**39.3**	40.8
Return on shareholders' equity (%) (continuing operations)	**13.7**	14.0
Return on shareholders' funds (equity) (%)	**13.1**	18.2

Profit before taxation and profit before taxation margin have normalised since the 2008 global crisis, whilst the decrease in profit before taxation during the year was marginal as a result of a net impairment reversal relating to insurance recoveries of R30 million following industrial unrest in 2011. The group will continue to place emphasis on an improvement in profit and margins against tough persisting market conditions and challenges.

The net working capital to revenue ratio increased as a result of higher trade and other receivables, primarily in Contract Mining and Plant Rental. Inventory also increased in line with strong sales growth realised in Industrial Equipment. Management continues to target working capital as an area for improvement.

Whilst return on shareholders' funds of 13.7% is still below expectation, the group believes that the target of 20% return in the medium- to long-term remains achievable.

Basic headline earnings of 104.0 cents per share (2012: 77.2 cents per share) reflect an increase of 34.7% (2012: 6.2%) on the back of growth in after-tax earnings and a reduction in ordinary shares in issue through the buy-back during the financial year.

INCOME STATEMENT

Revenue for the year increased by 11.6% to R9 089 million (2012: R8 143 million). This is mainly due to strong growth in Industrial Equipment from both existing and acquired business units, along with modest growth in Contract Mining and Plant Rental.

Earnings before interest, taxation, depreciation and amortisation increased by 5.6% to R2 865 million (2012: R2 713 million), while operating profit increased by 16.2% to R1 038 million (2012: R893 million). Profit before taxation decreased by 0.4% to R486 million (2012: R488 million).

Profit before taxation was impacted by the net impairment of leasing assets of R16 million, in contrast to a R30 million net impairment reversal in the prior year. The volatility in foreign currencies contributed to a decrease in net foreign exchange gains from R46 million to R7 million in the current year.

Net finance costs increased by 12.9% to R543 million (2012: R481 million) as average debt levels increased during the year to fund growth in revenue-generating assets and related working capital.

The effective taxation rate from continuing operations for the year was 16.0% (2012: 22.7%). The rate remained lower than the statutory rate of 28%, largely attributable to the utilisation of foreign tax concessions, as well as the recognition of deferred taxation assets previously impaired.

Basic earnings per share (EPS) and basic headline earnings per share (HEPS) from continuing operations for the year increased to 100.0 cents per share and 104.0 cents per share respectively (2012: 89.4 cents per share and 77.2 cents per share respectively). The difference between EPS and HEPS was largely due to the impact of a sub-standard tyre impairment, which was offset by the profit on the sale of property during the year.

A full reconciliation of earnings and headline earnings is presented in note 24 of the group annual financial statements.

STATEMENT OF FINANCIAL POSITION

Revenue-generating assets (leasing assets and finance lease receivables, which are underpinned by long-term annuity contracted revenue streams), increased by 7.8% to R9 578 million (2012: R8 884 million) spread across all divisions, with foreign exchange movements accounting for 3.5% of the increase.

The group continued its capital replacement cycle, with net replacement capital expenditure of R1 636 million (2012: R1 646 million) incurred in the year. Expansion capital expenditure of R1 199 million (2012: R1 258 million) was undertaken mainly within Industrial Equipment and Fleet Management and Logistics. Capital expenditure continues to be funded through long-term debt and cash generated from operations.

STATEMENT OF CASH FLOWS

The group remains highly cash generative due to its long-term contracts with clients, which yield annuity-type revenue.

During the year, the group generated cash from operations before changes in working capital of R2 867 million (2012: R2 668 million). The group's net working capital as a percentage of revenue increased to 9.5% (2012: 7.3%). Cash generated through the group's operations was applied to both new revenue-generating leasing assets and shareholder returns in the form of dividends and share buy-backs.

CAPITAL MANAGEMENT

The group maintains a strict capital adequacy model to optimise its gearing to deliver the required shareholder returns. Capital allocation reviews are undertaken on a continuous basis in light of changing economic and market conditions and risk assessments. Capital is allocated at a group and divisional level, in line with bank covenant requirements and invested asset classes, as illustrated below:

	Industrial Equipment	Fleet Management and Logistics	Contract Mining and Plant Rental
Property, plant and equipment	25%	25%	25%
Long-term leasing assets	15%	15%	20%
Short-term leasing assets	35%	35%	35%
Logistics assets	–	25%	–
Inventories	30%	35%	35%
Accounts receivable	15%	15%	15%
Other assets	15%	15%	15%

The capital adequacy ratio is calculated as the ratio of total shareholders' equity to total assets. At the end of the year, this was 24.6% (2012: 23.7%), well above the required bank covenant of 20.0%.

Divisional capital allocation was further adjusted to support the closer alignment of group and divisional annuity income and stability. Capital projects are required to meet specific hurdle rates to maximise the amount of capital deployed. The emphasis remains on the allocation of capital to strategically aligned projects which deliver the highest returns. The investment decision process is supported by strong governance structures and experienced senior management and our board, thereby balancing competitive returns and growth.

DEBT

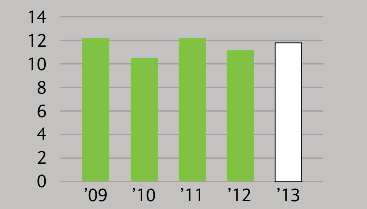
Eqstra's debt profile continues its long-term bias that mirrors the long-term nature of associated capital investments. The group's policy is to finance debt in the same currency as the revenues of the underlying project.

BOND ISSUE

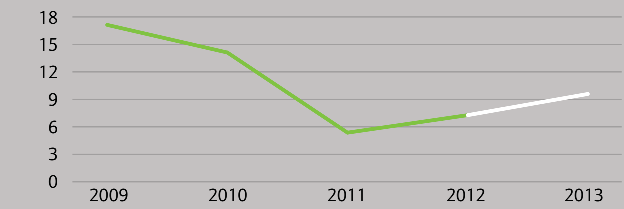
In April 2013, Eqstra raised R446 million through the issue of a five-year R340 million floating rate note and a R106 million five-year fixed rate note. The bonds were issued at 252 basis points above the three-month Jibar and 252 basis points above the R204 government bond. The spread on this issue was 18 basis points lower than the five-year bond Eqstra issued in 2012.

R200 million of the bond proceeds was used to repay bank term debt maturing in April 2014, with the balance used to repay overnight borrowings and commercial paper.

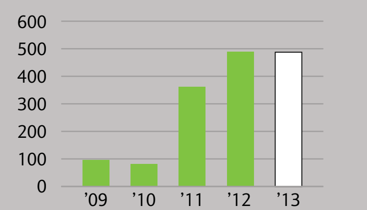
OPERATING MARGIN (%)



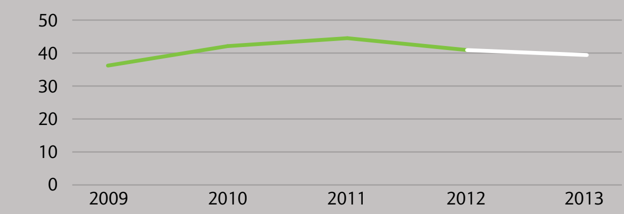
NET WORKING CAPITAL TO REVENUE (%)



PROFIT BEFORE TAXATION (Rm)



NET OPERATING CASH FLOW TO NET DEBT (%)



BANK DEBT

As part of Eqstra's proactive refinancing strategy, R530 million of the bank debt maturing in March and April 2014 was rolled to the 2016 and 2018 financial years. This is in addition to the R200 million that was repaid with the proceeds of the bond issue during the year. As at 30 June 2013, R730 million of the R1 278 million of bank debt maturing in March and April 2014 was therefore repaid or extended almost 12 months before the due date.

CREDIT RATING

Standard & Poor's long-term credit rating of the group remained unchanged during the course of the financial year at zaA-, which underpins the group's stable revenue streams and strong cash flows against challenging market conditions.

The objective remains to achieve and maintain a zaA credit rating in the medium-term.

A summary of the group's long-term debt facilities and the utilisation thereof at 30 June 2013 are outlined below:

Funding facilities (Rm)			Facility size	Utilised	Unutilised
SA bank debt	General banking facility		900		900
	Liquidity facility*		1 000		1 000
	Term facility		2 728	2 728	
ECA-backed debt	Export-Import Bank of the US		117	117	
	Coface		135	135	
Total			**4 880**	**2 980**	**1 900**
SA non-bank debt	**Capital markets**	**Maturity date**		3 077	
	CP	3 months		750	
	EQ187	21 Feb 2014		100	
	EQ185	11 Jun 2014		150	
	EQS01	18 Nov 2014		270	
	EQS02	01 Jul 2015		50	
	EQS04	22 Sep 2015		411	
	EQS05	25 Apr 2017		900	
	EQS06	09 Apr 2018		340	
	EQS07	09 Apr 2018		106	
Total SA funding				**6 057**	
Rest of world			1 600	1 463	137
Total funding				**7 520**	

*Liquidity facility with a 13-month notice period to support commercial paper

FINANCIAL RISK MANAGEMENT

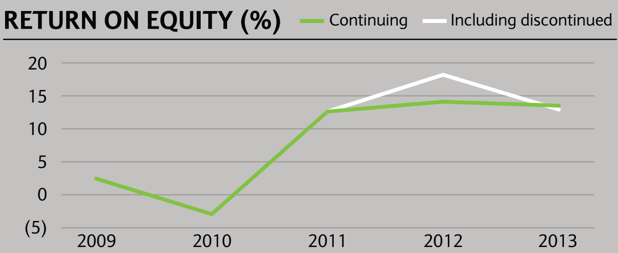
The group's business model continues to support decentralised, autonomous business units with an entrepreneurial culture. The group also recognises that certain key elements of risk management can only be optimally achieved on a central integrated basis, which includes currency risk, liquidity risk and interest rate risk. Refer to the supplementary information to the integrated report at www.eqstra.co.za for more information on the key risks identified by the group and the controls in place to mitigate these.

Financial instruments are used by the group for hedging purposes. These instruments mainly include forward exchange contracts, cross-currency swaps and interest rate swaps. It is not the group's policy to speculate in trading derivatives or other financial instruments.

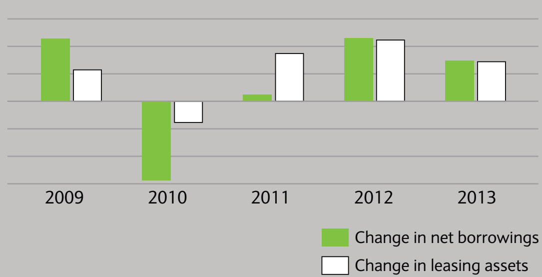
CURRENCY RISK

The group's main objective is to minimise exposure to movements in foreign exchange rates. The group is exposed to a number of currencies, including the Euro, Japanese yen, US dollar and UK pound. It is the group's policy to hedge exposure to operating cash transactions in foreign currencies other than the group's functional currency and ultimately the reporting currency. The responsibility for monitoring and managing these risks rests with management, in conjunction with group treasury.

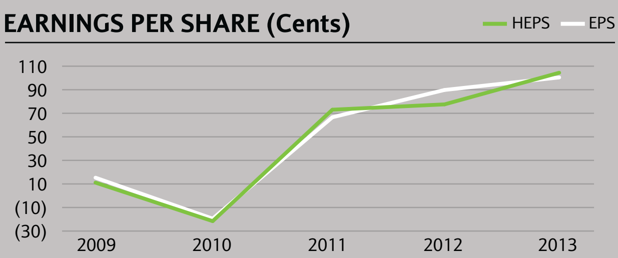
RETURN ON EQUITY (%)

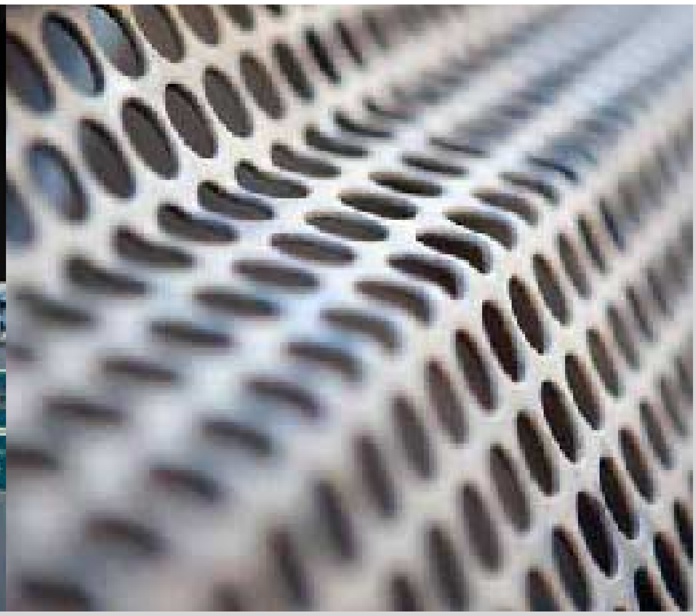


LEASING ASSET FUNDING PROFILE (Rm)



EARNINGS PER SHARE (Cents)





LIQUIDITY RISK

The group's policy is to increase and spread debt maturity over a wide range of periods to reduce and manage the risk of excessive refinancing in any one-year period. The cash flows generated from annuity-type contracts are mirrored closely with the commensurate debt maturity and its associated repayments. The group further manages liquidity risk by monitoring cash flow forecasts and maintaining adequate unused borrowing facilities.

INTEREST RATE RISK

Interest rate exposure is managed within the set limits of the asset and liability committee. The group continues to manage its interest rate exposure by matching fixed rate contracts with fixed rate debt.

SHAREHOLDER VALUE

Eqstra remains focused on generating acceptable returns for shareholders. The group has fallen short of its return on equity target since the start of the global economic turmoil, but continues to implement corrective actions to improve returns. To this extent, the target return on shareholders' funds of at least 20% has not been amended, with the current return from continuing operations at 13.7% (2012: 14.0%) based on opening equity.

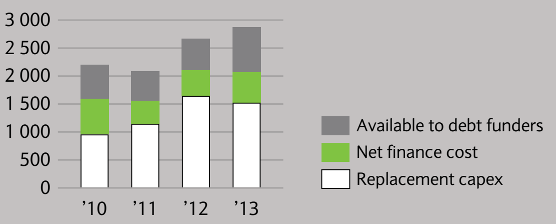
The group will continue to focus on under-performing businesses and assets. In addition, as the weak market conditions are anticipated to remain largely unchanged in the coming year, the group will increase the focus on asset utilisation and optimisation, including a critical assessment of all capital expenditure.

Our stated intent is to continue the return of value to our shareholders in the form of dividends, share buy-backs and share price appreciation. In determining the dividend, we take cognisance of prevailing circumstances, capital adequacy, liquidity requirements, financial performance and significant changes in the external economic environment.

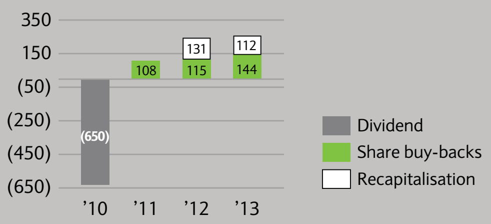
Our dividend for the year increased by 28.6% (2012: 12.0%) to 36.0 cents per share (2012: 28.0 cents per share), which represents a dividend payout of 34.6% (2012: 36.3%) of headline earnings per share. The group also continued its buy-back of ordinary shares during the year to the value of R113 million (2012: R65 million).

The board considered the impact on both solvency and liquidity and is satisfied that the group will continue to be solvent and liquid post payment of the above dividend.

UTILISATION OF CASH FLOW FROM OPERATIONS (Rm)



SHAREHOLDER RETURNS (Rm)



DISCONTINUED OPERATIONS

The group successfully concluded the disposal of the Eqstra Mining Services (Bucyrus) business unit during the 2012 financial year, whilst the New Holland Construction equipment distributorship was terminated, effective 31 August 2012. Residual operations were closed and wound up during the financial year, which included the realisation of remaining working capital.

The remaining business unit of the Construction and Mining Equipment division unit was incorporated into the Industrial Equipment division from a financial reporting and managerial perspective, given the substantial reduction in size due to the challenging market conditions and the exit of both the Bucyrus and New Holland distributorships.

ACCOUNTING POLICIES

During the year, the group adopted a number of accounting standard revisions, as set out in the group's accounting policies. These revised standards and interpretations did not have a significant impact on the group's financial position or results. The group's segmental results were restated to reflect the effected managerial reporting changes resulting from the actions outlined in discontinued operations. Refer to pages 80 to 83 of the annual financial statements for more information.

NON-FINANCIAL PERFORMANCE

SKILLS DEVELOPMENT

Eqstra spent R50.1 million (2012: R49.7 million) on skills development and training in the current financial year. Further details of the current programmes and initiatives are contained in the supplementary section of the integrated annual report at www.eqstra.co.za.

TRANSFORMATION

The status of our broad-based black economic empowerment shareholding is summarised in the next few paragraphs:

NOZALA

Nozala owns 8 272 000 ordinary shares in Eqstra. These shares are pledged to Eqstra as security for the payment of the issue price. During the year, Eqstra and Nozala agreed to extend the existing preference share repayment to 30 September 2015. The rate of interest was amended to equal the prime rate. Eqstra continues to hold the shares as security and effectively controls the ordinary shares for accounting purposes. The ordinary shares held by Nozala are therefore disclosed as treasury shares.

LEREKO MOBILITY

In the 2011 financial year, Lereko Mobility Proprietary Limited converted its 14 516 617 'B' deferred ordinary shares held in Eqstra to ordinary shares. Before the conversion, Lereko Mobility forward sold 8 630 195 ordinary shares in Eqstra to settle third party debt. Subsequent to the conversion, Lereko Mobility holds 5 886 422 ordinary shares in Eqstra, representing 1.4% of the group shareholding as at 30 June 2013, over which Eqstra holds a call option.

CORPORATE GOVERNANCE AND COMPLIANCE

The group continued to assess and improve its corporate governance structures and compliance functions. These include regulatory and legal compliance. Refer to the supplementary section of the integrated annual report at www.eqstra.co.za.

REGULATORY COMPLIANCE

The group currently operates in 15 countries. Each has unique legal, financial and taxation regulatory requirements. Adhering to continually changing and developing regulations remains onerous, especially as the group focuses on a reduction of resources in managing its cost base. With a strategy of geographic expansion, the challenges will become more prevalent and the group will therefore continue to adequately resource its compliance function.

GOING CONCERN

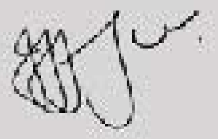
The board concluded that the group is in a financially sound position with adequate financial resources. The board has therefore prepared the group and company annual financial statements on a going concern basis.

OUTLOOK

Against continued market volatility, the group will place additional emphasis on stringent working capital management, controlled growth, cost containment and improvement in operating margins.

The group's key focus areas will include:

FOCUS AREAS	ACTIONS TO ACHIEVE THIS
» Achieve and maintain the required return on equity target	» Improve asset utilisation, cost containment and limiting investment to ensure optimal return on projects
» Prioritise optimal asset utilisation and maximise existing profitability above growth in key areas	» Selective growth » Drive improved asset utilisation » Ongoing review of divisional debt utilisation
» Further diversify debt sources and maturity profile. Enhance internal capital allocations	» Refinance maturing debt obligations at competitive rates » Continue ongoing review of divisional equity allocation



JL Serfontein
CHIEF FINANCIAL OFFICER

VALUE-ADDED STATEMENT – CONTINUING AND DISCONTINUED OPERATIONS

	30 June 2013 Rm	%	30 June 2012 Rm	%
REVENUE	**9 154**		9 263	
Paid to suppliers for materials and services	**4 247**		4 944	
Total wealth created	**4 907**		4 319	
Wealth distribution				
Salaries, wages and other benefits (note 1)	**1 926**	**39**	1 653	38
Providers of capital	**551**	**11**	529	12
Central and local governments (note 2)	**79**	**2**	78	2
Community investments	**2**		3	
Reinvested in the group to maintain and develop operations	**2 349**	**48**	2 056	48
– Depreciation and recoupments	**1 834**	**37**	1 711	40
– Future expansion	**515**	**11**	345	8
	4 907	**100**	4 319	100
VALUE-ADDED RATIOS				
– Number of employees	**7 878**		7 436	
– Revenue per employee (R000)	**1 162**		1 246	
– Wealth created per employee (R000)	**623**		581	
NOTES				
1. Salaries, wages and other benefits				
– Salaries, wages, overtime, commissions, bonuses, allowances	**1 829**		1 568	
– Employer contributions	**97**		85	
	1 926		1 653	
2. Central and local governments				
– SA normal and secondary taxation	**34**		43	
– Foreign taxation	**26**		16	
– Rates and taxes	**8**		7	
– Skills development levy	**7**		9	
– Unemployment insurance fund	**4**		3	
	79		78	

FIVE-YEAR REVIEW

	2013 Rm	2012 Rm	2011 Rm	2010 Rm	2009 Rm
INCOME STATEMENT					
Revenue (continuing operations)	**9 089**	8 143	6 903	6 939	7 889
Profit from operations before depreciation, amortisation and recoupments	**2 877**	2 642	2 330	2 253	2 422
Depreciation, amortisation and recoupments	**(1 832)**	(1 703)	(1 510)	(1 539)	(1 534)
Net (impairment) reversal of impairment of leasing assets	**(16)**	30	(50)	–	–
Net finance costs	**(543)**	(481)	(410)	(634)	(795)
Profit before taxation	**486**	488	360	80	93
Income tax expense	**(78)**	(111)	(82)	(135)	(48)
Net profit (loss) for the year from continuing operations	**408**	377	278	(55)	45
Profit on sale of property, plant and equipment, intangible assets and leasing assets, net of taxation	**(6)**	(30)	(9)	(6)	(12)
Net impairment (reversal of impairment) of leasing assets	**22**	(21)	36	–	–
Non-controlling interest	**(5)**	(2)	1	(1)	(2)
Headline earnings attributable to ordinary shareholders	**419**	324	306	(62)	31
STATEMENT OF FINANCIAL POSITION					
Intangible assets	**91**	51	22	9	9
Property, plant and equipment	**538**	500	429	367	348
Revenue-generating assets	**9 578**	8 884	7 715	6 746	7 138
Deferred tax assets	**35**	30	56	54	89
Other investments and loans	**104**	124	115	89	150
Inventories	**945**	811	986	1 130	1 612
Trade and other receivables and derivatives	**1 681**	1 567	1 102	949	785
Taxation in advance	**29**	12	25	51	51
Cash and cash equivalents	**300**	610	191	267	51
Total assets	**13 301**	12 589	10 641	9 662	10 233
Deferred tax liabilities	**761**	697	636	607	516
Interest-bearing borrowings	**7 597**	7 153	5 571	5 516	6 730
Other liabilities	**1 668**	1 759	1 746	1 159	1 161
Total liabilities	**10 026**	9 609	7 953	7 282	8 407
Net assets	**3 275**	2 980	2 688	2 380	1 826
Funded by:					
Equity attributable to owners of the parent	**3 256**	2 966	2 669	2 360	1 807
Non-controlling interest	**19**	14	19	20	19
Total liabilities	**3 275**	2 980	2 688	2 380	1 826
KEY RATIOS					
Profit before taxation margin (%)	**5.4**	6.0	5.2	1.2	1.2
Return on opening shareholders' interest (%) from continuing operations	**13.7**	14.0	11.7	(3.1)	2.3
Return on opening shareholders' interest (%) (all operations)	**13.1**	18.2	12.7	(3.1)	2.3
Revenue-generating asset turnover	**0.94**	0.92	0.89	1.03	1.11
Total shareholders' equity to total assets (%)	**24.6**	23.7	25.3	24.6	17.8
Number of employees	**7 878**	7 436	7 136	6 608	6 006

Remuneration review

THIS REVIEW CONTAINS INFORMATION ON **HOW OUR TEAM IS MEASURED** AND **REMUNERATED**, AS WELL AS INFORMATION ON **THE GROUP'S REMUNERATION POLICIES**.

REMUNERATION APPROACH

During the year, Eqstra's remuneration committee continued to focus on remuneration issues that it considers imperative to deliver to the strategy of the group and to ensure material alignment with the expectations of shareholders.

The board and management noted the suggestions from shareholders made in terms of the remuneration policy at the previous annual general meeting (AGM) on 13 November 2012. Where required, amendments were made to the policy to further align reward to shareholders' expectations. These amendments are outlined in this review.

In line with King III principles, the board strives to remunerate fairly and responsibly. The remuneration committee therefore considers external market remuneration surveys and the interests of shareholders when deliberating on the remuneration of directors and senior management.

In applying the agreed remuneration principles, the committee continues its commitment to the principles of accountability, transparency and good governance, as well as ensuring that reward arrangements are linked to individual and group performance and that they are supportive of business strategy.

The committee is cognisant of the importance of retaining critical skills in an industry plagued by a shortage of skills. It believes that the current remuneration philosophy makes a significant contribution towards mitigating this risk.

The membership, responsibilities and work of the remuneration and nominations committee during the year are set out in the Corporate Governance review in the supplementary section of the integrated annual report at www.eqstra.co.za.

This report emphasises the remuneration policies and practices applied to the chief executive officer, chief financial officer, executive and non-executive directors, as well as divisional chief executive officers who are considered to be prescribed officers, as defined by the Companies Act 2008.

The principles underlying these policies and practices are applied in determining remuneration throughout the group. Remuneration of the top three salaried individuals, other than directors, is disclosed in this report in line with King III requirements.

REMUNERATION POLICIES

In line with King III requirements, this report forms the basis for shareholders' non-binding advisory votes at the next AGM on 22 November 2013. The vote enables shareholders to express their views on the remuneration policies and its implementation. We welcome this opportunity to engage with our shareholders on this important issue.

The remuneration committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration and between those aspects of the package linked to short-term financial performance and those linked to longer-term shareholder value creation.

The remuneration packages of each executive director and those of divisional chief executive officers are reviewed annually by the committee. These packages are aimed to encourage and motivate sustainable performance and retain employees. Long-term incentive schemes are designed to recognise the contributions and value added to the group's operations and play an important role in retaining key executives.

Executive directors and divisional chief executive officers are not permitted to hold external directorships or office, other than those of a personal nature, without the approval of the board. Executive directors and divisional chief executive officers receive no director or committee fees in addition to their normal remuneration.

The remuneration committee used the Deloitte & Touche salary survey as a benchmark for executive and non-executive salaries and short-term and long-term incentive programmes.

BOARD

Non-executive directors are measured each year on their individual and committee performance through a detailed questionnaire. The results are analysed and corrective actions taken to improve the functioning of the board, its committees and individual performance. The performance of the chairperson is reviewed annually by the board members prior to the re-election process.

Every third year the board conducts an independent board review. The last review was conducted in November 2011 by the Institute of Directors.

The nominations committee conducts an in-depth annual review of the performance of the directors due for rotation. Directors rotate every three years. Based on the outcome of these reviews, the nominations committee and board recommend the re-election of these members for shareholder vote at the AGM.

The following pages outline the value each board and exco member brings to the group, as well as how they were remunerated during the year. For full CVs, refer to pages 8 to 9.

