EQSTRA
HOLDINGS LIMITED

Annual Report 2009

EQSTRA HOLDINGS LIMITED

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Vision

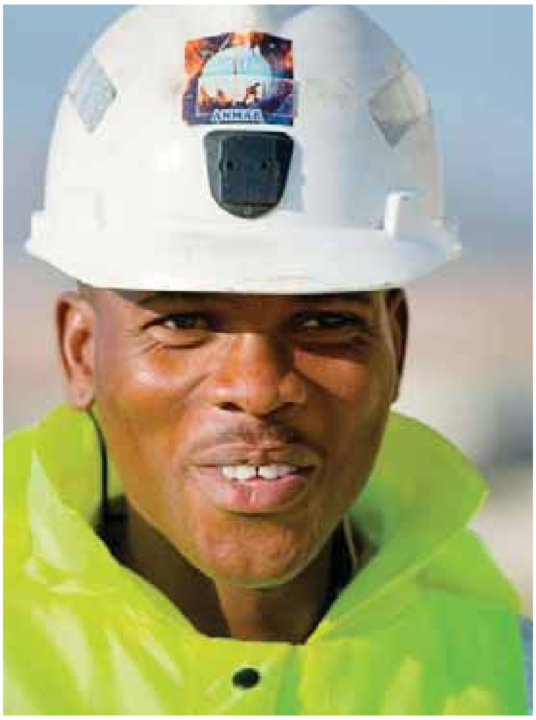
To be recognised as a leading Equipment Distribution, Leasing, Fleet Management, Materials Handling & Contract Mining Company with committed and loyal customers and to expand our entrepreneurial footprint though selective diversification and acquisitions.

Mission

To provide focused distribution, leasing, materials management and contract mining solutions by excelling in customer service, product innovation, staff development, empowerment and continually exceeding shareholder expectations.

Who we are

Eqstra is an integrated capital equipment and leasing provider with value-added services in Construction and Mining, Passenger and Commercial Vehicles and Industrial Equipment in South Africa, Africa and the United Kingdom.



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AGM

About Eqstra
Pro-forma
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AGM

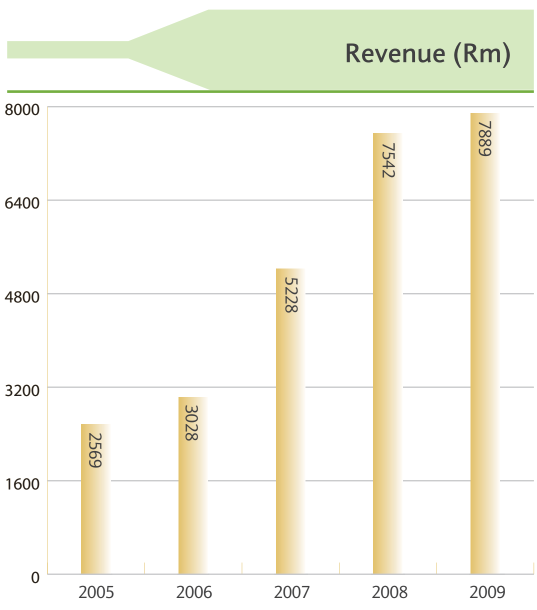
We are integrated

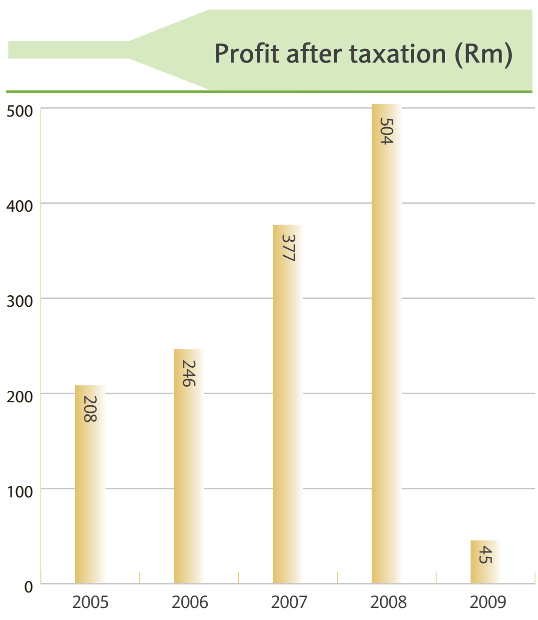
Profile

Salient features

	30 June 2009 Rm	30 June 2008 Rm	% change
Revenue	7 889	7 542	4,6
EBITDA	2 477	2 412	2,7
Operating margin (%)	12,0	16,4	(26,8)
Cash generated by operations	2 096	1 761	19,0
Headline earnings per share	12,0	158,7	(92,4)

How are we doing?





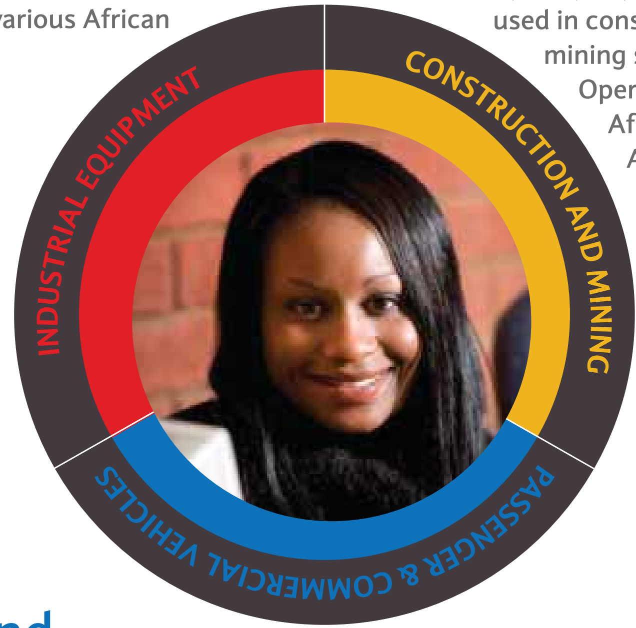
Corporate overview

Industrial Equipment

- Distribution, leasing, rental and value added services in the industrial equipment market in South Africa, United Kingdom and various African territories.

Construction and Mining

- Opencast contract mining, plant rental, importation and distribution of heavy-duty capital equipment used in construction and mining sectors. Operates in South Africa and various African territories.



Passenger and Commercial Vehicles

- Leasing and value added services in the passenger, light, medium and heavy commercial vehicle markets in South Africa and various African territories.

Construction and Mining	MCC Group, Terex, New Holland Construction
Passenger and Commercial Vehicles	Eqstra Fleet Management, FlexiFleet
Industrial Equipment	Toyota Forklift, BT Warehousing Equipment, Kalmar, Clark The Forklift, TUF Forklifts, JCB Teletruk, Impact Handling, Hawker Power Products

Value chain

4. SELL ASSET AFTER LEASE PERIOD
Disposal margin

Construction and Mining

- Internationally tradable machinery
- Substantial refurbishing facilities

Passenger and Commercial vehicles

- R302 million
- In-house disposal of fleet vehicles
- Making disposal profits

Industrial Equipment

- R99 million
- Refurbish assets for a 'second life' after initial lease period

3. VALUE-ADD (maintenance, parts, insurance)
Value-add margin

Construction and Mining

- R2 643 million
- Contract mining provides project planning, surface blasting, ore recovery and rehabilitation
- Significant maintenance facilities and expertise in MCC
- Distributorships provide aftersales, insurance and finance facilitation

Passenger and Commercial vehicles

- R778 million
- Maintenance contracts and insurance tied into lease
- Comprehensive fleet management
- Load body manufacturing
- Panel shops for repairs
- Vehicle recovery services
- Commmercial vehicle driver training

Industrial Equipment

- R649 million
- Significant value-add from aftersales services
- Long- and short-term rental, fleet management and battery bay management

1. DISTRIBUTE ASSET
Wholesale margin

Construction and Mining

- R1 549 million
- Owns rights for Terex and New Holland Construction distributorships in South Africa and thirteen African countries
- Achieved 11% market share of the market their products compete in.

Passenger and Commercial vehicles

- No passenger or commercial vehicle distribution exposure
- Bulk procurement

Industrial Equipment

- R471 million
- Distributes forklift trucks, material handling equipment and health and safety products in SA, the UK and has representation in eight African countries

2. LEASE OR RENT OUT ASSETS
Lease or rent

Construction and Mining

- R363 million
- Largest heavy plant rental company in Southern Africa
- Plant rental provides equipment and operators

Passenger and Commercial vehicles

- R739 million
- Long-term leases with blue chip customer base
- Over 90% of leasing contracts linked to prime rate of interest
- Funding terms matched with lease contracts

Industrial Equipment

- R284 million
- 40%(1) of SA market share
- 61% of all forklifts sold to own rental fleets

(1) *World Industrial Truck Statistics orders placed on OEMs*

Board of directors

NON-EXECUTIVE

MJ Croucamp IAC, AEP, AMP (64)*

Martin is the former managing director of MLS Bank. He is a non-executive director of Imperial Bank where he chairs the risk and remuneration committees.

DC Cronjé DCom (62)*

Danie is the chairman of the board and former CEO and chairman of the ABSA group. He is also the non- executive chairman of Sappi Limited and is a director of TSB Sugar.

SD Mthembi-Mahanyele PhD (Hon) (59)*

Sankie is the former Deputy Secretary General of the African National Congress and served in government as the housing minister for eight years. She is the Deputy Chair of the North West University Council and was a member of the ministerial commission investigating racism in institutions of higher education.

VJ Mokoena BA, PDM (WBS) (49)

Veli is the CEO of Ukhamba Holdings, a shareholder in Eqstra, Chairman of the Ukhamba Trust and Trustee of the Imperial and Ukhamba Community Development Trust. He is also a non-executive director of DAWN Limited and a director of the rest of the Ukhamba investment companies.

S Dakile-Hlongwane BA, MA (58)

Salukazi is the Chief Executive of Nozala Investments, a leading investment company. She is a director of MIH Holdings Limited (Multichoice); Synergy Freight International; Natal Rubber Compounders; Afripack; Tsebo Outsourcing Group; Woodlands Dairy and the Don Group. She is also a trustee of the Chancellors House Trust and the Nozala Trust.

PS Molefe PhD (Hon) (57)

Popo is the CEO of investment house Lereko, a shareholder in Eqstra. He is also the non-executive Chairman of PetroSA and ARMSCOR, ex-Chancellor of the North West University and a former Premier of the North West Province.

AJ Phillips BSc (Eng) (63)*

Tony was the CEO of Barloworld Limited from 1998 until 2006. He also served as the chairman of PPC Limited until 2007. He is currently chairman of Kwikspace Modular Holdings, chairman of Austro Group and chairman of Newman, Lowther and Associates. He also serves on the boards of a number of NGOs including NOAH (chairman), World Wildlife Fund South Africa, Joburg Art Bank, Bright Kids Foundation and is an associate governor of Michaelhouse School.

TDA Ross CTA, CA (SA) (65)*

Tim was a partner with Deloitte for 36 years and retired in May 2008. He is a non-executive director of Liberty Life, where he chairs the audit and actuarial committee and the group risk committee. He is also a non-executive director of Pretoria Portland Cement Company (PPC) and CIDA Empowerment, where he chairs the audit committees.

EXECUTIVE COMMITTEE

WS Hill HN Dip (Ind Eng), AEP (50)

Walter is the group CEO of Eqstra. He joined the Imperial group in 1998 as managing director of Imperial Fleet Services that evolved to the Leasing and Capital Equipment division of Imperial, which unbundled in April 2008 to become Eqstra.

E Clarke BCom, CA (SA), CIA (44)

Erich is the group Chief Financial Officer (CFO) of Eqstra. He joined the Imperial group in 1996 as the financial director of Cargo Motors. He headed the Imperial Holdings internal audit division before becoming the financial director of the MCC group of companies and subsequently group CFO.

GD Neubert N Dip (Mech), MBA (43)

Gary joined the Imperial group in 2000 as the general manager of the Industrial Equipment division in the Western Cape. He was appointed as the CEO of the Industrial Equipment division in 2006.

JV Carr (41)

Jacqui joined the Imperial Group in 1989. She is the CEO of the Passenger and Commercial Vehicles division.

MR Barnes (59)

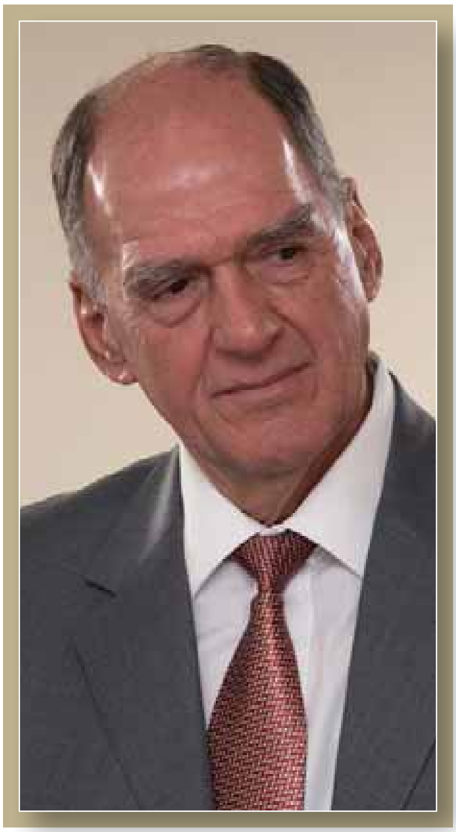
Mike started MCC Plant Hire in 1972 and MCC Contract Mining in 1986. He is the CEO of the MCC group of companies, part of the Construction and Mining division.

VC Dube BA (Hons) (48)

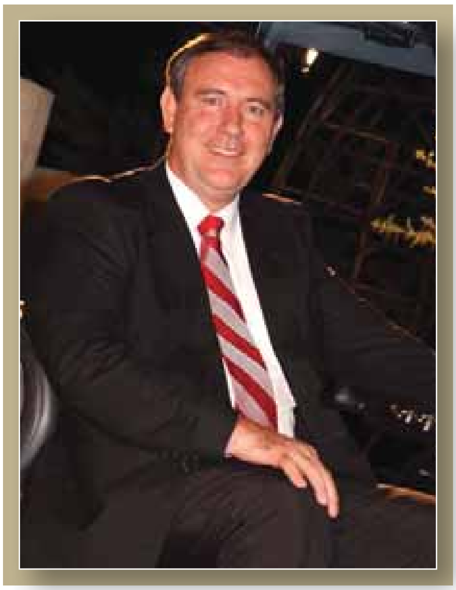
Velile joined Eqstra in May 2008 as the CEO of the Distributorships business, part of the Construction and Mining division.

*Independent non-executive director

Chairman's and Chief Executive Officer's report



DC CRONJÉ
Chairman



WS HILL
Chief Executive Officer

INTRODUCTION

Eqstra Holdings Limited (Eqstra) listed on the JSE in May 2008, after unbundling from Imperial Holdings Limited (Imperial). Eqstra's first full trading year as a listed company coincided with the global economic downturn. After posting solid results for the six months to December 2008, the full extent of the global economic collapse finally reached South Africa. Eqstra was not immune, with losses in the second half of the financial year of R179 million against the first half profit after tax of R224 million. However, our group's vertically integrated model proved its resilience despite precipitous declines in several core customer sectors.

In a year characterised by change, more specifically the speed and magnitude of the downturn, Eqstra's business model has demonstrated its ability to provide a uniquely solid foundation through extreme market fluctuations by providing total solutions for a diverse spectrum of corporate customers. We are able to rapidly move into new markets, flexibly switch between capital intensive activities to value added services, limiting capital expenditure and protect revenue streams through our comprehensive after-market services.

At the interim results, we advised shareholders that the remainder of the year would be extremely challenging, given the combined effects of depressed commodities prices, slowing economic growth, inclement weather and stricter criteria by banks for financing capital equipment. These predictions materialised, resulting in basic earnings and basic headline earnings per share for the financial year ended 30 June 2009 of 16,6 cents and 12,0 cents, 90,3% and 92,4% lower than the 2008 comparable pro-forma basic earnings and pro-forma basic headline earnings per share of 170,3 cents and 158,7 cents respectively.

Construction equipment sales declined by 32% year on year, with a 52% decrease in the last six months, whilst forklift sales decreased 51% year on year, with 66% decline in the last six months. In the platinum and diamond markets, while the medium-term outlook is constrained by short-term automotive and jewellery demand, long-term fundamentals are strong. Other commodities in which Eqstra operates have similarly attractive longer-term outlooks.

The ongoing actions taken to limit the impact of this downturn are having the desired effect.

Our Construction and Mining division managed to successfully reduce its dependency on platinum by diversifying into coal. Coal is a significant growth market, with investment of R90 – R110 billion required in the next decade to build 40 coal mines to meet projected domestic power generation and export needs. This division was awarded three opencast mining and rehabilitation contracts in coal which will replace platinum contracts that ended. Two of these contracts began during the latter part of the review period while the other will commence once the mining licence is granted. Please refer to the divisional review on pages 16 to 17.

In a financial year in which bad news was commonplace, there were some highlights:

- The defensive nature of our leasing and rental activities proved their resilience by withstanding the volatile economic conditions;
- Proactive management contained much of the fallout from market declines, and forged a team approach to unlocking group synergies;
- Our base of core skills remained intact;
- Visible leadership played a pivotal role in maintaining morale and focus during times of unprecedented change;
- The strength of our long-standing relationships with global suppliers who remain stable, resulting in no penalties being incurred on cancelled or reduced orders placed;
- The ongoing support of key investors and funders during the global liquidity squeeze and funding facilities remained committed;
- Eqstra's Construction and Mining distributorship businesses secured 11% of a competitive market in just over two years, reflecting the global strength of the Terex and New Holland Construction brands. The Industrial Equipment division increased market share to 40%.

The review period was not without its challenges which included:

- The rate of decline of equipment sales in the industrial, construction and mining market, although we believe this has set a new and more sustainable base for growth going forward;
- The collapse of the platinum and diamond markets presented an opportunity for Eqstra to prudently diversify the commodity markets in which it operates; and
- Restructuring of a divisional subsidiary resulted in unavoidable retrenchments, albeit limited.

"Effects of the global economic and commodity crises were felt more severely in the second half of the year".

A VIABLE BUSINESS MODEL

Eqstra is essentially an outsourcing business, which benefits from challenging market conditions.

The first tier of the business model is the sourcing and distribution of construction and mining equipment, passenger and commercial vehicles and industrial capital equipment at wholesale margins.

The second tier involves the leasing, rental and operation of these assets. In this environment, the leasing option becomes more attractive as businesses outsource non-core activities. In the Passenger and Commercial Vehicle division, corporate demand for leasing has risen significantly due to tightened bank liquidity. This has enabled the division to selectively lease to financially solid customers.

Eqstra then follows through with a variety of third tier value-added service offerings that include maintenance, supply of parts and management services, representing 52% of the group's revenue.

Finally, Eqstra adds value through the remarketing of its used operating assets. Recoupment losses have not been incurred in tough economic markets, proving the benefits of our conservative approach to residual values.

This vertically integrated value chain business model makes Eqstra resilient.

EMPOWERMENT

Black economic empowerment (BEE) is a business imperative and we are proud to have achieved an independently verified level 4 BEE rating in our maiden year.

Our BEE partners – Ukhamba Holdings, Lereko Mobility and Nozala Investments – effectively hold 15,7% of the group's shareholding. Empowerment extends beyond the shareholding level to initiatives to increase representation at senior management level, through training and skills development to unleash the potential of individuals, and to our enterprise development activities (please refer to our sustainability report on pages 28 to 40).

CORPORATE GOVERNANCE

One of the benefits of forming a new company is the opportunity to implement leading practices. Establishing and maintaining excellent corporate governance remains a priority for Eqstra. The group subscribes to the principles of good corporate governance set out in King II.

Eqstra's board has five independent non-executive directors, three non-executive and two executive directors. This provides a broad base of knowledge and experience in fields related to the group's business, and supports its vision.

Board sub-committees comprise audit, asset and liability, nomination and remuneration, risk, empowerment and transformation. With individual charters and mandates in place, these committees are functioning effectively.

Following a year since establishment, an initial evaluation of the board and its sub-committees is scheduled for November 2009.

DIVIDEND POLICY

On listing, we stated that Eqstra's dividend payout ratio is expected to be conservatively managed between 30% and 35% of headline earnings, subject to prevailing circumstances, capital adequacy and the group's cash requirements.

As a result of the poor trading environment, results for the year and high gearing, Eqstra is proposing not to declare a dividend this year.

APPRECIATION

Weathering a storm of this magnitude has reinforced the benefits of stress-testing our business during up as well as down cycles, and provided valuable lessons for the future.

Eqstra's ability to withstand the market conditions of its first full year as a listed company reflects the commitment, passion and sheer perseverance of its people at every level. As individuals and as teams, the performance of our people has been both humbling and inspiring.

The support Eqstra has received during the year from shareholders, institutional investors and bankers alike underscores the market's acceptance of our solid foundations and inherent potential.

Eqstra has proved its resilience in arguably the worst market conditions in decades

About Eqstra

OUTLOOK

For a company that listed at the peak of the market, particularly a geared company such as Eqstra, the economic events of the past year might have proved disastrous. Eqstra has proved its resilience in arguably the worst market conditions in decades, emerging with a keener understanding of its businesses, markets and embedded strengths.

We believe that the fallout of the global crises will be felt in the southern African economy for months to come. Realistically we do not expect a "V-shape" recovery in the economy and have positioned Eqstra by entering new markets i.e. coal, renegotiating banking covenants and cutting costs to operate in an environment where liquidity, growth and margins will be under pressure.

Notwithstanding the foreseeable challenges, we anticipate that the business will again deliver real earnings growth for the next financial year.

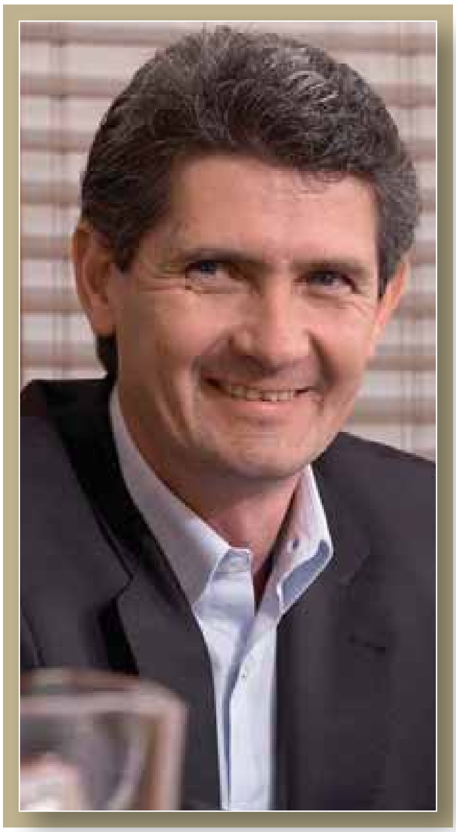
DC Cronjé
Chairman
25 August 2009

WS Hill
Chief Executive Officer
25 August 2009

Outlook

- *Contract Mining* to improve as diversification into coal materialises.
- *Plant rental* will continue to deliver solid performance whilst credit availability is scarce.
- *Construction and Mining* distribution will remain under pressure as demand is expected to be flat.
- *Passenger and Commercial Vehicles* will benefit from increased trends to outsource fleet ownership.
- *Industrial Equipment* sales will continue from its low base that is linked closely to economic growth.