Board members	Total 2013 packages (for a detailed breakdown, refer to note 14.2 of the annual financial statements)
NKATEKO PETER MAGEZA (58) FCCA (UK) **INDEPENDENT NON-EXECUTIVE CHAIRPERSON** Peter's previous experience as a banker brings expert advice to the board's funding considerations and funding models. His experience in the transport sector has been valuable in discussions about the group's transport-focused business model. Peter also has a strong track record in human capital development, something that is a cornerstone of the group's strategy.	Peter was appointed by shareholders as non-executive chairperson on 13 November 2012, the date of the previous AGM. The chairperson of the board receives an annual fee only. No attendance fees and committee fees are payable. His annual package was increased on 1 January 2013 from R753 300 to R805 700, as approved by shareholders at the last AGM. **Total earnings: R779 350**
ANTHONY JOHN (TONY) PHILLIPS (67) BSC (ENG) **LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR** Tony has 35 years leadership experience in the diversified industrials sector, in particular the heavy equipment distributorship industry. He has extensive knowledge of the sub-Saharan mining sector, a key area of the group's activities. Experience in dealing with the complexities of operations in Africa and Europe and strong financial acumen contributes to executing his duties as chairperson of the risk committee and a member of the audit committee.	Tony was re-elected as an audit committee member on 13 November 2012. He is available for re-election as a non-executive director at the next AGM on 22 November 2013. **Total earnings: R376 500**
MARTHINUS JOHANNES (MARTIN) CROUCAMP (68) IAC, AEP, AMP **INDEPENDENT NON-EXECUTIVE DIRECTOR** Martin spent his entire career in the banking sector and gained extensive experience in the corporate, business banking and treasury environment. Martin also has general business management experience at executive level, with particular emphasis on risk management, strategy formulation, marketing and administration. This exposure has been valuable in his role as chairperson of two of the group's divisional audit committees and as a member of both the audit and asset and liability committees.	Martin was re-elected as a non-executive director and audit committee member on 13 November 2012 by shareholders. **Total earnings: R459 400**
SALUKAZI (SALU) DAKILE-HLONGWANE (63) BA, MA **NON-EXECUTIVE DIRECTOR** Salu is a founding member and chairperson of one of the group's broad-based black economic empowerment (B-BBEE) ownership partners, Nozala Investments. She has experience in the private sector, structured and specialist finance, as well as public sector development finance. As Nozala is a broad-based women's investment holding company, Salu's input often raises important social issues to consider in the group's long-term strategy.	Salu was re-elected as a non-executive director on 13 November 2012. **Total earnings: R302 000**
GRANT GLENN GELINK (63) H DIP EDUCATION, B.COMPT (HONS), CA(SA) **INDEPENDENT NON-EXECUTIVE DIRECTOR** Grant's past experience as an audit partner and chief executive of Deloitte gives him insight into the challenges faced by organisations in an increasingly regulated environment. His skills also assist during strategic decision-making based on projections of the group's current and future financial performance. He was also responsible for the development of human capital at Deloitte for a certain period, building on his background as an educator before entering the corporate world.	Grant was appointed as a non-executive director on 13 November 2012. Grant is available for re-election as a director at the next AGM on 22 November 2013. **Total earnings: R168 300**

The CEO, CFO and the divisional CEO of Contract Mining and Plant Rental are also board members.

REFER TO Pages 45 – 46

Board members	Total 2013 package (for a detailed breakdown, refer to note 14.2 of the annual financial statements)
VELI JOSEPH MOKOENA (53) BA, PDM (WBS) INDEPENDENT NON-EXECUTIVE DIRECTOR As the previous chief executive officer of Ukhamba Holdings, one of Eqstra's former long-standing B-BBEE partners, Veli has an intimate understanding of the group's operations. He is also a past managing director of the group's fleet management operations, where he was involved in growing the division's public sector profile. His wealth of business management experience provides the group with strategic insight into the current economic landscape and key issues driving the industries in which the group operates.	Veli was re-elected as a non-executive director on 13 November 2012. **Total earnings: R280 600**
SANKIE DOLLY MTHEMBI-MAHANYELE (62) BA, PHD (HON) INDEPENDENT NON-EXECUTIVE DIRECTOR As a former government minister, Sankie brings a wealth of public sector experience to the group. Her deep understanding of the challenges of B-BBEE and the strategic imperative of the transformation of the South African economy offers insight into managing these issues strategically, without losing sight of what is required at grassroots level.	Sankie was re-elected as an audit committee member on 13 November 2012. She is available for re-election as a non-executive director at the next AGM on 22 November 2013. **Total earnings: R300 800**
TIMOTHY DACRE AIRD (TIM) ROSS (69) CTA, CA(SA) INDEPENDENT NON-EXECUTIVE DIRECTOR Tim's 36 years of experience as an audit partner with a multi-national audit and accounting firm provides solid credentials to chair the audit committee and to be a member of the risk committee. Tim has a particularly astute understanding of the requirements of strong internal controls and the proactive management of financial and operational risks. Tim's exposure to a multitude of industries also offers the skills needed to deal with the group's highly diverse operations.	Tim was re-elected as a non-executive director in November 2011, as well as an audit committee member on 13 November 2012. **Total earnings: R471 800**

EXECUTIVE COMMITTEE

HOW IS OUR TEAM MEASURED ON PERFORMANCE?

Eqstra's remuneration philosophy recognises that the group's performance depends on the quality of its people. This philosophy plays an integral part in supporting and achieving the group's defined strategic objectives and is designed to motivate and reinforce individual and group performance. The philosophy strives to integrate financial and non-financial rewards and benefits and is applied equitably, fairly and consistently in relation to job responsibilities, the employment market and personal performance.

BREAKDOWN OF EXECUTIVE REMUNERATION PACKAGES

The executive remuneration package consists of three components:
(1) Guaranteed salary
(2) Short-term incentive
(3) Long-term retention incentive

GUARANTEED SALARY

Guaranteed salary is benchmarked annually against market surveys. The executives' responsibilities are reviewed against the company's size. This is measured against profit before taxation, number of employees and assets under management.

Executives are remunerated on a cost to company (CTC) basis. As part of their package, they are entitled to a car allowance or fully-expensed company car, provident fund contribution, medical aid, death and disability insurance and reimbursement of reasonable business expenses. The provision of these benefits is considered to be competitive with executive positions in the market.

The increases applicable to the guaranteed packages, effective from 1 July 2012, are on average 8% for executive directors and prescribed officers.

SHORT-TERM INCENTIVE (STI)

Short-term incentives are based on achievements against 12-month targets aimed at increasing shareholder value. The STI scheme is externally benchmarked. STIs are linked to a key performance indicator matrix, using the executive's cost to company (CTC) as a base.

LONG-TERM RETENTION INCENTIVE

Long-term incentive schemes approved by shareholders are the:
- Share appreciation right (SAR) scheme
- Conditional share plan (CSP)
- Deferred bonus plan (DBP)

THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Weightings applied to short-term key performance indicators

Indicators	Weighting 2012	Weighting 2013	% achieved
Continuing headline earnings per share (HEPS) growth	25%	**35%**	200%
Return on invested capital (ROIC) vs weighted average cost of capital (WACC)	25%	**–**	–
Return on equity vs cost of equity	–	**35%**	21%
B-BBEE scorecard improvement	20%	**20%**	64%
Project-based achievements	15%	**–**	–
Discretionary	15%	**10%**	0%
Bonus achieved	100%	**100%**	90%

The group CEO can exceed 100% of annual cost to company (CTC) on HEPS growth if ROE exceeds 20%, but this is capped at 120%. The actual bonus that can be paid to an executive will be capped at one year's CTC of the executive, except for the group chief executive officer. His bonus is capped at 120% of annual CTC to reward superior performance that aligns with superior shareholder wealth creation.

HEPS PAYOUT

HEPS is defined as audited continuing HEPS, adding back profit/loss on sale of leasing assets, as this is part of the group's operating activities. The base target for HEPS growth is 10%, at which level this measure starts to pay out. This measure has no cap to avoid the risk of profit smoothing. The levels for this measure are as follows, and range between 10% – 15%:

HEPS payout calculations

- Up to 10% = 0%
- At 15% = 100% of the measure's weighting %
- For every 1% over 15% – additional 5% of weighting if the ROE > Cost of Equity (COE) is up to 100% of CTC

The group CEO can exceed 100% of CTC if the three-year economic value added (EVA) is positive.

ROE PAYOUT

The base target for ROE is the achievement of the group's cost of equity (COE). This measure has no cap. For the CEO to earn more than 100% of the cost to company (CTC), the three-year economic value added (EVA) (i.e. ROE > COE) has to be positive to align with shareholder value created.

The levels for this measure are as follows, and range between COE and ROE of 20%:

ROE payout calculations

- Up to COE = 0%
- ROE of 20% – 100% of the measurement's weighting %
- ROE >20% – up to 100% CTC on a linearly extrapolated basis

All measures linearly extrapolated thereafter.

ROE is based on the group's actual mix of equity and debt for the year on which the bonus is based, calculated on a monthly average basis.

CEO	Total 2013 package. For a detailed breakdown, refer to note 29 of the annual financial statements)
WALTER STANLEY HILL (54) HN DIP (IND ENG), AEP **CHIEF EXECUTIVE OFFICER** Walter's extensive experience in establishing the group, together with his previous diverse roles in a large state-owned enterprise, positions him well to lead the organisation. A background in industrial engineering provides valuable insight and understanding of the often complex engineering challenges the group faces. He also has an acute understanding of the importance of the development of human capital, with the right skills to meet the group's strategic objectives.	CTC: R5 231 963 Short-term incentive: R4 710 000 Deferred bonus plan (DBP) shares – 383 000 Share appreciation right (SAR) shares – 3 877 000
CFO	**Total package in the year**
JAN LODEWYK (JANNIE) SERFONTEIN (38) BCOM (HONS), CA(SA) **CHIEF FINANCIAL OFFICER** Jannie is a former audit partner at a multi-national audit and accounting firm and has a thorough understanding of internal controls, accounting policies and financial reporting. Prior to joining the group he was the external audit partner of Contract Mining and Plant Rental. He therefore has an intimate understanding of the group's largest division.	CTC: R2 454 954 Short-term incentive: R2 210 000 DPB shares – 55 000 SAR shares – 1 029 000

DIVISIONAL CHIEF EXECUTIVE OFFICERS

Weightings applied to short-term key performance indicators

Indicators	Weighting 2012	Weighting 2013	JV Carr % achieved	E Clark % achieved	GD Neubert % achieved
HEPS growth	10%	**10%**	200%	200%	200%
ROIC vs WACC	10%	**–**	–	–	–
ROE vs COE	–	**10%**	21%	21%	21%
Divisional profit before tax growth	20%	**25%**	0%	400%	120%
Divisional ROIC vs divisional WACC	20%	**–**	–	–	–
Divisional ROE vs COE	–	**25%**	20%	16%	109%
Divisional B-BBEE score improvement	20%	**10%**	64%	62%	63%
Group B-BBEE score report	–	**10%**	64%	64%	64%
Discretionary	10%	**10%**	80%	0%	100%
Total bonus	100%	**100%**	48%	100%	100%

HEPS PAYOUT

HEPS is based on continuing operations. HEPS growth, ROE versus COE and profit before tax growth weightings are uncapped provided ROE is more than COE. The total short-term incentive (STI) awards are capped at 100% of annual CTC.

Divisional heads	Total package in the year
JACQUELINE VERONICA (JACQUI) CARR (45) **DIVISIONAL CEO: FLEET MANAGEMENT AND LOGISTICS** Jacqui brings 25 years of experience in the strategic and operational management of leasing and fleet management. This experience was gained while in a number of leadership positions throughout the organisation, which has equipped her well to lead the division. Significant client and employee interaction is required in this division, Jacqui's strong inter-personal skills have been key to managing the division's growth.	CTC: R2 930 744 Short-term incentive: R1 399 000 DPB shares – 131 000 SAR shares – 2 217 000
ERICH CLARKE (48) B Com, CA(SA), CIA **DIVISIONAL CEO: CONTRACT MINING AND PLANT RENTAL** Erich has a strong background in financial management, internal audit and risk management. As a prior CFO of the group, Erich's knowledge of financial controls, systems and risk management is now being applied in Contract Mining and Plant Rental. He has been associated with this business since its acquisition in 2006 in various supportive roles to provide succession to its founders.	CTC: R3 211 778 Short-term incentive: R3 211 778 DPB shares – 120 000 SAR shares – 2 388 000
GARY DEREK NEUBERT (47) N.DIP ENG (MECH), MBA **DIVISIONAL CEO: INDUSTRIAL EQUIPMENT** Gary brings general management experience in engineering, marketing, sales and the aftermarket in the motor industry, which positions him well to lead Industrial Equipment. General management experience gained at a regional level prior to assuming executive leadership of the division has given him the hands-on knowledge required to lead the division at both a strategic and operational level. He has an in-depth understanding of managing client relationships and the value of offering a total solution with best-in-class brands, resulting in optimal asset lifecycle value to the client.	CTC: R2 622 808 Short-term incentive: R2 622 808 DPB shares – 114 000 SAR shares – 1 931 000

SHARE APPRECIATION RIGHT (SAR) SCHEME

Qualifying employees and executive directors will receive annual grants of SARs, which are conditional rights to receive shares equal to the value of the difference between the exercise price and the grant price. Vesting of the SARs is subject to performance conditions. The duration and specific nature of the performance conditions and performance period are determined by the board on an annual basis.

The performance conditions for the SARs are the measures of the company's return on invested capital (ROIC), the growth in headline earnings per share (HEPS) and any other relevant financial measures.

After vesting, the SARs will become exercisable. When a participant exercises their SARs, the company will settle the value of the difference between the exercise price and the grant price by delivering shares. Alternatively, as a fall-back provision only, the value is settled in cash. SARs not exercised within the SAR period will lapse.

A detailed breakdown of the SARs granted appears in note 14.2 to the annual financial statements.

Date of grant	Shares granted	Lapsed since grant	Grant price	Vesting date	Vesting criteria
1 September 2010	13 531 000	2 911 000	R5.12	1 September 2013	» 50% based on profit before taxation growth » 50% based on ROIC growth vs WACC
1 September 2011	15 541 000	3 339 000	R7.20	1 September 2014	» 50% based on profit before taxation growth » 50% based on ROIC growth vs WACC
1 September 2012	14 321 000	1 828 000	R6.56	1 September 2015	» 50% based on profit before taxation growth » 50% based on ROIC growth vs WACC

CONDITIONAL SHARE PLAN (CSP)

The CSP will only be used in exceptional circumstances. The performance conditions for the CSP are based on individual targets approved by the board. If the performance conditions are satisfied, the conditional awards will vest. If the performance conditions are not met, the conditional awards will lapse.

To date, no CSPs have been granted.

DEFERRED BONUS PLAN (DBP)

Qualifying senior employees and executive directors will be permitted to use a portion of the after-taxation component of their annual bonus to acquire bonus shares. A simultaneous conditional matching award of shares will be made to the participant on condition that the participant remains in the employ of the company and retains the bonus shares over the three-year period. The participant remains the owner of the bonus shares for the duration of the three years and will enjoy all shareholder rights in respect of the bonus shares. Bonus shares can be withdrawn from escrow at any stage. However, the matching award is forfeited in line with the bonus shares withdrawn from escrow during the DBP period.

A detailed breakdown of the DBPs granted appears in note 14.2 to the annual financial statements.

Date of grant	Shares committed	Vesting date
1 September 2010	347 000	1 September 2013
1 September 2011	323 000	1 September 2014
1 September 2012	362 000	1 September 2015

GRANTS

The number of shares which may be allocated under these schemes will not exceed 10% of the number of issued ordinary shares at any one time. The maximum number of shares allocated to any one participant in respect of all schemes will not exceed 1% of the issued ordinary share capital of Eqstra at any one time.

It is anticipated that Eqstra would annually grant SAR and DBP rights to senior employees based on performance criteria. Eqstra anticipates settling all obligations in shares purchased in the open market to ensure no dilution of shareholding.

Executives also participate in contributory retirement schemes established by the group.

REMUNERATION OF EXECUTIVE DIRECTORS, DIVISIONAL CHIEF EXECUTIVE OFFICERS AND A TOP SALARIED EMPLOYEE

The table below provides an analysis of the emoluments for the period ended 30 June 2013.

Name	Salary R000	Bonus R000	Retirement contributions R000	Other benefits R000	Total 30 June 2013 R000	Total 30 June 2012 R000
Executive directors						
E Clarke	2 474	3 212	398	340	**6 424**	5 998
WS Hill	4 190	4 710	670	372	**9 942**	8 579
JL Serfontein	1 887	2 210	299	269	**4 665**	4 057
	8 551	**10 132**	**1 367**	**981**	**21 031**	**18 634**
Divisional chief executive officers and a top salaried employee						
JV Carr	2 282	1 399	362	287	**4 330**	4 866
GD Neubert	2 042	2 623	324	287	**5 246**	4 164
Employee 3	1 409	1 735	116	153	**3 413**	4 498
	5 733	**5 757**	**802**	**727**	**12 989**	**13 528**

Participation in Eqstra share appreciation right scheme

Name	Grant date	Rights committed at 30 June	Strike price	Vesting date
JV Carr	1 September 2012	**832 000**	6.56	15 September 2015
	1 September 2011	**762 000**	7.20	15 September 2014
	1 September 2010	**623 000**	5.12	15 September 2013
E Clarke	1 September 2012	**811 000**	6.56	15 September 2015
	1 September 2011	**842 000**	7.20	15 September 2014
	1 September 2010	**735 000**	5.12	15 September 2013
WS Hill	1 September 2012	**766 000**	6.56	15 September 2015
	1 September 2011	**1 549 000**	7.20	15 September 2014
	1 September 2010	**1 562 000**	5.12	15 September 2013
GD Neubert	1 September 2012	**721 000**	6.56	15 September 2015
	1 September 2011	**672 000**	7.20	15 September 2014
	1 September 2010	**538 000**	5.12	15 September 2013
JL Serfontein	1 September 2012	**697 000**	6.56	15 September 2015
	1 September 2011	**332 000**	7.20	15 September 2014
Managers	1 September 2012	**7 162 000**	6.56	15 September 2015
	1 September 2011	**8 045 000**	7.20	15 September 2014
	1 September 2010	**8 666 000**	5.12	15 September 2013
Total		**35 315 000**		

Participation in Eqstra deferred bonus plan scheme

Name	Grant date	Shares committed to plan	Vesting date
JV Carr	1 September 2012	44 000	1 September 2015
	1 September 2011	41 000	1 September 2014
	1 September 2010	46 000	1 September 2013
E Clarke	1 September 2012	48 000	1 September 2015
	1 September 2011	45 000	1 September 2014
	1 September 2010	27 000	1 September 2013
WS Hill	1 September 2012	118 000	1 September 2015
	1 September 2011	111 000	1 September 2014
	1 September 2010	154 000	1 September 2013
GD Neubert	1 September 2012	38 000	1 September 2015
	1 September 2011	36 000	1 September 2014
	1 September 2010	40 000	1 September 2013
JL Serfontein	1 September 2012	37 000	1 September 2015
	1 September 2011	18 000	1 September 2014
Managers	1 September 2012	77 000	1 September 2015
	1 September 2011	72 000	1 September 2014
	1 September 2010	80 000	1 September 2013
Total		**1 032 000**	

NON-EXECUTIVE DIRECTORS

In line with King III, non-executive directors are not awarded share options or benefits other than directors' fees. The chairperson receives a retainer only and no committee and attendance fees are payable. Non-executive directors' fees comprise a retainer and an attendance fee per meeting. Committee fees are also paid to committee members per meeting attended. Fees payable to non-executive directors are recommended to the board by the remuneration committee and approved by the shareholders at the annual general meeting.

At the annual general meeting on 22 November 2013, shareholders will be requested to approve the increases in non-executive directors' remuneration outlined on page below. Increases are proposed from 1 January 2014.

ANNUAL BOARD RETAINERS AND COMMITTEE FEES

Annual board retainers will be payable in proportion to the period during which the offices of directors and chairpersonships were held during the year. Committee fees are payable per meeting attended.

Increases in non-executive director fees

		Proposed fee	Current fee
Board retainers	Chairperson	860 500	805 700
	Member	157 200	147 200
	Lead independent	250 000	–
Board attendance per meeting	Member	18 900	17 700
Audit committee per meeting	Chairperson	34 400	32 200
	Member	17 200	16 100
Asset and liability committee per meeting	Member	13 670	12 800
Remuneration committee per meeting	Chairperson	25 100	23 500
	Member	13 670	12 800
Risk committee per meeting	Chairperson	25 100	23 500
	Member	12 600	11 800
Social and ethics committee per meeting	Chairperson	25 100	23 500
	Member	12 600	11 800
Divisional board per meeting	Member	12 600	11 800
Divisional audit committee per meeting	Chairperson	18 900	17 700

RATIONALE FOR NON-EXECUTIVE DIRECTORS' FEE INCREASES

The rationale for proposing the increases in non-directors' fees is to ensure that the remuneration of non-executive directors remains competitive to allow the company to attract and retain people of calibre and with the appropriate capability, skills and required experience.

The remuneration committee, having taken due consideration of the benchmarking conducted, recommends the remuneration for the chairperson as detailed above, while the chairperson, together with the chief executive officer and the chief financial officer, recommends the remuneration for the non-executive directors.

Prior to these proposed changes, the remuneration of directors was unchanged since the previous annual general meeting in November 2012. Fees are paid monthly.

In light of these factors, the proposed revised remuneration structure set out above is considered to be fair and reasonable and in the best interests of the company.

Executive directors do not receive directors' fees.

Non-executive directors' remuneration for the year ended 30 June 2013:

Name	Retainer R000	Board meetings R000	Committee fees R000	Total 30 June 2013 R000	Total 30 June 2012 R000
DC Cronje*	–	–	–	**–**	349
MJ Croucamp	142	68	249	**459**	444
S Dakile-Hlongwane	142	68	92	**302**	290
GG Gelink**	91	52	25	**168**	–
NP Mageza***	779	–	–	**779**	460
VJ Mokoena	142	68	71	**281**	252
SD Mthembi-Mahanyele	142	51	108	**301**	282
AJ Phillips	142	68	167	**377**	351
TDA Ross	142	68	262	**472**	455
	1 722	**443**	**974**	**3 139**	**2 883**

*Retired 30 November 2011 ** Appointed 13 November 2012 *** Appointed 1 October 2011

DIRECTORS' SERVICE CONTRACTS

The non-executive directors do not have service contracts with the company. Their appointments are made in terms of the company's memorandum of incorporation and are initially confirmed at the first annual general meeting of shareholders following their appointment, and thereafter by rotation. Non-executive directors are not eligible for re-election after the age of 70 years.

Executive directors' contracts can be terminated with a six months' notice period.

APPROVAL

This remuneration report has been approved by the board of directors of Eqstra.

AJ Phillips
Chairperson of the remuneration committee
3 September 2013

DIVISIONAL REVIEWS

INDUSTRIAL EQUIPMENT

INDUSTRIAL EQUIPMENT **PROVIDES DISTRIBUTION, RENTAL AND VALUE-ADDED SERVICES IN THE MATERIALS-HANDLING, INDUSTRIAL, AGRICULTURAL, CONSTRUCTION AND MINING EQUIPMENT** MARKETS.

It is the largest supplier of forklifts to the South African market and is growing its materials-handling business in the UK and Ireland, as well as in various sub-Saharan markets. The business is also a leading supplier of compressors, lifting, loading and waste compacting vehicles and mobile, traction and standby power (batteries).

During the year the division assumed responsibility for the management, marketing and distribution of the Construction and Mining Equipment division's products (principally Terex rigid and articulated dump trucks and Sleipner excavator transport systems).

The newly-developed Heavy Equipment (formerly the Heavy Lift) business unit focuses on port and container-handling equipment, mobile cranes and the large construction and mining trucks previously distributed by the Construction and Mining Equipment division.

The division now operates through five business units – Industrial Equipment, Heavy Equipment, 600SA, Impact Handling (responsible for the UK and Ireland materials-handling business) and Agri.

These are all backed by division-wide back-office support functions.

In 2013, the division accounted for 29% (2012: 24%) of group revenue and 29% (2012: 29%) of profit before taxation. Divisional profit before taxation this year was R145 million, an 8.2% increase on the previous year.

KEY STRATEGIC SUCCESSES

- Decreased reliance on the forklift business
- Internal restructuring achieved greater efficiencies
- Recent acquisitions and product lines integrated and performing well
- Started distribution of a new forklift line in the UK and Ireland
- Increased training spend
- Improved safety performance in historic business units

STRATEGIC AREAS STILL REQUIRING ATTENTION

- Grow agriculture, mobile crane and large truck markets
- Improve utilisation of information technology systems to increase efficiencies and deliver faster and more effective services to our clients
- Tap further potential for compressors, batteries, lifting and loading equipment and waste management offerings
- Grow European forklift penetration
- Increase recruitment and training of artisans and graduate trainees
- Bring new acquisitions' safety performance in line with divisional standards
- Achieve ISO accreditation for all businesses

HOW DO WE MEASURE OURSELVES?

The measures the division particularly focuses on are:

	30 June 2013	30 June 2012
» **Employee turnover** (How satisfied and empowered do our employees feel?) (%)	**8.2**	7.3
» **Return on equity** (How well is the investment into the division utilised?) (%)	**20.9**	20.7
» **Forklift revenue as a % of divisional revenue** (How diversified is our business?) (%)	**72.0**	82.0

KEY PERFORMANCE INDICATORS

Other measures include:

	30 June 2013	30 June 2012
Revenue (Rm)	**2 708**	2 411
Operating profit (Rm)	**258**	211
Operating margin (%)	**9.5**	8.8
Net finance costs (Rm)	**(109)**	(91)
Profit before taxation (Rm)	**145**	134
Profit before taxation margin (%)	**5.4**	5.6
Return on equity (%)	**20.9**	20.7
Lost-time injuries	**76**	46
Number of employees	**1 687**	1 460
Operating cash to debt (%)	**26.7**	32.9
Revenue-generating assets (units)	**11 001**	10 585
Revenue-generating assets (Rm)	**1 949**	1 542

KEY MATERIAL ISSUES

During the year, management was principally concerned with addressing the division's most material strategic issues, risks and opportunities. Detailed information on the division's engagement with stakeholders and its management of sustainability issues is available in the supplementary section of the integrated annual report at www.eqstra.co.za.

GROWING MARKET SHARE

The division's single most material issue during the year – and our single largest risk – was the strength of the Japanese yen against the South African rand. However, it is testament to the depth of the relationship we continue to enjoy with Toyota Material Handling Japan that this key supplier continued to extend significant pricing and payment support. This largely offset the impact of the Japanese currency's strength.

Despite minimal overall growth, the South African materials-handling market was characterised by heightened competition and increased imports of cheaper, Chinese products. Even in the face of competition, we succeeded in growing our market share.

Our UK and Irish operations were severely impacted this year by the relocation of the Mitsubishi Caterpillar forklift plant from the Netherlands to China. Disruptions to manufacturing and new, longer delivery lead times entailed considerable difficulties in obtaining stock at year-end. This had a negative impact on working capital due to UK inventory holdings tripling. It is anticipated that this situation will be normalised in the first half of 2014.

To offset these difficulties and to grow revenue, Impact Handling started distributing Hangcha forklifts this year. Supplied by China's largest forklift manufacturer, Hangcha products will be sold through a dealer network to the smaller, more ad hoc buying market on a cash-only basis. This is a new segment for the division where we have not previously been represented.

The Heavy Equipment business unit generated 16% of total divisional revenue. The Terex range of large trucks is now being distributed and sold by Heavy Equipment. While targeted at a new client base, it complements the Terex crane business and the overall objective of product optimisation. For the first three quarters of the year, sales of Terex trucks were a disappointment. However, this performance was turned around decisively in the fourth quarter when large trucks were incorporated into this division and sales grew strongly. This growth is expected to continue and accelerate in the new year.

Industrial Equipment remained strongly cash generative this year. Cash equipment sales declined relative to rental in line with international norms. With an approximately 32%/68% split between outright cash sales and rental, robust sales ensured that we continued to generate strong cash flows.

HUMAN CAPITAL MANAGEMENT

The division relies on its employees for the sustainability of the business and for the growth that is essential to our ongoing creation of value. Employee turnover was 8%, an indication that employees are generally satisfied with their conditions of employment and that they feel empowered to do their work.

The division was restructured and streamlined this year into five client- and supplier-facing business units. Back-office functions are undertaken across the division by centralised departments. The restructuring translated into cost savings and was achieved through the redeployment of employees and normal attrition, without any job losses.

Large investments were made this year in growing the value of our human capital. Overall training spend was R9.5 million or 4.2% higher than the previous year and equates to R6 120 per employee.

The division operates its own leadership academy, with a dedicated sales academy started during the year. Another innovation was the launch of a programme called Personal Mastery, which prepares promising younger employees to gain maximum value from the division's emerging leadership programme. We remain on track to reach our target of training 75 apprentices per year.

Safety remains a key management concern. Our key safety indicators, however, showed a deterioration this year, with the number of lost-time injuries increasing from 46 to 76. This was almost entirely due to the inclusion of the recently-acquired 600SA business whose manufacturing operations differ markedly from those of the rest of the division. This concern will enjoy close management scrutiny in the new year.

RETURN ON EQUITY

This year, the division posted pleasing increases in both profit before taxation and return on equity. Revenue increased by 12.3% to R2 708 million and profit before taxation rose 8.2% to R145 million. These results were achieved despite a negative foreign exchange impact of R4 million against a net gain the previous year of R14 million.

An important development this year was the growth in the size of our rental fleet (versus cash sales), especially in South Africa. As a result, the return on equity in the division, which was targeted at 25%, fell short at 20.9%. This was nevertheless a satisfactory outcome. This rise in rental and leasing of equipment versus cash sales also negatively impacted earnings for the year. However, this will translate into improved ongoing annuity income for the division. At year-end, annuity income represented 27.5% of our revenue, up from 24.9% last year.

DIVERSIFIED INCOME STREAMS

Amongst Industrial Equipment's most important achievements this year was the strong progress made on diversifying its sources of income and profit.

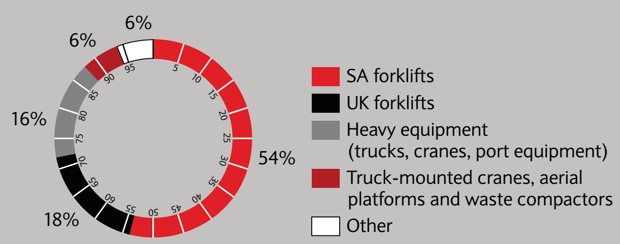
Whereas forklift sales represented 82% of revenue at the start of the financial year, by the end of the year this decreased to 72% – underscoring our confidence in reaching our medium-term goal of 50%. Diversification of income was particularly relevant this year as the South African, UK and Irish forklift markets remained essentially flat.

The 600SA acquisition, finalised early in the current financial year, was successfully integrated and contributing to profits by year-end. 600SA gives us access to a major new industrial market and holds significant revenue-generating opportunities in lifting and loading, waste management and compaction equipment, not only for Industrial Equipment, but also for our Fleet Management and Logistics division.

Similarly, Air Supreme was a good contributor in its first year in the Eqstra stable. A large part of our client base uses air compressors, representing a new opportunity to sell or lease equipment to clients who know and trust our division.

The division also changed its battery supplier during the year to well-established German supplier Hoppecke. The distribution arrangement with Hoppecke allows us to penetrate the traction and reserve power markets, as well as continuing to supply premium motor power products and services.

INDUSTRIAL EQUIPMENT REVENUE BY SEGMENT



The strategic diversification achieved this year makes it possible for our technical employees to service a range of equipment, including forklifts, batteries, compressors and cleaning machines at the client's premises. This translates into improved client satisfaction and reduced costs.

Major cross-selling opportunities also exist in the Agri business unit as our Toyota forklift brand is well established within the farming sector. While the unit disappointed for most of the year, decisive remedial action, including management changes, resulted in a much improved performance in the fourth quarter as Same Deutz Fahr tractors gained increasing market acceptance. The Heavy Equipment business performed strongly this year and projections are that it will again contribute meaningfully in 2014.

Our client base remains highly diversified, with no individual client representing more than 5% of total revenue.

PROSPECTS

The diversification of income and the growth in rentals and leasing relative to cash sales during the year augur well for the division in the short- and medium-term.

Towards the end of the year, internal restructuring and a number of key management appointments were reaping tangible benefits in terms of increased revenue, reduced costs and improved profitability.

Also towards the end of the year, a major sales and service agreement was concluded with a leading national retailer, a contract which is expected to be in force for at least a decade. A similarly significant order was received for the supply of mobile port materials-handling equipment, underscoring the Heavy Equipment business unit's potential.

The successful integration of 600SA and Air Supreme will be further entrenched to generate new revenue streams and enhance cross-selling opportunities to our existing client base.

Exciting opportunities – with little envisaged downside – exist to take our new premium brands into sub-Saharan markets. The division already enjoys a strong presence in eight Southern African markets and is targeting others, including some in West and East Africa.

An executive was appointed during the year to drive our growth into Africa. As was the case in the past, expansion will be pursued with trusted, locally experienced partners, with asset finance raised locally.

Rest of UK, Ireland and the rest of Africas' income is expected to account for around 25% (2012: 18%) of revenue in the new year. An envisaged acquisition in the UK is likely to add growth and market share.

In the new year, the division will continue to focus on reducing its consumption of natural capital, namely water and electricity consumption. The drive to reduce these key inputs will impact positively on total costs.

In 2013, our new enterprise resource planning (ERP) system was successfully commissioned. In the first half of the new financial year, various value-added asset management tools will be rolled out to our clients. These are expected to further differentiate our division from its competitors.

FLEET MANAGEMENT AND LOGISTICS

THE FLEET MANAGEMENT AND LOGISTICS DIVISION **PROVIDES LEASING, FLEET MANAGEMENT AND RELATED VALUE-ADDED PRODUCTS AND SERVICES** FOR PASSENGER AND COMMERCIAL VEHICLES TO MAINLY BLUE-CHIP CLIENTS IN SOUTH AFRICA AND SUB-SAHARAN AFRICA.

Eqstra Fleet Management offers a full spectrum of services from leasing to full-fleet management outsource solutions, including related value-added services. These solutions and services enable clients to achieve efficiencies and savings across the full-fleet supply chain.

Eqstra Flexi Fleet provides fleet management solutions to commercial vehicle fleet owners, as well as transport and logistics solutions in the commodities sector.

Both units are supported by a nationwide network of commercial vehicle workshops and panel repair shops.

In 2013, the division accounted for 25% (2012: 26%) of group revenue and 32% (2012: 48%) of profit before taxation. Divisional profit before taxation this year was R157 million, a 27.3% decline compared to the previous year.

KEY STRATEGIC SUCCESSES

- » A number of new contract wins and investment in revenue-generating assets
- » Strong growth in the contribution from value-added services
- » Increased and improved focus on training
- » Profit contribution by commodities logistics business
- » Improved levels of employee satisfaction
- » Successful renewal of the Clover SA contract for a further ten years

STRATEGIC AREAS STILL REQUIRING ATTENTION

- » Improve internal operational efficiencies and utilisation and profitability of assets
- » Extracting new service revenue from the enterprise resource planning (ERP) system post its implementation
- » Structured on-the-job training and ongoing employee engagement sessions. Formalised change management and training in support of ERP implementation
- » Optimisation of investment in working capital
- » Multi-tier succession planning
- » Further expand sub-Saharan contribution

HOW DO WE MEASURE OURSELVES?

The measures the division particularly focuses on are:

	30 June 2013	30 June 2012
» **Return on equity** (How well is investment into the division utilised?) (%)	**14.5**	19.8
» **Return on revenue-generating assets** (How well are assets used to generate returns (%) for investors?)	**7.8**	9.4
» **Working capital to revenue** (How well do we manage our working capital and its impact on profitability?) (%)	**(1.7)**	(0.8)
» **Value-added services in units** (How well do we differentiate ourselves by adding value to our clients' businesses?	**65 924**	55 966

KEY PERFORMANCE INDICATORS

Other measures include:

	30 June 2013	30 June 2012
Revenue (Rm)	**2 362**	2 180
Operating profit (Rm)	**311**	355
Operating margin (%)	**13.2**	16.3
Net finance costs (Rm)	**(156)**	(131)
Profit before taxation (Rm)	**157**	216
Profit before taxation margin (%)	**6.6**	9.9
Return on equity (%)	**14.5**	19.8
Number of employees	**860**	927
Operating cash to debt (%)	**63.5**	62.5
Revenue-generating assets (units)	**18 263**	17 228
Revenue-generating assets (Rm)	**3 181**	2 943

KEY MATERIAL ISSUES

During the year, management was principally concerned with addressing the division's most material strategic issues, risks and opportunities. Detailed information on the division's engagement with stakeholders and its management of sustainability is available in the supplementary section of the integrated annual report at www.eqstra.co.za.

RETURN ON EQUITY

Profitability was lower than that of the previous year, due to the sub-standard performance of the logistics and vehicle remarketing business units. Once-off closure costs associated with loss-making businesses also negatively impacted results. Growth in the leasing fleet will have a negative effect in the short-term, but will contribute to medium- to long-term sustainability and growth.

The overall operating margin of 13.2% was negatively impacted by low revenue growth and losses in logistics operations, costs associated with closing the manufacturing and courier businesses, lower interest rates and higher depreciation costs related to growing leasing assets. In addition, strike action by clients' employees in September 2012 translated into lost revenue of approximately R4.5 million in the logistics business.

Although low interest rates dampened returns, growing leasing activities point to longer-term revenue streams and greater sustainability.

Return on equity for the year was 14.5%, a 5.3% decline on last year.

RETURN ON REVENUE-GENERATING ASSETS

The value of revenue-generating assets grew by 8.1% this year to R3 181 million. This increase resulted in the net addition of approximately 1 000 units to increase the division's market share.

Demand for our leasing offerings continued to increase this year, a reflection of the growing maturity of the South African market in line with international trends. A number of strategic new clients were secured, the majority of them blue-chip corporates. All new contracts were negotiated at sustainable, value-accretive rates.

Return on assets was impacted by the ongoing low interest rate environment, as the profitability of most of our assets bears some relation to interest-rate differentials. During the year, South African interest rates remained at low levels not seen for several decades.

The sale of end-of-lease passenger vehicles through our Hypercar- branded retail network slowed this year. This was mainly due to reduced vehicle availability and a depressed market segment.

Assets allocated to our logistics operations, principally the dry-bulk and courier segments, returned disappointing results. This negatively impacted the division's overall profitability. The courier business was closed and decisive corrective measures taken to address the under-performance of the dry-bulk logistics operations.

This poor performance mostly related to the under-delivery of dry materials for transport by clients, maintenance costs and the costs of sub-contractors. Significant management focus was invested in the turnaround of the dry-bulk business.

The commodities logistics business, focused principally on deliveries of coal, returned a satisfactorily improved performance compared to the previous year.

PROFITABILITY OF CONTRACTS

The renewed contract with Clover SA came into effect on 1 July 2012. The tanker manufacturing business was closed and cost-saving initiatives implemented. The terms of the new agreement represent an acceptable return on equity over the ten-year duration of the new agreement. In addition, the opportunity exists for the division to realise internal cost savings as a result of improved efficiencies.

This year, we added a number of public sector (mostly provincial and local government) fleet-management contracts, all of which were secured at satisfactory margins.

Much of the public sector work is now being carried out by Amasondo Fleet Services, a dedicated government and parastatal focused business unit.

Amongst new business gained this year in the public sector was a fleet management contract with the City of Johannesburg. As this entails the management of the metro's commercial fleet on a non-asset basis, it does not require additional capital expenditure. The division also started providing short-term fleet management services on commercial vehicles to Transnet during the year. This is an interim contract awarded to the division before the formal long-term tender goes out to the market. We believe that successful delivery on this interim contract positions Amasondo well to secure a meaningful portion of the subsequent, larger tender.

The division continued its expansion into Africa by establishing a presence in Zambia this year and continuing to operate profitably in Nigeria. The division uses a tested methodology of following its blue-chip international clients into new markets. Although business written in Africa is still on a limited scale, it has been executed at better margins than those achieved in South Africa. In all cases funding is raised within the countries concerned to preclude any impact of currency fluctuations.

EFFICIENCY OF HUMAN CAPITAL

Internationally, a key measure that businesses such as Fleet Management and Logistics uses to determine the efficiency of their human capital is the number of revenue-generating vehicles per employee. The division currently operates below this norm, which is a clear indication of the scope for enhancing the efficiency of our human resources and operating systems.

The effectiveness of our people impacts directly on our ability to deliver services that meet our clients' expectations. Consistently delivering superior service will be of growing importance as we increase the contribution of value-added services to the division's total income.

To address this, the division this year increased its training spend to R5.6 million (2012: R2.6 million). A particular focus was on enhancing scarce skills, for which the division faces growing competition. We anticipate that the implementation of the division's enterprise resource planning (ERP) system, now scheduled for April 2014, will also have a positive impact on the productivity of our people.

During the year, the realignment of the division, undertaken the previous year, also started to realise back-office efficiencies.

GROWING ADDED VALUE

Value-added services grew by 17.8%, following a 57% increase the year before. These services translate into enhanced profit margins without requiring extensive capital investment.

By providing clients with tangible value, these services enhance our brand and serve to strengthen the division's competitive position.

SAFETY AND ENVIRONMENT

Keeping our employees safe is the utmost priority. The importance of safety was underscored this year when a commodities truck was involved in a pedestrian fatality. Eskom immediately suspended deliveries of the 18 trucks transporting coal to its Komati power station, but lifted the embargo the following day after the division took immediate and decisive remedial action. An investigation confirmed that it was not our driver's fault.

While Scope 1 greenhouse gas emissions are mostly accounted for by our clients, the division has since this year formally monitored its consumption of petrol, diesel, water and electricity. However, in the coming year, we will focus on ensuring that the data processes are robust to result in public reporting.

PROSPECTS

The division's growth strategy is focused on maximising the utilisation of human and financial capital without significant recourse to new capital expenditure in the new year. Management will continue to emphasise the generation of annuity income and apply investment accordingly.

The closure of the courier business and a renewed executive focus on logistics operations are expected to have positive impacts on profitability. Implementation of the ERP system and deriving maximum financial benefit from the system will be key priorities.

The environment of low interest rates prevailing at the end of the year is likely to continue into 2014. Against this, we will continue focusing on value-adding services which are not impacted by interest rate movements. Growth in leasing activities is expected to continue. Although this will translate into lower short-term returns, it will increase long-term sources of income.

Opportunities to sell value-added services are expected to increase in the new year and we are confident of building on the new business successes of this year.

CONTRACT MINING AND PLANT RENTAL

THE CONTRACT MINING AND PLANT RENTAL DIVISION **IS AN ESTABLISHED PROVIDER OF OPENCAST CONTRACT MINING SERVICES, INCLUDING DRILLING, BLASTING, LOADING, HAULING AND REHABILITATION, AS WELL AS PLANT RENTAL OF HEAVY EARTHMOVING EQUIPMENT.** CONTRACTS ARE LONG-TERM AND GEOLOGICAL RISK REMAINS WITH THE MINE OWNER.

In line with the group's continued focus on ensuring the diversification of risk, the division's exposure to the volatile South African mining sector now represents 69% of its revenue, down marginally from 70% last year. 13% of Contract Mining and Plant Rental's revenue is plant rental in South Africa and the rest of Africa, with 18% from contract mining in the rest of Africa.

The division contracts with clients in a range of sectors, primarily coal, platinum, nickel and chrome. 44% of revenue from contracts is currently generated from the coal sector and 24% from platinum. The division deploys one of the largest fleets of mining equipment in Southern Africa. The plant rental business has the largest equipment fleet available on an ad hoc or long-term rental basis, to the civil engineering, construction and mining industries.

The plant rental business operates from branches across South Africa, Namibia, Lesotho, Zambia, Swaziland and Mozambique. Expansion of its African footprint is targeted, including the permanent establishment of branches in Botswana and Zimbabwe.

In 2013, the division accounted for 46% (2012: 45%) of group revenue and 39% (2012: 24%) of profit before taxation. Divisional profit before taxation this year was R192 million, a 76.1% improvement on the previous year.

KEY STRATEGIC SUCCESSES

- » Renegotiated contracts up for renewal, continued addressing of loss-makers and expanded previously internal drilling and blasting services to external clients
- » The lost time injury frequency rate (LITFR) of 0.25 is better than the target of 0.35. As at 30 June 2013, the division operated for 1 488 fatality-free days
- » An enterprise resource planning (ERP) system was commissioned to improve real-time information
- » The large historic investment in artisan training is paying dividends
- » Appointment of a dedicated labour-relations specialist and additional human capital resource officer to assist with improved engagement with employees and unions. This resulted in limited industrial action during the year
- » Improved asset utilisation and operational efficiencies

STRATEGIC AREAS STILL REQUIRING ATTENTION

- » Ensure a consistent performance, address the remaining loss-making contract and create increased value through offerings outside of loading and hauling, such as blasting
- » Achieve zero harm
- » Individual contract performance needs detailed and ongoing management attention
- » Technical skills to maintain equipment must be continually developed
- » Although an improvement was seen, the emergence of new, more militant unions and continued pockets of community issues require greater management focus
- » There is significant scope for further productivity improvements

HOW DO WE MEASURE OURSELVES?

The measures the division particularly focuses on are:

	30 June 2013	30 June 2012
» **Lost time injury frequency rate** (How safe are our employees?)	**0.25**	0.18
» **Return on equity** (How well is the investment in the division utilised?) (%)	**14.0**	11.3
» **Profit before taxation margin** (By what margin does net income exceed operating cost, including interest?) (%)	**4.7**	2.9
» **Asset turnover ratio** (How effectively are the revenue-generating assets of the division utilised?)	**0.93**	0.82
» **Operating cash to net debt** (What is the division's ability to service its debt obligations?) (%)	**30.8**	25.5

KEY PERFORMANCE INDICATORS

	30 June 2013	30 June 2012
Revenue (Rm)	**4 223**	3 707
Operating profit (Rm)	**473**	322
Operating margin (%)	**11.2**	8.7
Net finance costs (Rm)	**(273)**	(277)
Profit before taxation (Rm)	**192**	109
Profit before taxation margin (%)	**4.5**	2.9
Return on equity	**14.0**	11.3
Asset turnover ratio	**0.93**	0.82
Number of employees	**5 293**	5 010
Leasing assets (units)	**1 272**	1 289
Leasing assets (Rm)	**4 517**	4 517

KEY MATERIAL ISSUES

During the year, management was principally concerned with addressing the division's most material strategic issues, risks and opportunities. Detailed information on the division's engagement with stakeholders and its management of sustainability is available in the supplementary section of the integrated annual report at www.eqstra.co.za.

RETURN ON EQUITY

The division has in recent years under-performed on returns on financial capital invested relative to other parts of the group. As such, the group will not provide capital, other than for replacement capital expenditure to the division until it demonstrates its ability to sustainably deliver satisfactory returns on shareholders' equity. No significant growth in the size of leasing assets is anticipated, with management focusing on delivering a sustainable and acceptable return on equity.

For the year ended 30 June 2013, the division achieved a return on equity of 14.0%, an improvement from the previous year's 11.3%. Profit before taxation margin was 4.5% (2012: 2.9%). The improved return on equity was achieved through better utilisation of assets and a reduction in loss-making contracts. This contributed towards a rise in profit before taxation from R109 million to R192 million. This included impairments of R18 million relating to sub-standard tyres in the current year and a R37 million impairment reversal in the prior year.

Following the renegotiation of the Nkomati mining contract at the end of the year, the division is confident that tangible progress is being made towards achieving a sustained return on equity over the medium- to long-term.

ASSET UTILISATION AND OPERATIONAL EFFICIENCY

Asset utilisation improved marginally during the year under review.

The detailed and ongoing monitoring of operational performance was improved, with the successful commissioning of an ERP system and the appointment of three senior individuals to collate and analyse contract-execution data. These employees will focus on monitoring loading efficiencies and costs/revenues per ton. This information is now made available in near real-time to senior executives, enabling them to interrogate contract performance and variance, and to intervene faster and more effectively.

The rapid availability of detailed information and senior management's close scrutiny of actual daily performance resulted in overall loading efficiency improving. This is projected to further improve in the new year.

Following the poor performance of the last few years, a number of management changes were made during the year, including key operational appointments. The division now has a more improved blend of civil and mining engineering experience and skills. We believe this will translate into improved efficiencies and better contract management. Managers are now strictly monitored and measured on the importance of decisive and effective contract management, something we have not done effectively in the past.

This year, a R34.4 million (2012: R35.4 million) investment was made in training, notably in enhancing employees' care-and-maintenance capabilities. This investment will have both short- and long-term business benefits that are of particular significance, given the need to extend equipment replacement cycles beyond the duration of individual contracts to an average of eight to ten years.

EFFECTIVE CONTRACT MANAGEMENT

Contracts with clients have historically exclusively favoured the contracting party, with contracts sometimes not making provision for contingencies beyond the contractor's control. Such contingencies negatively impact performance and can translate into contract costs far exceeding specific contractual revenues.

To address these issues, management embarked on a vigorous audit of contracts aimed at renegotiating, wherever possible, contractual provisions. In particular, executives sought to engage with clients on incorporating scope-of-work changes that reflect changing on-the-ground realities. The successful revision of the loss-making Nkomati and Pilanesberg Platinum Mine contracts demonstrates that clients can be engaged to address issues that ultimately impact negatively on their own operations' production and profitability. In a similar vein, in March 2013, management engaged successfully with Rio Tinto to resolve a dispute that arose after the client invoked a force majeure clause relating to the Benga coal project in Mozambique. The force majeure claim negatively affected the division's operations and profitability.

For a business where revenue is sourced from a relatively small number of contracts, the ongoing and detailed management of contracts is of paramount importance. It is acknowledged that while remedial action was taken on key under-performing contracts this year, such action should have been taken earlier.

COMMODITY PRICES AND DIVERSIFICATION OF CONTRACT INCOME

In recent years, the division diversified its over-reliance on platinum, a strategy that has proven its worth given recent adverse developments affecting the sector.

By the end of the year, only 24% of revenue was derived from platinum, while coal extraction accounted for 44%. The awarding of opencast coal contracts remains intensely competitive. However, all work carried out in this area has been done at acceptable profit margins. Given that our current strategy does not involve a capex expansion of significant magnitude, the risk of reliance on a relatively small number of contracts will continue to be managed by diversifying sources of income and by detailed contract management.

While the division is not directly exposed to commodity price fluctuations, these have a material impact on expansion opportunities. As well as diversifying the risk of over-reliance on any specific commodity, management is actively working to responsibly source revenue outside of South Africa. Opportunities are being pursued in Southern and West Africa in instances where there is a substantial mineral resource and adequate infrastructure and security.

We have the skills and experience needed to successfully and profitably execute the right projects outside of South Africa. However, opportunities will only be pursued following a thorough risk analysis, which includes careful evaluation of factors such as political stability, monetary policy, human and natural capital availability and contractual security.

At year-end, the division had six tender opportunities, a pleasing improvement from only two at the 2012 year-end. These opportunities are in coal, iron ore and platinum. In an attempt to further diversify service offering, we are actively pursuing opportunities to generate revenue from drilling and blasting contracts to supplement income from core activities of loading, hauling and rehabilitation. As was experienced at Nkomati, executing blasting work in addition to other contractual work ensures greater predictability in volume throughput. This, in turn, translates into improved efficiencies for both the division and the client.

SAFE, EMPOWERED EMPLOYEES AND COMMUNITIES

Safety performance continued to be an area of focus this year, with no fatalities recorded and a lost time injury frequency rate of 0.25, well below the target of 0.35 per million hours worked.

Following the appointment of a dedicated and senior resource to assist management in proactively addressing unrest in its employee base and communities, this year saw limited industrial action. As part of our effort to continue improving conditions of employment and fostering harmonious employee relations, we made significant financial investments during the year. These included the extension of medical aid cover to all full-time employees (at a cost of R14 million) and the awarding of production bonuses and long-service awards (an additional R10 million).

Although we are gratified by the progress made in fostering co-operative, mutually beneficial relations with our labour force, it is disappointing to record that the National Union of Mineworkers (NUM) was only prevented from embarking on a division-wide strike by a Labour Court ruling that the union was obliged to raise material issues within the bargaining council established by the SA Federation of Civil Engineering Contractors (SAFCEC). As Eqstra is an industrial group, it is aligned to SAFCEC. While the NUM was a signatory to the founding of the bargaining council, its rival, the Association of Mineworkers and Construction Workers (AMCU), has now applied to become a member of the bargaining council.

During the year, the division experienced three instances of community discord, which impacted negatively on its operations. The most material was at the Pilanesberg Platinum mine, where the mine site is surrounded by numerous communities. Community unrest relating to unhappiness with public sector service delivery impacted on operational performance due to absenteeism of employees.

We are directing our social and labour plans to play a role in assisting to address, where practical, historic socio-economic backlogs in local communities. However, the outbreak of sometimes violent and usually disruptive protests remains an operational and contractual risk that is mostly beyond the division's control. To forge closer links with local communities and to address skills shortages, this year the division provided formal training to some 180 local community members to ensure availability of skills, as and when required.

MAJOR CONTRACTS

The division has eight major contracts currently underway, detailed in the table below. All are South African, aside of one contact in Mozambique:

CLIENT	COMMODITY	LOCATION	MONTHLY VOLUMES	END DATE	COMMENTS ON SERVICES RENDERED
Platmin – Pilanesberg Platinum Mine	Platinum	Northam, North West	1 250 000 m^3	Feb-14	Load and haul only, after reefing, drilling and blasting services relinquished in January 2012
Angloplats – Mogalakwena mine	Platinum	Potgietersrus, Limpopo	400 000 m^3	Aug-14	Mine planning, reefing, drilling, blasting and load and haul services
ARM/Norilsk JV – Nkomati Nickel	Nickel	Machadodorp, Mpumalanga	1 200 000 m^3	Aug-14	Drilling services, load and haul. Mine planning and blasting services secured in June 2012
Tharisa Minerals	Chrome	Marikana, North West	1 200 000 m^3	Sept-17	Mine planning, reefing, drilling, blasting and load and haul services
Rio Tinto – Benga mine	Coal	Tete, Mozambique	2 100 000 m^3	Dec-15	Mine planning, reefing, drilling, blasting and load and haul services
DMO Project	Coal	Witbank, Mpumalanga	1 000 000 m^3	Nov-15	Mine planning, reefing, drilling, blasting and load and haul services
Khutala Colliery	Coal	Ogies, Mpumalanga	800 000 m^3	Nov-14	Mine planning, reefing, drilling, blasting and load and haul services
Total Coal – Dorstfontein East	Coal	Kriel, Mpumalanga	1 400 000 m^3	Jan-16	Mine planning, reefing, drilling, blasting and load and haul services

PROSPECTS

The improved financial performance in the year under review was achieved despite substantial investments in human and social capital. These investments will underpin the division's ongoing sustainability.

By strengthening internal processes and increasing management's scrutiny of contract performance, operational and asset productivity is expected to continue improving in the new year.

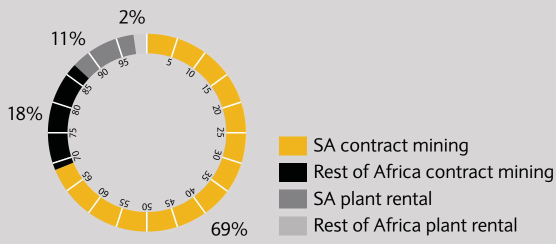
At year-end, most contracts were being executed profitably. Fixing the Nkomati contract alone will have a substantial positive impact on earnings in the new year.