Chief Financial Officer's report



E CLARKE
Chief Financial Officer

INTRODUCTION

On 11 February 2009, former Minister of Finance Trevor A Manuel started his budget speech by stating, "Madam speaker, the storm that we spoke of last year has broken, and it is more severe than anyone anticipated".

Since listing on the JSE on 12 May 2008 at R18,00 a share, Eqstra has indeed experienced the impact of the "storm" in the form of the first recession our country has seen in seventeen years; a recession that has been caused by the global financial meltdown and credit crisis, the impact of a weaker Rand, weaker commodity prices, industrial actions, and the negative impact of the unpredictability of weather patterns on contract mining revenue streams. This has caused tough trading conditions which have placed severe strain on the revenue streams of Eqstra as mining and industrial activity has slowed significantly. In spite of this, Eqstra has managed to secure new contracts that are expected to have a positive impact on the financial performance in the future.

Whilst responding to the effects of a weakened local economy and the further threat of a global economic meltdown, Eqstra remains firmly focused on striving toward solid financial performance and a healthy financial position. Increased focus on key ratios both at entity and group levels remains vitally important in order to remain within the required parameters of debt covenants and funding structures to counteract the global fallout.

OPERATING PERFORMANCE

Whilst revenue increased by 4,6% from R7 542 million to R7 889 million, operating profit decreased by 23,8% from R1 238 million to R943 million mainly due to increased depreciation and amortisation charges based on a leasing fleet that increased by 9,0% from R6 550 million to R7 138 million. Operating margin reduced from 16,4% to 12,0% due to suppressed distributorship sales volumes and reduced contract mining demand.

Full year basic earnings and headline earnings per share to 30 June 2009 were 16,6 cents and 12,0 cents per share respectively, 90,3% and 92,4% lower than the 2008 comparable pro-forma basic earnings of 170,3 cents and pro-forma headline earnings of 158,7 cents per share. This decrease was amplified by once-off costs of restructuring, inventory impairments due to the stronger Rand and foreign exchange losses on derivative instruments. There was also a further impairment of R9 million to Eqstra's portion of the loan held under the Imperial Share Purchase Scheme that was inherited on unbundling.

SHARE PRICE PERFORMANCE

The Eqstra share price remains under pressure particularly due to the volatile local market, the current credit crunch and a weak economic outlook. The share price at 30 June 2009 closed on R6,22, a decrease of 50,4% compared to prior year.

FINANCE COSTS

Net finance costs have increased by 55,3% during the year as a result of:

- An increase in funding costs of 120 basis points relative to average debt levels due to unbundling; and
- An increase in debt of R975 million to finance the acquisition of long-term leasing assets and working capital. The income earning capacity of these assets will be realised in the future.

BALANCE SHEET

Leasing assets comprise the contracted revenue generating assets of the respective divisions. Leasing assets increased in the current year by 9,0% from R6 550 million to R7 138 million, mainly due to capital expenditure in the contract mining business in anticipation of increased activity in coal.

Increased focus on net working capital levels has resulted in a decrease of 4,6% in inventory and 29,2% in accounts receivable. This was offset by trade and other payables decreasing by 48,1% at year end as a result of our inventory becoming fully paid.

Total equity decreased by 1,6% during the year as a result of the negative impact of cash flow hedges for interest rate swaps and a share call option purchased to hedge the Share Appreciation Rights scheme issued in September 2008. These losses are offset by the profit after tax for the year of R45 million. An additional R1 million impairment was made to Eqstra's portion of the Lereko Mobility call option.

CAPITAL EXPENDITURE

Capital expenditure for the year of R3 214 million has been funded by ongoing fleet disposals of R768 million, internal cash generated of R1 350 million and an increase in borrowings.

"Cash generated by operations has increased by 19,0% to R2 096 million."

The majority of capital expenditure continues to be applied to annuity revenue earning assets.

There have been no acquisitions of businesses during the year.

CASH FLOW

Cash generated by operations has increased by 19,0% from R1 761 million to R2 096 million. Net working capital movements have increased by R566 million, excluding the effects of currency translations, to R1 349 million, mainly due to a decrease in trade and other payables as inventory becomes fully paid and slower sales in the second half of the year. No new inventory purchases are anticipated until current inventory levels normalise.

DEBT LEVELS

The group is dependent on cost effective debt to support its capital intensive businesses. It is pleasing to report that the South African bank funding package has been reaffirmed and

Quick Facts

- Reaffirmed banking covenants.
- No dividends proposed for 2009.
- Adequately positioned to weather the financial storm.
- Return to delivering real earnings growth next year.

covenants renegotiated to incorporate a change of its interest cover ratio covenant calculation methodology to an EBITDA basis from an EBIT basis of calculation. The new interest cover ratio levels are as follows:

- As at 30 June 2009 – ≥ 3 times;
- As at 31 December 2009 – ≥ 3,15 times;
- As at 30 June 2010 – ≥ 3,25 times;
- As at 30 June 2011 – ≥ 3,50 times; and
- Thereafter ≥ 4 times.

Facilities of R6 950 million in South Africa and a further R853 million in the United Kingdom and Africa have remained in place and are unchanged from the prior year. The South African funding package includes:

- Long-term facilities of R3 550 million that mature in four years;
- Short-term facilities of R2 250 million that require eighteen months' notice; and
- General banking facilities of R1 150 million.

In addition to the above South African facilities, the group has a £20 million two year facility and a £15 million 15 month facility for the UK operations, and a N5 500 million four year facility for the Nigerian operations.

CAPITAL MARKET FUNDING

In the prior year the group successfully launched an R8 billion Domestic Medium Term Note (DMTN) programme that is listed on the Bond Exchange of South Africa (BESA). This programme is intended to access the capital market and is a key element in our strategy of securing optimum and efficient funding.

Commercial paper to the value of R6 billion has been issued during the year with maturities varying between one and twelve months. There was R1 603 million commercial paper in issue at year end.

Long-term facilities with the banks are intended to be replaced with corporate bonds once the turmoil in the credit markets have settled with tenures equalling or extending current funding arrangements.

CREDIT RATING

On 29 July 2009, Standard and Poor's Rating Services lowered its long- and short-term South African national scale rating on Eqstra from 'zaA/zaA-1' to 'zaA-/zaA-2'.

In their report, the rationale given for the downgrading reflects the impact of the ongoing slowdown in the South African economy on Eqstra's business prospects, and the deterioration of its profitability, which has tightened its debt servicing ability. The current rating continues to be supported by adequate levels of capitalisation, despite higher leverage levels, and a strong market position.

Constraining factors mentioned in the report include the relatively concentrated funding profile that is vulnerable and reliant on a small number of banking relationships.

STRATEGIC FUNDING OBJECTIVES

The current facilities in place are sufficient in the medium term which indicates that the group will not need to raise any additional debt.

The group aims to:

- Diversify its funding away from banks into the Capital Market and Export Credit Agencies;
- Increase the duration of its debt to exceed the run off or maturity profile of the revenue generating assets;
- Actively manage the refinancing risk associated with the maturity of the banks' long-term facilities; and
- Maintain liquidity facilities to support the commercial paper in issue.

CAPITAL ADEQUACY AND CAPITAL MANAGEMENT

The group is managed according to a strict capital adequacy policy, which aims to:

- Provide a certain amount of cover or buffer should unexpected losses take place either due to market or operational risks;
- Support the level of debt in the business as a first loss position and thereby achieve a particular credit rating on the debt in the business;
- Be a tool that could be increased or decreased

Training and development of the people remain priority

to ensure that the targeted credit rating level is maintained into the future; and

- Facilitate the necessary growth in the business.

The capital adequacy ratio is calculated as the ratio of equity or capital to all tangible assets. The capital adequacy ratio decreased from 18,4% to 17,8% as a result of a decrease in equity of R29 million and an increase in assets of R143 million. In addition to the interest cover ratio, Eqstra must achieve a minimum capital adequacy ratio of 18% by 30 June 2010 and a minimum thereafter of 20% for the operations in the Common Monetary Area.

GOING CONCERN

The directors have considered the following factors in evaluating the going concern of the group:

- The current year's financial performance, cash generated from operations, future capital expenditure and financial ratios;
- The budget for the 2010 financial year and the five year plan;
- Available banking facilities including the achievement of covenants that have been renegotiated;
- Future guaranteed revenue streams;
- Strategic and operational risks; and
- The likelihood and effect of known and possible litigation.

The directors have concluded that the group is in a financially sound position with adequate resources, financial and otherwise, to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the group's financial statements.

Eqstra remains committed to improving its financial performance and maintaining the integrity of its balance sheet.

E Clarke
Chief Financial Officer

25 August 2009

Divisional review

CONSTRUCTION AND MINING

MR BARNES, *Divisional CEO*

Operating performance – Contract mining and plant rental

	2009 Rm	2008 Rm	% change
Revenue	3 162	2 400	31,8
Operating profit	422	574	(26,5)
Net finance costs	297	143	107,7
Operating assets	3 664	2 979	23,0
Leasing assets	3 117	2 519	23,7
Fleet size (revenue producing)	1 138	989	15,1
Employees	3 833	3 717	3,1

31.8%

increase in ***revenue***

26.5%

decrease in ***operating profit***

MCC is the undisputed market leader in opencast mining.

Construction and Mining: Contract mining and plant rental division provides a comprehensive range of opencast mining services and rental of mining and construction equipment.

CONTRACT MINING

As the undisputed market leader in hard-rock opencast mining, MCC is presently active at mining sites focused on a range of minerals and base metals. Its comprehensive service spans the needs of the opencast industry, from project planning, surface blasting and ore recovery to rehabilitation. Explosives operations and expertise vest with a subsidiary company, Explotech. MCC does not take any operational mining risk, which remains with the mining company.

MCC has one of the largest fleets of opencast mining equipment in Southern Africa, deployed among projects in South Africa and Namibia. Opencast mining operations in Zimbabwe ended in November 2008.

MCC's ability to anticipate and respond to volatile commodity markets was amply demonstrated during the year when the company successfully diversified its focus into coal, securing two of the largest coal mine contracts in South Africa. This has established a sustainable platform for near-term growth, offsetting the severe downturn in other commodity markets, particularly platinum.

MCC is also playing a pivotal role in entrenching professional standards in this industry, making it easier for smaller participants to build sustainable businesses, and more attractive to foreign investors.

A highly competitive and fragmented market, exacerbated by the impact of extreme climatic conditions on equipment, continues to present challenges. However, opportunities exist to secure new business that will underpin ongoing organic growth.

PLANT RENTAL

MCC Plant Hire, is the largest of its kind for heavy equipment in South Africa, operating nationally from 12 branches. Given the significant investment in infrastructural development under way in this country, coupled to new mining projects, MCC Plant Hire delivered solid results for the review period. It has also benefited from the current scarcity of accessible funding, with many customers electing to rent rather than buy heavy equipment.

In this competitive market, the company is widely recognised for its ability to add value through expertise as opposed to merely supplying equipment. This attribute underpins steady activity levels, even when markets are as volatile as they are at present.

Similar to the contract mining field, MCC Plant Hire is active in the drive to establish professional standards in plant rental, spearheading initiatives such as rate guides, service level agreements and a self-regulating body to build an industry with broader participation.

REVIEW

Successful commodity diversification shielded the contract mining businesses from the full impact of collapsing markets for specific commodities such as platinum.

The plant rental business, as with our other leasing businesses, demonstrated its defensive value to the broader group.

OUTLOOK

While severely affected by the collapse in commodity markets, the division has proved that its businesses are sufficiently diversified, tightly managed and focused on adding value.

With continued strong demand for resources and ongoing infrastructure investment in Southern Africa, the division is well placed to fully capitalise on opportunities as economic conditions improve.

Divisional review continued

CONSTRUCTION AND MINING continued

VC DUBE, *Divisional CEO*

Operating performance – Distributorships

	2009 Rm	2008 Rm	% change
Revenue	**1 969**	2 202	(10,6)
Operating (loss)/profit	**(16)**	108	
Net finance cost	**143**	58	146,6
Operating assets	**1 684**	1 872	(10,0)
Employees	**403**	498	(19,1)

10.6%

decrease in ***revenue***

Operating loss of R16 million compared to ***operating profit*** *of R108 million in 2008*

DISTRIBUTORSHIPS

Construction and Mining: Distributorship division imports and distributes New Holland Construction and Terex mining and construction equipment.

Internationally, Terex and New Holland Construction are well-established brands, with pedigrees stretching back some 40 years. In Southern Africa, the brands are distributed and independently managed by Eqstra and have accumulated a combined market share in excess of 11% since their introduction over two years ago. These brands are well established throughout South Africa with agents appointed in appropriate African countries.

In the construction field, the range comprises prime movers and haulers (with a payload of under 100 tonnes). This includes excavators, dozers, wheel loaders, graders, backhoe loaders and off-road articulated and rigid trucks. Allied equipment includes road-building machines, telehandlers, skid-steer loaders, compaction rollers and cranes. Eqstra also secured the distribution rights for Terex's Carraro range of axles and final drives in 2008.

In the mining sector, the range includes large excavators and rigid haul trucks (all with payloads over 100 tonnes), drill rigs, crushing and screening equipment.

The economic downturn began in the first month of the review period for this division, most notably in the compact construction segment, such as the residential sector which Terex entered earlier in the year. The mining sector followed suit in December 2008 with deferred projects and curtailed production. In addition, cancelled orders resulted in considerably higher inventory levels, particularly compact construction.

Commendably, the division's quick response and solid relationships with original equipment manufacturers limited the impact on both turnover and margins.

REVIEW

It was a year of distinct halves for the division, with strong growth in both revenue and profitability in the first half while fortunes reversed in the second half.

Significantly lower revenue was chiefly due to credit markets effectively freezing around September 2008 and the subsequent financial collapse which led to a significant number of customers not being able to obtain finance for their capital equipment and, in some instances, for their projects.

Losses incurred in the distributorship business include non-recurring costs of R114 million for restructuring and inventory impairments due to the stronger rand.

Cost of funding, as a consequence of high inventory, had a significant drain on profitability. Margins came under significant pressure in the second half with participants in the industry selling at greatly reduced prices in an effort to reduce inventory levels.

The division concentrated on reducing discretionary costs and targeted sales to reduce inventory, tightening credit facilities and diversifying markets to balance its exposure to any one segment. Its geographic footprint was streamlined and optimal use made of synergies within the group.

OUTLOOK

A recovery in the mining sector may take longer to materialise given the extent of the current downturn with a concomitant impact on results from this division in the short term.

Divisional review continued

PASSENGER AND COMMERCIAL VEHICLES

JV CARR, *Divisional CEO*

Operating performance – Passenger and Commercial Vehicles

	2009 Rm	2008 Rm	% change
Revenue	1 847	1 846	
Operating profit	361	398	(9,3)
Net finance costs	233	215	8,4
Operating assets	2 973	3 099	(4,1)
Leasing assets	2 760	2 757	0,1
Fleet size (revenue producing)	18 256	18 355	(0,5)
Employees	590	661	(10,7)

***revenue** remained constant*

9.3%

*decrease in **operating profit***

The Passenger and Commercial Vehicles division provides fleet management solutions for fleet owners in South Africa, Lesotho, Namibia, Swaziland, Botswana, Kenya, Tanzania and Nigeria. The division operates as Eqstra Fleet Management and FlexiFleet.

Eqstra Fleet Management provides fleet management and related services in the South African and African corporate markets for passenger and light commercial vehicles. Core products include full maintenance and operating leases, supported by a broad range of complementary managed products including fuel management, fines and licencing administration, managed maintenance, accident management, and stand-alone procurement services.

FlexiFleet provides leasing and fleet management services for the commercial vehicle market. It operates a national network of workshops, panel shops, and a trailer and body-manufacturing facility. The division provides solutions to optimise vehicle use that include short-term rentals, a 24-hour roadside assistance facility and commercial vehicle driver training.

In line with prevailing economic conditions, the business focus has shifted from pure leasing to protecting a considerable asset base and developing new product opportunities that are less capital intensive while adding value to the offering.

The shift in focus towards commercial vehicles has resulted in optimised life-cycle management opportunities with consequent downstream benefits for the entire division.

Following a process of restructuring and consolidation, the HyperCar operation, which is the division's remarketing business was successfully restructured to support internal business requirements with an optimised remarketing channel. A solid sustainable business structure has been implemented and is positioned for continued growth with improved trading conditions.

The division's primary focus areas in the next financial period will continue to maintain the integrity of the balance sheet, working capital and inventory management, key employee and customer retention, and true value creation through product diversification to non-capital intensive initiatives and supplier management.

REVIEW

South Africa

The resilient nature of this division, with its annuity income streams and long-term contracts, underpinned a solid performance during the year given the global economic climate.

The division rapidly and successfully adapted to the macro environment within the local market. Due to the strong, balanced customer profile, the division has had no material exposure in any one of its business units for the reporting year.

The conclusion of a long-term contract within the airport ground-support services sector will create solid secondary income opportunities for both the manufacturing and workshop business units.

Key focus areas around working capital management proved extremely successful, with the division improving cash flows from operating activities and reducing cash outflows on investing activities.

Prime linked interest rate reductions of 450 basis points during the review period, together with increased group finance costs will continue to place pressure on interest rate margins.

Overall inventory levels decreased primarily as a result of initiatives to refocus and restructure HyperCar and concomitant stock-level reductions.

The division is well positioned to face expected challenges and maintain current performance levels for the next financial period.

Rest of Africa

The conclusion of the Government of Lesotho contract was the primary factor resulting in the reduced performance of the division.

The SADC countries delivered stable performances. The division will continue measured expansion of its Eastern and Western African operations, subject to local funding availability.

OUTLOOK

In the current economic environment, the focus will remain on protecting margins while preserving relationships with customers. This will be achieved by adding value through competitively priced internal facilities such as workshops and panel shops, expanding revenue streams by introducing complementary services, and proactively managing resale values.

Divisional review continued

INDUSTRIAL EQUIPMENT

GD NEUBERT, *Divisional CEO*

Operating performance – Industrial Equipment

	2009 Rm	2008 Rm	% change
Revenue	**1 503**	1 438	4,5
Operating profit	**191**	222	(14,0)
Net finance cost	**129**	98	31,6
Operating assets	**1 694**	1 876	(9,7)
Leasing assets	**1 227**	1 270	(3,4)
Fleet size (revenue producing)	**11 360**	12 277	(7,5)
Employees	**1 159**	1 230	(5,8)

4.5%

increase in ***revenue***

14.0%

decrease in ***operating profit***

Supported by skilled personnel the division is strongly positioned to grow.

The Industrial Equipment division provides distribution, rental and value-added services for industrial and materials handling equipment in South Africa, various African countries and the United Kingdom (UK). The division remains the market leader in the Southern African forklift sector, with the largest infrastructure of its kind in the region.

The division has exclusive distribution rights in Southern Africa for Toyota forklift, BT warehousing equipment, Kalmar heavy-duty forklifts and container-handling equipment, Clark forklifts, Hawker batteries and chargers, and Hako industrial cleaning equipment. It is a non-exclusive distributor for JCB Teletruck in Southern Africa and also distributes a range of health and safety products. In July 2009, exclusive distribution rights were secured for Same Deutz-Fahr tractors and combine harvesters.

The division has seven branches, two depots and 12 dealers in Southern Africa, including Angola, Botswana, Mozambique, Malawi, Madagascar, Namibia, Zambia and Zimbabwe.

The UK industrial equipment business, Impact, is a dealer for Nissan forklifts, Kalmar heavy-duty forklifts, Lancer, Combilift and, most recently, JLG. Impact now has access to over 50% of the UK industrial equipment market.

The range of services includes long- and short-term rentals, service and maintenance contracts, sales of new and used equipment and parts, service, fleet management, driver training and battery-bay management. The division is also fully accredited to conduct forklift apprentice trade-tests.

Importantly, by diversifying its sectors and broadening its services, the division is able to provide a complete solution for customers. Through complementary products and trained personnel on site, the division has become the preferred supplier to a number of blue-chip customers. During the year, a forklift fleet-replacement contract was secured with a leading national retailer.

REVIEW

South Africa

The market for industrial equipment in South Africa turned down sharply in October 2008, but only collapsed in the first months of 2009 to end the review period 51% lower than the previous year.

The early warning in 2008 enabled the division to prepare for the downturn commendably, resulting in increased market share despite tough trading conditions.

Revenue for SA operations decreased by 4,1% to R1 087 million, and operating profit by 18,8% to R164 million. This largely reflects the decline in new equipment sales, now at levels recorded in 2002. A solid performance in aftermarket sales was recorded.

There was a significant shift from outright sales to rental sales with 61% of forklifts sold into the rental fleet versus 47% the previous year.

Inventory levels were well managed during the year, reinforcing the strength of relationships built with suppliers over many years.

The benefits of restructuring and the consolidation of back-office functions while maintaining the front-line skills required for sustainable growth, will enhance performance as economic conditions improve.

The African dealer network delivered positive results for the year.

UK operations

A long-term dealer agreement with Nissan forklifts was concluded in February 2008. Management focused on restructuring operations to reposition the flagship Nissan brand.

The results of this focus are evident in a profitable performance for the year, despite declines of 36% in forklift sales. Revenue for UK operations increased by 17% to R416 million while operating profit decreased by 3,2% to R27 million.

OUTLOOK

Supported by skilled personnel and reputable complementary brands, the division is strongly positioned to grow sales and expand the after-sales component of revenue in what is expected to be another challenging year ahead.