Where contracts become loss-making and there is no reasonable likelihood of them returning to profitability in the near term, those contracts will be resigned and other deployment sought for the manpower and equipment.

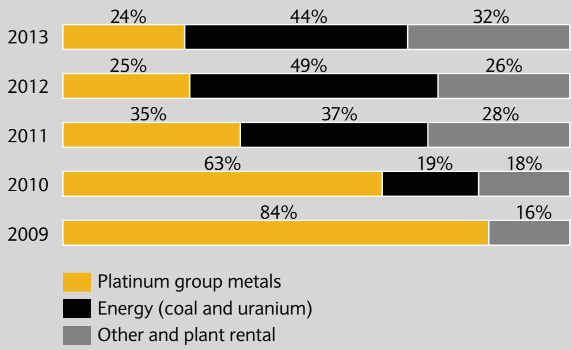
Without requiring additional capital, the division has sufficient capacity to take on new work in the order of approximately eight million m^3 a year. With a strong tender pipeline in place at the time of reporting it is anticipated that this capacity would be utilised.

Prices of the various commodities to which the division is exposed to are all likely to remain under considerable pressure for at least the next 12 to 18 months. This is likely to translate into a heightened focus on cost containment by clients. In such an environment, the division's improved information systems, its operational efficiencies and a renewed focus on stringent operational and contract management will ensure some resilience.

2013 REVENUE BY SEGMENT



REVENUE BY COMMODITY

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DIRECTORS' STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2013

The board of directors of Eqstra Holdings Limited ("the company" or "the group") is responsible for the preparation of the integrated annual report and annual financial statements. The board acknowledges its duty to ensure balanced content and fair presentation in the report that provides a comprehensive assessment of the performance of the company and the group for the financial year ended 30 June 2013. The integrated annual report was prepared in line with internationally recognised best practice and complies with the recommendations of the King III Code principle 9.1.

In accordance with the Companies Act and Regulations of South Africa 2008 ("the Act") the directors are required to maintain adequate accounting records. The directors are responsible for the preparation, integrity and fair presentation of the group and company annual financial statements and related information included in this report.

It is the directors' responsibility to:

» Ensure that the annual financial statements fairly represent the state of affairs of the group and the company as at the end of the financial year. It also has to ensure that the statements are finalised in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and that the statements are in compliance with JSE Listings Requirements of The JSE Limited and the Act.

  The annual financial statements were prepared in accordance with IFRS and comprise the statement of financial position at 30 June 2013; the income statement; the statement of other comprehensive income; statement of changes in equity; the statement of cash flows and related notes for the year ended 30 June 2013. The annual financial statements are based on appropriate accounting policies applied consistently throughout the group and supported by reasonable and prudent judgements and estimates;

» Assume ultimate responsibility for the systems of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements; and

» Adequately safeguard, verify and maintain accountability of assets, as well as to prevent and detect material misstatements and losses. The group's systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Risk management in the group is focused on identifying, assessing, managing and monitoring all known risks across the group. Although risk cannot be fully eliminated, the group endeavours to minimise risk by ensuring that appropriate systems, infrastructure, controls and ethical behaviour are applied and that all actions are managed within predetermined procedures and constraints.

The directors meet regularly through the group audit committee, the group asset and liability committee, the group risk committee and executive management to evaluate matters concerning the above responsibilities. Further details of these, including the operation of the internal audit function, are provided in the governance and risk management sections of the report.

The group's internal auditors independently evaluate the internal controls and co-ordinate their audit coverage with management, audit committees and external auditors.

The annual financial statements of the group and the company were audited by the group's independent auditing firm, Deloitte & Touche. They were given unrestricted access to all financial records and related data, including minutes of shareholder, board and sub-committee meetings. The auditor's unmodified audit report appears on page 70.

Based on the information and explanations of management and internal auditors, the directors are of the opinion that the system of internal control provides reasonable assurance. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the year under review. The directors are therefore satisfied that the financial records may be relied on for the preparation of the annual financial statements.

The annual financial statements of the group and company are prepared on the going concern basis. The directors have reviewed the financial performance of the group and the company, as well as its longer term forecasted performance. Based on the reasonable expectation that the company and the group have adequacy of resources to continue in operational existence for the foreseeable future, nothing has come to the attention of the directors to indicate that the group and the company will not remain a going concern for the foreseeable future.

APPROVAL AND PREPARATION OF GROUP ANNUAL FINANCIAL STATEMENTS AND COMPANY ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the group are set out on pages 71 to 119 and the financial statements of the company are set out on pages 120 to 126. The preparation of the group and company annual financial statements was supervised by Mr JL Serfontein (CA) SA. These were approved by the board of directors and are signed on their behalf by:

NP Mageza
Chairperson

WS Hill
Chief Executive Officer

JL Serfontein
Chief financial officer

3 September 2013
Kempton Park

COMPANY SECRETARY COMPLIANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

In my capacity as company secretary, I hereby confirm that in terms of section 88(2)(e) of the Companies Act No. 71 of 2008 and Regulations, as amended, the company has lodged all returns required of a public company in terms of this Act for the year ended 30 June 2013 with the Registrar of Companies and that all these returns are true, correct and up to date.

L Möller
Company Secretary

3 September 2013
Kempton Park

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED

TO THE SHAREHOLDERS OF EQSTRA HOLDINGS LIMITED

We have audited the group and company annual financial statements of Eqstra Holdings Limited, set out on pages 71 to 126, which comprise the group and company statement of financial position as at 30 June 2013 and the group and company income statement, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these group and company financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these group and company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the group and company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the group and company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the group and company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the group and company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the group and company financial statements present fairly, in all material respects, the group and company financial position of Eqstra Holdings Limited, as at 30 June 2013, and the group and company financial performance and the group and company cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 30 June 2013, we have read the directors' report, the audit committee's report, the remuneration report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: JM Bierman
Partner

3 September 2013

Building 1 and 2, Deloitte Place
The Woodlands, Woodlands Drive
Woodmead, Sandton, 2196

National Executive: LL Bam *(Chief Executive)*, AE Swiegers *(Chief Operating Officer)*, GM Pinnock *(Audit)*, DL Kennedy *(Risk Advisory)*, NB Kader *(Tax)*, TP Pillay *(Consulting)*, K Black *(Clients and Industries)* JK Mazzocco *(Talent and Transformation)*, CR Beukman *(Finance)*, M Jordan (Strategy), S Gwala *(Special Projects)*, TJ Brown *(Chairman of the Board)*, MJ Comber *(Deputy Chairman of the Board)*.

A full list of partners and directors is available on request.

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2013

INTRODUCTION

The audit committee is pleased to present its report for the financial year ended 30 June 2013.

The committee is constituted as a statutory committee of the group in terms of the Companies Act No. 71 of 2008. Its operation is guided by a formal terms of reference that is in line with the Act and is approved by the board, as and when it is amended. The committee discharged all its responsibilities, as contained in the terms of reference. This process is supported by the audit sub-committees in all operating divisions and subsidiaries. These sub-committees meet in terms of formal mandates which deal with issues arising at the operational division or subsidiary level. These sub-committees are chaired by members of the group audit committee. Any unresolved concerns are elevated to the group audit committee.

MEMBERSHIP

During the course of the year, the membership of the committee comprised solely of independent non-executive directors. The committee members remained unchanged during the year. They are:

MJ Croucamp
SD Mthembi-Mahanyele
AJ Phillips
TDA Ross (chairperson)

Shareholders voted in favour of these members' appointments at the previous annual general meeting.

In addition to the committee members, the chief executive officer, chief financial officer, chief audit executive, external auditors, chief information officer and heads of risk and sustainability attend audit committee meetings by invitation.

OBJECTIVES AND SCOPE

The objectives of the audit committee are:

» to assist the board in discharging its duties relating to the safeguarding of assets and the operation of adequate systems and controls
» to control reporting processes and the preparation of accurate reporting of the financial statements in compliance with the applicable legal requirements and accounting standards
» to monitor the integrity of the group's integrated annual reporting and to consider all factors and risks that may impact on the report
» to provide a forum for discussing business risk and control issues and to develop recommendations for consideration by the board
» to oversee that a combined assurance model is applied to ensure a coordinated approach to all assurance activities
» to oversee the activities of internal and external audit
» to perform duties which are attributed to it by the Act, the JSE and the King Code and King III

During the year, the audit committee performed the following activities:

» Reviewed its terms of reference and work plan to ensure compliance with the relevant provisions of the Act and King III recommendations with respect to audit committees
» Reviewed reports from both internal and external auditors concerning the effectiveness for the internal control environment, systems and processes
» Reviewed reports from both internal and external auditors detailing concerns from their audits and requested appropriate responses from management
» Formulation of recommendations to the board of directors regarding corrective actions to be taken as a consequence of audit findings
» Reviewed significant judgements and unadjusted differences resulting from the audit, as well as any reporting decisions made
» Recommendation of the following publicly-disclosed information for adoption by the board:
  – The integrated annual report for the year ended 30 June 2013
  – The interim results for the six months ended 31 December 2012
  – Trading statements and other SENS announcements

The audit committee is of the opinion that it met the objectives of the committee, as set out in King III, the committee's terms of reference and in accordance with its annual work plan.

The chairperson of the risk committee is also a member of the audit committee. All risks identified by the committee were reported to the audit committee for consideration.

EXTERNAL AUDIT

The committee considered the independence and objectivity of the external auditor and ensured that the scope of its additional services provided did not impair its independence.

The audit committee satisfied itself that the external auditor of the group is independent, as defined by the Act.

The audit committee, in consultation with executive management, agreed to an audit fee for the 2013 financial year. The fee is considered appropriate for the work conducted. Audit fees are disclosed in note 19 to the group annual financial statements.

A formal procedure is in place to consider the provision of non-audit services by the external auditor. This work is reviewed by the committee.

Meetings were held with the auditor where management was not present. No matters of concern were raised.

AUDIT COMMITTEE REPORT (continued)

FOR THE YEARS ENDED

The audit committee reviewed the performance of the external auditor and nominated, for approval at the next annual general meeting, Deloitte & Touche as the external auditor for the 2014 financial year and Mr JM Bierman as the designated auditor. Deloitte & Touche has been the company's auditors since 2008 and Mr Bierman the designated auditor since 2009.

INTERNAL AUDIT

The audit committee considered the effectiveness of internal audit, approved the annual internal audit plan and monitored adherence of internal audit to its annual plan.

The committee reviewed the performance, effectiveness and experience of the internal audit function and concluded that the internal audit function was effective during the year.

Where weaknesses in specific controls were identified by the internal auditor, management undertook to implement appropriate corrective actions to mitigate the weakness identified.

Based on assurances given by the chief audit executive, the committee is of the opinion that the group's system of internal controls and risk management is effective and that the internal financial controls form a sound basis for the preparation of reliable financial statements.

FINANCIAL DIRECTOR'S REVIEW

The audit committee reviewed the performance, appropriateness and expertise of the chief financial officer, Mr JL Serfontein, and confirms his suitability for appointment as financial director in terms of the JSE Listings Requirements.

FINANCIAL FUNCTION REVIEW

The audit committee reviewed the performance, appropriateness and expertise of the group finance functions. The financial structures of the divisions were strengthened further based on prior year's recommendations. The Contract Mining and Plant Rental division implemented a new information system during the year. The Fleet Management and Logistics division is in the process of implementing new information systems. It is anticipated that the system will be implemented in the 2014 financial year. The committee was satisfied that key financial risks were addressed during the year.

ANNUAL FINANCIAL STATEMENTS

The audit committee evaluated the integrated annual report for the year ended 30 June 2013. It complies, in all material aspects, with the requirements of the Act and IFRS. The committee has therefore recommended the annual financial statements, as set out on pages 71 to 126, for approval to the board. The board has subsequently approved the financial statements, which will be open for discussion at the forthcoming annual general meeting.

CONCLUSION

After considering the above, the audit committee is of the opinion that it has appropriately addressed its responsibilities in terms of internal controls, financial accounting controls and stakeholder reporting.

TDA Ross
Chairman of the audit committee

3 September 2013
Kempton Park

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2013

The directors have pleasure in submitting their report on the annual financial statements of the group and company for the year ended 30 June 2013.

NATURE OF BUSINESS

Eqstra Holdings Limited ("the company" or "Eqstra") is the holding company of various operating subsidiaries and is listed on the JSE Limited (JSE) under the Diversified Industrials sub-sector of the General Industrials sector.

Eqstra's core business is the provision of capital equipment and related value-added services to clients in the construction, mining, industrial and commercial sectors in South Africa, Africa, the United Kingdom (UK) and Ireland. Value is created for clients by providing equipment and services which are critical to their operations. Value is created in Eqstra through its ability to extract optimal value from each revenue-generating asset at each point in its lifecycle.

The group comprises the following core divisions:

- Industrial Equipment (now includes Construction and Mining Equipment); and
- Fleet Management and Logistics; and
- Contract Mining and Plant Rental

The nature of the businesses of these divisions and performances are outlined on pages 2 to 65 of the integrated annual report.

FINANCIAL PERFORMANCE

The financial results for the year ended 30 June 2013 are set out in detail on pages 2 to 65 of the integrated annual report.

The group recorded a profit before taxation from continuing operations of R486 million (2012: R488 million). This translates into a headline earnings per share of 104.0 cents (2012: 77.2 cents) based on the weighted average number of shares in issue during the year. Detailed commentary on the 2013 financial results is contained in the various reviews through-out this integrated annual report.

DISCONTINUED OPERATIONS

Eqstra and Caterpillar Global Mining LLC concluded a transaction on 29 June 2012, whereby the Mining services (Bucyrus) business unit was sold as a going concern for a purchase price based on predetermined asset and inventory values and goodwill.

The New Holland Construction business unit was also classified as a discontinued operation during 2012, as the distribution agreement was terminated effective 31 August 2012.

ACCOUNTING POLICIES

The group and company's financial statements for the year ended 30 June 2013 were prepared in accordance with and containing information required by International Financial Reporting Standards (IFRS), as well as 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. They are also in Compliance with the Listing Requirements of the JSE Limited and the South African Companies Act No. 71 of 2008.

The accounting policies adopted in the consolidated and company annual financial statements are in line with IFRS and are materially consistent with those adopted in the previous financial year. Certain amendments to IFRS were made by the International Accounting Standards Board, which were effective for the period under review. These amendments had no material impact on the 2013 or prior year results and are specifically detailed in the accounting policies.

DIVIDENDS

Dividends of R115 million were declared and paid during the year under review (2012: R107 million).

DIVIDEND POLICY

In line with the stated dividend policy and given the profitability of the group, the annual dividend payout ratio will be conservatively managed between 30% and 35% of attributable headline earnings.

The group targets a dividend cover of three times. This is subject to prevailing conditions and capital adequacy to meet the requirements reflected in the budget and business plan and taking into account funds required for investment opportunities and cash resources.

There is no fixed date on which entitlement to dividends arises. The date of payment will be determined by the board or shareholders at the time of declaration, subject to the JSE Listings Requirements.

Subsequent to year-end, the board approved and declared a net dividend of R148 million (36 cents per ordinary share) for the year ended 30 June 2013.

Event	Date
Last date to trade (cum-dividend)	20 September 2013
Shares to commence trading "ex" distribution	23 September 2013
Record date	27 September 2013
Payment date	30 September 2013

No shares may be dematerialised or re-materialised between Monday 23 September 2013 and 27 September 2013, both days inclusive.

The dividend has been declared from income reserves. There are no STC credits available for utilisation. A net dividend of 30.6 cents per share will apply to shareholders liable for the local 15% dividend withholding tax and 36 cents per share for shareholders exempt from paying the dividend tax. The issued ordinary share capital as at 3 September 2013 is 411 367 941 shares.

DIRECTORS' REPORT (continued)

FOR THE YEARS ENDED

The board considered the solvency and liquidity of the group and the company and is satisfied that the group will be solvent and liquid immediately after completing the distribution.

SHARE CAPITAL

Details of the authorised and issued share capital of the company appear in note14 of the annual financial statements.

Based on the group's capital adequacy and equity position during 2013, 17 300 451 ordinary shares were bought back at a consideration of R113 million and subsequently cancelled, in line with the general authority granted at the annual general meeting (AGM) held on 13 November 2012. This represents a decrease in issued ordinary shares of 4.04% during the financial period under review.

Eqstra Corporation (Pty) Ltd, a wholly-owned subsidiary, owns 8 930 581 shares as treasury shares.

Nozala MCC (Pty) Ltd (Nozala) owns 8 272 000 ordinary shares in Eqstra. These ordinary shares are pledged to Eqstra as security for the payment of the preference shares that Eqstra holds in Nozala. The value of the preference shares held by Eqstra in Nozala decreased to below the market value of Eqstra shares in May 2010, resulting in Eqstra effectively controlling the shares for accounting purposes. It has therefore subsequently treated the shares as treasury shares.

The directors do not have general authority to issue unissued shares.

SPECIAL RESOLUTIONS

During the financial year under review the following special resolutions were passed:

- Increase of non-executive directors' fees;
- Increase of non-executive directors' committee fees;
- General authority to repurchase shares;
- Financial assistance in terms of section 44 and section 45;
- Cancellation of authorised "B" deferred ordinary shares;
- Conversion of issued par value shares to no par value shares;
- Reclassification of authorised, but unissued, par value shares to no par value shares; and
- Adopt a new Memorandum of Incorporation ("MOI");

Subsidiary companies passed special resolutions in terms of sections 44 and 45 of the Companies Act 2008, as well as adopted new MOI's. No other special resolutions were passed during the year that might be significant to members in their appreciation of the state of affairs of the group.

SHAREHOLDER SPREAD

Details of shareholder categories are set out on pages 61 to 62 of this report.

DIRECTORS

APPOINTMENT

The board welcomes Mr GG (Grant) Gelink, who was appointed as an independent non-executive director on 13 November 2012. Mr Gelink is a member of the asset and liability committee.

There were no further changes to the board of directors during the current financial year.

- Biographies of the directors are given on pages 8 to 9;
- Details of directors and prescribed officers' remuneration and fees appear on page 118;
- Details of share schemes and executive directors' participation appear on pages 47 to 48;
- The non-binding advisory vote on the company's remuneration policy appears on page 130; and
- Proposed special resolutions to increase directors' remuneration and fees appear on pages 130 to 131.

According to the company's MOI, at the forthcoming annual general meeting ("AGM"), Mr AJ Phillips and Mrs SD Mthembi-Mahanyele retire by rotation and are eligible and available for re-election. Mr GG Gelink, who was appointed during the year, is eligible and available for election as a director at the next AGM.

As at the date of this report, the directors of the company were as follows:

INDEPENDENT NON-EXECUTIVES

Mr NP Mageza (Chairperson), MJ Croucamp, GG Gelink, SD Mthembi-Mahanyele, AJ Phillips, TDA Ross and VJ Mokoena

NON-EXECUTIVE

S Dakile-Hlongwane

EXECUTIVE

WS Hill (chief executive officer), JL Serfontein (chief financial officer), E Clarke

INTERESTS IN TRANSACTIONS

The shareholdings of the directors in the ordinary shares of the company at 30 June 2013 appear on page 128 of the annual financial statements. Directors' holdings did not individually exceed 1% of the company's issued share capital.

No change in the interests set out on page 128 took place between 30 June 2013 and the date of this report.

CORPORATE GOVERNANCE

The Eqstra board affirms its commitment to the principles and cornerstones of sound governance. These are done within the pre-determined parameters of risk management and control in accordance with locally accepted corporate practice.

The board and management continuously review and enhance the systems of control and governance to ensure that the business is managed ethically and in line with internationally accepted standards of best practice. The corporate governance report is available on our website www.eqstra.co.za.

The company continues to report against recommendations of King III. Further progress was made during the year in addressing certain areas where improvements were required, as detailed in the governance report is available on our website www.eqstra.co.za.

AUDIT COMMITTEE

In terms of Section 29(1)(e) of the Companies Act, the committee discharged all of its delegated functions in terms of its mandate, the Act and the JSE Listings Requirements. Further details on the role and function of the committee can be found in the supplementary section of the integrated annual report at www.eqstra.co.za. At the AGM on 22 November 2013, shareholders will be requested to re-appoint Messrs TDA Ross, MJ Croucamp, AJ Phillips and Mrs SD Mthembi-Mahanyele as audit committee members, as recommended by the board.

SOCIAL AND ETHICS COMMITTEE

In terms of Section 74(4)(e) of the Companies Act, the committee discharged all of its delegated functions in terms of its mandate, the Act and the JSE Listings Requirements. Further details on the role and function of the committee can be found in the supplementary section of the integrated annual report on www.eqstra.co.za. At the AGM on 22 November 2013, shareholders will be requested to re-appoint Mrs SD Mthembi-Mahanyele, Mrs S Dakile-Hlongwane, Mr Hill and Mr Price as members, as recommended by the board.

BORROWING POWERS

In terms of the Memorandum of Incorporation, the company has unlimited borrowing powers.

AUDITORS

Deloitte & Touche continued in office as external auditors of Eqstra and its subsidiaries. At the AGM on 22 November 2013, shareholders will be requested to re-appoint Deloitte & Touche as auditors for the 2014 financial year, with Mr JM Bierman as the designated partner. The auditor's business and postal address appears on page 4.

SUBSIDIARY COMPANIES

Details of principal subsidiary companies appear in Annexure A of the annual financial statements.

B-BBEE AND TRANSFORMATION

The company is committed to transformation. Refer to the integrated annual report and the supplementary section of the integrated annual report on www.eqstra.co.za.

PROPERTY

The register of land and buildings is available for inspection at the registered office of the company during normal business hours.

GOING CONCERN

The directors believe that the group and company have adequate resources to continue operating for the foreseeable future. It therefore believes that it is appropriate to adopt the going concern basis in preparing the group and company annual financial statements. The directors have satisfied themselves that the group and company are in a sound financial position and that they have access to sufficient borrowing facilities to meet its foreseeable cash requirements.

EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

The board is not aware of any matter or circumstance arising since the end of the reporting period which significantly affects the financial position of the group and company as at 30 June 2013 or the results of its operations or cash flows for the year, which are not dealt with in the financial statements.

ANNUAL GENERAL MEETING (AGM)

The AGM will be held at 61 Maple Street, Pomona, Kempton Park on 22 November 2013 at 9:00. The notice of the AGM is contained on pages 129 to 133 of this report.

COMPANY SECRETARY AND REGISTERED OFFICE

The company secretary is Mrs L Möller. Her address and that of the registered office are as follows:

Business address
61 Maple Street
Pomona, Kempton Park, 1619
Postal address
PO Box 1050
Bedfordview, 2008

GROUP STATEMENT OF FINANCIAL POSITION

AS AT

	Notes	30 June 2013 Rm	30 June 2012 Rm
ASSETS			
Non-current assets		**10 345**	9 553
Intangible assets	4	**91**	51
Property, plant and equipment	5	**538**	500
Leasing assets	6	**9 491**	8 755
Derivative financial assets	7	**53**	34
Deferred tax assets	8	**35**	30
Finance lease receivables	9	**33**	59
Other investments and loans	10	**104**	124
Current assets		**2 956**	3 036
Inventories	11	**945**	811
Trade and other receivables	12	**1 576**	1 506
Derivative financial assets	7	**52**	27
Finance lease receivables	9	**54**	70
Taxation in advance		**29**	12
Cash and cash equivalents	13	**300**	610
Total assets		**13 301**	12 589
EQUITY AND LIABILITIES			
Stated capital	14	**1 816**	1 929
Other reserves	15	**218**	106
Retained income		**1 222**	931
Equity attributable to owners of the parent		**3 256**	2 966
Non-controlling interests		**19**	14
Total equity		**3 275**	2 980
Non-current liabilities		**6 302**	6 498
Interest-bearing borrowings	16	**5 541**	5 801
Deferred tax liabilities	8	**761**	697
Current liabilities		**3 724**	3 111
Current portion of interest-bearing borrowings	16	**2 056**	1 352
Trade and other payables	17	**1 654**	1 724
Derivative financial liabilities	7	**2**	23
Current tax liabilities		**12**	12
Total equity and liabilities		**13 301**	12 589

GROUP INCOME STATEMENT

FOR THE YEARS ENDED

	Notes	30 June 2013 Rm	30 June 2012 Rm
CONTINUING OPERATIONS			
Revenue	18	**9 089**	8 143
Net operating expenses	19	**(6 219)**	(5 547)
Profit from operations before depreciation, amortisation and recoupments		**2 870**	2 596
Depreciation and amortisation	20	**(1 836)**	(1 744)
Recoupments	20	**4**	41
Operating profit		**1 038**	893
Net foreign exchange gains	19	**7**	46
Net (impairment) reversal of impairment of leasing assets	6	**(16)**	30
Profit before net finance costs		**1 029**	969
Net finance costs		**(543)**	(481)
Finance costs including fair value gains	21	**(582)**	(507)
Finance income	21	**39**	26
Profit before taxation		**486**	488
Income tax expense	22	**(78)**	(111)
Profit for the year from continuing operations		**408**	377
DISCONTINUED OPERATIONS			
(Loss) profit for the year from discontinued operations, including profit on sale of discontinued operations	23	**(18)**	111
Profit for the year		**390**	488
Attributable to:			
Owners of the parent		**385**	486
– Profit for the year from continuing operations		**403**	375
– (Loss) profit for the year from discontinued operations		**(18)**	111
Non-controlling interests		**5**	2
Profit for the year		**390**	488

		Cents	Cents
Earnings per share from continuing operations			
– Basic earnings per share	24	**100.0**	89.4
– Diluted earnings per share	24	**100.0**	88.0
(Loss) earnings per share from discontinued operations			
– Basic (loss) earnings per share	24	**(4.5)**	26.5
– Diluted (loss) earnings per share	24	**(4.5)**	26.1

GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED

	30 June 2013 Rm	30 June 2012 Rm
Profit for the year	**390**	488
Total other comprehensive income for the year, net of taxation	**125**	77
Exchange differences on translation of foreign subsidiaries	**87**	27
Net fair value gain on cash flow hedges and other fair value reserves	**38**	50
Total comprehensive income for the year, net of taxation	**515**	565
Attributable to:		
Owners of the parent	**510**	563
– Profit for the year from continuing operations	**528**	452
– (Loss) profit for the year from discontinued operations	**(18)**	111
Non-controlling interests	**5**	2
	515	565

GROUP 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 2011	2 060	31	578	19	2 688
Total comprehensive income for the year	–	77	486	2	565
Profit for the year	–	–	486	2	488
Other comprehensive income for the year, net of taxation	–	77	–	–	77
Net share-based payment reversal	–	(21)	–	–	(21)
Vesting of share incentive scheme	–	(2)	–	–	(2)
Revaluation of Lereko call option	–	2	–	–	2
Repurchase of "A" deferred ordinary shares	(66)	–	–	–	(66)
Purchase of treasury shares by subsidiary	(65)	–	–	–	(65)
Dividends paid	–	–	(105)	(3)	(108)
Repurchase of non-controlling interest	–	(2)	–	(4)	(6)
Deferred taxation effect on items recorded directly in equity	–	(7)	–	–	(7)
Release of share call option to retained income	–	28	(28)	–	–
Balance at 30 June 2012	1 929	106	931	14	2 980
Total comprehensive income for the year	**–**	**125**	**385**	**5**	**515**
Profit for the year	**–**	**–**	**385**	**5**	**390**
Other comprehensive income for the year, net of taxation	**–**	**125**	**–**	**–**	**125**
Net share-based payment expense	**–**	**16**	**–**	**–**	**16**
Devaluation of Lereko call option	**–**	**(5)**	**–**	**–**	**(5)**
Dividends paid	**–**	**–**	**(115)**	**–**	**(115)**
Repurchase of ordinary shares	**(113)**	**–**	**–**	**–**	**(113)**
Realisation of currency translation reserve	**–**	**(21)**	**21**	**–**	**–**
Deferred taxation effect on items recorded directly in equity	**–**	**(3)**	**–**	**–**	**(3)**
Balance at 30 June 2013	**1 816**	**218**	**1 222**	**19**	**3 275**

GROUP STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED

	Notes	30 June 2013 Rm	30 June 2012 Rm
Cash flows from operating activities			
Cash receipts from customers		**9 156**	8 860
Cash paid to suppliers and employees		**(5 997)**	(6 442)
Cash generated from operations	25A	**3 159**	2 418
Interest received	21	**39**	27
Interest paid	21	**(593)**	(565)
Taxation paid	25D	**(60)**	(59)
Net cash flows from operating activities		**2 545**	1 821
Cash flows from investing activities			
Disposal of business	25B	**–**	424
Acquisition of businesses	25C	**(28)**	(53)
Purchase of intangible assets	4	**(47)**	(36)
Purchase of property, plant and equipment	5	**(66)**	(142)
Purchase of leasing assets	6	**(2 780)**	(3 111)
Proceeds on disposal of intangible assets	4	**–**	1
Proceeds on disposal of property plant and equipment	5	**20**	29
Proceeds on disposal of leasing assets	6	**38**	355
Decrease (increase) in finance lease receivables		**42**	(39)
Increase in other investments and loans		**–**	(3)
Net cash flows from investing activities		**(2 821)**	(2 575)
Cash flows from financing activities			
Repurchase of non-controlling interest		**–**	(6)
Repurchase of "A" deferred ordinary shares		**–**	(66)
Purchase of treasury shares by subsidiary		**–**	(65)
Repurchase of ordinary shares		**(113)**	–
Dividends paid		**(115)**	(108)
Net increase in interest-bearing borrowings		**184**	1 417
Net cash flows from financing activities		**(44)**	1 172
Net (decrease) increase in cash and cash equivalents		**(320)**	418
Effect of exchange rate translation on cash and cash equivalents		**10**	1
Cash and cash equivalents at beginning of year		**610**	191
Cash and cash equivalents at end of year	13	**300**	610
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Net cash flows from operating activities		**111**	(43)
Net cash flows from investing activities		**–**	425
Net cash flows from financing activities		**(111)**	(382)
Cash and cash equivalents at end of year		**–**	–

SEGMENTAL INFORMATION – STATEMENT OF FINANCIAL POSITION

AS AT

	Group		Contract Mining and Plant Rental	
	30 June 2013 Rm	30 June 2012 Rm	**30 June 2013 Rm**	30 June 2012 Rm
BUSINESS SEGMENTATION				
ASSETS				
Intangible assets	**91**	51	**30**	14
Property, plant and equipment	**538**	500	**164**	152
Leasing assets	**9 491**	8 755	**4 517**	4 517
Finance lease receivables	**87**	129	**–**	–
Other investments and loans	**104**	124	**1**	12
Inventories	**945**	811	**102**	97
Trade and other receivables and derivatives	**1 681**	1 567	**875**	767
Operating assets	**12 937**	11 937	**5 689**	5 559
Deferred tax assets	**35**	30		
Taxation in advance	**29**	12		
Cash and cash equivalents	**300**	610		
Total assets	**13 301**	12 589		
LIABILITIES				
Trade and other payables and derivatives	**1 656**	1 747	**622**	611
Interest-bearing borrowings	**7 597**	7 153	**3 312**	3 436
Operating liabilities	**9 253**	8 900	**3 934**	4 047
Deferred tax liabilities	**761**	697		
Current tax liabilities	**12**	12		
Total liabilities	**10 026**	9 609		
GEOGRAPHIC SEGMENTATION				
Operating assets	**12 937**	11 937	**5 689**	5 559
– South Africa	**10 287**	9 673	**4 065**	4 134
– Rest of world	**2 650**	2 264	**1 624**	1 425
Trade and other payables and derivatives	**1 656**	1 747	**622**	611
– South Africa	**1 425**	1 498	**502**	491
– Rest of world	**231**	249	**120**	120
Interest-bearing borrowings	**7 597**	7 153	**3 312**	3 436
– South Africa	**6 017**	5 891	**2 441**	2 669
– Rest of world	**1 580**	1 262	**871**	767
Net capital expenditure	**2 835**	2 904	**702**	1 159
– South Africa	**2 472**	2 085	**548**	682
– Rest of world	**363**	819	**154**	477

Prior year re-presented to reflect changes in reporting structures following sale and exit of Bucyrus and New Holland distributorships.

	Fleet Management and Logistics#		Industrial Equipment#		Corporate Office and Eliminations	
	30 June 2013 Rm	30 June 2012 Rm	**30 June 2013 Rm**	30 June 2012 Rm	**30 June 2013 Rm**	30 June 2012 Rm
	58	34	**–**	–	**3**	3
	94	62	**164**	146	**116**	140
	3 094	2 814	**1 949**	1 542	**(69)**	(118)
	87	129	**–**	–	**–**	–
	–	7	**–**	–	**103**	105
	71	53	**772**	661	**–**	–
	246	193	**460**	556	**100**	51
	3 650	3 292	**3 345**	2 905	**253**	181
	400	337	**535**	672	**99**	127
	2 186	1 948	**1 948**	1 471	**151**	298
	2 586	2 285	**2 483**	2 143	**250**	425
	3 650	3 292	**3 345**	2 905	**253**	181
	3 419	3 053	**2 550**	2 305	**253**	181
	231	239	**795**	600	**–**	–
	400	337	**535**	672	**99**	127
	364	285	**460**	595	**99**	127
	36	52	**75**	77	**–**	–
	2 186	1 948	**1 948**	1 471	**151**	298
	2 034	1 865	**1 391**	1 059	**151**	298
	152	83	**557**	412	**–**	–
	1 279	1 023	**850**	703	**4**	19
	1 221	965	**699**	419	**4**	19
	58	58	**151**	284	**–**	–

SEGMENTAL INFORMATION – INCOME STATEMENT (CONTINUING OPERATIONS)

FOR THE YEARS ENDED

	Group		Contract Mining and Plant Rental	
	30 June 2013 Rm	30 June 2012 Rm	**30 June 2013 Rm**	30 June 2012 Rm
BUSINESS SEGMENTATION				
Revenue				
– Sales of goods	**2 088**	1 662	**112**	–
– Rendering of services, leasing income and other	**7 001**	6 481	**4 111**	3 699
	9 089	8 143	**4 223**	3 699
Inter segment revenue	**–**	–	**–**	8
	9 089	8 143	**4 223**	3 707
Net operating expenses	**(6 219)**	(5 547)	**(2 956)**	(2 604)
Depreciation and amortisation	**(1 836)**	(1 744)	**(794)**	(789)
Recoupments	**4**	41	**–**	8
Operating profit (loss)	**1 038**	893	**473**	322
Net foreign exchange gains	**7**	46	**10**	27
Net (impairment) reversal of impairment of leasing assets	**(16)**	30	**(18)**	37
Profit (loss) before net finance costs	**1 029**	969	**465**	386
Net finance (costs) income	**(543)**	(481)	**(273)**	(277)
Finance costs including fair value gains	**(582)**	(507)	**(273)**	(278)
Finance income	**39**	26	**–**	1
Profit (loss) before taxation	**486**	488	**192**	109
Income tax (expense) income	**(78)**	(111)	**(24)**	5
Profit (loss) for the year	**408**	377	**168**	114
GEOGRAPHIC SEGMENTATION				
Revenue	**9 089**	8 143	**4 223**	3 707
– South Africa	**7 537**	6 923	**3 364**	3 025
– Rest of world	**1 552**	1 220	**859**	682
Operating profit (loss)	**1 038**	893	**473**	322
– South Africa	**827**	681	**312**	158
– Rest of world	**211**	212	**161**	164
Net finance costs (income)	**543**	481	**273**	277
– South Africa	**468**	419	**221**	232
– Rest of World	**75**	62	**52**	45

 # Prior year re-presented to reflect changes in reporting structures following sale and exit of Bucyrus and New Holland distributorships.

	Fleet Management and Logistics#		Industrial Equipment#		Corporate Office and Eliminations	
	30 June 2013 Rm	30 June 2012 Rm	**30 June 2013 Rm**	30 June 2012 Rm	**30 June 2013 Rm**	30 June 2012 Rm
	443	391	**1 533**	1 271	**–**	–
	1 779	1 726	**1 111**	1 055	**–**	1
	2 222	2 117	**2 644**	2 326	**–**	1
	140	63	**64**	85	**(204)**	(156)
	2 362	2 180	**2 708**	2 411	**(204)**	(155)
	(1 385)	(1 207)	**(2 068)**	(1 875)	**190**	139
	(673)	(636)	**(382)**	(328)	**13**	9
	7	18	**–**	3	**(3)**	12
	311	355	**258**	211	**(4)**	5
	–	(1)	**(4)**	14	**1**	6
	2	(7)	**–**	–	**–**	–
	313	347	**254**	225	**(3)**	11
	(156)	(131)	**(109)**	(91)	**(5)**	18
	(193)	(166)	**(112)**	(100)	**(4)**	37
	37	35	**3**	9	**(1)**	(19)
	157	216	**145**	134	**(8)**	29
	(35)	(68)	**(20)**	(20)	**1**	(28)
	122	148	**125**	114	**(7)**	1
	2 362	2 180	**2 708**	2 411	**(204)**	(155)
	2 168	2 026	**2 209**	2 027	**(204)**	(155)
	194	154	**499**	384	**–**	–
	311	355	**258**	211	**(4)**	5
	284	329	**235**	189	**(4)**	5
	27	26	**23**	22	**–**	–
	156	131	**109**	91	**5**	(18)
	146	125	**96**	80	**5**	(18)
	10	6	**13**	11	**–**	–

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below and are consistent in all material respects with those applied during the previous year.

1.1 BASIS OF PREPARATION

The group financial statements are stated in Rands and are prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations issued and effective for the group's financial year.

Consolidation

The group financial statements incorporate the financial statements of the company and all its subsidiaries. Subsidiary undertakings, which are those companies in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, have been consolidated, except when the subsidiaries are held exclusively with a view to their disposal, which is highly probable, and are then accounted for as non-current assets held for sale. Where the group's interest in subsidiary undertakings is less than 100 percent, the share attributable to outside shareholders is reflected as non-controlling interest. The accounts of subsidiary undertakings are generally drawn up at 30 June each year.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as good-will. Any deficiency in the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. gain from a bargain purchase) is credited to profit and loss in the period of acquisition. Any goodwill arising on changes in ownership interest that does not result in a gain or loss of control is accounted for as an equity transaction.

The interest of minority shareholders is stated as the non-controlling interest shareholder's proportion of the fair values of the assets and liabilities recognised. Subsequent profits are credited to minority share-holders and any losses attributable to minority share-holders in excess of the minority interests are allocated against the interests of the minority, unless recovery from the minority is not certain.

The results of subsidiaries acquired or disposed of during the year are included in the group income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the group.

All inter-company transactions, balances and unrealised surpluses and deficits have been eliminated on consolidation.

Segmental information

The principal segments of the group have been identified on a primary basis by business segment and on a secondary basis by significant geographical areas in which the group operates. The basis is representative of the internal structure used for management reporting.

Segment revenue reflects both sales to external parties and inter-group transactions across segments. The segment result is presented as segment profit for the year.

Segment operating assets and liabilities are only those items that can be specifically identified within a particular segment.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the group financial statements, the results and financial position of each entity are expressed in Rands, which is the functional currency of the company and the pres-entation currency for the group financial statements.

Income statements having a different functional currency are translated into South African currency at the weighted average exchange rates for the year and the statements of financial position are translated at the exchange rates ruling on the reporting date. All resulting exchange differences are classified as a foreign currency translation reserve and reflected as part of share-holders' equity. On disposal of foreign entities, such translation differences are recognised in the income statement as part of the gain or loss on sale.

Transactions in currencies other than rands are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Gains and losses arising on translation are included in net profit or loss for the period, except where the item relates to equity loans in which case the gain or loss will be deferred in other comprehensive income, until such time as the equity loan is repaid.

In order to hedge its exposure to foreign exchange risks, the group enters into forward contracts and options. See below for details of the group's accounting policies in respect of such derivative financial instruments.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date with exchange differences arising being recognised in equity.

1.2 GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or joint venture at the date of acquisition. Goodwill is recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if there is an indication of impairment. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Cash-generating units represent the business operations from which the goodwill was originally generated.

On disposal of a subsidiary, associate or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Any goodwill arising on changes in the ownership interest that does not result in a loss of control is accounted for as an equity transaction.

1.3 OTHER INTANGIBLE ASSETS

Expenditure on acquired patents, trademarks, licences and computer software is capitalised and amortised using the straight-line basis over their useful lives, generally between two and eight years. These intangible assets are recognised if it is probable that economic benefits will flow to the entity from the intangible assets and the costs of the intangible assets can be reliably measured. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment, where it is considered necessary.

1.4 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss, or whether an impairment loss recognised in a previous period has reversed or decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss or reversal (if any).

Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. The assessments that the useful lives are indefinite are assessed at least annually.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-taxation discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised only if there has been a change in the estimates used to determine the asset's carrying amount. A reversal of an impairment loss is recognised in income immediately.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES (continued)

1.5 PROPERTY, PLANT AND EQUIPMENT AND LEASING ASSETS

Land is reflected at cost and is not depreciated. New property investments and developments are reflected at cost, which includes holding and direct development costs incurred until the property is available for occupation.

Cost also includes the estimated costs of dismantling and removing the assets and where appropriate the cost is split into significant components. Major improvements to leasehold properties are capitalised and written off over the period of the leases.

All other assets are recorded at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight-line basis to write off the cost of each component of an asset to its residual value over its estimated useful life as follows:

Buildings and leasehold improvements	up to 20 years
Equipment and furniture	3 to 10 years
Motor vehicles	3 to 5 years
Leasing assets	3 to 10 years

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. Where significant components of an asset have different useful lives to the asset itself, these components are depreciated over their estimated useful lives.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where a reversal of a previously recognised impairment loss is recognised, the depreciation charge for the asset is adjusted to allocate the asset's revised carrying amount, less residual value, on a systematic basis over its remaining useful life.

Gains and losses on disposal are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.6 CAPITALISED BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised to the cost of those assets until such time as the assets are sub-stantially ready for their intended use or sale. Where interest is earned on the temporary investment of borrowed funds, this income is set-off against the finance costs eligible for capitalisation.

1.7 INVENTORIES

Inventories are stated at the lower of cost or net realisable value, due recognition having been made for obsolescence and redundancy. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost is determined as follows:

Vehicles	Specific cost
Spares, accessories and finished goods	Weighted average cost

Work in-progress includes direct costs and a proportion of overhead costs, but excludes interest expense.

1.8 FINANCIAL INSTRUMENTS

Financial instruments are initially measured at fair value when the group becomes a party to the contractual provisions of the contract. Subsequent to initial recognition, these instruments are measured, as set out below.

Equity and debt security instruments
Equity and debt security instruments are initially recognised at cost on trade date.

At subsequent reporting dates, debt securities that the group has the intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, excluding those held-to-maturity debt securities designated as fair value through profit or loss at initial recognition, less any impairment losses recognised to reflect irrecoverable amounts. Premiums or discounts arising on acquisition are amortised on the yield-to-maturity basis and are recognised in profit or loss.

Equity and debt security instruments other than held-to-maturity debt securities are classified as either fair value through profit and loss or available-for-sale, and are measured at subsequent reporting dates at fair value.

Where equity and debt security instruments are held for trading purposes, gains and losses arising from changes in fair value are recognised in profit or loss for the year.

Available-for-sale investments and gains and losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised is recognised in profit or loss for the year.

In the company's financial statements, investments in associates are carried at cost less provision for impairment.

Loans receivable

Loans are recognised at the date that the amount is advanced.

At subsequent reporting dates they are measured at amortised cost, less any impairment losses recognised to reflect irrecoverable amounts.

Trade and other receivables

Trade and other receivables originated by the group are initially stated at fair value costs and reduced by appropriate allowances for doubtful debts. These allowances are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are measured at carrying value, which is deemed to be fair value.

Loans payable

Interest-bearing loans are initially recorded on the day that the loans are advanced at fair value.

At subsequent reporting dates, interest-bearing borrowings are measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on the accrual basis in the income statement using the effective interest rate method, and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Where interest-bearing loans have interest rate swaps changing the interest rate from fixed to variable or vice versa, they are treated as hedged items and carried at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income.

Where the group has the intention to repurchase its own interest-bearing loans in a recognised market place, such loans are designated as held for trade and are carried at fair value. Gains and losses arising from changes in fair value are included in the income statement for the year.

Trade payables

Trade payables are stated at their fair value and subsequently stated at amortised cost.

Derivative instruments

Derivative financial instruments are initially recognised at fair value and subsequently measured at fair value. The group uses derivative financial instruments primarily relating to foreign currency protection and to alter interest rate profiles.

The group designates certain derivatives as hedging instruments.

They are classified as:

- » fair value hedge: a hedge of exposure to changes in fair value of recognised assets and liabilities;
- » cash flow hedge: hedges a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; and
- » hedges of a net investment in a foreign operation.

Foreign currency forward contracts (FECs) are used to hedge foreign currency fluctuations relating to certain firm commitments and forecast transactions.

Interest rate swap agreements can swap interest rates from either fixed to variable or from variable to fixed and are used to alter interest rate profiles.

Any gains or losses on fair value hedges are included in the income statement for the year.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the income statement.

If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in other comprehensive income are recognised in the same period in which the hedged item affects the income statement.

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with fair value gains or losses reported in the income statement.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES (continued)

1.8 FINANCIAL INSTRUMENTS (continued)

Fair value calculations

Investments are fair valued based on regulated exchange-quoted ruling bid prices at the close of business on the last trading day on or before the reporting date. Fair values for unquoted equity instruments are estimated using applicable fair value models. If a quoted bid price is not available for dated instruments, the fair value is determined using pricing models or discounted cash flow techniques. Any unquoted equity instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at its cost, including transaction costs, less any provisions for impairment.

All other financial assets and liabilities fair values are calculated by present valuing the best estimate of the future cash flows using the risk-free rate of interest plus an appropriate risk premium.

Derecognition

The group derecognises a financial asset when its contractual rights to the cash flow from the financial asset expire, or if it transfers the asset together with its contractual rights to receive the cash flows of the financial assets.

The group derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

1.9 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessor

Finance leases

Amounts due under finance leases are treated as instalment credit agreements.

Operating leases

Income is recognised in the income statement over the period of the lease term on the effective interest rate.

Assets leased under operating leases are included under the appropriate category of asset in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar items of property, plant and equipment.

The group as lessee

Finance leases

Leases where the group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Assets held under finance leases are capitalised as assets of the group at the lower of fair value or the present value of the minimum lease payments at the inception of the lease. The capitalised amount is depreciated over the assets' useful life. Lease payments are allocated between capital payments and finance expenses using the effective interest rate method.

The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total lease commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease.

Operating leases

Operating lease costs are recognised in the income statement over the lease term on the straight-line basis. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1.10 SHARE-BASED PAYMENTS

The group operates equity-settled share-based compensation plans for senior employees and executives.

Equity-settled share-based payments are measured at fair value at the date of grant using the Binomial Model. The fair value determined at the grant date of the equity-settled share-based payment is expensed on the straight-line basis over the vesting period, with a corresponding entry to equity. The expense takes into account the best estimate of the number of shares that are expected to vest. Non-market conditions, such as time-based vesting conditions and non-market performance conditions, are included in the assumptions for the number of options that are expected to vest. At each reporting date, the entity revises its estimates on the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, or share awards vest, the proceeds received, net of any directly attributable transaction costs, are credited to stated capital.

1.11 RETIREMENT BENEFIT OBLIGATIONS

The group operates a number of retirement schemes around the world. These schemes have been designed and are administered in accordance with the local conditions and practices in the countries concerned and are defined contribution schemes. The pension costs relating to these schemes are assessed in accordance with the advice of qualified actuaries and are expensed as incurred.

1.12 TAXATION

The charge for current tax is based on the results for the year, as adjusted for items that are non-assessable or disallowable. It is calculated using tax rates that have been substantially enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

In principle, deferred tax liabilities are recognised for all temporary differences arising from depreciation on property, plant and equipment, revaluations of certain non-current assets and provisions for pensions and other retirement benefits. Deferred tax assets are raised only to the extent that their recoverability is probable. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused taxation losses can be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group is able to and intends to settle its current tax assets and liabilities on a net basis.

1.13 REVENUE RECOGNITION

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Where there are guaranteed buy-back arrangements in terms of which significant risks and rewards of ownership have not transferred to the purchaser, the transaction is accounted for as a lease.

Revenue arising from the rendering of services is recognised on the accrual basis in accordance with the substance of the agreement.

Revenue from vehicle maintenance plans is recognised over the period of the agreement to the extent of the value of parts and services provided.

Where the group acts as an agent and is remunerated on a commission basis, the commission is included in revenue. Where the group acts as principal, the total value of business handled is included in revenue.

Interest income is accrued on the time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

Dividend income from investments is recognised when the shareholders' right to receive payment is established.

1.14 NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held-for-sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable IFRS. Then, on initial classification as held-for-sale, non-current assets and disposal groups are recognised at the lower of carrying amount and the fair value less costs to sell.

Non-current assets classified as held-for-sale are not depreciated or amortised whilst classified as such.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resell.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for sale, if earlier. A disposal group that is to be abandoned may also qualify as a discontinued operation.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the group financial statements requires the group's management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The following accounting policies have been identified as involving particularly complex or subjective decisions or assessments:

2.1 IMPAIRMENT OF ASSETS

As outlined in the accounting policies, an impairment loss is recognised when the recoverable amount of an asset is estimated to be less than its carrying amount. In assessing value in use, future cash flows are discounted to their present value using a pre-tax discount rate. Management applies its best estimate of the range of economic conditions that will exist over the remaining useful life of an asset. Whilst external evidence is favoured, management applies judgement in circumstances where external evidence is limited.

2.2 RESIDUAL VALUE AND USEFUL LIVES

The group depreciates its assets over their estimated useful lives, taking into account residual values which are reassessed on an annual basis.

The actual lives and residual values of these assets can vary depending on a variety of factors. Technological innovation, product lifecycles and maintenance programmes all impact the useful lives and residual values of assets. Residual value assessments consider issues, such as future market conditions, the remaining life of the asset and projected disposal values.

2.3 INCOME TAXES

The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes due to the complexity of legislation and the different tax jurisdictions involved. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated taxes based on estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain taxation deductions in future periods.

2.4 CONTINGENT LIABILITIES

Management applies its judgement to the probabilities and advice it receives from its attorney, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

2.5 REVENUE RECOGNITION

Revenue from vehicle maintenance plans is recognised only to the extent of the value of parts and services provided, with the balance recognised at the end of the plan.

2.6 INVENTORY PROVISIONS

The provision for inventory obsolescence is based on a physical count and inspection of stock items which is performed at least annually and takes into account the age, condition and usage rates of the inventory.

2.7 FAIR VALUES AND FINANCIAL INSTRUMENTS

Basis for determining values

Derivatives

The fair values of derivative financial assets and liabilities are calculated by determining the net present value of all future cash flows, discounted at prevailing market curves of the different currencies at reporting date. Only observable market data is used (no estimates) when constructing the curves and basis swap adjustments are added to provide for liquidity in the market. Black-Scholes principles are used for valuing options.

Other non-derivative assets and liabilities
The fair values of other non-derivative financial assets and liabilities are calculated by determining the net present value of all future cash flows, discounted at prevailing market curves of the different currencies at reporting date.

Other financial instruments
The carrying amounts of financial assets and liabilities with a maturity of less than six months are assumed to approximate their fair value.

2.8 ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the unavoidable costs of meeting the group's obligations under a contract exceed the economic benefits expected to be received under the contract.

3. IMPACT OF NEWLY ISSUED STANDARDS AND INTERPRETATIONS

3.1 NEWLY ISSUED STANDARDS

There were no standards or interpretations that were early adopted in the current year.

The group has adopted the following Revisions and Amendments which have become applicable in the current financial year, which doesn't have any material impact to the group:

- IAS 1: Presentation of Other Comprehensive Income

3.2 NEWLY ISSUED STANDARDS AND INTERPRETATIONS – NOT ADOPTED IN THE CURRENT YEAR

The following new or revised IFRS standards and interpretations have been issued with effective dates applicable to future financial statements of the group. Other than new disclosure requirements, these are not expected to have a significant impact on the group's results, unless otherwise stated.

IFRS 9: Financial Instruments
This is a new standard that forms the first part of a three-part project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

The new standard first becomes applicable to the group for the financial year ending 30 June 2016.

IFRS 10: Consolidated Financial Statements
This is the new standard that replaces the consolidation requirements in SIC-12 *Consolidation – Special Purpose Entities and* IAS 27 *Consolidated and Separate Financial Statements*. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent and provides additional guidance to assist in the determination of control where this is difficult to assess.

The new standard first becomes applicable to the group for the financial year ending 30 June 2014.

IFRS 11: Joint Arrangements
The new standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. The standard requires a single method for accounting for interests in jointly controlled entities.

The new standard first becomes applicable to the group for the financial year ending 30 June 2014.

IFRS 12: Disclosure of Interests in Other Entities
The new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

The new standard first becomes applicable to the group for the financial year ending 30 June 2014.

IFRS 13: Fair value measurement
The new guidance on fair value measurement and disclosure requirements. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IFRS 13 *Fair Value Measurement* will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

The new guidance first becomes applicable to the group for the financial year ending 30 June 2014.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

3. IMPACT OF NEWLY ISSUED STANDARDS AND INTERPRETATIONS (CONTINUED)

3.2 NEWLY ISSUED STANDARDS AND INTERPRETATIONS – NOT ADOPTED IN THE CURRENT YEAR (continued)

IAS 19: Employee Benefits
The amendments make important improvements by eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation. It also streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income, thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations.

The amendments enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.

IAS 27: Separate Financial Statements
The Standard also deals with the recognition of dividends, certain group re-organisations and includes a number of disclosure requirements.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.

IAS 28: Investments in Associates and Joint Ventures
This Standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for invest-ments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.

IAS 32: Financial Instruments – Presentation
Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently' has a legally enforceable right of set-off;
- the application of simultaneous realisation and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

The amendment first becomes applicable to the group for the financial year ending 30 June 2015.

IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine
Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

The Interpretation requires stripping activity costs, which provide improved access to ore are recognised as a non-current 'stripping activity asset' when certain criteria are met. The stripping activity asset is depre-ciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.