Five year review

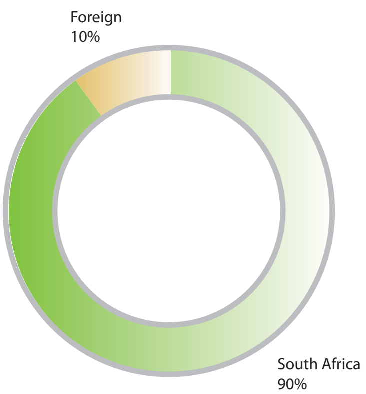
	Audited 2009 Rm	Pro-forma Leasing and Capital Equipment division 2008 Rm	2007 Rm	2006 Rm	2005 Rm
Income statement					
Revenue	**7 889**	7 542	5 228	3 028	2 569
Profit from operations before the following:	**2 422**	2 378	1 763	1 231	991
Depreciation and recoupments	**(1 534)**	(1 174)	(902)	(683)	(530)
Net finance costs	**(795)**	(512)	(305)	(210)	(165)
Income from associates					(1)
Profit before tax	**93**	692	556	338	295
Income tax expense	**48**	188	179	92	87
Profit after taxation	**45**	504	377	246	208
Headline earnings adjustments					
Profit on sale of leased assets, net of taxation	**(11)**	(33)	(21)	(25)	(28)
(Loss) profit on disposal of property, plant and equipment, net of taxation	**(1)**	7	(5)		(1)
Exceptional items			10		1
Minority interest, excluding share of exceptional items	**(2)**	(122)	(107)	(26)	(8)
Headline earnings attributable to ordinary shareholders	**31**	356	254	195	172
Balance sheet					
Intangible assets	**9**	5	60	57	4
Property, plant and equipment	**348**	353	241	193	114
Leasing assets	**7 138**	6 550	4 990	3 986	2 970
Deferred tax assets	**89**	60	65	49	21
Other investments and loans	**150**	132	35	15	8
Amounts owing by former holding company subsidiaries			151	177	162
Inventories	**1 612**	1 690	938	293	310
Trade and other receivables	**785**	1 126	946	631	339
Taxation in advance	**51**	46	98	64	36
Cash and cash equivalents	**51**	128	169	38	14
Total assets	**10 233**	10 090	7 693	5 503	3 978
Deferred tax liabilities	**516**	439	398	272	94
Interest-bearing borrowings	**6 730**	5 754	4 139	3 048	2 428
Other liabilities	**1 161**	2 042	1 766	958	575
Total liabilities	**8 407**	8 235	6 303	4 278	3 097
Net assets	**1 826**	1 855	1 390	1 225	881
Attributable to:					
Equity holders	**1 807**	1 838	1 136	1 035	846
Minority shareholders	**19**	17	254	190	35
Total shareholders' equity	**1 826**	1 855	1 390	1 225	881
Key ratios					
Operating margin	**12,0%**	16,0%	16,2%	17,6%	18,0%
Return on average shareholders' interest (headline)	**1,7%**	23,9%	23,4%	20,7%	20,0%
Total shareholders' equity to total assets	**17,8%**	18,4%	18,1%	22,3%	22,1%
Interest-bearing debt as a % of total shareholders' equity	**368,6%**	310,1%	297,7%	248,5%	275,7%
Number of employees	**6 006**	6 121	4 657	3 101	1 282

Shareholder profiles

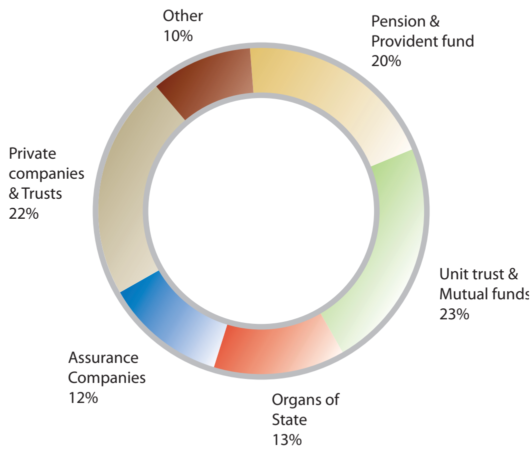
Register date: 26 June 2009
Issued share capital: 258 389 870 ordinary shares

Public/non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders	28	0,7	104 792 796	40,6
Executive directors and managers of the group	26	0,7	43 789 262	17,0
Beneficial shareholders holding more than 10%	2		61 003 534	23,6
Public shareholders	4 134	99,3	153 597 074	59,4
	4 162	100,0	258 389 870	100,0
Shareholder spread				
1 – 1 000 shares	2 912	70,0	1 034 649	0,4
1 001 – 10 000 shares	781	18,8	2 347 445	0,9
10 001 – 100 000 shares	255	6,1	9 728 632	3,8
100 001 – 1 000 000 shares	160	3,8	49 886 749	19,3
1 000 001 shares and above	54	1,3	195 392 395	75,6
	4 162	100,0	258 389 870	100,0
Beneficial shareholders holding 5% or more				
Public Investment Corporation			32 432 232	12,5
Topclass Ventures (Pty) Limited			29 075 170	11,3
Old Mutual Group			28 571 302	11,1
Investment Solutions			17 160 651	6,6
Fund managers holding 5% or more				
Coronation Fund Managers			68 043 596	26,3
Old Mutual Investment Group			50 794 095	19,7
Rand Merchant Bank Asset Management			19 759 112	7,7
Public Investment Corporation			16 227 215	6,3

Geographical analysis



Shareholder type



Shareholder profiles continued

Total share capital	Number of shares	%
Ordinary shares	258 389 870	89,2
"A" deferred ordinary shares	16 781 968	5,8
"B" deferred ordinary shares	14 516 617	5,0
Total shares in issue	289 688 455	**100,0**

BEE shareholders		
Ukhamba Holdings (Pty) Limited	22 755 389	7,9
Lereko Mobility (Pty) Limited	14 516 617	5,0
Nozala MCC (Pty) Limited	8 272 000	2,8
Total BEE shares as % of total shares in issue	45 544 006	15,7

2,3% of the ordinary shares and 100% of the issued "A" deferred ordinary shares are held by Ukhamba Holdings (Pty) Limited. Mr VJ Mokoena, a non-executive director of Eqstra, is an executive director of Ukhamba and one of 15 000 employees owning a Trust that holds 47,1% of the shareholding of Ukhamba.

100% of the issued "B" deferred ordinary shares are held by Lereko Mobility (Pty) Limited of which Dr PS Molefe, a non-executive director of Eqstra, is a director and shareholder.

Ms S Dakile-Hlongwane is a non-executive director of Eqstra and a 7,7% shareholder and director of Nozala who owns 3,2% of the ordinary issued share capital of Eqstra.

"A" and "B" deferred ordinary shares are not listed on the JSE Limited. Dispensation was received from the JSE to create and authorise these shares to have full voting rights despite the fact that these shares are not listed on the JSE.

Directors' shareholding	Number of shares	% of direct shareholding
WS Hill	324 933	0,13
E Clarke	34 000	0,01
VJ Mokoena	35 000	0,01
PS Molefe	23 290	0,01
Total	417 223	0,16

SHAREHOLDERS' INFORMATION

Market listing and other information

The principal market for Eqstra is the JSE and shares trade through the STRATE system. Closing JSE share prices are published in most national and regional South African newspapers under the general industries category. The share prices are also available during the day on the Eqstra and 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 will be provided with copies of reports for this purpose.

Shareholder communication

Shareholders 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 than paper form can access these 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 transfer 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 2009**	30 June 2008
Number of shares in issue	**258 389 870**	258 389 870
Number of shares traded	**147 084 935**	70 061 345
Value of shares traded (R)	**1 390 442 826**	977 557 677
Market price (cents per share)		
Closing price at 30 June	**622**	1 255
Highest closing market price	**1 425**	1 800
Lowest closing market price	**460**	1 185

Sustainability report

CEO STATEMENT

The twelve months to 30 June 2009 constituted Eqstra's first full year as a listed entity after joining the JSE's main board in May 2008. Undoubtedly, and in common with our global peers, it was one of the most challenging years encountered by our seasoned management team.

There were however some significant highlights in sustainability terms. Our economic, social and environmental performance as opposed to pure financial results includes:

- Our economic sustainability was reinforced during the period when Eqstra was able to reaffirm its bank facilities of R7 803 million. The bulk of this funding came from South African financial institutions whilst R853 million was sourced from countries in Africa and the United Kingdom. Eqstra has registered an R8 billion domestic medium-term note programme in order to diversify lines of funding. We have successfully issued and rolled commercial paper to the value of approximately R6 billion. In a market characterised by strict bank funding requirements, Eqstra's ability to attract institutional capital reinforces the long-term viability of its business model for the benefit of all stakeholders.
- In terms of social performance, we completed the year with our workforce largely intact, retaining key management skills and minimising retrenchments.
- 172 people benefited from our training facilities during the year, making a measurable difference to the shortage of skills in our industry.
- In the environmental sphere, we introduced the world's first electrically driven hydraulic mining shovel to Africa on behalf of a mining client. The Terex RH 400 is the world's largest hydraulic excavator, capable of loading ore into dump trucks at a rate of about 10 000t/h (with one scoop of 90 tonnes of ore, a 300-tonne dump truck is filled in only three passes). Given the cost efficiency and environmental benefits of this machine, we believe this sets a new standard in environmentally conscious mining operations.

The group also faced various challenges during the year, including:

- Industrial equipment demand decreasing by 51% year on year;
- Heavy equipment market decreasing by 32% year on year;
- Sales were hampered as a result of customers not being able to obtain funding for new equipment purchases; and
- Commodity prices, especially platinum and diamonds, resulting in significant revenue declines in our Construction and Mining: Distributorships division and mining operations.

Approach to sustainability reporting

We recognise that the earth's resources are finite and need to be protected. Equally, we recognise that the financial prosperity of our organisation is the only way we can play a meaningful role in using those resources responsibly to reduce the effect we have on the environment, and to improve the quality of life in the communities in which we operate.

Although Eqstra is a new entity, its constituent elements have long track records and many of the development initiatives being undertaken by our divisions are being rolled up into the group to maximise their impact. Accordingly, Eqstra is able to report on sustainability with some measure of comparable information and – as a cohesive group – commit to reporting annually. Being a new group enables us to use global benchmarks in our reporting processes, while understanding that this is a process that will evolve over time. Our aim is to incrementally improve both our performance and reporting standards each year.

This report was compiled against the latest sustainability guidelines of the Global Reporting Initiative (GRI), the so-called G3 version of the guidelines. In recent years, GRI has become the accepted international benchmark for reporting on sustainability and we believe it provides a useful tool in developing a reporting framework that addresses the most pertinent stakeholder issues. As Eqstra matures, the issues addressed in our sustainability reports will increasingly reflect our ongoing interaction with stakeholders.

All data in this report is collected by Eqstra's individual operations and reported to group management using the G3 guidelines as a template. At present, this data is subject to individual interpretation given the number of varying systems within the group. Over time, we aim to develop a standardised data system to support meaningful and comparable annual reporting. No restatements or significant changes took place since the previous report.

Embedded in our mission are the words "constantly exceeding stakeholder expectations". Our stakeholders are critical to the sustainable development of our business and we welcome your feedback on this report using the form provided or via our website www.eqstra.co.za. Together, we can evolve sustainable development into a journey with multiple benefits for all.

WS Hill
Chief Executive Officer

BLACK ECONOMIC EMPOWERMENT

Black economic empowerment (BEE) is both a business and moral imperative in South Africa. In line with the Department of Trade and Industry's guidelines, Eqstra's approach to BEE centres on the principles of ownership, management control, employment equity, skills development, enterprise development, preferential procurement and corporate social investment.

Based on the extent of group compliance to these principles, Eqstra is a level 4 contributor to BEE, achieving its stated goal for 2009.

Ownership

At ownership level, Eqstra is classified as 'black-empowered' with designated groups holding 26,8% .

Eqstra's three BEE partners, detailed below, are all represented on the board of directors:

- Ukhamba [www.ukhamba.co.za] was formed over a decade ago for the benefit of over 15 000 staff members from designated groups in Imperial and Eqstra. At present, Ukhamba has over 20 equity investments in a range of companies, from blue-chip listed groups to start-up businesses, with total shareholders' funds of R2,5 billion. In selecting its business partners, Ukhamba focuses on skills transfer and empowerment. At year end, Ukhamba owned 7,9% of Eqstra, split between 5 973 421 ordinary shares and 16 781 968 "A" deferred ordinary shares. The formula for converting deferred ordinary shares is based on Eqstra's performance. (refer to pre-listing statement on www.eqstra.co.za).
- Lereko Mobility [www.lereko.co.za] is 51% owned by the Lereko consortium (which includes community and women's groups) and 49% by Imperial. Lereko's 14 516 617 preferred ordinary shares in Imperial were converted to the same number of "B" deferred ordinary shares in Eqstra on listing and will convert into ordinary shares based on achieving specific hurdle rates in September 2010. During the year Eqstra guaranteed a further R21,6 million to reduce the current trigger price of R49 per combined Eqstra and Imperial share to R43 per combined share. Further information regarding the Lereko scheme can be found in the Eqstra pre-listing statement on the website.
- Nozala [www.nozala.co.za] is a broad-based women's empowerment group focused on acquiring equity stakes in companies operating mainly in the resources and industrial consumer services sectors, services and information communication sectors. As an existing shareholder in MCC before unbundling, Nozala converted its shareholding into 8 272 000 Eqstra shares.

Board and management control

Eqstra's board consists of ten directors, including two black women and two black males. As such the group has 40% black representation at board level.

Eqstra's executive committee comprises six members, including one black male and one white female.

Employment equity

Eqstra is firmly committed to building a workforce that represents the country at all levels. At year end, 80% of the South African workforce came from designated groups. We recognise that we still have some way to go in employment equity and addressing this is priority.

All asset clusters have submitted the required employment equity plans to the Department of Labour.

Annexure B on page 125 analyses the employment equity of the group.

Skills development

Given the severe shortage of these skills in South Africa, Eqstra has placed enormous emphasis on training technicians, operators and managers.

Annual training spend per division

	Construction and Mining		Passenger and Commercial Vehicles		Industrial Equipment		Head office		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Employees	**4 236**	4 215	**590**	661	**1 159**	1 230	**21**	15	**6 006**	6 121
Total training spend (R000)	**24 598**	19 217	**3 168**	2 405	**5 208**	8 063	**89**	25	**33 063**	29 710
Training spend per employee (R)	**5 807**	4 559	**5 369**	3 638	**4 494**	6 555	**4 238**	1 667	**5 505**	4 854

In the review period, the total training spend per employee was R5 505, compared to R4 854 in 2008. This places Eqstra's investment in training as a percentage of total payroll at 3,1%.

In 2008, the Technical Training Academy and Operator Training Academy were established to provide the group with much-needed technical skills. This also has an obvious benefit for the sectoral and national pool of skills over time.

Training academies

Eqstra's training academies trained 173 apprentices in the review period, compared to the 217 trained in the prior year. The decrease was due to a lesser number of new contracts starting during the year that required additional training.

The **Technical Training Academy** was accredited by MERSETA (the industry's sector education and training authority) to provide training in a number of critical fields:
- Earthmoving equipment technician
- Diesel technician
- Petrol technician
- Auto electrical
- Hydraulics
- Boiler-making

In the Construction and Mining division, Eqstra has invested significantly in training, particularly for safety-related aspects. The focus has a dual thrust: firstly, training mechanics and apprentices with around 200 people earning diplomas in specific fields during the year; secondly, training operators (particularly on the one-man, one-machine principle).

At the **Operator Training Academy**, some 20 operators are qualifying each month, making a considerable difference to the almost complete lack of appropriately trained operators in the country. This academy is accredited with the Services SETA to train operators in the following mining and construction equipment:
- Various loaders (skidsteer, backhoe, front-end loader and telescopic)
- Excavator
- Bulldozer
- Grader

Given the nature of MCC's business, equipment maintenance and repairs is vital for preserving the value chain and ensuring the safety of associated employees. This investment is also creating employment.

In addition to group initiatives, the Industrial Equipment division runs an extensive internally focused technical training programme. This division is the only forklift distributing company in the country accredited to undertake apprentice trade tests by MERSETA (the Manufacturing, Engineering & Related Services Seta). During the year, 75 people completed accredited courses for apprentices and drivers (of both forklifts and tractors).

Toyota Forklift offers its qualified technicians further training under STEP (service technician education programme). This international training programme is administered by Toyota Japan. Eqstra added 30 new entrants to the programme. During the year the Industrial Equipment division employed a team of 383 qualified technicians in the division (284 across SA operations and 99 in the UK).

The focus on safety training paid off during the year, with a very low lost-time injury (LTI) rate. Eqstra Fleet Management received ISO 9002 certification during the course of the year in recognition of achieving international standards in terms of operational systems and processes.

Management development

In the Industrial Equipment division, 125 managers and supervisors have completed the Leadership Development modules presented in the Toyota Forklift leadership academy. In calendar 2009, candidates have focused on completing their business plans. In the second phase of this leadership development and succession-planning initiative, some 30 more managers and supervisors will enhance their skills. This key project ensures trained, skilled people are in place to ensure seamless transitions when required as part of Eqstra's succession planning.

Study assistance

Eqstra provides financial assistance for selected employees to enhance their academic qualifications through a number of appropriate institutions.

Enterprise development

Entrepreneurship drives Eqstra. Throughout the group, fledgling businesses, such as, Hyper Plant Hire and MyAuto service, are being nurtured to underpin our growth and harness the creative potential of our people.

We believe these small and independently run operations offer an opportunity to continually reinvent our business because it takes a unique culture to start a business from scratch and grow it into a sustainable enterprise. It is also a source of great pride that all our businesses have evolved in that fashion.

We believe these developing businesses are integral to our future; we therefore foster entrepreneurial spirit within our business and beyond our group. During the year the group spent 3,5% or R1,6 million of net profit after tax on enterprise development.

One example of entrepreneurial spirit in action is Amasondo Fleet Services [www.amasondo.co.za]. Amasondo provides passenger and commercial leasing services to government, municipal and corporate clients across South Africa. The company is jointly owned by Ukhamba (51%) and Eqstra (49%), and has approximately 600 vehicles under lease agreements and management services.

Preferential procurement

In line with our commitment to transformation and empowerment, we are actively managing and improving our discretionary procurement spending. All divisions are focused on increasing their procurement from empowered companies, where possible. Given the nature of our business, certain procurement will always vest with foreign suppliers and companies that have built sectoral monopolies.

During the year, Eqstra's BEE procurement was R1 075 million, or 71,5% of discretionary spending in South Africa. This is a drastic improvement from the 38,2% of discretionary spend on BEE procurement in 2008.

Black-owned companies accounted for 3,8% of total discretionary spend, or R5,7 million by value.

The group would not knowingly contract with any entity involved in human rights abuses.

Corporate social investment

Corporate social responsibility (CSR) is about contributing to sustainable development and society through creating long-term value for our shareholders, customers, employees and other stakeholders. This means putting our Corporate Principles into practice and considering not only the economic, but also the social and environmental impacts of all our decisions in a way that maximises benefits and minimises costs for all concerned.

Our CSR strategy consists of three key elements:

- Making balanced decisions – sound governance, risk management and the development and implementation of policies, management systems and business processes;
- Building trust – stakeholder engagement, accountability, disclosure, assurance and public reporting; and
- Growing a great reputation – benchmarking and monitoring performance.

We take a variety of leading-edge social and economic approaches to this goal in areas such as policy development, programme management, capacity building, public education, and research.

The following charitable organisations were supported during the year:

Adelaide Gymnasium
The group has provided much-needed equipment and ongoing funding to the motor mechanics section of the school, situated in the Eastern Cape. Eqstra also assists in finding employment for the learners once they have qualified as diesel mechanics.

The Village Safe Haven is a cluster foster care facility for orphans and the vulnerable based in Buccleuch, Gauteng. It was established in 2003 and is funded through individuals, corporate and fundraising activities.

Goodwill Industries was birthed from a desire to see disadvantaged and disenfranchised people in Durban given opportunities to link with gainful sustainable employment and to achieve economic freedom. The purpose of the organisation is to support and assist unemployed people in Durban. Our desire is to see dignity restored to these men and women through employment.

In a country where more than half the population lived in appalling conditions, with very little income, in families torn apart by urbanisation and legal restrictions, **The Love of Christ Ministries** was established by the Jarvis family to rescue the tiniest victims of a society in turmoil.

ACTION For Blind and Disabled Children is a non-governmental organisation, sponsored by the community, and is dedicated to teaching/training blind and disabled young people about computers and computer software, such as Microsoft Office Suite and related software programs.

ACTION trains students from basic computer skills to the more advanced software programs, with the goal of training them to the required level needed to write the Microsoft Accredited examinations and with the assistance of ACTION these young people have the potential to obtain gainful employment.

Eqstra Fleet Management donated a vehicle to **Estée Lauder** to assist with breast cancer awareness across Gauteng. The vehicle is used to transport women affected by cancer.

The Field Band Foundation is an innovative, imaginative and exciting organisation with a track record for youth development through music and dance, outside of the formal education sector. It is extremely well placed to contribute to moving South Africa forward decisively towards the eradication of poverty and underdevelopment. It takes care to enhance the process of social cohesion, moral regeneration and gender equality. Using the vital role that arts play in social inclusion and development, the Foundation has extraordinary success.

Voetspore, a section 21 (non-profit) company was established in January 2006 with the mission to make a positive difference in the lives of disadvantaged people in Stellenbosch.

Centre of Hope is a home and school for previously disadvantaged children, with various disabilities, eight of the children are wheelchair bound. These children are mostly orphans, who in most cases were abandoned on the doorstep of this home because of their disabilities. The home is situated 7km outside of Mokopane.

Currently, there are 97 children living, eating and learning in four rooms of 20m^2. Terex Africa has committed funds towards the development and furnishings of the gymnasium. Some of the funds will be buying the equipment needed by a physiotherapist to ensure that proper mobility exercises are done daily.

Chubby Chums for the Children's Home is an organisation that assists various children's projects in Gauteng. The Thusong Children's project is one that Terex Africa took an interest in assisting and funding. The Thusong Children's Home and Care Centre is currently situated in the Alexandra township and acts as a safe haven for abused, abandoned and orphaned children around the province, with the ages ranging from birth to 16 years.

The process of placing the children in foster homes can take up to 8–12 months, hence the need for a bigger facility to house these children. Terex Africa has assisted the project with funds for the purchase of land to build a new home and community care centre in Midrand.

Geita Gold Mining Limited supports various initiatives and one of them is an auction to raise funds for the **2009 Kilimanjaro Challenge Against HIV/Aids**. Terex Africa has donated funds towards this initiative and Terex O & K Shovels Dortmund Germany, has donated an RH340 cast iron Terex Shovel which will be used in the auction to raise more funds.

Charitable donations

Eqstra Industrial Equipment provides financial support to Oliver's House, a charity based on the East Rand that provides free education and feeding schemes to disadvantaged children. They also provide financial assistance to the Tehillah Community Collaborative in the Elsies River area of Cape Town which provides frail care to the elderly; feeding schemes for the homeless; treatment and support for HIV/Aids patients; youth study centres and a crèche. FlexiFleet supports a childcare facility in Heilbron in the Free State.

ECONOMIC

As a newly listed company, Eqstra accepts that its long-term sustainability largely depends on producing consistent financial performance for all stakeholders.

Shortly after listing, the global Standard & Poor's ratings agency assigned a 'zaA/zaA-1' long- and short-term South African national scale rating to Eqstra. Distressed market conditions during the review period resulted in a down rating in July 2009 to 'zaA-/zaA-2'.

Eqstra does not benefit from government protection, apart from applicable local tariff protection, or investment programmes driven by the state.

The group complies with relevant legislation in all the countries in which it operates, as well as industry-specific regulations. No fines were received for non-compliance with applicable laws and regulations during the review period.

Wealth creation

Eqstra's aim is to contribute to the national economy directly through the taxes it pays and indirectly through the wealth it creates and benefits it generates for certain stakeholders – shareholders, employees and communities.

The value-added statement (page 37) measures the value Eqstra has added to the goods and materials it has purchased through sales, leasing and value-added services. The statement reflects the total value created and how this was distributed.

EMPLOYEES

Our people are unquestionably the most important element of our long-term success. Our objective therefore is to create a mutually beneficial and harmonious environment in which all can reach their full potential.