	Goodwill Rm	Computer software Rm	Patents Rm	Total Rm
4 INTANGIBLE ASSETS				
30 June 2013				
– Cost	**3**	**101**	**5**	**109**
– Accumulated amortisation	**–**	**(15)**	**(3)**	**(18)**
	3	**(86)**	**2**	**91**
Net book value at beginning of year	**3**	**45**	**3**	**51**
Additions	**–**	**47**	**–**	**47**
Amortisation	**–**	**(6)**	**(1)**	**(7)**
Net book value at end of year	**3**	**86**	**2**	**91**
30 June 2012				
– Cost	3	54	5	62
– Accumulated amortisation	–	(9)	(2)	(11)
	3	45	3	51
Net book value at beginning of year	3	17	2	22
Additions	–	33	3	36
Proceeds on disposal	–	(1)	–	(1)
Loss on disposal	–	(1)	–	(1)
Amortisation	–	(3)	(2)	(5)
Net book value at end of year	3	45	3	51

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

	Land and buildings Rm	Equipment and furniture Rm	Motor vehicles Rm	Total Rm
5 PROPERTY PLANT AND EQUIPMENT				
30 June 2013				
– Cost	**349**	**258**	**195**	**802**
– Accumulated depreciation	**(19)**	**(139)**	**(106)**	**(264)**
	330	**119**	**89**	**538**
Net book value at beginning of year	**305**	**115**	**80**	**500**
Additions	**21**	**37**	**8**	**66**
Reclassification	**–**	**(2)**	**34**	**32**
Acquisitions of businesses	**9**	**3**	**1**	**13**
Proceeds on disposals	**(16)**	**(1)**	**(3)**	**(20)**
Depreciation	**(4)**	**(36)**	**(34)**	**(74)**
Profit on disposal	**7**	**–**	**1**	**8**
Currency adjustments	**8**	**3**	**2**	**13**
Net book value at end of year	**330**	**119**	**89**	**538**
30 June 2012				
– Cost	317	240	162	719
– Accumulated depreciation	(12)	(125)	(82)	(219)
	305	115	80	500
Net book value at beginning of year	231	107	91	429
Additions	75	46	21	142
Net acquisition of business	3	–	–	3
Proceeds on disposals	(19)	(2)	(8)	(29)
Depreciation	(2)	(35)	(27)	(64)
Profit (loss) on disposal	12	(4)	2	10
Currency adjustments	5	3	1	9
Net book value at end of year	305	115	80	500

Certain assets have been encumbered as security for interest-bearing borrowings (note 16).

	30 June 2013 Rm	30 June 2012 Rm
6 LEASING ASSETS		
– Cost	**14 940**	13 615
– Accumulated depreciation and impairment	**(5 449)**	(4 860)
	9 491	8 755
Net book value at beginning of year	**8 755**	7 625
Additions	**2 780**	3 111
Acquisition of businesses	**–**	50
Proceeds on disposals	**(38)**	(355)
Depreciation	**(1 755)**	(1 677)
(Net impairment) reversal of impairment	**(16)**	30
(Loss) profit on disposal	**(4)**	26
Transfer to inventories	**(509)**	(273)
Transfer to property, plant and equipment	**(32)**	–
Currency adjustments	**310**	218
Net book value at end of year	**9 491**	8 755

Certain leasing assets have been encumbered as security for interest-bearing borrowings (note 16).

During the 2012 year insurance proceeds were received and contributed R38 million to the reversal of prior impairments which is included in the R30 million above.

	30 June 2013 Rm	30 June 2012 Rm
7 DERIVATIVE FINANCIAL INSTRUMENTS		
ASSETS		
Long-term		
Inflation-linked swap	**53**	34
	53	34
Fair value through profit and loss	**53**	34
Short-term		
Forward exchange contracts	**7**	9
Interest rate and cross currency derivatives	**45**	18
	52	27
Fair value through profit and loss	**52**	27
LIABILITIES		
Short-term		
Forward exchange contracts	**1**	2
Interest rate derivatives	**1**	21
	2	23
Arising on long-term financial instruments used for cash flow hedging	**1**	12
Fair value through profit and loss	**1**	11

Fair value of derivative financial instruments
Long-term financial assets are stated at fair value. The fair value of derivatives is based upon market valuations.

Forward exchange contracts
The net market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contracted rates to the equivalent year-end market foreign exchange rates.

Interest rate
The fair value of interest rate derivatives were determined by reference to quoted market prices for similar instruments.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

	30 June 2013 Rm	30 June 2012 Rm
8 DEFERRED TAXATION		
Balance at beginning of year	**(667)**	(580)
Accounted for in the income statement	**(48)**	(83)
Accounted for in the statement of other comprehensive income	**(3)**	3
Accounted for directly to equity	**(3)**	(7)
Net acquisition of businesses	**3**	–
Currency adjustments	**(8)**	–
Balance at end of year	**(726)**	(667)
Analysis of deferred taxation		
– Trade and other payables and derivatives	**81**	67
– Property, plant, equipment and intangibles	**(60)**	(29)
– Leasing assets	**(1 177)**	(1 106)
– Estimated assessed taxation losses	**452**	386
– Other	**(22)**	15
	(726)	(667)
Analysis of deferred tax assets and liabilities		
Deferred tax assets	**35**	30
Deferred tax liabilities	**(761)**	(697)
	(726)	(667)
Taxation losses		
Unutilised taxation losses available for offset against future profits	**2 058**	1 736
Taxation losses not recognised as deferred tax assets due to unpredictability of future profit streams	**(443)**	(357)
Unutilised taxation losses available for offset against future profits	**1 615**	1 379
Deferred taxation assets recognised in respect of such losses	**452**	386

	Less than one year Rm	One to five years Rm	Total Rm
9 FINANCE LEASE RECEIVABLES			
30 June 2013			
Minimum lease receivables	**70**	**44**	**114**
Finance income	**(16)**	**(11)**	**(27)**
Present value of minimum lease receivables	**54**	**33**	**87**
Effective interest rates (%)			**13.42**
30 June 2012			
Minimum lease receivables	79	77	156
Finance costs	(9)	(18)	(27)
Present value of minimum lease receivables	70	59	129
Effective interest rates (%)			14.00

	30 June 2013 Rm	30 June 2012 Rm
10 OTHER INVESTMENTS AND LOANS		
Investments		
Listed investments at market value	**64**	66
Unlisted investments at fair value	**40**	42
	104	108
Loans		
Other loans	**–**	16
Total other investments and loans	**104**	124
The above are categorised as follows:		
– Held-to-maturity	**–**	16
– Available-for-sale	**104**	108
	104	124
Maturity analysis		
Maturing after one year but within five years	**–**	16
Effective interest rates		
Loans (%)	**–**	9.00
The listed investment comprises a 32.77% investment in Protech Khuthele Holdings Limited. As at year end management concluded that significant influence has not been achieved and therefore the investment has been recognised and measured as available-for-sale.		
11 INVENTORIES		
Net inventory	**945**	811
Gross inventory	**1 016**	937
Less: Impairment provision	**(71)**	(126)
Comprising of:		
New vehicles	**495**	387
Used vehicles	**128**	127
Spares accessories and finished goods	**299**	258
Work in progress	**23**	39
	945	811
Inventories carried at net realisable value included above	**127**	190
Net amount of inventory provision (reversal) expense in the income statement	**(2)**	9
12 TRADE AND OTHER RECEIVABLES		
Net trade receivables	**1 399**	1 316
Trade receivables	**1 473**	1 379
Less: Impairment provision*	**(74)**	(63)
Prepayments and other receivables	**177**	190
	1 576	1 506
** Refer to note 28 for an analysis of the trade receivables impairment provision.*		
13 CASH AND CASH EQUIVALENTS		
Bank balances	**297**	608
Cash on hand	**3**	2
Cash on hand and at bank	**300**	610
Effective interest rates (%)	**4.00**	4.50 – 5.40

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

	30 June 2013 Number of shares	30 June 2012 Number of shares
14 STATED CAPITAL		
14.1 STATED CAPITAL		
Authorised share capital		
Ordinary shares with no par value	**500 000 000**	500 000 000
"B" deferred ordinary shares	**–**	20 000 000
Issued share capital		
Ordinary share capital		
Balance at beginning of year	**411 415 561**	419 396 392
Shares in issue	**428 668 392**	427 668 392
Treasury shares	**(17 252 831)**	(8 272 000)
Conversion of "A" deferred ordinary shares	**–**	1 000 000
Disposal (purchase) of treasury shares by subsidiary	**50 250**	(8 980 831)
Repurchase and cancellation of ordinary shares	**(17 300 451)**	–
Balance at end of year	**394 165 360**	411 415 561
"A" deferred ordinary shares		
Balance at beginning of year	**–**	16 781 968
Conversion to ordinary shares	**–**	(1 000 000)
Repurchased and cancelled	**–**	(15 781 968)
Balance at end of year	**–**	–

	30 June 2013 Rm	30 June 2012 Rm
Stated capital		
Balance at beginning of year	**1 929**	2 060
Repurchase of ordinary shares	**(113)**	–
Purchase of treasury shares by subsidiary	**–**	(65)
Repurchase of "A" deferred ordinary shares	**–**	(66)
	1 816	1 929

Treasury shares

Nozala MCC (Proprietary) Limited (Nozala) owns 8 272 000 ordinary shares in Eqstra. These ordinary shares are pledged to Eqstra as security for the repayment of the 918 preference shares Eqstra holds in Nozala. The value of the preference shares held by Eqstra in Nozala in May 2010 was more than the market value of Eqstra shares, resulting in Eqstra effectively controlling the shares for accounting purposes. This resulted in the Nozala investment subsequently being treated as treasury shares.

Transactions during the current financial year

Ordinary shares

During the period July 2012 – May 2013 the group repurchased and cancelled 17 300 451 ordinary shares at an average price of R6.50.

In, June 2013 the group sold 50 250 treasury shares held by a subsidiary to settle a share appreciation rights liability.

Transactions during the prior financial year

Ordinary shares

During June 2012, Eqstra Corporation (Proprietary) Limited, a wholly owned subsidiary acquired 8 980 831 ordinary shares, which are held as treasury shares.

On 1 September 2011, 1 million "A" deferred ordinary shares converted to ordinary shares. Ordinary shares carry one vote per share and carry a right to dividends.

"A" deferred ordinary shares

On 1 September 2011 – 1 million "A" deferred ordinary shares converted to ordinary shares based on the growth in earnings. Furthermore, on 23 November 2011, the remaining 15 781 968 shares were repurchased for R66 million and subsequently cancelled.

14 STATED CAPITAL (continued)

14.2 EQUITY COMPENSATION BENEFITS

Share Appreciation Rights (SAR) Schemes

The SAR schemes allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Eqstra share price between the offer date of the share appreciation rights and the exercise of such rights.

The following share incentive plans were in operation during the financial year:

	Date of issue	Period to expire from date of issue	IFRS 2 classification
Eqstra Holdings Limited	1 September 2010	3 years	Equity settled
Eqstra Holdings Limited	1 September 2011	3 years	Equity settled
Eqstra Holdings Limited	1 September 2012	3 years	Equity settled

The 2008 SAR scheme did not vest based on the performance criteria and the share-based payment expense of R36 million was reversed during the 2012 year. The value of the SAR has been calculated using the binomial model based on the following assumptions.

	2010 Scheme	2011 Scheme	2012 Scheme
Expected volatility (%)	45.67	42.07	38.81
Expected dividend yield (%)	5.66	5.44	8.76
Expected forfeiture rate (%)	20.00	20.00	20.00
Exercise price of share appreciation rights	R5.12	R7.20	R6.56
Fair value of the SAR on grant date	R2.26	R2.05	R1.70

	30 June 2013	30 June 2012
Share-based payment expense recognised (Rm)		
2010 Scheme	**4**	7
2011 Scheme	**5**	6
2012 Scheme	**4**	–

The expected volatility was determined using volatility of similar companies.

The expected forfeiture rate was determined by estimating the probability of participating individuals still being in the employment of Eqstra and the probability of meeting the non-market vesting conditions relating to profitability targets over the vesting period at vesting date.

The calculation of the share-based payment expense requires management to exercise a degree of judgement.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

14 STATED CAPITAL (continued)

14.2 EQUITY COMPENSATION BENEFITS (continued)

Deferred Bonus Plan (DBP) Schemes

The DBP schemes allow certain senior employees to acquire shares utilising a portion of their incentive bonus earned.

At the vesting date the employee will be awarded one share for each share purchased and held in escrow for the duration of the period.

	Date of issue	Period to expire from date of issue	IFRS 2 classification
Eqstra Holdings Limited	1 September 2010	3 years	Equity settled
Eqstra Holdings Limited	1 September 2011	3 years	Equity settled
Eqstra Holdings Limited	1 September 2012	3 years	Equity settled

The value of the DBP has been calculated using the binomial model based on the following assumptions:

	2010 Scheme	2011 Scheme	2012 Scheme
Expected volatility (%)	45.67	42.07	38.81
Expected dividend yield (%)	5.66	5.44	8.76
Fair value of the DBP on grant date	R4.97	R6.21	R5.84

	30 June 2013	30 June 2012
Share-based payment expense recognised (Rm)		
2010 Scheme	**1**	1
2011 Scheme	**1**	1
2012 Scheme	**1**	–
Shares available for allocation to incentive plans and movement during the year		
Maximum number of shares available for allocation	**41 136 794**	42 866 839
Share appreciation rights in issue	**35 315 000**	27 573 000
Share appreciation rights at beginning of the year	**27 573 000**	13 392 000
Share appreciation rights granted during the year	**14 321 000**	15 541 000
Share appreciation rights exercised in current year	**(248 000)**	–
Share appreciation rights forfeited during the year	**(6 331 000)**	(1 360 000)
Deferred bonus plan shares in issue	**1 032 000**	886 000
Deferred bonus plan shares at beginning of year	**886 000**	796 999
Deferred bonus plan shares exercised in current year	**–**	(329 999)
Deferred bonus plan shares forfeited during the year	**(273 000)**	–
Deferred bonus plan shares granted during the year	**419 000**	419 000
Shares available for allocation	**4 789 794**	14 407 839

The maximum number of shares available for allocation is 10% of ordinary shares in issue.

	30 June 2013 Rm	30 June 2012 Rm
15 OTHER RESERVES		
Foreign currency translation reserve (see analysis below)	**95**	29
Hedging reserve	**(6)**	(17)
Fair value reserve on available-for-sale financial instruments	**102**	77
Goodwill reserve	**(2)**	(2)
Share-based equity	**38**	22
Deferred taxation in equity	**(9)**	(3)
	218	106
Foreign currency translation reserve		
Balance at the beginning of year	**29**	2
Increase in foreign currency translation reserves	**66**	27
Property, plant and equipment	**13**	9
Leasing assets	**310**	218
Inventories	**19**	12
Trade and other receivables	**53**	31
Cash and cash equivalents	**10**	1
Deferred taxation	**(8)**	–
Interest-bearing borrowings	**(295)**	(199)
Trade and other payables	**(36)**	(45)
Balance at the end of year	**95**	29
16 INTEREST-BEARING BORROWINGS		
Long-term in nature		
– Capitalised finance leases	**6**	10
– Secured loans	**1 216**	1 044
– Unsecured loans	**5 132**	4 996
	6 354	6 050
Short-term in nature		
– Unsecured short-term, call borrowings and bank overdrafts	**1 243**	1 103
Total borrowings	**7 597**	7 153
Less: short-term and current portion of long-term borrowings	**2 056**	1 352
	5 541	5 801

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

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16 INTEREST-BEARING BORROWINGS (continued)

Included in interest-bearing borrowings is the following finance lease obligations:

	Less than one year Rm	One to five years Rm	Total Rm
30 June 2013			
Minimum lease payments	**6**	**–**	**6**
Finance costs	**–**	**–**	**–**
Present value of minimum lease payments	**6**	**–**	**6**
30 June 2012			
Minimum lease payments	9	2	11
Finance costs	(1)	–	(1)
Present value of minimum lease payments	8	2	10

Eqstra has properties that it leases in the form of finance leases. No contingent rentals are payable and there are no restrictions imposed by leasing arrangements.

Total of future minimum sub-lease payments expected to be received under the sub-lease are Rnil (2012: Rnil)

	30 June 2013		30 June 2012	
Interest rate analysis	**Effective rates**	**Analysis of debt**	Effective rates	Analysis of debt
Fixed				
– Secured loans	**5.36%**	**708**	5.36%	756
– Unsecured loans	**8.71%**	**250**	8.71% – 13.60%	656
– Bonds	**12.92%**	**50**	12.92%	50
Variable linked				
– Capitalised finance leases	**8.50% – 16.85%**	**6**	6.90% – 11.20%	10
– Secured loans	**3.00% – 17.00%**	**508**	3.14% – 17.00%	288
– Unsecured loans	**3.00% – 8.48%**	**2 954**	8.06% – 8.95%	2 674
– Unsecured short term, call borrowings and bank overdrafts	**7.00% – 12.50%**	**40**	2.76% – 8.95%	574
– Commercial paper	**5.50%**	**900**	6.07%	529
– Bonds	**7.15% – 11.42%**	**2 181**	8.16% – 11.88%	1 616
		7 597		7 153

Summary of interest-bearing borrowings by year of redemption or repayment in Rands.

	2018 and onwards Rm	2017 Rm	2016 Rm	2015 Rm	2014 Rm	Total Rm
30 June 2013						
SA Rands	**725**	**1 295**	**1 347**	**1 107**	**1 486**	**5 960**
Other	**20**	**93**	**285**	**669**	**570**	**1 637**
Total	**745**	**1 388**	**1 632**	**1 776**	**2 056**	**7 597**

	2017 and onwards Rm	2016 Rm	2015 Rm	2014 Rm	2013 Rm	Total
30 June 2012						
SA Rands	1 295	1 098	1 097	1 301	977	5 768
Other	95	210	215	490	375	1 385
Total	1 390	1 308	1 312	1 791	1 352	7 153

16 INTEREST-BEARING BORROWINGS (continued)

Details of encumbered assets are as follows:

	30 June 2013		30 June 2012	
	Debt secured Rm	**Net book value of assets encumbered Rm**	Debt secured Rm	Net book value of assets encumbered Rm
Property, plant and equipment	**60**	**62**	31	30
Leasing assets	**1 162**	**1 877**	1 023	1 475
Total	**1 222**	**1 939**	1 054	1 505

	30 June 2013 Rm	30 June 2012 Rm
Borrowing facilities		
In terms of the memorandum of incorporation the borrowing powers of the company are unlimited.		
Total facilities established	**6 418**	6 941
Less: Total borrowings, excluding commercial paper and bonds	**4 460**	4 958
Unutilised borrowing facilities	**1 958**	1 983
The current portion of interest-bearing borrowings includes R900 million (2012: R529 million) commercial paper that is supported by a R1 000 million standby liquidity facility that has a 13 month notice period. The R1 000 million is included in the facility of R6 418 million (2012: R6 941 million) above.		
17 TRADE AND OTHER PAYABLES		
Trade payables	**931**	1 015
Accrued expenses	**411**	380
Interest accrual	**56**	61
Employee related accruals	**210**	209
Deferred income	**46**	59
	1 654	1 724
18 REVENUE		
An analysis of the group's revenue is as follows:		
Sale of goods	**2 134**	2 562
Rendering of services, leasing income and other	**7 020**	6 701
	9 154	9 263
Discontinued operations	**(65)**	(1 120)
	9 089	8 143

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

		30 June 2013 Rm	30 June 2012 Rm
19	**NET OPERATING EXPENSES**		
	Purchase of goods	**2 180**	2 667
	Staff costs	**1 926**	1 653
	Other operating income	**(78)**	(55)
	Other operating costs	**2 259**	2 317
		6 287	6 582
	Discontinued operations	**(68)**	(1 035)
		6 219	5 547
	The above costs include:		
	Auditor's remuneration		
	Audit fees	**12**	10
	Other services	**1**	1
		13	11
	Discontinued operations	**–**	(1)
		13	10
	Equity-settled share-based payment expense (net reversal) (Included in staff costs)	**16**	(21)
	Discontinued operations	**–**	–
		16	(21)
	Net impairment (reversal of impairment) of leasing assets	**16**	(30)
	Discontinued operations	**–**	–
		16	(30)
	Directors' remuneration		
	Executive directors' remuneration	**22**	19
	Non-executive directors' remuneration	**3**	3
		25	22
	Discontinued operations	**–**	–
		25	22
	Rental and operating lease charges		
	Properties	**16**	15
	Office equipment	**3**	5
	Motor vehicles	**–**	5
		19	25
	Discontinued operations	**(1)**	(4)
		18	21
	Defined contribution retirement plan costs (included in staff costs)	**85**	80
	Discontinued operations	**–**	(3)
		85	77
	The group provides benefits through independent funds under the control of a board of trustees and all contributions to those funds are charged to the income statement.		
	The large majority of South African employees, other than those employees required by legislation to be members of various industry funds, are members of the Eqstra Group Pension Fund and the Eqstra Group Provident Fund which are governed by the Pensions Fund Act, 1956.		
	Expenses not included in net operating expenses		
	Net foreign exchange gains	**(13)**	(27)
	Realised loss (gains)	**23**	(20)
	Unrealised gains	**(36)**	(7)
	Discontinued operations	**6**	(19)
		(7)	(46)

	30 June 2013 Rm	30 June 2012 Rm
20 DEPRECIATION, AMORTISATION AND RECOUPMENTS		
Intangible assets	**7**	5
Property, plant and equipment	**74**	64
Leasing assets	**1 755**	1 677
	1 836	1 746
Discontinued operations	**–**	(2)
Depreciation and amortisation	**1 836**	1 744
Loss on disposal of intangible assets	**–**	1
Profit on disposal of property, plant and equipment	**(8)**	(10)
Loss (profit) on disposal of leasing assets	**4**	(26)
	(4)	(35)
Discontinued operations	**–**	(6)
Recoupments	**(4)**	(41)
21 NET FINANCE COSTS		
Finance expense	**593**	565
Finance income	**(39)**	(27)
Net finance costs	**554**	538
Fair value gains arising from interest-bearing borrowings and interest swap instruments (unrealised)	**(3)**	(9)
Net finance expense	**551**	529
Discontinued operations	**(8)**	(48)
	543	481
No finance costs were capitalised during the year.		
Included in finance costs including fair value gains is the following:		
– Finance expense on bank overdrafts and financial liabilities measured at amortised cost	**591**	561
– Finance expense on capitalised finance leases	**2**	4
– Fair value gains arising from interest-bearing borrowings and interest swap instruments (unrealised)	**(3)**	(9)
	590	556
Discontinued operations	**(8)**	(49)
	582	507
Included in finance income is the following:		
– Finance income on loans and trade receivables	**(2)**	(3)
– Finance income on capitalised finance leases	**(17)**	(18)
– Finance income on cash and cash equivalents and interest swaps	**(20)**	(6)
	(39)	(27)
Discontinued operations	**–**	1
	(39)	(26)

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

	30 June 2013 Rm	30 June 2012 Rm
22 INCOME TAX EXPENSE		
SOUTH AFRICAN TAXATION		
Normal taxation		
– Current year	**18**	41
– Prior year under (over) provisions	**2**	(3)
Secondary taxation on companies		
– Current year	**–**	15
Deferred taxation		
– Current year	**48**	54
– Prior year (over) under provisions	**(5)**	10
	63	117
FOREIGN TAXATION		
Normal taxation		
– Current year	**11**	17
– Prior year under (over) provisions	**12**	(6)
Deferred taxation		
– Current year	**3**	11
– Change in rate	**–**	1
– Prior year under provisions	**2**	7
	28	30
Total taxation	**91**	147
Discontinued operations	**(13)**	(36)
	78	111

Reconciliation of taxation rates:	%	%
Standard taxation rate	**28.00**	28.00
– Tax incentives	**(6.03)**	(5.67)
– Deferred tax asset recognition	**(4.16)**	(1.73)
– Unrecognised deferred tax assets utilised	**(1.60)**	(0.16)
– Permanent differences	**(0.41)**	(2.64)
– Foreign taxation differential	**0.83**	1.57
– Prior year under provision and change in rate	**2.29**	1.42
– Secondary taxation on companies	**–**	2.36
Effective taxation rate	**18.92**	23.15
Continuing operations	**16.05**	22.75
Discontinued operations	**(260.00)**	24.49

	Notes	30 June 2013 Rm	30 June 2012 Rm
23 DISCONTINUED OPERATIONS			
The loss from discontinued operations, including profit on sale of discontinued operations comprises:			
Loss from discontinued operations (refer below)		**(18)**	(26)
Profit on disposal of discontinued operation, net of taxation		**–**	137
		(18)	111
Revenue	18	**65**	1 120
Net operating expenses	19	**(68)**	(1 035)
(Loss) profit from operations before depreciation, amortisation and recoupments		**(3)**	85
Depreciation, amortisation and recoupments	20	**–**	(8)
Operating (loss) profit		**(3)**	77
Net foreign exchange gains (losses)	19	**6**	(19)
Profit before net finance costs		**3**	58
Net finance costs		**(8)**	(48)
Finance costs including fair value gains	21	**(8)**	(49)
Finance income	21	**–**	1
(Loss) profit before taxation		**(5)**	10
Income tax expense	22	**(13)**	(36)
Loss for the year		**(18)**	(26)

The above operations formed part of the former Construction and Mining Equipment division.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

	30 June 2013 Rm	30 June 2012 Rm
24 EARNINGS PER SHARE		
Basic earnings per share are calculated by dividing the profit after taxation attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.		
Attributable to:	**390**	488
– Profit for the year from continuing operations	**403**	375
– (Loss) profit for the year from discontinued operations	**(18)**	111
– Non-controlling interests	**5**	2
Headline earnings reconciliation for continuing operations		
– Profit attributable to owners of the parent	**403**	375
– Net profits on disposal of property, plant and equipment, intangible assets and leasing assets	**(4)**	(41)
– Net impairment (reversal of impairment) of leasing and other assets	**19**	(30)
– Taxation effect	**1**	20
– Net profits on disposal of property, plant and equipment, intangible assets and leasing assets	**1**	11
– Net impairment of leasing assets	**–**	9
Headline earnings	**419**	324
Headline earnings reconciliation for discontinued operations		
– (Loss) profit attributable to owners of the parent	**(18)**	111
– Loss on disposal of property, plant and equipment and leasing assets	**–**	6
– Profit on disposal of discontinued operation	**–**	(137)
– Taxation effect	**–**	20
– Loss on disposal of property, plant and equipment, intangible assets and leasing assets	**–**	(2)
– Profit on disposal of discontinued operation	**–**	22
Headline (loss) earnings	**(18)**	–

Weighted average number of ordinary shares	**Million**	Million
– Shares at beginning of year	**411.4**	419.4
– Conversion of “A” deferred ordinary shares	**–**	0.8
– Purchase of treasury shares	**–**	(0.6)
– Repurchase of ordinary shares	**(8.5)**	–
Weighted average number of ordinary shares in issue during the year	**402.9**	419.6
– Dilutionary effect of deferred ordinary shares	**–**	6.5
Diluted weighted average number of ordinary shares	**402.9**	426.1

	cents	cents
Earnings per share from continuing operations		
Basic earnings per share	**100.0**	89.4
Headline earnings per share	**104.0**	77.2
Earnings per share from discontinued operations		
Basic (loss) earnings per share	**(4.5)**	26.5
Headline (loss) earnings per share	**(4.5)**	–
For fully diluted attributable earnings per share, the weighted average number of ordinary shares in issue is adjusted by deferred ordinary shares.		
Diluted earnings per share from continuing operations		
Diluted earnings per share	**100.0**	88.0
Diluted headline earnings per share	**104.0**	76.0
Diluted (loss) earnings per share from discontinued operations		
Diluted (loss) earnings per share	**(4.5)**	26.1
Diluted headline (loss) earnings per share	**(4.5)**	–

	30 June 2013 Rm	30 June 2012 Rm
25 NOTES TO THE STATEMENT OF CASH FLOWS		
25A CASH FLOW FROM OPERATIONS		
Profit before net finance costs	**1 032**	1 027
Continuing	**1 029**	969
Discontinuing	**3**	58
Adjustments for non-cash movements		
– Depreciation of property, plant and equipment	**74**	64
– Depreciation of leasing assets	**1 755**	1 677
– Amortisation of intangible assets	**7**	5
– Profit on disposal of non-current assets	**(4)**	(35)
– Net impairment (reversal of impairment) of leasing assets	**16**	(30)
– Other non cash items	**(45)**	(25)
– Fair value adjustments	**16**	6
– Share-based payment expense	**16**	(21)
Cash generated by operations before changes in working capital	**2 867**	2 668
Working capital movements		
– Decrease in inventories	**436**	164
– Increase in trade and other receivables	**2**	(403)
– Decrease in trade and other payables	**(146)**	(11)
Cash generated by operations	**3 159**	2 418
25B DISPOSAL OF BUSINESS		
Inventories	**–**	287
Profit on sale of business	**–**	137
Net proceeds on disposal of business	**–**	424
Eqstra and Caterpillar Global Mining LLC ("CAT") concluded a transaction, whereby the Mining Services (Bucyrus) business unit was sold as a going concern for a purchase price based on inventory values and goodwill. The sale was concluded in the previous financial year on 29 June 2012 to the value of R424 million. The group earned a profit on sale of this business unit of R137 million.		
25C ACQUISITION OF BUSINESSES		
Leasing assets	**–**	50
Property, plant and equipment	**13**	3
Deferred taxation asset	**3**	–
Inventory	**40**	–
Trade and other receivables	**30**	–
Interest-bearing borrowings	**(18)**	–
Trade and other payables	**(40)**	–
Net purchase price	**28**	53
25D INCOME TAXATION PAID		
Net balance payable at beginning of year	**–**	(5)
Taxation charge	**43**	64
Net balance receivable at end of year	**17**	–
Taxation paid	**60**	59

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

	30 June 2013 Rm	30 June 2012 Rm
26 COMMITMENTS AND CONTINGENT LIABILITIES		
Capital expenditure commitments to be incurred		
Contracted	**501**	489
Authorised by directors but not contracted	**1 585**	1 913
	2 086	2 402
The expenditure is substantially for the acquisition and replacement of leasing assets. Expenditure will be financed from proceeds on disposals and existing banking facilities.		
US Dollar funding outside of the Common Monetary Area was put in place for the contracted capital commitments relating to the Benga project in Mozambique.		
Contingent liabilities	**–**	–
Guarantees	**55**	7

27 OPERATING LEASE RECEIVABLES AND PAYABLES

The minimum future lease payments receivable under non-cancellable operating leases are as follows:

	More than five years Rm	One to five years Rm	Less than one year Rm	Total Rm
30 June 2013				
– Forklifts	**18**	**1 016**	**492**	**1 526**
– Vehicles	**1 132**	**2 628**	**1 471**	**5 231**
	1 150	**3 644**	**1 963**	**6 757**
30 June 2012				
– Forklifts	63	910	433	1 406
– Vehicles	1 382	2 248	1 567	5 197
	1 445	3 158	2 000	6 603

The minimum future lease payments payable under non-cancellable operating leases are as follows:

	One to five years Rm	Less than one year Rm	Total Rm
30 June 2013			
– Property	**18**	**14**	**32**
30 June 2012			
– Property	19	14	33

28 FINANCIAL INSTRUMENTS

FINANCIAL RISK FACTORS

The group's treasury activities are aligned to the group's decentralised business model and the asset and liability committee's (ALCO) strategies. The ALCO is a board subcommittee responsible for implementing best practice asset and liability risk management with its main objectives being the management of liquidity, interest rate, price risk and foreign exchange risk. The ALCO meets every quarter and follows a comprehensive risk management process. The treasury implements the ALCO risk management policies and directives and provides financial risk management services to the various divisional businesses, co-ordinates access to domestic and international financial markets for bank as well as debt capital markets funding and monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks, (including foreign exchange risk, interest rate risk, and price risk), credit risk and liquidity risk. The day-to-day management of foreign exchange risk and credit risk is performed on a coordinated basis by the group treasurer and by the various business units within the group's hedging policies and guidelines.