Eqstra employs 6 006 people. We are proud to report that our overall staff complement only marginally decreased by 1,9% during the year. Through a number of initiatives – including retraining and redeployment – we were able to keep retrenchments to an absolute minimum across the group.

The Contract Mining division adheres to mining regulations to employ and train local labourers when awarded contract mining projects. This resulted in approximately 600 unskilled workers receiving extensive training and transformed communities workforce from being unemployed to individuals with highly sought after skills that are in demand and in short supply of worldwide. Eqstra is proud to report that sustainable transformation through training is being achieved in local communities.

Eqstra supports the rights of its people to freedom of association. Some 60% of the group's employees are represented by labour unions, chiefly the Federated Mining and Allied Workers Union, Solidarity and NUMSA. During the year, the Construction and Mining division was affected by industry-wide strikes. This affected construction activities across South Africa.

During June and again in August 2009 mining activities at the company's Pilanesberg Platinum Mine (PPM) were interrupted by NUM which does not have a recognition agreement with MCC which resulted in the dismissal of approximately 550 employees of the company. MCC is the mining contractor engaged by Platmin to manage the open-cast mining activities at PPM.

The dismissal follows strike action that is illegal under South African labour legislation, and the subsequent failure of the employees of MCC to return to work, despite the implementation of regulatory labour relations processes.

Platmin is working with MCC and the relevant parties to resolve the situation, and recommence mining activities as soon as practicable.

No other legal or illegal strikes took place during the review period.

Eqstra complies with relevant legislation governing employment practices. No material fines or complaints were received during the year.

Health and safety

Eqstra focuses on meeting relevant occupational health and safety requirements. While this is a statutory obligation, we believe it is just as much a moral responsibility and a tangible way of demonstrating to employees that we sincerely care about their well-being. Ongoing training therefore remains a key focus in creating a safer working environment, as does raising employee awareness of safety and health issues.

Health and safety committees are in place at all divisions. These committees focus on related issues in making recommendations to management to improve working conditions and to exceed legislative compliance.

Annual safety statistics

	Construction and Mining		Passenger and Commercial Vehicles		Industrial Equipment		Head office		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Employees	**4 236**	4 215	**590**	661	**1 159**	1 230	**21**	15	**6 006**	6 121
Road related incidents and accidents	**36**	30	**2**		**27**	24			**65**	54
Other incidents and accidents	**880**	225		4	**85**	48			**965**	277
Days lost for non-fatal injuries	**19**	296	**2**	6	**108**	56			**129**	358
Fatalities	**2**								**2**	

The group expresses its condolences to the family and friends of Messrs M Mxolwe and VM Ndou who lost their lives as a result of two separate mining accidents.

Both incidents were investigated and though the company was not held to be negligent, the group is saddened by these losses. The group implemented various improved safety measures to prevent any recurrence of these types of accidents.

HIV/Aids policy

Eqstra recognises the severity of the HIV/Aids pandemic in Southern Africa, and its impact on all levels of society. Given the role businesses play in wealth creation, the threat posed to their sustainability remains a key concern.

At Eqstra, we have taken a business unit-specific approach, with the cooperation of key stakeholders. This includes ongoing training aimed at reducing the stigma, education and improving the work environment for employees living with HIV.

The group's policy on HIV/Aids and other life-threatening diseases is available on its website [www.eqstra.co.za], with key aims summarised below:

- Provide consistent guidelines to Eqstra management on dealing with the HIV and Aids epidemic in the workplace;
- Ensure the fair and consistent treatment of all employees who are infected with HIV;
- Protect the legal rights of employees who are HIV positive or who have Aids-related illnesses;
- Provide a framework for educating employees and management on HIV and Aids; and
- Encourage the use of counselling and other support services by infected employees to improve their overall health.

As Eqstra is a young company, no group-wide studies have yet been conducted on the infection rate in our workforce, nor the estimated financial impact of the disease and related treatment.

ENVIRONMENT

Impact

Eqstra's operations affect the environment through direct consumption of fossil fuel in company-operated fleets and indirectly through our leased vehicles and the products we distribute and sell.

Given the diverse nature of individual business units, every division is responsible for its own environmental policy.

Eqstra does not own any significant manufacturing plants, nor does it consume significant amounts of raw materials. The group sells and uses modern fuel-efficient equipment, mindful of the effect of carbon dioxide emissions on the environment, and all vehicles and equipment are serviced regularly to ensure efficient fuel consumption. Initiatives are under way across the group to promote the use of environmentally friendly equipment, including:

- Eqstra's Industrial Equipment division sells and leases a large range of electric and gas-powered forklift trucks. These models are becoming increasingly popular as customers become more environmentally aware; and
- The Distributorships division introduced the world's largest hydraulic excavator (the Terex RH 400) to Africa during the year. The unit brought to South Africa for a major mining client, is also the only electrically-driven RH 400 in the world, running on dual South African-designed power units, each delivering 1 800kW. The decision was based on both financial costs and environmental considerations, as the mine concerned is cutting back on diesel-powered machinery to lower its carbon footprint.

Eqstra operates extensive workshop facilities in all its divisions. All equipment is maintained and serviced in-house, except for passenger cars. A large percentage of our equipment is overhauled when it reaches the end of its first productive life and then redeployed to a less-demanding application. Given that mining, construction and industrial equipment items are designed for long, productive lives, these are either sold to the market, used for spare parts or sold to scrap metal recyclers.

Waste

Waste generated by the group is responsibly disposed of through recycling, re-use or to landfills.

Given the nature of our operations, primary waste products are mainly tyres, oil and batteries:

- Tyres are retreaded, safety permitting, or returned to the manufacturers; and
- Batteries and oil are disposed of through recycling organisations.

Many individual business units have their own recycling initiatives. Eqstra does not yet have a comprehensive system in place to monitor the quantity and type of waste it generates.

Environmental incidents

During the year under review a silo containing blasting material collapsed at one of the mines. This resulted in 7 001 litres chemical spillage. The company contracted an environmental cleaning specialist company and the spillage was cleaned.

A branch received a written warning from the Council regarding oil spillage from a wash bay entering the storm water system. This has been rectified and the Council was satisfied with the corrective measures put in place.

Eqstra does not transport any hazardous material and is not aware of any environmental incidents during the year. The group will, however, continue to monitor compliance as required by environmental stipulations in government policies.

Environmental compliance

Eqstra has not been fined or sanctioned for any violation or breach of compliance with applicable environmental laws and regulations.

Rehabilitation

Eqstra does not own any land in or adjacent to biodiversity-rich habitats or protected areas.

In our Construction and Mining division, MCC's opencast mining operations are concentrated in hard-rock metals like platinum and palladium. MCC is responsible for the design, implementation, delivery and finally rehabilitation of the mine to its previous state. Given that the timeframes involved rest largely with the customer, accurate reporting on rehabilitation is outside MCC's control.

Environmental data

	Construction and Mining		Passenger and Commercial Vehicles		Industrial Equipment		Total	
Consumption (000 litres)	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Petrol	**604**	684	**735**	539	**79**	73	**1 418**	1 296
Diesel	**64 983**	63 559	**35**	41	**1 242**	1 206	**66 260**	64 806
Oil	**813**	760	**450**	500	**231**	215	**1 494**	1 475

The divisions largely rebill fuel costs to their customers.

SOCIETY

Human rights

Eqstra applies the fundamental human rights principles set out in the International Labour Organisation's charter:

- Freedom of association;
- Abolition of forced labour;
- Equality; and
- Elimination of child labour.

See the procurement section for our policy on human rights in terms of suppliers.

Bribery and corruption

Eqstra has a group-wide, secure and independent channel to report alleged irregularities (whistle-blowing) in the organisation. The tip-off line and e-mail facilities are easily accessible to all staff: 0800 21 26 77 or www.tip-offs.com or eqstratip-offs.com.

During the year, 10 incidents of alleged irregular behaviour were reported using these channels. Following thorough investigations, all cases were resolved or dismissed as unfounded. No case resulted in criminal prosecution.

The group monitors ethical performance regularly to ensure corrupt or unethical business practices are eliminated.

Eqstra does not tolerate bribery and corruption, and does not pay or receive bribes. Gift registers are maintained at every business unit to record and monitor gifts received and presented.

Political contributions

As a policy, the group does not make contributions to political parties.

Product responsibility

Customer health and safety is a priority at Eqstra. Business units that interact directly have policies setting out standards to ensure customers' health and safety. When appropriate, these policies are communicated to the customer.

Customer satisfaction

Regular customer satisfaction surveys are conducted independently and in conjunction with suppliers.

Advertising and sponsorship

Individual businesses conduct their own advertising campaigns and sponsorships within the parameters of responsible marketing. The group is not aware of any incidents of non-compliance with any related regulations or codes.

Customer privacy

Eqstra considers all customer information to be confidential. There have been no breaches of confidentiality or customer data being lost.

Fines or penalties

Eqstra has received no fines for non-compliance with laws and regulations on the provision and use of group products.

Value added statement

For the years ended

	Audited 30 June 2009 Rm	%	Pro-forma 30 June 2008 Rm	%
Revenue	**7 889**		7 542	
Paid to suppliers for materials and services	**4 346**		4 717	
Total wealth created	**3 543**		2 825	
Wealth distribution				
Salaries, wages and other benefits (note 1)	**1 066**	**30**	837	30
Providers of capital – Net finance costs	**795**	**22**	512	18
Central and local governments (note 2)	**(4)**		133	5
Reinvested in the group to maintain and develop operations	**1 686**	**48**	1 343	47
– Depreciation and recoupments	**1 534**	**44**	1 174	41
– Future expansion	**152**	**4**	169	6
	3 543	**100**	2 825	100
Value added ratios				
– Number of employees	**6 006**		6 121	
– Revenue per employee (R000)	**1 314**		1 232	
– Wealth created per employee (R000)	**590**		462	
Notes				
1. Salaries, wages and other benefits				
– Salaries, wages, overtime, commissions, bonuses, allowances	**987**		773	
– Employer contributions	**79**		64	
	1 066		837	
2. Central and local governments				
– SA normal taxation	**(33)**		73	
– Secondary tax on companies	**1**		4	
– Foreign taxation	**5**		36	
– Rates and taxes	**4**		3	
– Skills development levy	**6**		5	
– Unemployment insurance fund	**13**		12	
	(4)		133	

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Corporate governance report

INTRODUCTION

The Eqstra group is committed to embracing good corporate governance practices and is guided by the second King report on corporate governance in South Africa (King II) and additional requirements of the JSE Limited. The company's governance systems are continually evolving to meet the expectations of all our stakeholders as a responsible and ethical corporate citizen. The group is committed to comply with all legislation, regulations and best practices in the countries in which it operates.

The board of directors emphasises and expects high standards of financial management, accounting and reporting.

The financial statements are prepared according to International Financial Reporting Standards. In addition, Eqstra has adopted the Global Reporting Initiative's (GRI) sustainability reporting guidelines on environmental, economic and social performance.

In guiding the group's development, the board attempts to balance and encourage entrepreneurial freedom within the constraints of good corporate governance to achieve maximum shareholder value.

INTEGRITY AND ETHICS

Personal and organisational integrity are embedded in Eqstra's culture. The group's code of conduct is communicated to employees through various means and monitored by internal auditors. Behaviour that undermines the spirit of this code is reported and dealt with immediately.

Eqstra maintains the highest ethical standards in conducting its business, acknowledging that the group's reputation is one of its most important assets. Equally, maintaining the trust and confidence of all with whom we deal is one of our most vital responsibilities. At divisional level, our values and standards of trust, integrity, accountability, teamwork, customer satisfaction and responsibility are used to guide the way the broader group conducts business.

We recognise our obligations to those with whom we have dealings – shareholders, employees, customers, suppliers, competitors and the wider community. Accordingly, our code of conduct sets overall principles and guidelines for practice to be adopted throughout the group. Group divisions are required to adopt appropriate principles and processes to deal with specific ethical issues that arise in their particular circumstances. To report suspected irregularities, the group has e-mail and tip-off line facilities that are easily accessible to all staff: eqstra@tip-offs.com or 0800 21 26 77.

The group monitors ethical performance regularly to ensure corrupt or unethical business practices are minimised.

EMPLOYMENT AND LABOUR RIGHTS

Eqstra is committed to promoting equal opportunities and fair employment practices regardless of employees' ethnic origin or gender. Details of the group's policies and practices appear in the sustainability report.

THE BOARD AND DIRECTORS

Eqstra has a unitary board of ten directors. Five are independent non-executive directors, three non-executive directors and two executive directors. Their details appear on pages 6 and 7. There are no alternate directors. The directors are responsible for directing the group towards achieving its objectives. Executing the strategy, operational performance and financial results are the responsibilities of the group CEO and executive management team, within parameters set by the board. Management timeously reports to the board to enable them to make informed decisions.

The board believes the balance and composition of directors' knowledge, skills and experience support the group's vision in effectively leading the group, in line with the recommendations of King II.

The board has a charter detailing its policies, roles and responsibilities in executing its mandate. Each board committee is governed by a charter that was approved and adopted by the board. These charters are reviewed by the board annually. The board delegates the detailed planning and implementation of policy to management and formally reviews progress each quarter.

At least a third of directors retire by rotation each year and stand for re-election at the annual general meeting in accordance with the articles of association. All current directors' initial appointments were ratified at the first annual general meeting on 17 November 2008. Messrs MJ Croucamp and VJ Mokoena as well as Ms S Dakile-Hlongwane retire by rotation in terms of article 35.1 of the articles of association of the company, and are eligible and available for re-election at the next annual general meeting to be held on 12 November 2009. Brief biographical details of board members appear on pages 6 and 7 of the annual report.

The appointment of new directors is considered by the entire board, based on recommendations of the nomination and remuneration committee. These recommendations are based on identified skills and experience requirements combined with personal and business attributes. Reappointment of retiring directors is not automatic and is based on recommendations of the nomination and remuneration committee and approved by the board.

All non-executive directors are required to devote sufficient time to the group's affairs. The strong independent composition of the board ensures that no individual director has unfettered powers of decision and authority.

New directors are required to attend an induction course that includes a tour of the various divisions, focusing on their core business, key drivers and management teams. All directors are also provided with an explanation of their fiduciary duties and responsibilities.

BOARD MEETINGS

The board plans to meet four times a year and on an ad hoc basis should an issue demand its attention. The board met four times during the period under review. The board formally considered and approved group strategies and budgets.

A number of decisions were taken between meetings by written resolution in accordance with the company's articles of association.

Board meetings are convened by written notice. Members receive minutes of all committee meetings and supporting documentation prior to each meeting to ensure the board functions effectively. The board works through an agenda and considers strategy, growth initiatives, operational performance, sustainability, structures, key risks and other activities of the group. The directors have unrestricted access to all company information, records, documents and property. With the prior agreement of the chairman, they are entitled to obtain independent professional advice on group-related matters at the group's expense.

Board members annually assess the board's composition, its duties and responsibilities and the overall effectiveness of the board. All board committees are similarly assessed. Individual directors nominated for re-election are reassessed by the board. As this is the first year since the board and committees were established, the initial evaluation process is scheduled for November 2009.

The chairman of the board is an independent non-executive director with no executive functions.

The powers of the directors are set out in the company's articles of association. The main responsibilities of the board are set out in the board charter. These include, but are not limited to:

- Approval of the strategic plan and annual business plan;
- Setting objectives and reviewing key risks and performance areas;
- Monitoring the implementation of board plans and strategies against a background of economic, environmental and social issues relevant to the company and international political and economic conditions;
- Mitigation of risks;
- Appointing the chief executive officer and maintaining a succession plan;
- Appointing directors, subject to election by members in general meeting; and
- Determining overall policies and processes to ensure the integrity of the company's management of risk and internal control.

Attendance register	25 August 2008	17 November 2008	24 February 2009	29 May 2009
Non-executive directors				
DC Cronjé	√	√	√	√
MJ Croucamp	√	√	√	√
S Dakile-Hlongwane	√	A	A	√
VJ Mokoena	√	√	√	√
PS Molefe	√	√	A	√
SD Mthembi-Mahanyele	√	√	√	√
AJ Phillips	√	√	√	√
TDA Ross	√	√	√	√
Executive directors				
WS Hill	√	√	√	√
E Clarke	√	√	√	√

√ *Indicates attendance* A *Indicates absence with apology*

BOARD COMMITTEES

The board is assisted by committees to which specific responsibilities were delegated, namely:

- Asset and liability committee;
- Audit committee;
- Empowerment and transformation committee;
- Nomination and remuneration committee; and
- Risk committee.

Each board committee acts according to its written charter as approved by the board, which sets out its purpose, membership requirements, duties and reporting procedures. Board committees may take independent professional advice at the company's expense. The performance and effectiveness of these committees are subject to evaluation by the board. Committee chairmen report formally to the board and the minutes of committee meetings are circulated to directors. These committees do not diminish the board's responsibilities.

The chairmen of the board committees and the designated partner of the company's external auditors are required to attend annual general meetings to answer questions raised by shareholders.

The group is divided into six divisional boards responsible for managing day-to-day affairs in their areas of responsibility, subject to board-approved authority limits. These meetings consist of divisional directors and are attended by the CEO and CFO, and management by invitation, subject to the board's approval. The company secretary acts as secretary.

THE BOARD AT A GLANCE

	Year appointed	Age	Asset and liability	Audit	Empowerment and trans-formation	Nomination and remuneration	Risk
Independent non-executive directors							
DC Cronjé	2008	62	Member			Chairman	
MJ Croucamp	2008	64	Member	Member			
SD Mthembi-Mahanyele	2008	59		Member	Chairman		
AJ Phillips	2008	63		Member		Member	Chairman
TDA Ross	2008	65		Chairman			Member
Non-executive directors							
S Dakile-Hlongwane	2008	58			Member		Member
VJ Mokoena	2008	49				Member	Member
PS Molefe	2008	57	Member				
Executive directors							
WS Hill	2007	50	Member				Member
E Clarke	2007	44	Chairman				Member

Asset and liability committee (ALCO)

ALCO consists of five directors. The members of the committee are Messrs E Clarke (chairman), WS Hill, and MJ Croucamp, Doctors DC Cronjé and PS Molefe. The group treasurer, Mr P Siddall, attends as *ex officio* participant. Mr W Reitsma (an external independent treasury advisor) resigned during the year, and the committee expresses its gratitude for his year's service as a committee member. The company secretary acts as secretary. Invitees do not have voting rights.

As per its plan, the committee met four times during the review period.

The committee is responsible for implementing best-practice asset and liability risk management policies. Its main objectives include managing liquidity risk, interest rate risk, foreign exchange risks and monitoring the bank covenants of the group within acceptable risk profiles.

The company negotiated, as part of the unbundling process, committed funding facilities from South African and international banks. During the year, management renegotiated covenants to incorporate a change of its interest cover ratio covenant methodology from EBIT (earnings before interest and taxation) to EBITDA (earnings before interest, taxation, depreciation and amortisation). The board and the committee are committed to actively managing borrowings and assets to ensure covenants are not breached. The committee is pleased to report that all bank covenants have been met.

The board satisfied itself that the committee fulfilled its responsibilities as set out in its charter.

Attendance register	11 August 2008	10 November 2008	13 February 2009	19 May 2009
Non-executive directors				
DC Cronjé	√	√	√	√
MJ Croucamp	√	√	√	√
PS Molefe	A	√	A	A
Executive directors				
WS Hill	√	√	√	√
E Clarke	√	√	√	√

√ *Indicates attendance* A *Indicates absence with apology*

Audit committee

The group audit committee comprises four independent non-executive directors, one of whom is appointed as chairman. Certain executive directors, the group internal and external auditors and management attend by invitation. A majority of members present constitutes a quorum. The group company secretary acts as secretary. Against its plan of at least four meetings per year, during the review period the committee met five times.

Divisional audit committees have been constituted to support and assist the group audit committee. Each committee is chaired by an independent non-executive member of the group audit committee. The remaining members of these divisional committees comprise executive committee members of other divisions, not associated with the day-to-day activities of that division to ensure independence of the committees. These meetings are also attended by the CFO, management, internal and external auditors by invitation. Divisional audit committees report to the group audit committee and the company secretary acts as secretary. The group audit committee accepts overall responsibility.

Members of the group audit committee are Messrs TDA Ross (chairman), MJ Croucamp, AJ Phillips and Dr SD Mthembi-Mahanyele. Invitees to these meetings do not have voting rights.

The board of directors has assigned the following main duties and responsibilities to the audit committee:

- Provide an open avenue of communication between internal auditors, external auditors and board of directors;
- Review committee charter annually and ensure that agendas meet requirements;
- Determine from management, the head of internal auditing and external auditor's representative the significant risks or exposures, and assess steps management has taken to minimise these risks to the company;
- Consider, in consultation with external and internal auditors, their audit scope and plans;
- Review with the head of internal audit and external auditor's representative the co-ordination of audit activity to ensure completeness of coverage, reduction of wasted efforts and effective use of audit resources;
- Review the following with the internal and external auditors:
  - The adequacy and effectiveness of the company's internal controls including computerised information system controls and security;
  - The quality of financial information produced to ensure integrity and reliability;
  - Compliance with the requirements for audit committees as set out by King II, Companies Act and JSE regulations; and
  - The effectiveness of the risk management process;
- Oversee the internal audit charter, internal audit function, review the appointment of the head of internal audit, the effective audit plan and ensure these goals and objectives are met;
- Oversee the external audit function, including recommending the appointment and retention of independent auditors, fees paid, rotation and independence of external auditors as well as evaluating the scope of the statutory audit and the performance of auditors;
- Review interim and annual financial statements before submission to the board and prior to press announcements; and
- Review legal, statutory and regulatory matters.

During the period under review, Deloitte & Touche were the external auditors of the group and provided certain non-statutory services. All non-audit services were pre-approved.

The board satisfied itself that the committee fulfilled its responsibilities as set out in its charter and that the committee as a whole has a good understanding of financial risks, financial and internal controls. The committee furthermore possesses sufficient and relevant knowledge of corporate law, has a thorough understanding of IFRS and other relevant frameworks applicable to the company.

Attendance register	18 August 2008	23 October 2008	17 February 2009	21 May 2009	18 June 2009*
Non-executive directors					
TDA Ross	√	√	√	√	√
MJ Croucamp	√	√	A	√	A
SD Mthembi-Mahanyele	√	√	√	√	√
AJ Phillips	√	√	√	√	√

√ *Indicates attendance* A *Indicates absence with apology* * *Ad hoc meeting*

Empowerment and transformation committee

This committee comprises the following directors, Ms S Dakile- Hlongwane, Dr SD Mthembi-Mahanyele (chairperson) and Mr VC Dube (executive committee member). Mr VC Dube substituted Mr WS Hill on 6 February 2009. The committee is attended by representatives of all business units. The committee met three times during the year.

The committee oversees implementation of the principles of transformation in the divisions and broader matters relating to creating a framework that will enable the advancement of previously disadvantaged South Africans in the workplace and the formation of partnerships for the development of communities in which the company operates. In fulfilling their duties and responsibilities, committee members may consult, whenever appropriate, with any other member of the board or expert on any relevant subject matter.

Attendance register	29 October 2008	6 February 2009	16 May 2009
Non-executive directors			
S Dakile-Hlongwane	√	√	√
SD Mthembi-Mahanyele	√	√	√
Executive directors			
WS Hill	√		
VC Dube		√	√

√ *Indicates attendance*

Nomination and remuneration committee

This committee consists of three non-executive directors of whom two members, including the chairman, are independent. The CEO and CFO attend by invitation to assist the committee in its deliberations, except when issues relating to their own remuneration are discussed. The company secretary acts as secretary. Invitees do not have voting rights.

The members of the committee are Dr DC Cronjé (chairman) and Messrs VJ Mokoena and AJ Phillips.

The committee met once during the period, with all members attending.

The board of directors assigned the following main duties and responsibilities to the committee:
- Identify and nominate candidates for the approval of the board as additional directors or to fill any board vacancies when they arise;
- Advise the board on succession planning, particularly in respect of the chairman of the board and CEO;
- Proposals for renewing the board's composition are proactively managed by the committee to ensure that timely changes take place;
- Recommend to the board directors who retire in terms of the company's articles of association, for re-election;
- Design, monitor and communicate the group's remuneration policy and the short- and long-term incentive policies for directors, executives, management and staff;
- Consider and approve the remuneration and incentives for directors and executive management;
- Advise on the remuneration for non-executive directors;
- Consider significant changes to the group pension and provident fund and medical aid schemes; and
- Scrutinise all other benefits, including allowances, and ensure they are justified and appropriate.

The committee also reviews regularly the independence of non-executive directors. The committee classified the following non-executive directors as not being independent:

- PS Molefe as he represents Lereko Mobility (Pty) Limited, a major BEE shareholder;
- S Dakile-Hlongwane as she represents Nozala Investments (Pty) Limited, as a major BEE shareholder; and
- VJ Mokoena as he represents Ukhamba Holdings (Pty) Limited, a major BEE shareholder.

The committee evaluated the work done by Messrs MJ Croucamp, VJ Mokoena and Ms S Dakile-Hlongwane, being the directors who retire by rotation, and recommends that shareholders re-appoint these directors at the annual general meeting on 12 November 2009.

The board satisfied itself that the committee fulfilled its responsibilities as set out in its charter.

Risk committee

The board is responsible for the risk management process and is assisted in its responsibilities by the risk committee. The day to day responsibility for identifying, evaluating and managing risk resides with management. The risk committee consists of four non-executive directors of whom two members, including the chairman, are independent. The chairman of the committee is also a member of the group audit committee to ensure the appropriate exchange of key issues between these committees. The CEO and CFO are members of the committee, while the internal auditors and head of risk attend by invitation. The company secretary acts as secretary. Invitees do not have voting rights.

The members of the committee are Messrs AJ Phillips (chairman), VJ Mokoena, TDA Ross, WS Hill, E Clarke and Ms S Dakile-Hlongwane. Ms D Naidoo serves as *ex officio* participant.

The committee is of the opinion that the risk management process is effective in identifying and evaluating risks in line with the defined risk appetite.

The committee met three times during the period under review.

Attendance register	17 July 2008	10 November 2008	21 May 2009
Non-executive directors			
S Dakile-Hlongwane	√	√	A
VJ Mokoena	√	√	√
AJ Phillips	√	√	√
TDA Ross	*	√	√
Executive directors			
WS Hill	√	√	√
E Clarke	√	√	√

√ *Indicates attendance* A *Indicates absence with apology* * *Not appointed*

The committee's minutes are included for review in audit committee as well as board papers.

The group made good progress towards advancing its risk management approach through a diligent risk identification and evaluation exercise that was facilitated by an independent advisor.

During the year, each division updated its business risk profile and identified key strategic risks and the controls required to mitigate these risks. A similar process was then carried out to identify those risks and related controls which are important to the group as a whole. The group risk assessment was approved by the board and forms the focus of the internal audit plan for the next financial year. The key risks and their status are reported to the audit and risk committees during the year.

Divisional boards and senior managers conduct a quarterly risk self-assessment. This process identifies critical business, operational, financial and compliance exposures facing the various divisions and the adequacy and effectiveness of control factors at all levels. The assessment methodology takes into account severity and probability of occurrence and applies a rating based on the quality of control, thereby ranking risks and setting priorities. The top risks, elevated to group level, are addressed through action plans with assigned responsibilities.

This improved risk information will assist in aligning risk management with the group's strategic direction and demonstrates the following:

- Active management of key risks;
- Resource allocation based on risk assessments;
- Risks considered in decision making;
- Understanding of risk appetite and how this is communicated in the group;
- Long-term planning that reflects the risk/reward balance and scenarios considered; and
- Active board involvement, oversight and support to management regarding risk, which will entrench stakeholder confidence in management's ability to manage risk.

The decentralised structure of the group encompasses many business units and therefore overall group risk is spread and minimised. The committee is assisted by the group internal audit and risk executive and divisional risk management sponsors who are co-ordinating the risk assessment process. The management of risk substantially takes place in the divisions, and responsibility and accountability largely remains in the divisional management structures. The risk committee formalises and standardises this process by guiding management and assessing their effectiveness with risk management.

The board determines the level of acceptable risk and requires operations to manage and report accordingly. Material issues and circumstances that could adversely impact on the group's reputation and financial affairs constitute unacceptable risk.

The established system of internal control for managing risk, which requires transparency and clear accountability, has the commitment of senior management.

The system of internal control has been implemented in all key operations and is tailored to suit the specific circumstances of each business unit. It provides reasonable, rather than absolute, assurance that the group's business objectives will be achieved within prescribed risk tolerance levels. Related risk areas and control processes are monitored across the group continuously.

The following main risks, not ranked in any order, were identified during the year under review:

Risk	Response
Inventory levels	A rigorous inventory provisioning policy is applied across the group. Inventory orders have been curtailed until levels of inventory normalise. Terex and New Holland orders are authorised by the CEO. There is increased focus on marketing plans to liquidate inventory.
Banking covenants	Covenants are monitored monthly by the CEO, CFO and Treasurer. Individual businesses are monitored against business target ratios, including regular review of forecasts. Management has renegotiated with banks to change the interest cover ratio covenant from EBIT to EBITDA. Management engages proactively in communicating with funding partners.
Balance sheet protection	Focus on reducing capital expenditure but maintaining a structured capital replacement programme. Continual review of reconciliations and asset verification. Employ proactive controls and management over funds. Focused working capital management and utilisation of assets. Regular review of residual values on leasing assets.
Securing of funding	An R8 billion DMTN programme was established since unbundling. Commercial paper has been raised and rolled during the year in spite of a difficult market. Liquidity facility is in place to cover all commercial paper issued. Committed bank facilities are in place. Eqstra has capped funding for each of the divisions at current levels. This means future capital expenditure has to be financed from existing cash flows. Eqstra actively manages funding levels at divisional levels.
Commodity market exposure	Diversify into other commodities such as energy resources to reduce concentration on platinum. Review current market exposure and ensure balanced portfolio between divisions. Eqstra is a market leader and benefits from good industrial diversification.
Industrial actions and unrest	Reviewed conditions of employment. Increased industrial relations skills by using advisors and training managers and employees. Engaged with union officials to improve communication.

EXECUTIVE COMMITTEE

The CEO is supported in his duties by the executive committee (Exco). The committee members are Mr WS Hill (CEO), Mr E Clarke (CFO), Mr VC Dube (divisional CEO Construction and Mining: Distributorships division), Mr MR Barnes (divisional CEO of Construction and Mining: Contract mining and plant rental division), Ms JV Carr (divisional CEO Passenger and Commercial Vehicles) and Mr GD Neubert (divisional CEO Industrial Equipment division). The chairman of the committee is the CEO, and the company secretary acts as secretary. During the year Mr SF Tshifularo and Mr NW Lynch assumed executive positions at group subsidiaries. Both resigned as members of Exco.

This committee meets monthly. Its duties include:

- Financial, strategic, operational, governance, risk and functional issues;
- Formulation of group strategy and policy for approval by the board;
- Alignment of group initiatives;
- Monitoring market trends and performance, competition and measuring structures; and
- Measuring, monitoring and taking proactive action on divisional performance.

COMPANY SECRETARY

The company secretary guides the board as a whole and directors individually on discharging their responsibilities. Appointment and removal of the company secretary are matters for the board. The company secretary maintains and regularly updates a corporate governance manual, and copies are distributed to all new directors and divisional senior managers.

The company secretary ensures that, in accordance with pertinent laws, the proceedings and affairs of the board and its members, the company itself and, where appropriate, owners of securities in the company are properly administered.

The company secretary ensures compliance with the rules and Listings Requirements of the JSE Limited. The company secretary also ensures companies in the group comply with statutory requirements in South Africa and other countries of operation. All directors have access to the advice and services of the company secretary relative to the affairs of the company and their roles and responsibilities.

Together with the chairman, the company secretary ensures good information flows within the board and its committees and between senior management and non-executive directors, and sets up the annual plan for the board.

Directors and company officers keep the company secretary advised of all their dealings in securities of the company according to well-defined rules and procedures, and a report is tabled at the board meeting following any such dealings.

CONFLICT OF INTEREST

The group's company secretary maintains the declarations of interest and related-party disclosures register of the board. The directors are required to declare and update their interest at each board meeting. Directors who have a conflict of interest on any matter to be discussed at meetings are required to inform the chairman and the group secretary before the meeting. The director is recused from the meeting when the item is being discussed.

ACCOUNTABILITY AND AUDIT

The directors acknowledge their responsibility for instituting internal control systems that provide reasonable assurance on safeguarding assets and preventing their unauthorised use or disposal, as well as maintaining proper accounting records that give reasonable assurance on the reliability of financial information produced.

Going concern

The group audit committee and the full board considers the facts and assumptions used in assessing the going concern status of the group at the financial year end. This provides assurance to the directors before confirming their assessment that the annual financial statements are properly prepared on the going concern basis.

Internal control framework

The board approves the levels of authority of the CEO, who in turn delegates appropriate levels of authority to executive members of the divisions to ensure effective day-to-day operations. This framework is designed to maintain an appropriate control environment within approved budgets and implementation of strategies.

Internal audit

With its responsibilities clearly defined and approved by the audit committee, internal audit functioned throughout the group during the past year.

Internal audit focused on the following main areas:

- Appraising and advising on systems, procedures and management controls;
- Assessing the effectiveness of risk management processes;
- Evaluating the reliability and integrity of management and financial information;
- Assessing the control over assets and verifying their existence;
- Reviewing compliance with policies and procedures; and
- Recommending improvements in procedures and systems to enhance efficiencies and prevent fraud.

Internal audit is an independent, objective assurance and consulting activity to add value and improve the group's operations. It helps the group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, control and governance processes.

Audit findings were formally reported to divisional audit committees, which in turn report all material findings to the group audit committee. The head of internal audit co-ordinates the internal audit function and reports to the chairman of the audit committee. A number of meetings have been held throughout the year, providing details of audit coverage and any significant findings.

The internal audit process did not highlight any breakdowns in internal control that were known to have had a material impact on the reported financial information.

The group audit plan for the review period was developed to enhance awareness and visibility of the function within the group. The plan for the 2010 financial year is based on specific strategic risks as identified by the divisions.

The head of internal audit continues to liaise with external auditors to maximise efficiencies of audit coverage where possible.

Litigation and legal

All material legal actions and litigations are reported monthly to Exco and quarterly to divisional audit committees and boards. The board is not aware of any material pending or threatened legal actions against the group.

FINANCIAL REPORTING

All divisions in Eqstra prepare detailed monthly management accounts, budgets and five-year plans. These are approved by the board. Performance against budget is monitored monthly by Exco, and quarterly by the board. Variances are analysed and corrective measures put in place where required.

Profit and cash flow forecasts are reviewed and include an analysis of material changes. Accounting policies are disseminated throughout the group to ensure compliance.

INSIDER TRADING

No employee, nominee or members of his/her immediate family may deal either directly or indirectly, at any time, in the securities of the company based on unpublished price-sensitive information about the company's business or affairs. No director or officer may deal in the securities of the company during the embargo period determined by the board in terms of a formal policy implemented by the company secretary. Embargoed periods are from the end of the interim and annual reporting periods to 24 hours after announcing financial and operating results for those respective periods. Directors and senior designated employees are required to instruct their portfolio or investment managers not to trade in the securities of Eqstra without written consent. A list of people who are restricted for this purpose has been approved by the board and is revised from time to time. A register of directors and officers is available for inspection at the company's registered office in Meadowdale, South Africa.

The rules of the JSE Limited extend obligations regarding transactions in the securities of the company to include those of any major subsidiary. Due to the unique structure of divisional boards, which include several subsidiaries, the board believes that if the divisional board were considered as a major division, the directors of that divisional board would be regarded as directors of a major subsidiary. The directors or officers of the company's major divisions are therefore included in the list of directors, company secretary and other officers.

Trading in the company's shares is conducted on completion of an application form. Authorisation for the transaction is given in writing by the chairman of the board, the CEO or a divisional CEO, as appropriate, prior to the transaction. The written authority is kept by the company secretary with the record of the particular transaction. In the event that the chairman wishes to trade, permission to do so is obtained from the board.

RELATIONSHIP WITH SHAREHOLDERS AND OTHER INVESTORS

The group is committed to protecting the interests of shareholders and other investors and will not do anything that will prejudice one class of stakeholder at the expense of another. The group is committed to presenting accounting statements that are true and timely.

Eqstra aims to generate attractive returns to investors on a long-term basis. The group will also communicate business policies, achievements and prospects honestly.

The CEO, CFO and divisional heads conduct regular presentations which are available on the Eqstra website. The company also maintains a website that includes the group's latest financials, operational and historical information, including its annual report.

The company's second annual general meeting is scheduled for 12 November 2009, and will be attended by the directors. Shareholders are encouraged to be present and to ask questions during the meeting. They will have the opportunity to meet with directors after formal proceedings.

The notice of the annual general meeting, detailing all proposed resolutions, is included on pages 127 to 129.

Pro-forma audited results

The pro-forma audited consolidated results on pages 54 to 63 for the financial year ended 30 June 2009 and 30 June 2008 have been prepared for illustrative purposes to provide a more meaningful comparison year on year. These pro-forma consolidated financial results are the responsibility of the directors and may not fairly present the financial position of Eqstra, its results of operations, cash flow or changes in equity.

These pro-forma consolidated financial results comprise the audited year end results for 30 June 2009, as disclosed on pages 65 to 124 of this report, as well as ten months trading for the period from 26 June 2007 to 30 April 2008 that represent the divisional financial statements of the Leasing and Capital Equipment division of Imperial prior to unbundling and two months audited financial statements from 1 May to 30 June 2008 of Eqstra as disclosed in the annual report of Eqstra for the year ended 30 June 2008.

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Pro-forma balance sheet

as at

	Notes	Audited 30 June 2009 Rm	Audited 30 June 2008 Restated (1) Rm
ASSETS			
Non-current assets		**7 734**	7 100
Intangible assets		**9**	5
Property, plant and equipment		**348**	353
Leasing assets		**7 138**	6 550
Deferred tax assets		**89**	60
Other investments and loans	2	**150**	132
Current assets		**2 499**	2 990
Inventories		**1 612**	1 690
Trade and other receivables		**785**	1 108
Derivative financial assets	1a		18
Taxation in advance		**51**	46
Cash and cash equivalents		**51**	128
Total assets		**10 233**	10 090
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		**1 475**	1 475
Other reserves		**(2)**	72
Retained income		**334**	291
Ordinary shareholders' interest		**1 807**	1 838
Minority interest		**19**	17
Total shareholders' equity		**1 826**	1 855
Non-current liabilities		**4 772**	5 166
Interest-bearing borrowings		**4 256**	4 727
Deferred tax liabilities		**516**	439
Current liabilities		**3 635**	3 069
Trade and other payables		**1 031**	1 986
Provisions for liabilities and other charges	1b	**17**	29
Derivative financial liabilities		**54**	
Current tax liabilities		**59**	27
Current portion of interest-bearing borrowings	3	**2 474**	1 027
Total liabilities		**8 407**	8 235
Total equity and liabilities		**10 233**	10 090

Pro-forma income statement

for the years ended

	Note	Audited twelve months ended 30 June 2009 Rm	Pro-forma twelve months ended 30 June 2008 [7] Rm
Revenue		**7 889**	7 542
Profit from operations before depreciation and recoupments		**2 477**	2 412
Depreciation and recoupments		**(1 534)**	(1 174)
Operating profit		**943**	1 238
Foreign exchange losses		**(4)**	(25)
Fair value losses arising from foreign exchange derivatives		**(42)**	(3)
Impairment of share scheme loan		**(9)**	(6)
Profit before net finance costs		**888**	1 204
Net finance costs		**(795)**	(512)
Finance costs including fair value (losses) gains	9	**(833)**	(532)
Finance income		**38**	20
Profit before taxation		**93**	692
Income tax expense		**48**	188
Profit for the year		**45**	504
Attributable to:			
Equity holders		**43**	382
Minority interest		**2**	122
Profit for the year		**45**	504

Pro-forma

Pro-forma cash flow statement

for the years ended

	Audited twelve months ended 30 June 2009 Rm	Pro-forma twelve months ended 30 June 2008 [7] Rm
Cash flows from operating activities		
Cash generated by operations before changes in working capital	**2 408**	2 406
Net working capital movements	**(312)**	(645)
Cash generated by operations	**2 096**	1 761
Net finance costs, excluding fair value adjustments	**(779)**	(523)
	1 317	1 238
Income tax received (paid)	**33**	(110)
Net cash flows generated from operating activities	**1 350**	1 128
Cash flows from investing activities		
Net acquisition of subsidiaries and businesses		(61)
Gross capital expenditure	**(3 214)**	(3 854)
Proceeds on disposal of assets	**768**	1 095
Increase in other investments and loans	**(19)**	(84)
Net cash flows utilised in investing activities	**(2 465)**	(2 904)
Cash flows from financing activities		
Additional capital introduced		400
Share issue expenses		(19)
Acquisition of share call option	**(27)**	
Net increase in interest-bearing borrowings	**1 074**	1 604
Dividends paid		(250)
Net cash flows generated from financing activities	**1 047**	1 735
Net decrease in cash and cash equivalents	**(68)**	(41)
Foreign exchange movement on cash and cash equivalents	**(9)**	
Cash and cash equivalents at beginning of year	**128**	169
Cash and cash equivalents at end of year	**51**	128

Pro-forma statement of changes in equity

for the years ended

	Share capital and premium Rm	Group equity funding Rm	Other reserves Rm	Retained income Rm	Minority interest Rm	Total Rm
Pro-forma balance at 25 June 2007		391	4	741	254	**1 390**
Net gains arising on translation of foreign companies			29			**29**
Impairment of Lereko call option			(33)			**(33)**
Movement in hedge accounting reserve			20			**20**
Net gains not recognised in the income statement			16			**16**
Profit for the year				382	122	**504**
Dividends				(178)	(72)	**(250)**
Subsidiaries not acquired				(131)	(13)	**(144)**
Goodwill written off due to unbundling				(94)		**(94)**
Acquisition of Lereko call option			52			**52**
MCC minority purchase	274				(274)	
Additional capital introduced	1 220	(391)		(429)		**400**
Unbundling adjustments	1 494	(391)	52	(654)	(287)	**214**
Share issue expenses	(19)					**(19)**
Balance at 30 June 2008	1 475		72	291	17	**1 855**
Net losses arising on translation of foreign subsidiaries			(17)			**(17)**
Fair value losses			(50)			**(50)**
Impairment of Lereko call option			(1)			**(1)**
Share based payments expense			13			**13**
Acquisition of share call option			(19)			**(19)**
– Gross			(27)			**(27)**
– Tax effect			8			**8**
Expenses recognised directly in equity			(74)			**(74)**
Profit for the year				43	2	**45**
Balance at 30 June 2009	**1 475**		**(2)**	**334**	**19**	**1 826**

Pro-forma

Pro-forma segment information – balance sheet

for the years ended

	Group		Construction and Mining (1c) Contract mining and plant rental	
	Audited 30 June 2009 Rm	Pro-forma 30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm
BUSINESS SEGMENTATION				
ASSETS				
Intangible assets	**9**	5		1
Property, plant and equipment	**348**	353	**113**	94
Leasing assets	**7 138**	6 550	**3 117**	2 519
Other investments and loans	**150**	132	**53**	29
Inventories	**1 612**	1 690	**79**	40
Trade and other receivables	**785**	1 126	**302**	296
Operating assets	**10 042**	9 856	**3 664**	2 979
Deferred tax assets	**89**	60		
Taxation in advance	**51**	46		
Cash and cash equivalents	**51**	128		
Total assets per balance sheet	**10 233**	10 090		
LIABILITIES				
Accounts payable and provisions	**1 102**	2 015	**261**	401
Non-interest-bearing liabilities	**1 102**	2 015	**261**	401
Interest-bearing borrowings	**6 730**	5 754		
Deferred tax liabilities	**516**	439		
Current tax liabilities	**59**	27		
Total liabilities per balance sheet	**8 407**	8 235		
GEOGRAPHIC SEGMENTATION				
Operating assets	**10 042**	9 856	**3 664**	2 979
– South Africa	**9 135**	8 756	**3 563**	2 871
– Rest of Africa	**457**	440	**101**	108
– Rest of World	**450**	660		
Non-interest bearing liabilities	**1 102**	2 015	**261**	401
– South Africa	**867**	1 888	**255**	397
– Rest of Africa	**166**	61	**6**	4
– Rest of World	**69**	66		
Interest-bearing borrowings	**6 730**	5 754	**2 387**	1 669
– South Africa	**6 204**	4 927	**2 317**	1 563
– Rest of Africa	**182**	350	**70**	106
– Rest of World	**344**	477		
Gross capital expenditure	**3 214**	3 854	**1 279**	1 636
– South Africa	**2 949**	3 397	**1 270**	1 539
– Rest of Africa	**67**	266	**9**	97
– Rest of World	**198**	191		
Gross capital expenditure	**3 214**	3 854	**1 279**	1 636
Less: Proceeds on disposal	**(768)**	(1 095)	**(63)**	(127)
Net capital expenditure	**2 446**	2 759	**1 216**	1 509

Construction and Mining [1c] Distributorships		Passenger and Commercial Vehicles		Industrial Equipment		Corporate office and eliminations	
30 June 2009 Rm	30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm
4		**5**	4				
77	61	**54**	70	**79**	103	**25**	25
75	36	**2 760**	2 757	**1 227**	1 270	**(41)**	(32)
		2	12			**95**	91
1 266	1 286	**31**	68	**236**	296		
262	489	**121**	188	**152**	207	**(52)**	(54)
1 684	1 872	**2 973**	3 099	**1 694**	1 876	**27**	30
315	1 068	**288**	309	**150**	167	**88**	70
315	1 068	**288**	309	**150**	167	**88**	70
1 684	1 872	**2 973**	3 099	**1 694**	1 876	**27**	30
1 578	1 824	**2 723**	2 815	**1 244**	1 216	**27**	30
106	48	**250**	284				
				450	660		
315	1 068	**288**	309	**150**	167	**88**	70
205	1 060	**238**	259	**81**	101	**88**	71
110	8	**50**	50				(1)
				69	66		
1 422	631	**1 625**	1 884	**1 237**	1 473	**59**	97
1 422	587	**1 513**	1 684	**893**	996	**59**	97
	44	**112**	200				
				344	477		
86	84	**983**	1 434	**877**	726	**(11)**	(26)
86	84	**925**	1 265	**679**	535	**(11)**	(26)
		58	169				
				198	191		
86	84	**983**	1 434	**877**	726	**(11)**	(26)
(15)	(5)	**(158)**	(709)	**(532)**	(254)		
71	79	**825**	725	**345**	472	**(11)**	(26)