The group's objectives, policies and processes for measuring and managing these risks are detailed below.

The group seeks to minimise the effects of these risks by matching assets and liabilities as far as possible or by using derivative financial instruments to hedge these risk exposures. The adherence to the use of derivative instruments and exposure limits is reviewed on a continuous basis and results are reported to the audit committee.

The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The group enters into financial instruments to manage and reduce the possible adverse impact on earnings of changes in interest rates and foreign exchange rates.

MARKET RISK

This is the risk that changes in the general market conditions, such as foreign exchange rates, interest rates and commodity prices may adversely impact on the group's earnings, assets, liabilities and capital.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices.

CURRENCY RISK

This is the risk of losses arising from the effects of adverse movements in exchange rates on net foreign currency asset or liability positions.

The group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. In order to manage these risks, the group may enter into transactions which make use of derivatives. Derivative instruments are used by the group for hedging purposes. Such instruments include forward exchange contracts and under specific ALCO authorisation, currency options.

The policy of the group is to maintain a fully covered foreign exchange risk position in respect of foreign currency commitments with a few exceptions authorised by the ALCO. The day-to-day management of foreign exchange risk is performed on a decentralised basis by the various business units within the group's hedging policies and guidelines. This process is overseen by the group treasurer. Trade-related import exposures are managed through the use of natural hedges arising from foreign assets as well as forward exchange contracts.

At the year end, the settlement dates on open forward contracts ranged from spot up to twelve months. The average exchange rates shown include the cost of forward points cover. The amounts represent the net rand equivalent of commitments to purchase and sell foreign currencies, and have all been recorded at fair value.

The group has entered into certain forward exchange contracts that relate to specific statement of financial position items at 30 June and specific foreign commitments not yet due. The details of these contracts are as follows:

30 June 2013 **FOREIGN CURRENCY**	Foreign amount (million)	Average exchange rate	Contract value Rm	Fair value Rm
Imports				
US dollar	**2**	**9.604**	**22**	**23**
Euro	**6**	**12.687**	**74**	**76**
Pound sterling	**2**	**15.813**	**34**	**32**
Japanese yen	**1 285**	**10.237**	**125**	**130**
Swedish krona	**10**	**0.672**	**14**	**14**
Australian dollar	**–**	**9.560**	**4**	**4**
			273	**279**

	Australian Dollar	US Dollar	Euro	Pound sterling	Japanese yen	Swedish krone	Rand value
Maturing within one year (million)	**–**	**2**	**6**	**2**	**1 285**	**10**	**273**

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

28 FINANCIAL INSTRUMENTS (continued)

30 June 2012 FOREIGN CURRENCY	Foreign amount (million)	Average exchange rate	Contract value Rm	Fair value Rm
Imports				
US dollar	3	8.252	29	29
Euro	14	10.512	150	150
Pound sterling	3	12.253	37	35
Japanese yen	756	10.364	74	68
Swedish krona	5	0.844	6	6
			296	288
Exports				
Botswana pula	71	0.920	78	79

	BWP	US Dollar	Euro	Pound sterling	Japanese yen	Swedish krone	Rand value
Maturing within one year (million)	71	3	14	3	756	5	218

The group had uncovered foreign currency exposure of R32 million at 30 June 2013 (2012: R98 million) which has been subsequently covered.

The impact of a 1% devaluation of the Rand on the uncovered foreign exposure will have a R1 million (2012: R1 million) impact on after tax profit and vice versa for a 1% appreciation of the Rand.

The sensitivity of profits to changes in exchange rates is a result of foreign exchange gains/losses on translation of foreign denominated trade receivables and financial assets and liabilities at fair value through profit or loss that are offset by equivalent gains/losses in currency derivatives.

The impact of a 1% devaluation of the Rand on foreign entities through the foreign currency translation reserve would be a R8 million (2012: R5 million) impact on equity.

FOREIGN EXCHANGE RATES

The exchange rates used by the group to translate foreign entities' income statements and statements of financial position are as follows:

	30 June 2013 Average	**30 June 2013 Closing**	30 June 2012 Average	30 June 2012 Closing
Currency (1FC=ZAR)				
Pound sterling	**13.861**	**15.075**	12.302	12.840
Botswana Pula	**1.106**	**1.159**	1.067	1.069
Namibian dollar	**1.000**	**1.000**	1.000	1.000
Kenyan Shilling	**0.104**	**0.115**	0.088	0.099
Tanzanian Shillings	**0.006**	**0.006**	0.005	0.005
Nigerian Naira	**0.056**	**0.061**	0.049	0.051
US dollar	**8.842**	**9.926**	7.770	8.186

INTEREST RATE RISK

This is the risk that fluctuations in interest rates may adversely impact on the group's earnings, assets, liabilities and capital.

The group is exposed to interest rate risk as it borrows and places funds at both fixed and floating rates. The risk is managed by matching fixed and floating rate assets and liabilities wherever possible and achieve a repricing profile in line with ALCO directives through the use of interest rate derivatives. The group analyses the impact on profit and loss of defined interest rate shifts taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

The group's treasury, having access to local money markets, provides the subsidiaries with the benefits of bulk financing and depositing. The interest rate profile of total borrowings is reflected in note 16.

The group has entered into interest rate derivative contracts that entitle it to either receive or pay interest at floating rates on notional principal amounts and oblige it to receive or pay interest at fixed rates on the same amounts.

28 FINANCIAL INSTRUMENTS (continued)

The group's remaining periods and notional principal amounts of the outstanding interest rate derivative contracts for which the group has exposure are:

	30 June 2013 Rm	30 June 2012 Rm
Pay fixed receive floating		
Less than one year	**156**	500
One to five years	**250**	406
	406	906
Pay floating receive fixed		
One to five years	**106**	–
Pay floating receive inflation		
One to five years	**270**	270
Fair value of interest rate swaps (net liability)	**97**	31

The impact of a 1% decrease in the interest rate swap curve will have a negative R1 million (2012: R9 million) effect on profit and equity in respect of the interest rate swap.

The impact of a 1% increase in interest rates will have a negative R17 million (2012: R27 million) effect on profit or loss. The majority of this impact relates to contracts with customers where the contract pricing is only reviewed on an annual basis.

CONCENTRATION RISK

This is the risk of a single customer exceeding 5% of total group revenue. There are four (2012: four) customers that contributes 5% or more of group revenue, amounting to R2 617 million (2012: R2 232 million). These all form part of the Contract Mining and Plant rental segment.

CREDIT RISK

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains appropriate collateral to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary boards.

The carrying amount of financial assets represents the maximum credit exposure. None of the financial instruments below were held as collateral for any security provided.

CASH AND CASH EQUIVALENTS

It is group policy to deposit short-term cash with reputable financial institutions with high credit ratings assigned by international credit-rating agencies.

TRADE RECEIVABLES THAT ARE NEITHER PAST OVERDUE NOR IMPAIRED

Trade accounts receivable consist mainly of a large, widespread customer base. Group companies monitor the financial position of their customers on an ongoing basis. Creditworthiness of trade debtors is assessed when credit is first extended and is reviewed regularly thereafter. The granting of credit is controlled by the application of account limits. Where considered appropriate, use is made of credit guarantee insurance.

	30 June 2013 Rm	30 June 2012 Rm
Trade receivables that are neither past overdue nor impaired	**1 027**	986
Based on past experience, the group believes that no significant impairment is necessary in respect of trade receivables not past due as the amount relates to customers that have a good track record with the group, and there has been no objective evidence to the contrary.		
Past due trade receivables not impaired Included in trade receivables are debtors which are past the original expected collection date (past due) at the reporting date and no significant provision has been made as there has not been a change in credit quality and the amounts are still considered recoverable. A summarised age analysis of past due debtors is set out below.		
Past Due		
Less than 1 month	**351**	244
Between 1 – 3 months	**21**	86
	372	330

The overdue debtor ageing profile above is typical of the industries in which certain of our businesses operate.

No significant collateral was held by the Eqstra group as security and other enhancement over the financial assets during the year.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

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	30 June 2013 Rm	30 June 2012 Rm
28 FINANCIAL INSTRUMENTS (continued)		
Trade debtors by industry		
Contract Mining and Plant Rental	**873**	712
Fleet Management and Logistics	**167**	143
Industrial Equipment	**433**	524
	1 473	1 379

Provision for doubtful debts

Before the financial instruments can be impaired, they are evaluated for the possibility of recovery as well as the length of time at which the debt has been long outstanding. Provision is made for bad debts on trade accounts receivable. Management does not consider that there is any material credit risk exposure not already covered by credit guarantee or a bad debt provision. There were no allowances for impairments on long-term receivables or investments in equity instruments at cost during the period under review.

Analysis of provision for doubtful debts

Set out below is a summary of the movement in the provision for doubtful debts for the year:

	30 June 2013 Rm	30 June 2012 Rm
Balance at beginning of the year	**63**	60
Amounts written off during the year	**(9)**	(31)
Net acquisitions at business	**3**	–
Increase in allowance recognised in profit or loss	**17**	34
Balance at end of the year	**74**	63

Concentration of credit risk includes any single debtor that owes the group 5% or more of total trade receivables. Trade receivables amounting to R528 million (2012: R393 million) represent the significant concentration of credit risk.

Other receivables

The credit quality of all derivative financial assets is sound. None are overdue or impaired and the group does not hold any collateral on derivatives. The group's maximum exposure to counterparty credit risk on derivative assets at 30 June 2013 amounted to R105 million (2012: R61 million).

Collateral

The group may require collateral in respect of the credit risk on transactions with a third party. The amount of credit risk is the positive fair value of the contract. Collateral may be in the form of cash or in the form of a lien over a debtors assets, entitling the group to make a claim for current and future liabilities.

The group is not exposed to a situation where a third party may require collateral with respect to the transaction with that third party.

Guarantees

The group did not obtain financial or non-financial assets during the year by taking possession of collateral it holds as security or calling on guarantees.

LIQUIDITY RISK

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

The group manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised borrowings are reflected in note 16. The group aims to have the duration of its debt to exceed the duration of its assets.

Standard payment terms for the majority of trade payables is the end of the month following the month in which the goods are received or services are performed.

To avoid incurring interest on late payments, financial risk management policies and procedures are entrenched to ensure the timeous matching of orders placed with goods received notes or service acceptances and invoices.

28 FINANCIAL INSTRUMENTS (continued)

Maturity profile of contractual cash flows (including interest) of financial instruments are as follows:

	Carrying amount Rm	Contractual cash flows Rm	Less than one year Rm	One to five years Rm
30 June 2013				
Maturity profile of financial instruments				
Financial assets				
Finance lease receivable	87	114	70	44
Other investments and loans	104	104	–	104
Trade receivables	1 399	1 473	1 473	–
Cash and cash equivalents	300	300	300	–
Derivative financial assets	105	105	52	53
	1 995	2 096	1 895	201
Percentage profile		100%	90%	10%
Financial liabilities				
Interest-bearing borrowings	7 597	9 188	2 515	6 673
Trade and other payables	1 608	1 608	1 608	–
Current derivative financial liabilities	2	2	2	–
	9 207	10 798	4 125	6 673
Percentage profile		100%	38%	62%

In assessing the maturity profiles of financial instruments of the group, the available borrowing facilities per Note 16 should be noted.
In addition, the group generate the majority of its cash flow from its leasing assets per Note 6, which is not classified as a financial instrument, and therefore excluded above.

	Carrying amount Rm	Contractual cash flows Rm	Less than one year Rm	One to five years Rm
30 June 2012				
Maturity profile of financial instruments				
Financial assets				
Finance lease receivable	129	156	79	77
Other investments and loans	124	124	–	124
Trade receivables	1 316	1 379	1 379	–
Cash and cash equivalents	610	610	610	–
Derivative financial assets	61	61	27	34
	2 240	2 330	2 095	235
Percentage profile		100%	90%	10%
Financial liabilities				
Interest-bearing borrowings	7 153	8 532	1 761	6 771
Trade and other payables	1 665	1 665	1 665	–
Current derivative financial liabilities	23	23	23	–
	8 841	10 220	3 449	6 771
Percentage profile		100%	34%	66%

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

	30 June 2013		30 June 2012	
	Carrying value Rm	Fair value Rm	Carrying value Rm	Fair value Rm
28 FINANCIAL INSTRUMENTS (continued)				
Fair value of financial instruments				
Financial assets				
Non-derivative financial assets				
Other investments and loans				
– Held-to-maturity	–	–	16	16
– Available-for-sale	104	104	108	108
Trade receivables	1 399	1 399	1 316	1 316
Finance lease receivable	87	87	129	129
Cash and cash equivalents	300	300	610	610
Derivative financial assets				
Derivative instruments	105	105	61	61
Financial liabilities				
Non-derivative financial liabilities				
Interest-bearing borrowings				
– Borrowings at amortised cost	7 597	7 597	7 153	7 153
Trade and other payables				
– Other trade and other payables	1 608	1 608	1 665	1 665
Derivative financial liabilities				
Derivative instruments	2	2	23	23

The directors consider that the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximates their fair value due to the short-term maturities of these assets and liabilities.

The fair values of financial assets represent the market value of quoted investments and other traded instruments. For non-listed investments and other non-traded financial assets fair value is calculated using discounted cash flows with market assumptions, unless carrying value is considered to approximate fair value.

The fair values of financial liabilities is determined by reference to quoted market prices for similar issues, where applicable, otherwise the carrying value approximates to the fair value.

There were no defaults or breaches in terms of interest-bearing borrowings during the year.

There were no reclassifications of financial assets or financial liabilities that occurred during the year. There were no financial assets or liabilities that did not qualify for derecognition during the year.

CAPITAL RISK MANAGEMENT

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal mix of liquidity and low cost of capital and to be able to finance future growth. This is consistent with the prior year.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital includes share capital and borrowings.

	30 June 2013 Rm	30 June 2012 Rm
Total interest bearing borrowings	7 597	7 153
Less: cash and cash equivalents	300	610
Net debt	7 297	6 543
Total equity	3 275	2 980
Total capital	10 572	9 523
Gearing ratio (Debt to total capital) (%)	69.00	68.7
Statement of changes in equity		
Included in the statement of changes in equity are the following adjustments relating to financial instruments:		
Hedge Accounting – cash flow hedges		
Amount recognised in equity	11	12

28 FINANCIAL INSTRUMENTS (continued)

FAIR VALUE HIERARCHY DISCLOSURES

Valuation methodology

The table below shows the group's financial asset and liability that are recognised and subsequently measured at fair value, analysed by valuation technique. The classification is based on the lowest level input that is significant to the fair value measured in its entirety.

30 June 2013	Level 1 Rm	Level 2 Rm	Fair value Rm
Financial assets			
Available-for-sale financial assets			
– Investments	**104**	**–**	**104**
Financial assets designated as fair value through profit and loss			
– Derivative financial assets	**–**	**105**	**105**
Total financial assets	**104**	**105**	**209**
Financial liabilities			
Financial liabilities designated as fair value through profit and loss			
– Derivative financial liabilities	**–**	**2**	**2**
Total financial liabilities	**–**	**2**	**2**
30 June 2012			
Financial assets			
Available-for-sale financial assets			
– Investments	108	–	108
Financial assets designated as fair value through profit and loss			
– Derivative financial assets	–	61	61
– Held-to-maturity	–	16	16
Total financial assets	108	77	185
Financial liabilities			
Financial liabilities designated as fair value through profit and loss			
– Derivative financial liabilities	–	23	23
Total financial liabilities	–	23	23

VALUATION NARRATION DISCLOSURES

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.

An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This category includes highly liquid active listed equities.

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 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.

Equity investments held as assets

The fair value of these investments is determined using appropriate valuation methodologies, which are dependent on the cash flow analysis.

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.

Lereko Mobility call option

Eqstra has a call option to purchase the remainder of the shares held by Lereko Mobility. This was valued with reference to the Eqstra share price.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED

29 RELATED PARTY TRANSACTION

Subsidiaries, the group Pension and Provident Funds and key management are considered to be related parties.

During the year, the company and subsidiaries of Eqstra Holdings Limited, in the ordinary course of business, entered into sale and purchase transactions with related parties.

These transactions occurred under terms that are no less favourable than those arranged with third parties.

Interest of directors in contracts
The directors have confirmed that they were not materially interested in any transaction of any significance with the company or any of Eqstra Holdings Limited subsidiaries. Accordingly, no conflict of interest with regard to directors' interest in contracts exists.

Balances between related parties
There were no significant outstanding balances with related parties.

Remuneration of directors and divisional chief executive officers
The table below provides an analysis of the emoluments for the year ended 30 June 2013.

Name	Salary R000	Bonus R000	Retirement contributions R000	Other benefits* R000	**30 June 2013 R000**	30 June 2012 R000
Executive directors						
E Clarke	2 474	3 212	398	340	**6 424**	5 998
WS Hill	4 190	4 710	670	372	**9 942**	8 579
JL Serfontein	1 887	2 210	299	269	**4 665**	4 057
	8 551	10 132	1 367	981	**21 031**	18 634
Divisional chief executive officers						
JV Carr	2 282	1 399	362	287	**4 330**	4 866
GD Neubert	2 042	2 623	324	257	**5 246**	4 164
	4 324	4 022	686	544	**9 576**	9 030

** Other benefits include car allowance or company car and medical aid costs.*

Name	Retainer R000	Board meetings R000	Committee fees R000	**30 June 2013 R000**	30 June 2012 R000
Non-executive directors					
DC Cronje	–	–	–	**–**	349
MJ Croucamp	142	68	249	**459**	444
S Dakile-Hlongwane	142	68	92	**302**	290
GG Gelink	91	52	25	**168**	–
NP Mageza	779	–	–	**779**	460
VJ Mokoena	142	68	71	**281**	252
SD Mthembi-Mahanyele	142	51	108	**301**	282
AJ Phillips	142	68	167	**377**	351
TDA Ross	142	68	262	**472**	455
	1 722	443	974	**3 139**	2 883

29 RELATED PARTY TRANSACTION (continued)

Key management personnel

Key management personnel are directors and those executives having authority and responsibility for planning, directing and controlling the activities of the company.

The company has many different operations, retail outlets and service centres where the company staff may be transacting. Often these transactions are minor and are difficult to monitor. Key management have to report any transactions with the company in excess of R100 000. The total value of goods and services purchased from key management on an arms length basis amounted to R6.9 million (2012: R5 million).

Group key management personnel remuneration comprises:

	30 June 2013 Rm	30 June 2012 Rm
Short-term employee benefits	**76**	81
Long-term employee benefits	**7**	5
Share-based payment expense (reversal)	**8**	(21)
	91	65
Number of key management personnel	**47**	50

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT

	Notes	**30 June 2013 R000**	30 June 2012 R000
ASSETS			
Non-current assets			
Investments and loans	2	**2 534 536**	2 524 502
Current asset			
Cash and cash equivalents		**27**	1
Total assets		**2 534 563**	2 524 503
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	3	**2 417 962**	2 530 933
Other reserves		**89 106**	63 393
Retained earnings (accumulated loss)		**27 297**	(78 008)
Total shareholders' equity		**2 534 365**	2 516 318
Non current liabilities			
Deferred tax liabilities	4	**–**	548
Current liabilities		**198**	7 637
Other payables		**154**	7 637
Bank overdraft		**44**	–
Total equity and liabilities		**2 534 563**	2 524 503

COMPANY INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED

	30 June 2013 R000	30 June 2012 R000
Dividends received	**210 112**	190 017
Other operating income	**152**	–
Other operating costs	**(21)**	(7)
Operating profit	**210 243**	190 010
Finance income	**5 117**	11 866
(Impairment) reversal of impairment of investment in and loans to subsidiaries	**(13 066)**	140 679
Profit before taxation	**202 294**	342 555
Income tax expense	**–**	(15 749)
Profit for the year	**202 294**	326 806
Other comprehensive income	**51 889**	34 392
Fair value and translation gains on financial instruments and equity loans	**51 341**	34 940
Deferred taxation related to comprehensive income	**548**	(548)
Comprehensive income for the year	**254 183**	361 198

	%	%
Taxation rate reconciliation		
Statutory tax rate	**28**	28
Exempt income/non-deductible expenses	**(28)**	(28)
Secondary taxation on companies	**–**	5
Effective tax rate	**–**	5

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED

	Note	30 June 2013 R000	30 June 2012 R000
Cash flows from operating activities			
Cash generated by operations	5	**(7 352)**	(7)
Finance income		**5 117**	11 866
Taxation paid	5	**–**	(15 760)
		(2 235)	(3 901)
Cash flows from investing activities			
Increase (decrease) in investments and loans		**23 120**	(191 689)
Dividends received		**210 112**	231 017
		233 232	39 328
Cash flows from financing activities			
Repurchase of ordinary shares		**(112 971)**	–
Repurchase of "A" deferred shares		**–**	(66 236)
Dividends paid		**(118 044)**	(107 167)
		(231 015)	(173 403)
Net movement in cash and cash equivalents		**(18)**	(137 976)
Cash and cash equivalents at beginning of year		**1**	137 977
Cash and cash equivalents at end of year		**(17)**	1

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED

	Stated capital R000	Other reserves R000	Accumulated comprehensive (loss) income R000	Total R000
Balance at 30 June 2011	2 597 169	28 118	(297 647)	2 327 640
Revaluation of Lereko call option	–	883	–	883
Dividend declared and paid	–	–	(107 167)	(107 167)
Repurchase of deferred "A" ordinary shares	(66 236)	–	–	(66 236)
Comprehensive income for the year	–	34 392	326 806	361 198
Balance at 30 June 2012	**2 530 933**	**63 393**	**(78 008)**	**2 516 318**
Devaluation of Lereko call option	**–**	**(5 121)**	**–**	**(5 121)**
Dividend declared and paid	**–**	**–**	**(118 044)**	**(118 044)**
Repurchase of ordinary shares	**(112 971)**	**–**	**–**	**(112 971)**
Realisation of currency translation reserve	**–**	**(21 055)**	**21 055**	**–**
Comprehensive income for the year	**–**	**51 889**	**202 294**	**254 183**
Balance at 30 June 2013	**2 417 962**	**89 106**	**27 297**	**2 534 365**

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2013

		30 June 2013 R000	30 June 2012 R000
1	**ACCOUNTING POLICIES**		
	Please refer to notes 1, 2 and 3 of the group annual financial statements.		
2	**INVESTMENTS AND LOANS**		
	Investments		
	Investments in subsidiaries	1 914 056	1 887 374
	Provisions for losses in subsidiaries	(82 864)	(47 887)
		1 831 192	1 839 487
	Other unlisted and listed investments at directors' valuation	110 141	106 256
	Impairment of other instruments	(10 964)	–
		1 930 369	1 945 743
	Included in the above:		
	Available for sale financial asset	99 177	106 256
	Loans		
	Group loans	911 965	919 432
	Impairment of group loans	(307 798)	(340 673)
		604 167	578 759
	Total investments and loans	2 534 536	2 524 502
	Maturity analysis		
	Maturing after five years	911 965	919 432
	The impairments of investments and loans due to subsidiaries consist of impairments that have been provided for as a result of losses incurred in certain subsidiaries.		
3	**STATED CAPITAL**		
	Authorised share capital		
	500 000 000 (2012: 500 000 000) ordinary shares with no par value		
	Nil (2012: 20 000 000) "B" deferred ordinary shares		
	Stated capital		
	411 367 941 (2012: 428 668 392) ordinary shares with no par value	2 417 962	2 530 933
	Refer to note 14 of the consolidated financial statements for details on share classes, movements in stated capital, number of shares in issue, and equity compensation benefits.		
4	**DEFERRED TAX LIABILITIES**		
	Balance at beginning of year	548	–
	Accounted for in statement of comprehensive income	(548)	548
	Balance at end of year	–	548
	Deferred tax relates to the revaluation of investments above the tax base costs		

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEARS ENDED 30 JUNE 2013

	30 June 2013 R000	30 June 2012 R000
5 NOTES TO THE STATEMENT OF CASH FLOWS		
Cash generated by operations		
Profit before taxation	**202 294**	342 555
Impairment (reversal of impairment) of investment in and loans to subsidiaries	**13 066**	(140 679)
Dividends received	**(210 112)**	(190 017)
Finance income	**(5 117)**	(11 866)
Cash flow before working capital movements	**131**	(7)
Working capital movements:		
– Decrease in other payables	**(7 483)**	–
Cash generated by operations	**(7 352)**	(7)
Taxation paid		
Balance at beginning of year	**–**	11
Taxation charge	**–**	15 749
Balance at end of year	**–**	–
	–	15 760

6 FINANCIAL INSTRUMENTS

Financial risk factors

Please refer to note 28 of the group annual financial statements for a description of the financial risks of the company.