Pro-forma

Pro-forma segment information – income statement

for the years ended

	Group		Construction and Mining [1c] Contract mining and plant rental	
	Audited 30 June 2009 Rm	Pro-forma 30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm
BUSINESS SEGMENTATION				
Revenue				
– Sales of goods	**2 421**	2 867		1
– Rendering of services	**5 464**	4 673	**2 888**	2 256
– Other	**4**	2		
	7 889	7 542	**2 888**	2 257
Inter segment revenue			**274**	143
	7 889	7 542	**3 162**	2 400
Operating expenses	**(5 412)**	(5 130)	**(2 134)**	(1 464)
Depreciation	**(1 551)**	(1 211)	**(611)**	(375)
Recoupments	**17**	37	**5**	13
Operating profit	**943**	1 238	**422**	574
Foreign exchange losses	**(4)**	(25)	**10**	
Fair value losses on foreign exchange derivatives	**(42)**	(3)		
Impairment of share scheme loan	**(9)**	(6)		
Profit before net finance costs	**888**	1 204	**432**	574
Net finance costs	**(795)**	(512)	**(297)**	(143)
Profit before taxation	**93**	692	**135**	431
GEOGRAPHIC SEGMENTATION				
Revenue	**7 889**	7 542	**3 162**	2 400
– South Africa	**7 042**	6 808	**3 034**	2 362
– Rest of Africa	**431**	340	**128**	38
– Rest of World	**416**	394		
Operating profit	**943**	1 238	**422**	574
– South Africa	**844**	1 141	**386**	571
– Rest of Africa	**72**	77	**36**	3
– Rest of World	**27**	20		
Net finance costs	**795**	512	**297**	143
– South Africa	**738**	488	**286**	139
– Rest of Africa	**33**	18	**11**	4
– Rest of World	**24**	6		

Construction and Mining [1c] Distributorships		Passenger and Commercial Vehicles		Industrial Equipment		Corporate office and eliminations	
30 June 2009 Rm	30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm	**30 June 2009 Rm**	30 June 2008 Rm
1 549	1 830	**302**	368	**570**	668		
118	169	**1 517**	1 478	**933**	770	**8**	
						4	2
1 667	1 999	**1 819**	1 846	**1 503**	1 438	**12**	2
302	203	**28**				**(604)**	(346)
1 969	2 202	**1 847**	1 846	**1 503**	1 438	**(592)**	(344)
(1 972)	(2 091)	**(898)**	(944)	**(983)**	(910)	**575**	279
(13)	(3)	**(599)**	(528)	**(331)**	(306)	**3**	1
		11	24	**2**		**(1)**	
(16)	108	**361**	398	**191**	222	**(15)**	(64)
(8)	(9)	**(5)**		**(2)**	(16)	**1**	
(42)					(3)		
						(9)	(6)
(66)	99	**356**	398	**189**	203	**(23)**	(70)
(143)	(58)	**(233)**	(215)	**(129)**	(98)	**7**	2
(209)	41	**123**	183	**60**	105	**(16)**	(68)
1 969	2 202	**1 847**	1 846	**1 503**	1 438	**(592)**	(344)
1 828	2 137	**1 685**	1 586	**1 087**	1 044	**(592)**	(321)
141	65	**162**	260				(23)
				416	394		
(16)	108	**361**	398	**191**	222	**(15)**	(64)
(19)	96	**328**	332	**164**	202	**(15)**	(60)
3	12	**33**	66				(4)
				27	20		
143	58	**233**	215	**129**	98	**(7)**	(2)
143	54	**211**	200	**105**	92	**(7)**	3
	4	**22**	15				(5)
				24	6		

Pro-forma

Pro-forma notes

for the years ended

(1) (a) The prior year number has been reclassified to disclose the derivative financial asset separately on the balance sheet. In the prior year it was included in Trade and other receivables.

(b) In the prior year employee related accruals of R71 million were included as part of Provisions for liabilities and other charges. In the current year it is disclosed as part of Trade and other payables.

(c) In the prior year this segment was disclosed as a consolidated segment. In the current year the Contract mining and plant rental division and the Distributorships have been disclosed separately.

	Audited 30 June 2009 Rm	Audited 30 June 2008 Restated (1) Rm
(2) Other investments and loans		
– Listed, at market value	**35**	27
– Unlisted, at fair value or directors' valuation	**63**	57
– Loans receivable	**52**	48
	150	132
(3) Current portion of interest-bearing borrowings		
The current portion of interest-bearing borrowings includes R1 603 million commercial paper that is supported by a R1 950 million standby liquidity facility that has an 18 month notice period.		
(4) Net asset value per share (cents)	**706,7**	718,2
(5) Earnings per share		
Number of shares used in calculations		
Number of ordinary shares (million)		
– in issue	**258,4**	258,4
– weighted average	**258,4**	224,0
– dilutionary shares	**30,4**	29,5
– diluted weighted average	**288,8**	253,5
(6) Capital commitments and contingent liabilities		
Capital commitments	**2 342**	2 758
– Contracted	**172**	792
– Authorised by directors but not contracted	**2 170**	1 966
Contingent liabilities	**30**	192

(7) These numbers are per the pro-forma financial statements as presented in the Eqstra Holdings Limited annual report for 30 June 2008.

(8) Earnings per share (5)

	Audited 30 June 2009 cents	Pro-forma 30 June 2008 cents
Ordinary shares		
– Basic(#)	**16,6**	170,3
– Diluted(##)	**14,9**	150,4
Headline earnings per share		
– Basic(#)	**12,0**	158,7
– Diluted(##)	**10,7**	140,1
Earnings per share reconciliation		
Basic earnings per share	**16,6**	170,3
Profit (loss) on sale of property, plant and equipment	**(0,8)**	3,5
Profit on sale of leasing assets	**(5,8)**	(19,6)
Taxation effect	**2,0**	4,5
Headline earnings per share	**12,0**	158,7

(#) *Based on the weighted average number of shares in issue for the year.*
(##) *Based on the diluted weighted average number of shares in issue for the year.*

(9) Finance costs including fair value (losses) gains	**Rm**	Rm
Interest expense	**817**	543
Fair value losses (gains) on borrowings and interest swaps	**16**	(11)
	833	532

Pro-forma

Annual financial statements

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Directors' responsibility for financial reporting

The directors of the company are required by the Companies Act of South Africa, 61 of 1973, ("the Act") to maintain adequate accounting records and are responsible for the preparation and integrity of the annual financial statements and related information included in this report. It is their responsibility to ensure that the annual financial statements fairly represent the state of affairs of the group and Eqstra Holdings Limited as at the end of the financial year, in conformity with International Financial Reporting Standards (IFRS), JSE Listing Requirements and applicable legislation. The group's independent external auditors, Deloitte & Touche, are engaged to express an independent opinion on the consolidated annual financial statements. Their unqualified report appears on page 66.

The consolidated annual financial statements are prepared in accordance with IFRS. The consolidated annual financial statements are based upon appropriate accounting policies applied consistently throughout the group and supported by reasonable and prudent judgements and estimates.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, as well as to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. The directors are of the opinion, based on the information and explanations of management and internal auditors, that the system of internal control provides reasonable assurance and that nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review. The directors are therefore satisfied that the financial record may be relied on for the preparation of the consolidated annual financial statements.

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

The annual financial statements of the company set out on pages 118 to 124 and the financial statements of the group set out on pages 67 to 117 were approved by the board of directors and are signed on their behalf by:

DC Cronjé
Chairman

WS Hill
Chief Executive Officer

25 August 2009
Meadowdale

Certificate by company secretary

for the year ended 30 June 2009

In my capacity as company secretary, I hereby confirm that in terms of the Companies Act of South Africa, 61 of 1973, as amended, for the year ended 30 June 2009, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

L Möller
Company Secretary

25 August 2009
Meadowdale

Independent auditors report
to the members of Eqstra Holdings Limited

We have audited the accompanying group and separate company financial statements of Eqstra Holdings Limited, which comprise the group and separate company balance sheet as at 30 June 2009, and the group and separate company income statement, group and separate company statement of changes in equity and group and separate company cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 67 to 124 excluding pages 71 to 75.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements present fairly, in all material respects, the financial position of the Eqstra Holdings Limited group and company as at 30 June 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act in South Africa.

Deloitte & Touche.

Deloitte & Touche
Registered Auditors

Per JM Bierman
Partner

25 August 2009

Building 1 and 2, Deloitte Place
The Woodlands Office Park, Woodlands Drive, Sandton

National executive: GG Gelink *Chief Executive*, AE Swiegers *Chief Operating Officer*, GM Pinnock *Audit*, DL Kennedy *Tax and Legal and Risk Advisory*, L Geeringh *Consulting*, L Bam *Corporate Finance*, CR Beukman *Finance*, TJ Brown *Clients & Markets*, NT Mtoba *Chairman of the Board*, CR Qually *Deputy Chairman of the Board*.

Audit committee report

BACKGROUND

The committee is pleased to present our report for the financial year ended 30 June 2009 as recommended by the Corporate Laws Amendment Act No 24 of 2006.

The committee's operation is guided by a formal detailed charter that is in line with the Act and is approved by the board as and when it is amended. The committee has discharged all its responsibilities as contained in the charter. This process is supported by the audit subcommittees which are in place for all operating divisions and subsidiaries. These subcommittees meet in terms of formal mandates and deals with all issues arising at the operational division or subsidiary level. These subcommittees, which are chaired by members of the group audit committee, then elevate any unresolved issues of concern to the Eqstra group audit committee.

OBJECTIVE AND SCOPE

The overall objectives of the committee are:
- To assist the board in discharging its duties relating to safeguarding of assets, the operation of adequate systems and controls;
- The control of reporting processes and the preparation of accurate reporting of the financial statements in compliance with the applicable legal requirements and accounting standards;
- To provide a forum for discussing business risk and control issues and developing recommendations for consideration by the board;
- To oversee the activities of internal and external audit; and
- To perform duties that are attributed to it by the Act, the JSE and King II.

The committee performed the following activities:
- Received and reviewed reports from both internal and external auditors concerning the effectiveness for the internal control environment, systems and processes;
- Reviewed the reports of both internal and external auditors detailing their concerns arising out of their audits and requested appropriate responses from management;
- Made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings;
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided was not such that they could be seen to have impaired their independence;
- Reviewed and recommended for adoption by the board such financial information that is publicly disclosed which for the year included:
  - The annual report for the year ended 30 June 2009
  - The interim results for the six months ended 31 December 2008; and
- Considered the effectiveness of internal audit, approved the one year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan.

The audit committee is of the opinion that the objectives of the committee were met during the year under review.

Where weaknesses in specific controls had been identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.

MEMBERSHIP

During the course of the year, the membership of the committee comprises solely independent non-executive directors. They are:
MJ Croucamp
SD Mthembi-Mahanyele
AJ Phillips
TDA Ross (chairman)

Audit committee report continued

EXTERNAL AUDIT

The committee has satisfied itself through enquiry that the auditor of Eqstra Holdings Limited is independent as defined by the Act.

The committee, in consultation with executive management, agreed to an audit fee for the 2009 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 18 to the financial statements.

There is a formal procedure that governs the process whereby the external auditor is considered for the provision of non-audit services, and each engagement letter for such work is reviewed by the committee in advance.

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

The committee has reviewed the performance of the external auditors and nominated, for approval at the annual general meeting, Deloitte & Touche as the external auditor for the 2010 financial year, and Mr JM Bierman as the designated auditor. This will be his second year as auditor of the company.

FINANCIAL DIRECTOR REVIEW

The committee has reviewed the performance, appropriateness and expertise of the chief financial officer, Mr E Clarke, and confirms his suitability for appointment as financial director in terms of the JSE requirements.

ANNUAL FINANCIAL STATEMENTS

The audit committee has evaluated the annual report for the year ended 30 June 2009 and considers that it complies, in all material aspects, with the requirements of the Act and International Financial Reporting Standards. The committee has therefore recommended the annual financial statements as set out on pages 67 to 124 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.

TDA Ross
Chairman of the Audit committee

25 August 2009
Meadowdale

Directors' report

for the year ended 30 June 2009

The directors have pleasure in submitting their report on the annual financial statements of the group and company for the year ended 30 June 2009.

NATURE OF BUSINESS

Eqstra Holdings Limited (Eqstra or the company) is a registered holding company listed on the JSE Limited on 12 May 2008 under the Diversified Industrials subsector of the Industrials sector.

Eqstra is a diversified leasing and rental provider, industrial, construction and mining equipment importer and distributor as well as being a major player in the opencast contract mining and plant rental sectors.

The company comprises the following core divisions:

- Construction and Mining;
  - Contract mining and plant rental
  - Distributorships
- Passenger and Commercial Vehicles; and
- Industrial Equipment.

The nature of the businesses of these divisions and performances are stated on pages 16 to 23 of this report.

FINANCIAL RESULTS

The financial results for the year ended 30 June 2009 are set out in detail on pages 76 to 124 of these annual financial statements.

YEAR UNDER REVIEW

The group audited financial results include the twelve months from 1 July 2008 to 30 June 2009. The comparative audited amount relates to the two months trading period from 1 May 2008 to 30 June 2008.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The company and group financial statements are prepared in terms of International Financial Reporting Standards.

DIVIDENDS

No dividends were declared or proposed during the year under review (2008: nil).

SHARE CAPITAL

Details of the authorised and issued share capital of the company appear in note 12 to the annual financial statements. There were no changes to the issued and authorised share capital of the group during the year under review.

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

In May 2008 the shareholders approved a Share Appreciation Right Scheme (SAR), Conditional Share Plan (CSP) as well as a Deferred Bonus Plan (DBP). Both the SAR and DBP schemes were introduced during the current financial year and allow certain senior employees to earn long-term incentives. The SAR incentive is calculated with reference to the increase in the Eqstra share price between the offer date of the rights to vesting and exercise of such rights and meeting specified performance criteria. No shares are issued in terms of this scheme and all amounts payable in terms of the scheme will be settled in shares. The company hedged the possible obligation at the date of issue. The DBP incentive is based on the number of shares the employees purchased and is kept in escrow until vesting date. For each share in escrow at vesting date the company will purchase a share in the open market as payment of the obligation. Detail of these schemes are set out in note 12 of the annual financial statements.

SPECIAL RESOLUTIONS

During the financial year under review no special resolutions were passed.

DIRECTORS

There were no changes to the directors during the current financial year. Biographical notes of the directors are given on pages 6 to 7. Details of directors' remuneration, fees and share options are set on pages 71 to 75 of the annual financial statements.

According to the company's articles of association, at the forthcoming annual general meeting, Messrs MJ Croucamp, VJ Mokoena, and Ms S Dakile-Hlongwane retire by rotation. All are eligible and have offered themselves for re-election at the annual general meeting.

Directors' report continued

for the year ended 30 June 2009

INTERESTS IN TRANSACTIONS

The shareholdings of the directors in the ordinary shares of the company at 30 June 2009, which did not individually exceed 1% of the company's issued share capital, appear in note 28 of the annual financial statements.

No change in the interests set out above has taken place between 30 June 2009 and the date of this report.

CORPORATE GOVERNANCE

The Eqstra board affirms its commitment to the principles and cornerstones of sound governance. This is managed within the predetermined parameters of risk management and control in accordance with local 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 international accepted standards of best practice.

The board is of the view that the group complies with the principles of the Code of Corporate Practices and Conduct contained in the King Committee Report on Corporate Governance (King II).

AUDITORS

Deloitte & Touche continued in office as external auditors of Eqstra and its subsidiaries. At the annual general meeting on 12 November 2009 shareholders will be requested to re-appoint Deloitte & Touche as auditors for the 2010 financial year with Mr JM Bierman as the designated partner. This will be Mr JM Bierman's second year as Eqstra's designated partner.

SUBSIDIARY COMPANIES

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

BEE AND TRANSFORMATION

The company committed itself to transformation and a detailed outline is included in the Sustainability Report on pages 28 to 36 of the annual report.

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 consider that the group and company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the group and company's financial statements. The directors have satisfied themselves that the group and company are in a sound financial position and that these have access to sufficient borrowing facilities to meet their foreseeable cash requirements.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The following events took place subsequent to the balance sheet date:

- Standard & Poor's rating agency down rated Eqstra to 'zaA-1/zaA-2' long-term and short-term scale; and
- An illegal strike at one of our mining operations resulted in approximately 550 people being dismissed. At time of this report the situation remained unresolved.

No other material events subsequent to the balance sheet date have occurred.

COMPANY SECRETARY AND REGISTERED OFFICE

The company secretary is Ms L Möller and her address and that of the registered office are as follows:

Business address
12 Corobrik Street
Meadowdale
South Africa

Postal address
PO Box 1050
Bedfordview 2008
South Africa

Remuneration report

King II stipulates that companies should remunerate fairly and responsibly. The remuneration committee therefore considers external market surveys on remuneration matters and the interest of shareholders when deliberating on the remuneration of directors and senior management. In applying agreed remuneration principles, the committee is committed to principles of accountability, transparency and good governance, as well as to ensuring that reward arrangements are linked to individual and group performance and that they are in support of the business strategy.

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

REMUNERATION POLICIES

Executive directors and executive committee members

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

The remuneration package of each executive director as well as executive committee member is reviewed by the committee annually. The long-term incentive schemes are designed to recognise the contributions and value added to the group's performance and play an important role in retaining key employees.

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

Guaranteed salary

Guaranteed salary packages are benchmarked annually against the Deloitte Annual Executive Remuneration and Reward Survey. The executives' responsibilities are benchmarked in terms of the companies' size relative to profit before taxation, number of employees and assets under management.

Executives are remunerated on a cost to company 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 market competitive for executive positions.

Short-term incentive (STI)

STI's bases are benchmarked using the same Deloitte survey. The bases are then applied to a key performance indicator matrix that determines the incentive according to the matrix with the executive's cost to company as the base.

Long-term retention incentive

Long-term incentive schemes that have been approved by shareholders are as follows:
(1) Share Appreciation Right (SAR);
(2) Conditional Share Plan (CSP); and
(3) Deferred Bonus Plan (DBP).

Remuneration report continued

Executive directors' remuneration

The table below provides an analysis of the emoluments of executive directors for the period ended 30 June 2009.

Name	Salary R000	Bonus R000	Retirement and medical contributions R000	Other benefits R000	Total 30 June 2009 R000	Total 30 June 2008 R000
Executive						
WS Hill	**3 413**	**1 349**	**546**	**165**	**5 473**	9 819
E Clarke	**1 716**	**697**	**305**	**162**	**2 880**	3 489
	5 129	**2 046**	**851**	**327**	**8 353**	13 308

SAR

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 will be stated in the Letter of Grant and will be determined by the board on an annual basis in respect of each new grant of SARs. The intended performance conditions for the SARs are the measurement of the company's return on invested capital (ROIC) and the growth in headline earnings per share (HEPS) or such other similar conditions as are appropriate. The targets and measuring terms of these conditions will be detailed in the Letter of Grant. After vesting, the SARs will become exercisable. Upon exercise by a participant the relevant employer 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, by settling the value in cash. SARs not exercised within the SAR period will lapse.

On 1 September 2008 a total of 11 533 000 share appreciation rights were allocated in terms of the SAR scheme at a share price of R14,00 per share. During the year 965 000 rights were forfeited, resulting in 10 568 000 rights at the end of the year. 57% of the scheme was hedged after being awarded.

Participation in Eqstra Share Appreciation Right scheme

	Number of rights at the end of the year	Price on commencement date (R)	Date granted	Vesting date
WS Hill	2 116 000	14,00	1 September 2008	15 September 2011
E Clarke	950 000	14,00	1 September 2008	15 September 2011
Managers	7 502 000	14,00	1 September 2008	15 September 2011
	10 568 000			

The number of rights that will eventually vest is subject to the achievement of performance conditions and is likely to be fewer than the number granted.

CSP

The CSP will be used in exceptional circumstances only. Employees will receive grants of conditional awards. Vesting of the conditional awards is subject to performance conditions. The performance condition for the CSP will be based on individual targets set by the board and will be specified in the Letter of Grant. If the performance conditions are satisfied, the conditional awards will vest. If the performance conditions are not met, the conditional awards will lapse.

No CSP were issued during the year.

DBP

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

A total of 152 350 shares of the awarded 443 000 DBP rights were accepted during the year.

Participation in Eqstra Deferred Bonus plan

	Number of rights accepted during the year	Date granted	Vesting date
WS Hill	47 150	1 September 2008	15 September 2011
Managers	105 200	1 September 2008	15 September 2011
	152 350		

The number of shares committed to the plan will depend on the amount of after tax-bonus committed by each executive and the share price prevailing when the bonus shares are acquired.

It is anticipated that Eqstra would annually grant SAR and DBP rights to senior employees based on performance criteria representing not more than 1% of the total shares in issue.

The aggregate number of shares at any one time which may be allocated under these schemes, shall not exceed 10% of the number of issued ordinary shares at any one time and equates to 25 838 987 (twenty five million eight hundred and thirty eight thousand nine hundred and eighty seven) shares.

The maximum number of shares allocated to any one participant in respect of all schemes, shall not exceed 1% (one percent) of the issued ordinary share capital of Eqstra at any one time.

Eqstra anticipates settling all obligations in shares purchased in the open market, therefore no dilution of shareholding is anticipated.

The 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.

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

Non-executive directors

In line with King II, non-executive directors are not awarded share options or other benefits other than directors' fees. Non-executive directors' fees comprise a retainer as well as 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 pre-approved by the shareholders in general meeting.

At the annual general meeting on 12 November 2009 the shareholders will be requested to approve the following increases in non-executive directors' remuneration which will be effective from 1 July 2010:

Board annual retainers

- Non-executive chairman – increase from R605 000 to R645 500
- Non-executive directors – increase from R110 000 to R117 400

Fees per board meeting

- Non-executive chairman – no additional fees
- Non-executive directors – increase from R13 200 to R14 100

Remuneration report continued

Fees per board committee meeting

Asset and liability committee

- Executive chairman – no additional fees
- Non-executive directors – increase from R9 625 to R10 300

Audit committee

- Non-executive chairman – increase from R24 200 to R25 800
- Non-executive directors – increase from R12 100 to R12 900

Nomination and remuneration committee

- Non-executive chairman – no additional fees
- Non-executive directors – increase from R9 625 to R10 300

Risk committee

- Non-executive chairman – increase from R17 600 to R18 800
- Non-executive directors – increase from R8 800 to R9 400

Transformation committee

- Non-executive chairman – increase from R17 600 to R18 800
- Non-executive directors – increase from R8 800 to R9 400

Divisional board

- Executive chairman – no additional fees
- Non-executive directors – increase from R8 800 to R9 400

Divisional audit committee

- Non-executive chairman – increase from R13 200 to R14 100
- Non-executive directors – increase from R6 600 to R7 100

In terms of good corporate governance, JSE Listings Requirements and the Companies Act, the responsibilities of the non-executive directors increased. The committee believes that the remuneration as proposed is market related.