	Carrying amount R000	Contractual cash flow R000	Less than one year R000	One to five years R000
MATURITY PROFILE OF FINANCIAL INSTRUMENTS				
30 June 2013				
Financial assets				
Loans	**604 167**	**911 965**	**–**	**911 965**
Available-for-sale financial asset	**99 177**	**99 177**	**–**	**99 177**
Cash and cash equivalents	**27**	**27**	**27**	**–**
	703 371	**1 011 169**	**27**	**1 011 142**
Percentage profile		**100%**	**0%**	**100%**
Financial liabilities				
Trade and other payables	**154**	**154**	**154**	**–**
Bank overdraft	**44**	**44**	**44**	**–**
	198	**198**	**198**	**–**
Percentage profile		**100%**	**100%**	**0%**
30 June 2012				
Financial assets				
Loans	578 759	919 432	–	919 432
Available for sale financial asset	106 256	106 256	–	106 256
Cash and cash equivalents	1	1	1	–
	685 016	1 025 689	1	1 025 688
Percentage profile		100%	0%	100%
Financial liabilities				
Trade and other payables	7 637	7 637	7 637	–
Percentage profile		100%	100%	0%

	30 June 2013		30 June 2012	
	Carrying value R000	**Fair value R000**	Carrying value R000	Fair value R000
FAIR VALUE OF FINANCIAL INSTRUMENTS				
Financial assets				
Non-derivative financial assets				
Other investments and loans				
– Classified as held to maturity	**604 167**	**604 167**	578 759	578 759
– Available-for-sale (Level 1: determined with reference to quoted market prices)	**99 177**	**99 177**	106 256	106 256
– Cash and cash equivalents	**27**	**27**	1	1
Financial liabilities				
Non-derivative financial liabilities				
– Trade and other payables	**154**	**154**	7 637	7 637
– Bank overdraft	**44**	**44**	–	–

The directors consider that the carrying amounts of cash and cash equivalents and trade and other payables approximates their fair value due to the short-term maturities of these assets and liabilities.

The carrying values of other financial assets and liabilities approximate fair value.

ANNEXURE A – INTEREST IN PRINCIPAL SUBSIDIARIES

FOR THE YEARS ENDED

The following relates to Eqstra Holdings Limited's direct interest in its significant subsidiaries:

					Book value of interest			
					Shares		Indebtedness	
Company	Nature of business	Place of Incorporation	Interest owned directly or indirectly	Ordinary shares in issue	**30 June 2013 R000**	30 June 2012 R000	**30 June 2012 R000**	30 June 2012 R000
MCC Contracts (Pty) Ltd	Contract mining	South Africa	100%	1 001	**739 527**	739 527	**43 700**	–
Mutual Construction Company (Transvaal) (Pty) Ltd	Equipment hire	South Africa	100%	1 000	**115 318**	115 318	**23 000**	–
Explotech Marketing Services (Pty) Ltd	Explosives	South Africa	100%	1 000	**78 332**	78 332	**–**	–
Eqstra NH Equipment (Pty) Ltd	Importer and distributor	South Africa	100%	5	**50 000**	50 000	**308 322**	348 322
– Provision for losses in subsidiary					**–**	–	**(270 295)**	(263 162)
Eqstra TA Equipment (Pty) Ltd	Importer and distributor	South Africa	100%	277 000	**63 846**	63 846	**119 827**	119 827
– Provision for losses in subsidiary					**–**	–	**(1 823)**	(42 850)
Eqstra Corporation (Pty) Ltd	Fleet management and Logistics	South Africa	100%	600 000	**548 874**	548 874	**118 711**	46 117
– Provision for losses in subsidiary#					**(52 620)**	–	**–**	–
Impact Fork Trucks Limited	Distributor of forklifts	United Kingdom	100%	6 351 002	**114 437**	114 437	**–**	–
– Provision for losses in subsidiary					**(13 403)**	(35 044)	**–**	–
Saficon Industrial Equipment (Pty) Ltd	Distributor of forklifts	South Africa	100%	2 394 000	**29 788**	29 788	**–**	–
Other interests					**173 934**	147 252	**298 405**	405 166
Provision for losses in subsidiaries					**(16 841)**	(12 843)	**(35 680)**	(34 661)
					1 831 192	1 839 487	**604 167**	578 759

	30 June 2013 R000	30 June 2012 R000"
RESULTS OF SUBSIDIARIES		
The aggregate profits and losses of subsidiaries after taxation attributable to the company are:		
– Profits	**430 157**	536 424
– Losses	**(39 899)**	(41 653)

Note that current year losses represents payout of dividends from pre-acquisition earnings.

ANNEXURE B – SHAREHOLDER PROFILES

	Number of shares
Issued ordinary shares at 30 June 2012	428 668 392
Ordinary shares repurchased and cancelled	(17 300 451)
Issued ordinary shares at 30 June 2013	411 367 941
Shares held in treasury by subsidiary company	(8 930 581)
Shares consolidated resulting effective control	(8 272 000)
	394 165 360

Public/non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders	14	0.4	75 404 889	18.3
Directors, prescribed officers and managers of the group	13	0.4	15 395 038	3.7
Beneficial shareholders holding more than 10%	1	0.0	60 009 851	14.6
Public shareholders	2 994	99.6	335 963 052	81.7
	3 008	100.0	411 367 941	100.0
Shareholder spread				
1 – 1 000 shares	1 354	45.0	446 330	0.1
1 001 – 10 000 shares	1 083	36.0	3 779 800	0.9
10 001 – 100 000 shares	297	9.9	9 869 983	2.4
100 001 – 1 000 000 shares	192	6.4	66 594 472	16.2
1 000 001 shares and above	82	2.7	330 677 356	80.4
	3 008	100.0	411 367 941	100.0
Beneficial shareholders holding 4% or more				
Government Employees Pension Fund			60 009 851	14.6
Old Mutual Group			34 134 018	8.3
Coronation Fund Managers			33 588 216	8.2
PSG Investments			20 671 187	5.0
Investment Solutions			20 517 578	5.0
Metal Industries Benefit Funds			16 773 620	4.1
Fund managers holding 4% or more				
Coronation Fund Managers			120 401 608	29.3
Investec Asset Management			53 479 295	13.0
Public Investment Corporation			51 812 762	12.6
Old Mutual Investment Group			36 421 107	8.9
Regarding Capital Management			28 761 147	7.0
PSG Alphen Asset Management			20 874 152	5.1
Geographical spread				
South Africa			396 920 648	96.5
Foreign			14 447 293	3.5
			411 367 941	100.0
Shareholder type				
Collective investment schemes			161 110 582	39.2
Retirement benefit funds			103 946 559	25.3
Organs of state			60 009 851	14.6
Assurance companies			28 532 925	6.9
Private companies			28 405 763	6.9
Other			29 362 261	7.1
			411 367 941	100.0

During the year Eqstra cancelled the authorised "B" deferred ordinary shares. No shares were in issue.

ANNEXURE B – SHAREHOLDER PROFILES (continued)

	Number of shares	%
B-BBEE shareholding		
Nozala MCC (Proprietary) Limited	8 272 000	2.0
Lereko Mobility (Proprietary) Limited	5 864 944	1.4
Total B-BBEE shares as % of total shares in issue	14 136 944	3.4

Ms S Dakile-Hlongwane is a non-executive director of Eqstra and a 7.7% shareholder and director of Nozala, which owns 2.0% of the ordinary issued share capital of Eqstra.

DIRECTORS' ORDINARY SHAREHOLDING

	Direct beneficial shareholding	Indirect beneficial shareholding	% shareholding
Opening balance 2012	**1 074 188**	**636 944**	**0.3**
WS Hill	939 188	–	0.1
E Clarke	102 000	–	0.0
JL Serfontein	33 000	–	0.0
S Dakile-Hlongwane	–	636 944	0.2
Movements during the year	1 200 000		
Closing balance 2013	**2 274 188**	**636 944**	**0.7**
WS Hill	2 074 188	–	0.5
E Clarke	130 000	–	0.0
JL Serfontein	70 000	–	0.0
S Dakile-Hlongwane	–	636 944	0.2

There were no changes to the directors' interest in shares subsequent to the financial year end and the date of the annual financial statements.

SHAREHOLDERS' INFORMATION

LISTING AND OTHER INFORMATION

The principal market for Eqstra is the JSE Limited, with shares traded through the STRATE system. Closing JSE share prices are published in most national and regional South African newspapers under the General Industries sector. The share prices are also available during the day on the Eqstra website, as well as other websites such as Reuters, Moneyweb and Sharedata Online.

Eqstra has an over-the-counter sponsored American depositary receipt (ADR) facility with the Bank of New York (BoNY) under a deposit agreement. (Refer to the BoNY website www.adrbny.com for further information.)

ADR holders may instruct BoNY on how shares represented by their ADRs should be voted. Registered ADR holders' annual and interim reports will be mailed to their registered address. Brokers and financial institutions are responsible for forwarding shareholders' information to their clients and are provided with copies of reports for this purpose.

SHAREHOLDER COMMUNICATION

Shareholder can obtain updated announcements and general information regarding Eqstra throughout the year on Eqstra's website: www.eqstra.co.za.

Shareholders wishing to view the annual or interim reports in electronic rather that paper form can access it on the Eqstra website.

Computershare is the transfer secretaries for Eqstra. All general enquiries and correspondence concerning shareholders (other than shares held in ADR form) should be directed to the secretaries. Shareholders must notify Computershare promptly of any change of address. (Contact details are on the inside back cover of this report.)

All queries concerning shares held in ADR form should be directed to BoNY.

Full details of how shareholders can obtain information regarding their own shareholding on the internet are provided on the Computershare website: www.computershare.com

Stock exchange performance	**30 June 2013**	30 June 2012
Number of shares in issue	**411 367 941**	428 668 392
Number of shares traded	**139 883 519**	135 101 253
Value of shares traded (R)	**885 095 264**	1 001 225 000
Market price (cents per share)		
Closing price at 30 June	**607**	695
Highest closing market price	**630**	834
Lowest closing market price	**607**	640

NOTICE OF ANNUAL GENERAL MEETING

EQSTRA HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 1998/011672/06
JSE share code: EQS
ISIN: ZAE000117123
("Eqstra" or "company")

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

This document is important and requires your immediate attention.

If you are in any doubt about what action you should take, consult your broker, Central Securities Depositary Participant (CSDP), banker, financial adviser, accountant or other professional adviser.

If you have disposed of all your shares in Eqstra, please forward this document together with the enclosed form of proxy to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

REGISTERED AND CORPORATE OFFICE

61 Maple Street, Pomona, Kempton Park (PO Box 1050, Bedfordview, 2008), South Africa.

Included in this document are the following:

- The notice of annual general meeting setting out the resolutions to be proposed at the meeting, together with explanatory notes. There are also guidance notes if you wish to attend the meeting or to vote by proxy.
- A proxy form for completion, signature and submission to the share registrars by shareholders holding Eqstra ordinary shares in certificated form or recorded in sub-registered electronic form in "own name".

NOTICE

Notice is hereby given of the fourth annual general meeting ("the meeting") of the members of the company to be held in the Eqstra Meeting Room, 61 Maple Street, Pomona, Kempton Park, Johannesburg, South Africa on Friday 22 November 2013 at 09:00 or any adjournment/postponement thereof, to conduct the following business and, if deemed fit, to pass, with or without modification, the resolutions contained herein.

The minutes of the annual general meeting held on 13 November 2012 will be available for inspection at the registered office of the company until 16:00 on Thursday, 21 November 2013 and up to 30 minutes immediately preceding the meeting.

RECORD DATES

The board of directors has, in terms of section 59(1)(a) of the Companies Act, set the record date, for the purpose of determining which shareholders of the company are entitled to receive notice of the annual general meeting as Friday, 13 September 2013, and has, in terms of section 59(1)(b) of the Companies Act, set the record date, for purposes of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting, as Friday, 15 November 2013. Accordingly, the last day to trade in order to be registered in the register of members of the company and therefore eligible to participate in and vote at the annual general meeting is Friday, 8 November 2013.

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING

USE OF DIAL-IN FACILITIES

Shareholders or their proxies may participate in the meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary (by email at lmoller@eqstra.co.za by no later than 16:00 on Thursday 21 November 2013 to obtain a pin number and dial-in details for the conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

1. ADOPTION OF AUDITED ANNUAL FINANCIAL STATEMENTS

To receive and consider the audited consolidated annual financial statements for the year ended 30 June 2013.

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT the audited consolidated group and separate company annual financial statements of the company and its subsidiaries, together with the reports of the auditors, audit committee and directors' for the year ended 30 June 2013, be and are hereby received and adopted."

2. RE-ELECTION OF DIRECTORS

To re-elect by way of separate resolutions:

Mr AJ Phillips, Mrs SD Mthembi-Manahnyele retire by rotation in terms of Article 23.3 of the Memorandum of Incorporation (MOI) of the company. These directors, who are eligible and available, have offered themselves for re-election. Brief CVs of each director standing for re-election are set out on pages 8 to 9 of the integrated report.

2.1 Ordinary resolution number 2

"RESOLVED THAT AJ Phillips, be and is hereby re-elected as a director of the company."

2.2 Ordinary resolution number 3

"RESOLVED THAT SD Mthembi-Mahanyele be and is hereby re-elected as a director of the company."

NOTICE OF ANNUAL GENERAL MEETING (continued)

3. ELECTION OF DIRECTOR

To elect Mr GG Gelink in terms of Article 23.2 of the Memorandum of Incorporation (MOI) of the company. These directors, who are eligible and available, have offered themselves for re-election. Brief CVs of the director standing for re-election is set out on page 8 of the integrated report.

3.1 Ordinary resolution 4

"RESOLVED THAT GG Gelink be and is hereby elected as a director of the company."

3.2 Ordinary resolution 5 – Re-appointment of Deloitte & Touche as auditors of the company

"RESOLVED THAT Deloitte & Touche be and are hereby re-appointed as the independent external auditors of the company to hold office until the conclusion of the next annual general meeting."

It is noted that the individual registered auditor who will undertake the audit during the financial year ending 30 June 2014 is Mr JM Bierman.

4. APPOINTMENT OF THE MEMBERS OF THE AUDIT COMMITTEE

To re-elect, by way of separate resolutions, the following independent non-executive directors, as members of the company's audit committee. These directors, who are eligible and available, have offered themselves for re-election. Their brief CVs are set out on pages 8 to 9 of the integrated report:

4.1 Ordinary resolution number 6

"RESOLVED THAT Mr TDA Ross be and is hereby re-elected as a member of the company's audit committee."

4.2 Ordinary resolution number 7

"RESOLVED THAT Mr AJ Phillips be and is hereby re-elected as a member of the company's audit committee, subject to his re-election as a director pursuant to ordinary resolution 2."

4.3 Ordinary resolution number 8

"RESOLVED THAT Mr MJ Croucamp be and is hereby re-elected as a member of the company's audit committee."

4.4 Ordinary resolution number 9

"RESOLVED THAT Mrs SD Mthembi-Mahanyele be and is hereby re-elected as a member of the company's audit committee, subject to his re-election as a director pursuant to ordinary resolution 3."

5. APPROVAL OF THE REMUNERATION POLICY

To consider and approve the remuneration policy, as contained in the remuneration report for the year ended 30 June 2013 (as set out on pages 42 to 49 of the integrated report).

Non-binding advisory resolution number 10

"RESOLVED THAT the remuneration policy for the year ended 30 June 2013 be and is hereby approved by way of a non-binding advisory vote, as recommended in the King Code of Governance for South Africa 2009, commonly referred to as King III."

6. SPECIAL BUSINESS

6.1 Special resolution number 1 – Increase of non-executive directors' fees

"RESOLVED THAT in terms of article 25.1 of the company's MOI, the fees payable to the chairman and to other non-executive directors for their services to the board, audit and other committees of the board be revised, with effect from 1 January 2014, as follows:

Board annual retainers

Board annual retainers will be payable in proportion to the period during which the offices of directors and chairman have been held during the year.

- Non-executive chairman – increase from R805 700 to R860 500
- Non-executive directors – increase from R147 200 to R157 200
- Lead independent director – R250 000

Fees per board meeting

Except for the chairman of the board, each non-executive director will be entitled to an allowance for each board meeting attended by such director.

- Non-executive chairman – no additional fees
- Non-executive directors – increase from R17 700 to R18 700

The reason for proposing special resolution number 1 is to ensure that the remuneration of non-executive directors remains competitive to enable the company to attract and retain persons of the calibre required to make meaningful contributions to the company. The increases proposed are in line with the prevailing rate of inflation as well as increases paid to employees. A recent benchmarking exercise has indicated that the current levels of non-executive directors' fees remain within the medium quartile of the comparator group. The requirement of competing in the market and compliance with increasingly onerous and complex governance and regulatory requirements requires a proactive strategy to attract and retain non-executive directors of good standing.

In arriving at the proposals set out in special resolution number 1, the chief executive, in consultation with the chairman, the nomination and remuneration committee and human resources of the company, directed by a review of non-executive director fees for comparable South African companies. The board, having taken due consideration of the review, recommends that the remuneration for the chairman and non-executive directors, as detailed above, be approved by shareholders.

As the directors' remuneration has remained unchanged since the previous annual general meeting, the proposed revised remuneration structure set out in special resolution number 1 is considered to be fair and reasonable and in the best interests of the company.

Executive directors do not receive board meeting fees.

6.2 Special resolution number 2 – Increase of non-executive directors' committee fees

"RESOLVED THAT in terms of article 25.1 of the company's MOI, the fees payable to non-executive directors for their services as committee members be revised with effect from 1 January 2014 as follows:

Fees per board committee meeting

Audit committee

- Non-executive chairman – increase from R32 200 to R34 400
- Non-executive directors – increase from R16 100 to R17 200

Remuneration committee and nominations committee

- Non-executive chairman – R23 500 to R25 100
- Non-executive directors – increase from R12 800 to R13 670

Asset and liability committee

- Non-executive directors – increase from R12 800 to R13 670

Risk committee

- Non-executive chairman – increase from R23 500 to R25 100
- Non-executive directors – increase from R11 800 to R12 600

Social and ethics committee

- Non-executive chairman – increase from R23 500 to R25 100
- Non-executive directors – increase from R11 800 to R12 600

Divisional board

- Non-executive directors – increase from R11 800 to R12 600

Divisional audit committee

- Non-executive chairman – increase from R17 700 to R18 900

The reason for proposing special resolution number 2 is the same as that for proposing special resolution number 1.

Executive directors do not receive board committee meeting fees.

6.3 Special resolution number 3 – General authority to repurchase shares in the company

RESOLVED THAT that the board of directors of the company is hereby authorised, by way of a renewable general authority, to approve the purchase of its own ordinary shares by the company, or to approve the purchase of ordinary shares in the company by any subsidiary of the company, upon such terms and condition and in such amounts as the directors of the company may from time to time determine, but subject to the MOI, provisions of the Act and the JSE Listings Requirements, when applicable and provided that:

- the general repurchase of ordinary shares in the aggregate do not exceed 5% (five per cent) of the company's issued ordinary share capital as at the beginning of the financial year;
- the general repurchase of securities will be effected through the order book operated by the JSE Limited trading system and done without any prior understanding or arrangement between the company and the counter party (reported trades are prohibited);
- this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- general repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the 5 (five) business days immediately preceding the date on which the transaction is affected. The JSE Limited should be consulted for a ruling if the applicant's securities have not traded in the 5 day business day period;
- at any point in time, a company may only appoint one agent to effect any repurchases on the company's behalf;
- a resolution has been passed by the board of directors confirming that the board has authorised the general repurchase, that the company passed the solvency and liquidity test and that since the test was done there were no material changes to the financial position of the group;
- any such general repurchases are subject to exchange control regulations and approval at that point in time;
- the number of shares purchased and held by a subsidiary or subsidiaries of the company shall not exceed 10% in aggregate of the number of issued shares in the company at the relevant times;
- the company or its subsidiary may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements unless they have

NOTICE OF ANNUAL GENERAL MEETING (continued)

in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period; and

» when the company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, that an announcement will be made.

The directors undertake that the company will not commence a general repurchase of shares as contemplated above unless the following can be met:

» the company and the group will be able to repay its debts in the ordinary course of business for a period of 12 months following the date of the general repurchase;

» the company and the group's assets will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Act;

» the share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months following the date of the general repurchase;

» the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months following the date of the general repurchase; and

» upon entering the market to proceed with the general repurchase, the company's sponsor has confirmed the adequacy of the company's and the group's working capital for the purposes of undertaking a general repurchase of shares, in writing to the JSE.

Reason and effect

The reason and effect for special resolution 3 is to authorise the company and/or its subsidiary company by way of a general authority to acquire its own issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the company subject to the limitations set out above and in compliance with Section 48 of the Act.

Statement of board's intention

The board has considered the impact of a repurchase of up to 5% (five percent) of the company's shares, being within the maximum permissible under a general authority in terms of the JSE Listings Requirements. Should the opportunity arise and should the directors deem it in all respects to be advantageous to the company to repurchase such shares, it is deemed appropriate that the company or a subsidiary be authorised to repurchase the company's shares.

OTHER DISCLOSURE IN TERMS OF THE JSE LISTINGS REQUIREMENTS

The JSE Listings Requirements require the following disclosure. This information is provided elsewhere in the integrated annual report of which this notice forms part as set out below:

» Directors and management – pages 8 to 9;
» Major shareholders of the company – page 127;
» Directors' interests in securities – page 128; and
» Share capital of the company – page 98.

LITIGATION STATEMENT

In terms of section 11.26 of the Listings Requirements of the JSE, the directors confirm that they are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past (representing at least the previous 12 months), a material impact on the group's financial position. The directors' names are provided on pages 8 to 9 of the integrated report of which this notice forms part.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on pages 8 to 9 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this resolution. They certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading. They confirm that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the JSE Listings Requirements.

NO MATERIAL CHANGES TO REPORT

Other than certain facts and developments reported on in the integrated annual report, there have been no material changes in the financial position of the company and its subsidiaries since the date of signature of the audit report and the date of this notice.

VOTING, ATTENDANCE AND PROXIES

Ordinary shareholders may appoint a proxy to attend, speak and vote on their behalf. A proxy need not be a shareholder of the company.

Kindly note that, meeting participants (including a proxy or proxies) are required in terms of section 63(1) of the Act to provide reasonably satisfactory identification before being entitled to attend or participate in the annual general meeting. Forms of identification include a green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport.

In accordance with the company's MOI, voting shall be by ballot only. Special resolutions to be adopted at this meeting require approval from 75% of the shares represented in person or by proxy at this meeting. Ordinary resolutions to be adopted only require approval from a majority, which is more than 50% of the shares represented in person or by proxy at this meeting.

Shareholders holding dematerialised shares not in their own name must furnish their Central Securities Depository Participant ('CSDP') or broker with their instructions for voting at the annual general meeting. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in accordance with your mandate furnished to it. If the mandate is silent in this regard, he/she will be required to complete the form of proxy enclosed.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut off time stipulated therein that you wish to attend the annual general meeting or send a proxy to represent you at this annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy.

If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of representation to you. Shareholders holding dematerialised shares and who are unable to attend the annual general meeting and wish to be represented, must complete the form of proxy enclosed in accordance with the instructions therein and lodge it with or mail it to the transfer secretaries.

The form of proxy (which is enclosed) should be forwarded to reach the transfer secretaries, Computershare Investor Services (Pty) Limited, by no later than 9:00 on Wednesday 20 November 2013. Any forms of proxy not received by this time must be handed to the chairperson of the meeting immediately prior to the meeting. The completion of a form of proxy does not preclude any shareholder registered by the record date from attending the annual general meeting.

Equity securities held by a share trust or scheme, and unlisted securities will not have their votes taken into account at the annual general meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

By order of the board

L Möller
Group company secretary
3 September 2013

CORPORATE INFORMATION

NAME AND REGISTRATION NUMBER

Eqstra Holdings Limited
1998/011672/06

REGISTERED OFFICE AND BUSINESS ADDRESS

61 Maple Street, Pomona, Kempton Park, 1619
PO Box 1050, Bedfordview, 2008
Tel: +27 11 966 2000
Fax: +27 86 532 2967

SPONSOR

Rand Merchant Bank (A division of FirstRand Bank Limited)
1 Merchant Place, Corner Rivonia Road and Fredman Drive, Sandton, 2146
PO Box 786273, Sandton, 2146

EXTERNAL AUDITORS

Deloitte & Touche
Buildings 1 and 2, Deloitte Place
The Woodlands, Woodlands Drive, Woodmead, 2196
Private Bag X6, Gallo Manor, 2052
Tel: +27 11 806 5000

TRANSFER SECRETARIES

Computershare Investor Services (Proprietary) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Tel: +27 11 370 5000

DATE OF INCORPORATION

19 June 1998

DATE OF LISTING

12 May 2008

JSE LIMITED INFORMATION

Ordinary share code: EQS
ISIN: ZAE000117123

TIP-OFFS ETHICS LINE

Free call: +27 800 212677
Free fax: +27 800 007788
E-mail: eqstra@tip-offs.com

EXECUTIVE DIRECTORS

E Clarke
WS Hill
JL Serfontein

NON-EXECUTIVE DIRECTORS

NP Mageza* (chairperson)
MJ Croucamp*
S Dakile-Hlongwane
GG Gelink*
VJ Mokoena*
SD Mthembi-Mahanyele*
AJ Phillips*
TDA Ross*

** Independent*

EXECUTIVE COMMITTEE

GE Bantam
JV Carr
E Clarke
DV Haripal
WS Hill (chairperson)
GD Neubert
JL Serfontein

ASSET AND LIABILITY COMMITTEE

GG Gelink
MJ Croucamp
WS Hill (chairperson)
NP Mageza
JL Serfontein

AUDIT COMMITTEE

MJ Croucamp
SD Mthembi-Mahanyele
AJ Phillips
TDA Ross (chairperson)

REMUNERATION COMMITTEE

NP Mageza
VJ Mokoena
AJ Phillips (chairperson)

NOMINATION COMMITTEE

NP Mageza (chairperson)
VJ Mokoena
AJ Phillips

RISK COMMITTEE

S Dakile-Hlongwane
WS Hill
VJ Mokoena
AJ Phillips (chairperson)
TDA Ross
JL Serfontein

SOCIAL AND ETHICS COMMITTEE

S Dakile-Hlongwane
SD Mthembi-Mahanyele (chairperson)
WS Hill
MB Price

COMPANY SECRETARY

L Möller

WEBSITE

www.eqstra.co.za

SHAREHOLDERS' DIARY

AS AT 30 JUNE

Financial year end	30 June
Annual general meeting	22 November 2013
Reports and financial statements	Published
Interim results	March
Annual report	September

ANNUAL GENERAL MEETING

The next annual general meeting of the shareholders of the company will be held in the Eqstra Meeting Room, 61 Maple Street, Pomona, Kempton Park, on Friday 22 November 2013 at 09:00.

EQSTRA HOLDINGS LIMITED

www.eqstra.co.za