Non-executive directors' remuneration for the 12 months ended:

Name	Retainer R000	Board meetings R000	Committee fees R000	Total 30 June 2009 R000	Total 30 June 2008 R000
DC Cronjé	503			503	184
MJ Croucamp	100	48	235	383	259
S Dakile-Hlongwane	100	24	78	202	57
VJ Mokoena	100	48	17	165	82
PS Molefe	100	36	14	150	68
SD Mthembi-Mahanyele	100	48	87	235	68
AJ Phillips	100	48	104	252	85
TDA Ross	100	48	201	349	42
	1 203	300	736	2 239	845

- Non-executive directors' remuneration is reviewed annually.
- Retainers and committee fees are paid in March and September of each year.
- Prior year comparatives represent fees paid since appointment of directors.

DIRECTORS' SERVICE CONTRACTS

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

Executive directors' contracts are all terminable on one month's notice.

SHARE PURCHASE SCHEME

Prior to Eqstra unbundling from Imperial Holdings Limited, certain executives were invited to participate in an interest-bearing share purchase scheme that allows participants to purchase, at market value, shares on interest-bearing loan accounts. There were no restrictions attached to the vesting or sale of the shares. Interest is payable by the participants to the company at a market related, variable rate. Interest is capitalised on the loan and the loan is repayable when a participant disposes of the shares or earlier, at the election of the participant, if the shares are sold in the first five years after the allocation or in the last three years before the termination of the scheme in year 10.

Loans advanced to directors and managers in terms of the share purchase scheme

	Inception date	Interest rate %	Loan term	Nature of security	Number of shares	**Value of security 30 June 2009 R000**	**Loan balance 30 June 2009 R000**
Directors							
WS Hill	15 Dec 2005	11	10 years	Shares	75 000	**4 839**	**12 925**
	19 June 2007	11	10 years	Shares	75 000	**4 839**	**13 520**
E Clarke	15 Dec 2005	11	10 years	Shares	34 000	**2 194**	**5 859**
VJ Mokoena*	15 Dec 2005	11	10 years	Shares	25 000	**1 613**	
	19 June 2007	11	10 years	Shares	10 000	**645**	
Managers	15 Dec 2005	11	10 years	Shares	350 000	**22 582**	**60 831**
					569 000	**36 712**	**93 135**
Less: Accumulated impairment – 2008							**(48 590)**
Impairment – 2009							**(10 091)**
							34 454

* *Loan due to Imperial Holdings Limited*

PARTICIPATION IN BONUS RIGHT SCHEMES

Prior to Eqstra unbundling from Imperial Holdings Limited, certain executives were invited to participate in a bonus right scheme that granted rights for payment in shares by a subsidiary of the group.

The rights vest after four years, which period may be extended by up to two years if the market value is below the strike price.

The amount of bonus shares will be equivalent to the appreciation on the fair value of an Imperial and Eqstra share on the JSE during the period from commencement date to the expiry date multiplied by the number of shares.
The quantum of the bonus shares will further be dependent on the performance criteria being met and the bonus must be utilised to acquire Eqstra shares.

Bonus rights scheme

	Commencement date	Number of shares	Price on commencement date (R)	Expiry date
Directors				
WS Hill	26 June 2007	15 000	150,08	June 2011
VJ Mokoena	26 June 2007	15 000	150,08	June 2011

During the year 76 800 rights lapsed due to performance criteria not met.

APPROVAL

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

DC Cronjé
Chairman of the committee
25 August 2009

Group balance sheet
as at

	Notes	30 June 2009 Rm	30 June 2008 Restated Rm
ASSETS			
Non-current assets		**7 734**	7 100
Intangible assets	4	**9**	5
Property, plant and equipment	5	**348**	353
Leasing assets	6	**7 138**	6 550
Deferred tax assets	7	**89**	60
Other investments and loans	8	**150**	132
Current assets		**2 499**	2 990
Inventories	9	**1 612**	1 690
Trade and other receivables	10	**785**	1 108
Derivative financial assets			18
Taxation in advance		**51**	46
Cash and cash equivalents	11	**51**	128
Total assets		**10 233**	10 090
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	12	**1 475**	1 475
Other reserves	13	**(2)**	72
Retained income		**334**	291
Ordinary shareholders' interest		**1 807**	1 838
Minority interest		**19**	17
Total shareholders' equity		**1 826**	1 855
Non-current liabilities		**4 772**	5 166
Interest-bearing borrowings	14	**4 256**	4 727
Deferred tax liabilities	7	**516**	439
Current liabilities		**3 635**	3 069
Trade and other payables	15	**1 031**	1 986
Provisions for liabilities and other charges	16	**17**	29
Derivative financial liabilities		**54**	
Current tax liabilities		**59**	27
Current portion of interest-bearing borrowings	14	**2 474**	1 027
Total liabilities		**8 407**	8 235
Total equity and liabilities		**10 233**	10 090

Group income statement

for the years ended

	Notes	30 June 2009 Rm	30 June 2008 Rm
Revenue	17	**7 889**	1 741
Net operating expenses	18	**(5 412)**	(1 239)
Profit from operations before depreciation and recoupments		**2 477**	502
Depreciation and recoupments	19	**(1 534)**	(227)
Operating profit		**943**	275
Foreign exchange losses	18	**(46)**	(5)
Impairment of share scheme loan		**(9)**	(6)
Profit before net finance costs		**888**	264
Net finance costs	20	**(795)**	(105)
Finance costs including fair value (losses) gains	20	**(833)**	(111)
Finance income	20	**38**	6
Profit before taxation		**93**	159
Income tax expense	21	**48**	43
Profit for the year		**45**	116
Attributable to:			
Equity holders		**43**	114
Minority interest		**2**	2
Profit for the year		**45**	116
Earnings per share (cents)			
Ordinary shares			
– Basic	22	**16,6**	43,9
– Diluted	22	**14,9**	39,4

Financial Statements

Group cash flow statement

for the years ended

	Notes	30 June 2009 Rm	30 June 2008 Rm
Cash flows from operating activities			
Cash receipts from customers		**8 211**	1 688
Cash paid to suppliers and employees		**(6 115)**	(1 444)
Cash generated by operations	23a	**2 096**	244
Finance income	20	**38**	6
Interest expense	20	**(817)**	(122)
Income tax received (paid)		**33**	(8)
Net cash flows generated from operating activities		**1 350**	120
Cash flows from investing activities			
Net acquisition of businesses on unbundling	23b		(1 446)
Purchase of intangible assets		**(8)**	
Purchase of property, plant and equipment		**(90)**	(38)
Purchase of leasing assets		**(3 116)**	(701)
Proceeds from sale of property, plant and equipment		**43**	8
Proceeds from sale of leasing assets		**719**	267
Proceeds from sale of listed investments		**6**	
Increase in other investments and loans		**(19)**	(38)
Net cash flows utilised in investing activities		**(2 465)**	(1 948)
Cash flows from financing activities			
Issue of shares on unbundling			1 504
Additional capital introduced			349
Share issue expenses			(19)
Acquisition of share call option		**(27)**	
Net increase in interest-bearing borrowings		**1 074**	122
Net cash flows generated from financing activities		**1 047**	1 956
Net (decrease) increase in cash and cash equivalents		**(68)**	128
Foreign exchange movement on cash and cash equivalents		**(9)**	
Cash and cash equivalents at beginning of year		**128**	
Cash and cash equivalents at end of year		**51**	128

Group statement of changes in equity

for the years ended

	Share capital and premium Rm	Other reserves Rm	Retained income Rm	Minority interest Rm	**Total Rm**
Balance at 25 June 2007					
Shares issued for net assets acquired on unbundling	871	73	271	289	**1 504**
Goodwill not realised on unbundling			(94)		**(94)**
Acquisition of Lereko call option		52			**52**
MCC minority purchase	274			(274)	
Additional capital introduced	349				**349**
Unbundling adjustments	623	52	(94)	(274)	**307**
Impairment of Lereko call option		(33)			**(33)**
Movement in hedge accounting reserve		(20)			**(20)**
Net losses not recognised in the income statement		(53)			**(53)**
Profit for the year			114	2	**116**
Share issue expenses	(19)				**(19)**
Balance at 30 June 2008	1 475	72	291	17	**1 855**
Net gains arising on translation of foreign subsidiaries		(17)			**(17)**
Fair value losses		(50)			**(50)**
Impairment of Lereko call option		(1)			**(1)**
Share based payments expense		13			**13**
Acquisition of share call option		(19)			**(19)**
– Gross		(27)			**(27)**
– Tax effect		8			**8**
Expenses recognised directly in equity		(74)			**(74)**
Profit for the year			43	2	**45**
Balance at 30 June 2009	**1 475**	**(2)**	**334**	**19**	**1 826**

Financial Statements

Group business segmentation

for the years ended

	30 June 2009 Rm	30 June 2008 Rm
BUSINESS SEGMENTS		
Segment revenues		
Construction and Mining	**4 556**	1 109
Passenger and Commercial Vehicles	**1 847**	309
Industrial Equipment	**1 503**	321
	7 906	1 739
Group and eliminations	**(17)**	2
	7 889	1 741
Segment result (profit before net finance cost)		
Construction and Mining	**356**	181
Passenger and Commercial Vehicles	**356**	70
Industrial Equipment	**189**	35
	901	286
Group and eliminations	**(13)**	(22)
	888	264
Segment assets		
Construction and Mining	**5 375**	4 845
Passenger and Commercial Vehicles	**3 082**	3 116
Industrial Equipment	**1 731**	2 038
	10 188	9 999
Group and eliminations	**45**	91
	10 233	10 090
Segment liabilities		
Construction and Mining	**4 512**	4 010
Passenger and Commercial Vehicles	**2 461**	2 429
Industrial Equipment	**1 456**	1 738
	8 429	8 177
Group and eliminations	**(22)**	58
	8 407	8 235
Segment capital expenditure		
Construction and Mining	**1 352**	294
Passenger and Commercial Vehicles	**983**	282
Industrial Equipment	**877**	163
	3 212	739
Group and eliminations	**2**	
Gross capital expenditure	**3 214**	739
Less: Proceeds on disposal	**(768)**	(275)
Net capital expenditure	**2 446**	464
Segment depreciation		
Construction and Mining	**624**	88
Passenger and Commercial Vehicles	**599**	92
Industrial Equipment	**331**	59
	1 554	239
Group and eliminations	**(3)**	
	1 551	239

Group geographical segmentation

for the years ended

	30 June 2009 Rm	30 June 2008 Rm
GEOGRAPHIC SEGMENTS		
Segment revenues		
South Africa	**7 042**	1 567
Rest of Africa	**431**	63
Rest of World	**416**	111
	7 889	1 741
Segment result (profit before net finance cost)		
South Africa	**794**	243
Rest of Africa	**68**	19
Rest of World	**26**	2
	888	264
Segment assets		
South Africa	**9 263**	8 908
Rest of Africa	**504**	511
Rest of World	**466**	671
	10 233	10 090
Segment liabilities		
South Africa	**7 565**	7 251
Rest of Africa	**413**	417
Rest of World	**429**	567
	8 407	8 235
Segment capital expenditure		
South Africa	**2 949**	556
Rest of Africa	**67**	136
Rest of World	**198**	47
Gross capital expenditure	**3 214**	739
Less: Proceeds on disposal	**(768)**	(275)
Net capital expenditure	**2 446**	464
Segment depreciation		
South Africa	**1 384**	207
Rest of Africa	**63**	11
Rest of World	**104**	21
	1 551	239

Notes to the group annual financial statements

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 International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective for the group's financial year, with the exception of IFRS 3: Business Combinations (revised in 2008) and IAS 27: Group and Separate Financial Statements (revised in 2008) which were early adopted during the prior 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 minority interest. The accounts of subsidiary undertakings are generally drawn up at 30 June each year. Where audited accounts are not drawn up at this date, the latest audited accounts available are used.

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 goodwill. 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 at the minority shareholders' proportion of the fair values of the assets and liabilities recognised. Subsequent profits are credited to minority shareholders and any losses attributable to minority shareholders in excess of the minority interests are allocated against the interests of the parent.

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 intercompany transactions, balances and unrealised surpluses and deficits have been eliminated.

Segment 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 region. The basis is representative of the internal structure used for management reporting.

Segment revenue reflects both sales to external parties and intergroup transactions across segments. The segment result is presented as segment profit before exceptional items including net finance costs and income from associates. Taxation is excluded in arriving at segment results.

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

1. ACCOUNTING POLICIES (continued)

1.1 Basis of preparation (continued)

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 purpose 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 presentation 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 balance sheets are translated at the exchange rates ruling on the balance sheet date. All resulting exchange differences are classified as a foreign currency translation reserve and reflected as part of shareholders' 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 balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in net profit or loss for the period, except where the item is a designated cash flow hedge, in which case the gain or loss will be deferred in equity.

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 balance sheet date.

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. 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 balance sheet 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).

Notes to the group annual financial statements continued

1. ACCOUNTING POLICIES (continued)

1.4 Impairment of tangible and intangible assets excluding goodwill (continued)

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 assessment that the useful lives are indefinite is 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-tax 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. Impairment losses recognised on goodwill relating to a cash-generating unit are not reversed in a subsequent period.

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.

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	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. ACCOUNTING POLICIES (continued)

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 substantially 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
Fuel, oil and merchandise	First in, first out

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 plus transaction costs, where applicable, 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 included in the income statement.

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 included in the income statement for the year.

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

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 stated at nominal value as reduced by appropriate allowances for doubtful debts.

Notes to the group annual financial statements continued

1. ACCOUNTING POLICIES (continued)

1.8 Financial instruments (continued)

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 the net proceeds received.

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 the income statement for the year.

Where the group has the intention to repurchase its own interest-bearing loans in a recognised marketplace, such loans are designated as held-for-trade and are carried at fair value. Gains and losses arising from changes in fair value that are ineffective or not designated as cash flow hedges, are included in the income statement for the year.

Trade payables

Trade payables are stated at their nominal value, which approximates the fair value and subsequently stated at amortised cost.

Derivative financial 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.

Forward exchange 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 equity 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 equity are recognised in the income statement 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.

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 balance sheet 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 straight-line basis.

Assets leased under operating leases are included under the appropriate category of asset in the balance sheet. 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 asset's 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 balance sheet 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.

Notes to the group annual financial statements continued

1. ACCOUNTING POLICIES (continued)

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 a 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 balance sheet 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 share capital (nominal value) and share premium.

1.11 Retirement benefit obligations

The group operates a number of retirement schemes in the countries in which it operates. 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 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Warranty and after-sales services

Where the group sells vehicles and machine stock on which it will incur warranty and after-sales costs, an estimate of this is made based on past experience.

Other provisions

The group is involved in different industries and locations that require many different provisions. These include onerous contracts, decommissioning and restructuring costs, and long-service payments.

1.13 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 balance sheet date.

Deferred tax is accounted for using the balance sheet liability method 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 tax 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. ACCOUNTING POLICIES (continued)

1.14 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 only to the extent of the value of parts and services provided, with the balance being recognised at the end of the vehicle maintenance plan.

Where the group acts as 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.

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 values 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 life cycles 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 worldwide provision for income taxes due to the complexity of legislation. 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.

Notes to the group annual financial statements continued

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

2.3 Income taxes (continued)

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 balance sheet 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 tax 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.

3. IMPACT OF NEWLY ISSUED STANDARDS AND INTERPRETATIONS

3.1 Newly issued standards – early adopted

IFRS 3: Business Combinations (revised in 2008) and IAS 27: Group and Separate Financial Statements (revised in 2008).

In terms of these statements any goodwill arising on changes in ownership interest that does not result in a loss of control is accounted for as an equity transaction. All amendments to the disclosure requirements were included in the annual financial statements.

The group has also adopted the following interpretations which have become applicable in the current financial year:

- IFRIC 12 – Service Concession Arrangement
- IFRIC 13 – Customer Loyalty Programmes
- IFRIC 14 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

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 1: First Time Adoption of International Financial Reporting Standards

The amendment to this IFRS will allow first-time adopters to use a 'deemed cost' of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities, and associates in the separate financial statements. It will remove the definition of the cost method from IAS 27 and replace it with a requirement to present dividends as income in the separate financial statements of the investor and require that, when a new parent is formed in a reorganisation, the new parent must measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganisation.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IFRS 2: Share-based Payments

The amendment to this IFRS clarifies the terms "vesting conditions" and cancellations".

The amendment first becomes applicable for the financial year ending 30 June 2010.

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

3.2 Newly issued standards and interpretations – not adopted in the current year (continued)

IFRS 5: Non-current Assets Held for Sale and Discontinued Operations

There are consequential amendments to this IFRS, resulting from the annual improvement project, as well as changes to segment reporting.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IFRS 7: Financial Instruments – Disclosures

This statement contains new requirements regarding presentation of finance costs.

The standard first becomes applicable to the group for the financial year ending 30 June 2010.

IFRS 8: Operating Segments

This IFRS introduces the concept of an operating segment and requires a management approach to financial reporting. It expands the identification criteria for segments of an entity and the measurement of segment results. This statement will allow an entity to align its operating segment reporting with the internal identification and reporting structure.

The standard first becomes applicable to the group for the financial year ending 30 June 2010.

IAS 1: Presentation of Financial Statements

The amendments to IAS 1 are the introduction of the "statement of comprehensive income", "statement of financial position" and "statement of cash flows" (currently the income statement, and statement of changes in equity, the balance sheet and cash flow statement). The group will adopt these amendments in its financial year ending 30 June 2010.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

This standard contains implementation guidance regarding IAS 8.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 10: Events after the Reporting Period

This standard contains new requirements relating to dividends declared after the end of the reporting period.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 16: Property, Plant and Equipment

This standard contains new requirements regarding the calculation of the recoverable amount and sale of assets held for rental.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 18: Revenue

This standard contains guidance on the treatment of costs of originating a loan.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 19: Employee Benefits

This standard contains guidance relating to curtailments and negative past service costs, plan administration costs, replacement of term 'fall due', guidance on contingent liabilities.

The amendment first becomes applicable for the financial year ending 30 June 2010.

Notes to the group annual financial statements continued

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

3.2 Newly issued standards and interpretations – not adopted in the current year (continued)

IAS 20: Accounting for Government Grants and Disclosure of Government Assistance
This statement contains guidance regarding government loans with a below-market rate of interest.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 23: Borrowing Costs
This standard has been amended to remove the option of immediately recognising as an expense borrowing costs incurred on qualifying assets.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 28: Investment in Associates
This statement introduces required disclosures when investments in associates are accounted for at fair value through profit and loss.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 29: Financial Reporting in Hyperinflationary Economies
This standard contains guidance regarding the description of measurement basis in financial statements.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 31: Interest in Joint Ventures
This standard introduces required disclosures when interests in jointly controlled entities is accounted for at fair value through profit and loss.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 32: Financial Instruments – Presentation
The amendments in this standard are relevant to entities that have issued financial instruments that are puttable financial instruments or instruments, or components of instruments, that impose an obligation on an entity to deliver a pro rata share of the net assets of the entity only on liquidation to another party. This standard has been amended in relation to puttable instruments and obligations arising on liquidation.

The standard first becomes applicable to the group for the financial year ending 30 June 2010.

Certain financial instruments will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities.

IAS 34: Interim Financial Reporting
This standard introduces guidance regarding earnings per share disclosure in interim financial reports.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 36: Impairment of Assets
This standard contains new disclosures of estimates used to determine recoverable amount.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 38: Intangible Assets
This standard contains guidance regarding the treatment of advertising and promotional activities and Unit of production of amortisation.

The amendment first becomes applicable for the financial year ending 30 June 2010.

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

3.2 Newly issued standards and interpretations – not adopted in the current year (continued)

IAS 39: Financial Instruments: Recognition and Measurement

This standard contains guidance regarding reclassification of derivatives into or out of the at fair value through profit and loss category, and designation and documenting hedges at the segment level, and also guidance regarding applicable effective interest rate on cessation of fair value hedge accounting.

The standard clarifies two hedge accounting issues:

– Inflation in a financial hedged item
– A one-sided risk in a hedged item

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 40: Investment Property

The standard contains guidance regarding property under construction or development for future use as investment property and investment property held under lease.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IAS 41: Agriculture

This standard contains guidance relating to the discount rate for fair value calculations, additional biological transformation and point of sale costs.

The amendment first becomes applicable for the financial year ending 30 June 2010.

IFRIC 15: Agreements for the Construction of Real Estate

This interpretation standardises the accounting practice for the recognition of revenue by real estate developers.

The interpretation first becomes applicable for the financial year ending 30 June 2010.

IFRIC 16: Hedges of a Net Investment in a Foreign Operation

This interpretation concludes that presentation currency does not create an exposure to which an entity may apply hedge accounting. A parent may designate as hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

The interpretation first becomes applicable for the financial year ending 30 June 2010.

IFRIC 17: Distributions of Non-cash Assets to Owners

This interpretation applies to the situation where an entity enters into a non-reciprocal distribution of assets to its owners acting in their capacity as owners.

The interpretation first becomes applicable for the financial year ending 30 June 2010.

IFRIC 18: Transfers of Assets from Customers

This interpretation applies to the accounting for transfers of items of property, plant and equipment by entities that receive such transfers from their customers.

The interpretation first becomes applicable for the financial year ending 30 June 2010.

Notes to the group annual financial statements continued

for the years ended

	30 June 2009 Rm	30 June 2008 Rm
4. INTANGIBLE ASSETS		
– Cost	22	14
– Accumulated amortisation	13	9
	9	5
Net book value at beginning of year	5	
Assets acquired on unbundling		5
Additions	8	
Amortisation	(4)	
Net book value at end of year	9	5
Intangible assets consists of computer software.		

	Land and buildings Rm	Equipment and furniture Rm	Motor vehicles Rm	Total Rm
5. PROPERTY, PLANT AND EQUIPMENT				
Year ended 30 June 2009				
– Cost	226	149	103	478
– Accumulated depreciation	11	79	40	130
	215	70	63	348
Net book value at beginning of year	194	75	84	353
Additions	20	32	38	90
Proceeds on disposals	(7)	(1)	(35)	(43)
Depreciation	(2)	(21)	(23)	(46)
Profit on disposal			2	2
Reclassification	14	(14)		
Currency adjustments	(4)	(1)	(3)	(8)
Net book value at end of year	215	70	63	348
Year ended 30 June 2008				
– Cost	205	138	132	475
– Accumulated depreciation	11	63	48	122
	194	75	84	353
Assets acquired on unbundling	182	76	82	340
Additions	12	2	24	38
Proceeds on disposals		(1)	(7)	(8)
Depreciation		(2)	(4)	(6)
Loss on disposal			(10)	(10)
Currency adjustments			(1)	(1)
Net book value at end of year	194	75	84	353

A schedule of land and buildings is available for inspection by members or their authorised agents at the registered office of the company.

Certain assets have been encumbered as security for interest-bearing borrowings (note 14).

	30 June 2009 Rm	30 June 2008 Rm
6. LEASING ASSETS		
Cost	**10 168**	8 905
Accumulated depreciation	**3 030**	2 355
	7 138	6 550
Net book value at beginning of year	**6 550**	
Assets acquired on unbundling		6 323
Additions	**3 116**	701
Proceeds on disposals	**(719)**	(267)
Depreciation	**(1 501)**	(233)
Profit on disposal	**15**	22
Transfer to inventory	**(231)**	
Currency adjustments	**(92)**	4
Net book value at end of year	**7 138**	6 550
Certain leasing assets have been encumbered as security for interest-bearing borrowings (note 14).		
7. DEFERRED TAXATION		
Opening balance	**(379)**	
Net liabilities acquired on unbundling		(356)
Accounted for in the income statement	**(55)**	(21)
Accounted for against reserves	**8**	
Currency adjustments	**(1)**	(2)
Closing balance	**(427)**	(379)
Analysis of deferred taxation		
– Provisions	**50**	42
– Property, plant and equipment	**(9)**	(10)
– Leasing assets	**(729)**	(517)
– Estimated assessed tax losses	**199**	62
– Deferred taxation on capital profit (loss)	**(2)**	2
– Hedge for share incentive scheme	**8**	
– Other	**56**	42
	(427)	(379)
Analysis of deferred tax assets and liabilities		
Deferred tax assets	**89**	60
Deferred tax liabilities	**(516)**	(439)
	(427)	(379)
Taxation losses		
Unutilised tax losses available for offset against future profits	**881**	269
Remaining tax losses not recognised as deferred tax assets due to unpredictability of future profit streams	**(167)**	(47)
Remaining unutilised tax losses available for offset against future profits	**714**	222
Deferred tax assets recognised in respect of such losses	**199**	62

Financial Statements

Notes to the group annual financial statements continued

for the years ended

		30 June 2009 Rm	30 June 2008 Rm
8.	**OTHER INVESTMENTS AND LOANS**		
	Investments		
	Listed investments at market value	**35**	27
	Unlisted investments at fair value or directors' valuation	**63**	57
		98	84
	Loans		
	Share incentive loans	**34**	34
	Other loans	**18**	14
		52	48
	Total other investments and loans	**150**	132
	The above are categorised as follows:		
	– Held for trading	**35**	27
	– Held to maturity	**45**	38
	– Available for sale	**18**	19
		98	84
	Maturity analysis		
	Maturing after one year but within five years	**52**	48
		52	48
	Effective interest rates		
	Loans	**8% – 15%**	8% – 15%
9.	**INVENTORIES**		
	New vehicles	**877**	1 125
	Used vehicles	**173**	114
	Spares, accessories and finished goods	**518**	365
	Work in progress	**44**	86
		1 612	1 690
	Inventories carried at net realisable value included above	**683**	41
	Net amount of inventory write down expensed in the income statement	**58**	77
10.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**719**	1 008
	Prepayments and other	**119**	154
	Finance lease receivables	**16**	
	Less: Provision for impairment of trade receivables*	**(69)**	(54)
		785	1 108

* *An analysis of the provision for impairment of trade receivables is found in note 27.*

	Up to 1 year Rm	Total Rm
Finance lease receivables		
2009		
Minimum lease payments	17	17
Finance costs	(1)	(1)
Present value of minimum lease payments	16	16

	30 June 2009 Rm	30 June 2008 Rm
11. CASH AND CASH EQUIVALENTS		
Bank balances	**50**	125
Cash on hand	**1**	3
Cash on hand and at bank	**51**	128
Effective interest rates	**6,95%**	10,5%
12. SHARE CAPITAL AND PREMIUM		
Authorised share capital		
360 000 000 ordinary shares of R0,001 each		
20 000 000 "A" deferred ordinary shares of R0,001 each		
20 000 000 "B" deferred ordinary shares of R0,001 each		
Issued share capital		
258 389 870 ordinary shares of R0,001 each		
16 781 968 "A" deferred ordinary shares of R0,001 each		
14 516 617 "B" deferred ordinary shares of R0,001 each		
Share premium	**1 475**	1 475
	1 475	1 475

"A" deferred ordinary shares

The deferred ordinary shares will convert to ordinary shares when certain predetermined growth rates in headline earnings are achieved during the period July 2011 to June 2018.

If the deferred ordinary shares have not converted by 2018 then 500 000 deferred ordinary shares will convert annually until the converted deferred ordinary shares equate to 10,1% of total ordinary shares in issue, net of treasury stock.

The salient features of the conversion are:

During the financial years 2008 to 2011:

- The base headline earnings hurdles have been set for the three financial years, being 2009 to 2011, commencing at R486 million and increasing annually at a compound growth rate of 13%.
- A portion of earnings in excess of the base headline earnings hurdles would equate to the notional value that is attributed to Ukhamba Holdings, the holders of the deferred ordinary shares.
- The portion attributable to Ukhamba will be calculated as follows:
  Earnings within a 13% to 15% growth rate on the previous year's base headline earnings hurdle: 25% attributed to Ukhamba.
  Earnings within a 15% to 17% growth rate on the previous year's base headline earnings hurdle: 50% attributed to Ukhamba.
  Earnings in excess of 17% growth rate on the previous year's base headline earnings hurdle: 75% attributed to Ukhamba.
- At the end of each financial year, the amount calculated as value attributed to Ukhamba will be translated into a number of ordinary shares based on a five month volume-weighted average share price.
- It will be this number of shares that will become ordinary shares on an annual basis.
- The maximum number of deferred ordinary shares that can convert in any one year is 2,5% of the weighted number of ordinary shares in issue.
- Earnings within a 10% to 13% growth rate will give rise to a minimum of 1 million ordinary shares being converted.

12. SHARE CAPITAL AND PREMIUM (continued)

"A" deferred ordinary shares (continued)

During the next seven years:

- To the extent that there remains deferred ordinary shares that have not converted into ordinary shares then the remaining deferred ordinary shares will convert on a non-cumulative basis as follows:
  If headline earnings per share growth over the previous financial year equals or exceeds:
  • 10% then 500 000 deferred ordinary shares will convert into ordinary shares;
  • 11% then 750 000 deferred ordinary shares will convert into ordinary shares;
  • 12% then 1 000 000 deferred ordinary shares will convert into ordinary shares;
  • 13% then 1 250 000 deferred ordinary shares will convert into ordinary shares; and
  If headline earnings per share growth over the previous financial year is lower than 10% there will be no conversion of deferred ordinary shares into ordinary shares.

"B" deferred ordinary shares

The deferred ordinary shares were issued to Lereko Mobility. The salient features are:

- No dividend will be paid until September 2010;
- Will convert on a one-for-one basis into Eqstra shares on 30 September 2010;
- Will rank *pari passu* with Eqstra ordinary shares in terms of voting; and
- Will be subject to a call option in favour of Eqstra in June 2015 in respect of a formula determined number of such shares, at their par value of R0,001 each.

Equity Compensation Benefits	**30 June 2009 Rm**	30 June 2008 Rm
Share Purchase Scheme		
The number of ordinary shares authorised and allocated	**534 000**	521 000
Shares on unbundling	**521 000**	521 000
Shares transferred from Imperial	**13 000**	
Shares allocated at end of year	**534 000**	521 000
Bonus Rights Scheme		
The number of ordinary shares authorised and allocated	**106 800**	104 200
Options on unbundling	**104 200**	104 200
Options transferred from Imperial	**2 600**	
Options lapsed during the year	**(76 800)**	
Ordinary shares still available under the scheme	**30 000**	104 200

Eqstra Share Appreciation Rights (SAR) scheme

During the year, Eqstra introduced a Share Appreciation Rights (SAR) scheme. The SAR scheme 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 expiry from date of offer	IFRS 2 classification
Eqstra Holdings Limited	1 September 2008	3 years and 14 days	Equity settled

100% of the issued share appreciation rights vest after three years and 14 days.

12. SHARE CAPITAL AND PREMIUM (continued)

The value of the SAR has been calculated using the Binomial model based on the following assumptions at 1 September 2008.

	30 June 2009	30 June 2008
Expected volatility	**39,85%**	
Expected dividend yield	**4,88%**	
Expected forfeiture rate	**14%**	
Vesting period	**3 years and 14 days**	

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 at vesting date.

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

	30 June 2009	30 June 2008
Grant price of share appreciation rights	**R14,00**	
Fair value of the SAR on grant date	**R4,85**	
Share-based payment expense recognised (Rm)	**12**	

Deferred Bonus Plan (DBP) Scheme

During the year, Eqstra introduced a Deferred Bonus Plan scheme (DBP scheme).The DBP scheme allows certain senior employees to acquire shares utilising a portion of their incentive bonus earned. At the vesting date the employee will then be awarded one share for each share purchased and is held in escrow for the duration of the period.

	Date of issue	Period to expiry from date of offer	IFRS 2 classification
Eqstra Holdings Limited	1 September 2008	3 years and 14 days	Equity settled

100% of the accepted DBP shares vest after three years and 14 days.

The value of the DBP has been calculated using the Binomial model based on the following assumptions at 1 September 2008.

	30 June 2009	30 June 2008
Expected volatility*	**39,85%**	
Expected dividend yield*	**4,88%**	
Expected forfeiture rate*	**60%**	

	Date of issue	Period to expiry from date of offer	IFRS 2 classification
Vesting period	1 September 2008	3 years and 14 days	Equity settled

	30 June 2009	30 June 2008
Fair value of the DBP on grant date	**R11,77**	
Share-based payment expense recognised (Rm)	**1**	

* *These numbers were the same as those used for the SAR scheme.*

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12. SHARE CAPITAL AND PREMIUM (continued)

Equity Compensation Benefits (continued)

Eqstra Share Appreciation Rights (SAR) and Deferred Bonus Plan (DBP) Schemes (continued)

	30 June 2009 Rm	30 June 2008 Rm
Summary of SAR and DBP Schemes		
Shares available for allocation		
Maximum number of shares available for allocation	25 838 987	
Share appreciation rights in issue	10 568 000	
Share appreciation rights issued	11 533 000	
Forfeited during the year	965 000	
Deferred bonus scheme shares in issue	152 350	
Deferred bonus scheme shares issued during the year	443 000	
Forfeited during the year	290 650	
Shares available for allocation	15 118 637	

13. OTHER RESERVES

	30 June 2009 Rm	30 June 2008 Rm
Foreign currency translation reserve	19	36
Hedging reserve	(33)	17
Fair value reserve for available for sale financial instruments	18	19
Share call option	(19)	
Share-based equity	13	
	(2)	72
Foreign currency translation reserve		
Opening balance at the beginning of the year	36	36
Movement in translation reserves	17	
Property, plant and equipment	8	1
Leasing assets	92	(4)
Other investments and loans		(2)
Inventories	14	1
Trade and other receivables	16	
Cash and cash equivalents	9	
Interest-bearing borrowings	(98)	1
Deferred tax liabilities	1	2
Trade and other payables	(26)	
Current tax liabilities	1	1
Closing balance at the end of the year	19	36

	30 June 2009 Rm	30 June 2008 Rm
14. INTEREST-BEARING BORROWINGS		
Long-term		
– Capitalised finance leases	**29**	36
– Secured loans	**204**	83
– Unsecured loans	**4 031**	4 625
	4 264	4 744
Short-term		
– Unsecured short term, call borrowings and bank overdrafts	**2 466**	1 010
	2 466	1 010
Total borrowings	**6 730**	5 754
Less: Current portion of total interest-bearing borrowings	**2 474**	1 027
	4 256	4 727

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

	Up to 1 year Rm	1-5 years Rm	Total Rm
2009			
Minimum lease payments	**8**	**36**	**44**
Finance costs	**(5)**	**(10)**	**(15)**
Present value of minimum lease payments	**3**	**26**	**29**
2008			
Minimum lease payments	8	48	56
Finance costs	(5)	(15)	(20)
Present value of minimum lease payments	3	33	36

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. One of these properties is sub-leased. Total of future minimum sub-lease payments expected to be received under the sub-lease are R4 million (2008: R6 million).

Interest rate analysis	Effective rates	**30 June 2009 Analysis of debt**	Effective rates	30 June 2008 Analysis of debt
Fixed				
– Unsecured loans	RSA 10,94% – 14,68%	**2 256**	11,40%	300
– Secured loans	UK 5,17% – 5,95%	**127**		
Variable linked				
– Capitalised finance leases	6,90% – 11,20%	**29**	6,90% – 11,20%	36
– Secured loans	2,67% – 18,00%	**77**	13,50%	83
– Unsecured loans	8,85% – 11,40%	**1 775**	13,00% – 14,30%	4 325
– Unsecured short-term, call borrowings and bank overdrafts			7,80%	474
– Unsecured short-term, call borrowings and bank overdrafts	9,55% – 10,35%	**863**	13,30% – 13,75%	536
– Commercial paper	9,54% – 10,20%	**1 603**		
		6 730		5 754

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14. INTEREST-BEARING BORROWINGS (continued)

Summary of interest–bearing borrowings by year of redemption or repayment in SA rands.

	2014 and onwards Rm	2013 Rm	2012 Rm	2011 Rm	2010 Rm	Total Rm
2009						
SA rands	**8**	**3 559**	**6**	**303**	**2 398**	**6 274**
Other		**10**	**166**	**204**	**76**	**456**
SA rands	**8**	**3 569**	**172**	**507**	**2 474**	**6 730**
	2013 and onwards	**2012**	**2011**	**2010**	**2009**	**Total**
2008						
SA rands	3 883			775	471	5 129
Other	16	17	18	18	556	625
SA rands	3 899	17	18	793	1 027	5 754

Details of encumbered assets are as follows:

	30 June 2009		30 June 2008	
	Debt Secured Rm	**Net book value of assets encumbered Rm**	2008 Debt Secured Rm	Net book value of assets encumbered Rm
Property, plant and equipment	**85**	**159**	33	15
Leasing assets	**148**	**379**	86	82
Total assets secured	**233**	**538**	119	97

	30 June 2009 Rm	30 June 2008 Rm
Borrowing facilities		
In terms of the articles of association the borrowing powers of the company are unlimited.		
Total facilities established	**7 803**	7 938
Less: Total borrowings, excluding commercial paper*	**5 127**	5 754
Unutilised borrowing facilities	**2 676**	2 184
– Amortised cost	**5 127**	5 754

* *Commercial paper*

The current portion of interest-bearing borrowings includes R1 603 million commercial paper that is supported by a R1 950 million standby liquidity facility that has an 18 month notice period. The R1 950 million is included in the facility of R7 803 million above.

15. TRADE AND OTHER PAYABLES

	30 June 2009 Rm	30 June 2008 Rm
Trade	**288**	1 055
Accrued expenses	**478**	700
Interest accrual	**87**	100
Employee related accruals*	**106**	71
Deferred income	**72**	60
	1 031	1 986

* *In the prior year the leave pay accrual and the bonus accrual were included under note 16 as provisions. In the current year, these are presented as accrued expenses.*

	Warranty and after sales Rm	Other Rm	Total Rm
16. PROVISIONS FOR LIABILITIES AND OTHER CHARGES			
Year ended 30 June 2009			
Balance at beginning of year	**27**	**2**	**29**
Amounts added	**27**		**27**
Unused amounts reversed	**(1)**		**(1)**
Charged to income	**26**		**26**
Amounts utilised	**(38)**		**(38)**
Balance at end of year	**15**	**2**	**17**
Payable in less than one year	**15**	**2**	**17**
Year ended 30 June 2008 – restated			
Balance acquired on unbundling	33	4	37
Charged to income	(1)	(2)	(3)
Amounts utilised	(5)		(5)
Balance at end of year	27	2	29
Payable in less than one year	27	2	29

	30 June 2009 Rm	30 June 2008 Rm
17. REVENUE		
An analysis of the group's revenue is as follows:		
Sale of goods	**2 421**	783
Rendering of services	**5 464**	956
Other	**4**	2
	7 889	1 741
18. NET OPERATING EXPENSES		
Purchase of goods	**2 028**	780
Changes in inventories	**78**	(45)
Cost of outside services	**163**	223
Staff costs	**1 066**	174
Other operating income	**(61)**	(19)
Other operating costs	**2 138**	126
	5 412	1 239
The above costs are arrived at after including:		
Auditors' remuneration		
Audit fees	**6**	3
Other services	**1**	
	7	3

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		30 June 2009 Rm	30 June 2008 Rm
18.	**NET OPERATING EXPENSES (continued)**		
	Share-based payment expense (Included in staff costs)	13	
	Directors' remuneration		
	Executive directors' remuneration	8	6
	Non-executive directors' remuneration	2	1
	Rental and operating lease charges		
	Properties	14	2
	Office equipment	3	
	Motor vehicles	2	1
		19	3
	Defined contribution retirement plan costs (included in staff costs)	45	8
	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		
	Foreign exchange losses	46	5
	Realised losses	29	6
	Unrealised loss (gains)	17	(1)
19.	**DEPRECIATION AND RECOUPMENTS**		
	Property, plant and equipment	46	6
	Leasing assets	1 501	233
	Intangible assets	4	
		1 551	239
	(Profit) loss on disposal of property, plant and equipment	(2)	10
	Profit on disposal of leasing assets	(15)	(22)
		1 534	227

	30 June 2009 Rm	30 June 2008 Rm
20. NET FINANCE COSTS		
Interest expense	**817**	122
Finance income	**(38)**	(6)
Net finance cost	**779**	116
Fair value losses (gains) arising from interest-bearing borrowings and interest swap instruments (unrealised)	**16**	(11)
Net finance expense	**795**	105
No finance costs were capitalised during the year.		
Included in interest expense is the following:		
– Interest expense on financial liabilities measured at amortised cost	**815**	119
– Interest expense on bank overdrafts	**2**	3
– Fair value losses (gains) arising from interest-bearing borrowings and interest swap instruments (unrealised)	**16**	(11)
Interest expense	**833**	111
Included in finance income is the following:		
– Finance income on loans and trade receivables	**(21)**	(5)
– Finance income on cash and cash equivalents and interest swaps	**(17)**	(1)
Finance income	**(38)**	(6)
21. INCOME TAX EXPENSE		
Taxation charge		
South African taxation		
Normal taxation		
– Current year	**30**	18
– Prior year over provisions	**(50)**	
Deferred taxation		
– Current year	**14**	25
– Prior year under provisions	**47**	
	41	43
Foreign taxation		
Normal taxation		
– Current year	**(1)**	7
– Prior year under (over) provisions	**13**	(3)
Deferred taxation		
– Current year	**11**	(4)
– Prior year under provisions	**(17)**	
	6	
– Secondary tax on companies	**1**	
Total taxation charge	**48**	43
Reconciliation of tax rates:	**%**	%
Profit before taxation – effective rate	**51,6**	27,0
Taxation effect of:		
– Permanent differences	**6,0**	(0,9)
– Deferred tax assets not recognised	**(35,5)**	
– Prior year over provision	**7,5**	1,9
– Secondary tax on companies	**(1,1)**	
– Foreign tax differential	**(0,5)**	
	28,0	28,0

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	30 June 2009 Rm	30 June 2008 Rm
22. EARNINGS PER SHARE		
Ordinary shares		
Basic earnings per share is calculated by dividing the profit after tax attributable to equity holders of Eqstra Holdings by the weighted average number of ordinary shares in issue during the year.		
Profit after tax attributable to equity holders	**45**	116
– Attributable to equity holders	**43**	114
– Attributable to minority interest	**2**	2
Weighted average number of ordinary shares (million)	**258,4**	258,4
Basic earnings per share (cents)	**16,6**	43,9
For fully diluted attributable earnings per share, the weighted average number of ordinary shares in issue is adjusted by deferred ordinary shares.		
Weighted average number of ordinary shares (million)	**258,4**	258,4
Adjusted for deferred ordinary shares (million)	**30,4**	29,5
Weighted average number of ordinary shares for diluted earnings (million)	**288,8**	287,9
Diluted earnings per share (cents)	**14,9**	39,4
Headline earnings and headline diluted earnings per share is calculated as follows:		
Net profit attributable to ordinary shareholders	**43**	114
Profit on disposal of property, plant and equipment and leasing assets	**(17)**	(12)
Taxation effect	**5**	4
Headline earnings	**31**	106
Weighted average number of ordinary shares (millions)	**258,4**	258,4
Headline basic earnings per share (cents)	**12,0**	40,7
Weighted average number of ordinary shares for diluted earnings (millions)	**288,8**	287,9
Headline diluted earnings per share (cents)	**10,7**	36,5
23. NOTES TO THE CASH FLOW STATEMENT		
a Cash flow from operations		
Profit before net finance costs	**888**	264
Adjustments for non-cash movements		
– Depreciation of property, plant and equipment	**46**	6
– Depreciation of leasing assets	**1 501**	233
– Amortisation of intangible assets	**4**	
– Profit on disposal of non-current assets	**(17)**	(12)
– Fair value adjustments		6
– Other non-cash items	**(36)**	
– Impairment of share scheme loan	**9**	6
– Share-based payment expense	**13**	
Cash generated by operations before changes in working capital	**2 408**	503
Working capital movements		
– Decrease (increase) in inventories	**295**	(45)
– Decrease (increase) in trade and other receivables	**322**	(19)
– Decrease in trade and other payables	**(929)**	(195)
Cash generated by operations	**2 096**	244

	30 June 2009 Rm	30 June 2008 Rm
23. NOTES TO THE CASH FLOW STATEMENT (continued)		
b Net acquisition of businesses on unbundling		
Intangible assets		5
Property, plant and equipment		340
Leasing assets		6 323
Other investments and loans		81
Inventories		1 646
Trade and other receivables		1 098
Taxation in advance		32
Cash and cash equivalents		58
Interest-bearing borrowings		(5 633)
Net deferred tax liabilities		(356)
Trade and other payables		(2 147)
Provision for liabilities and other charges		(37)
Goodwill		94
Net asset value		1 504
Less: Cash and cash equivalents acquired		(58)
Net acquisition of businesses on unbundling		1 446
24. COMMITMENTS		
Capital expenditure commitments to be incurred		
Contracted	**172**	792
Authorised by directors but not contracted	**2 170**	1 966
	2 342	2 758
The expenditure is substantially for the acquisition and replacement of leasing assets. Expenditure will be financed from proceeds on disposals, cash flow from operations and existing banking facilities.		
25. CONTINGENT LIABILITIES		
The group has contingent liabilities that relate to:		
Subsidiary companies have received summons for claims amounting to R8 million. The group believes that these claims are unlikely to succeed.	**8**	
Lereko Mobility guarantee	**22**	

26. (a) OPERATING LEASE RECEIVABLES

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	30 June 2009 Rm
– Forklifts	4	661	371	**1 036**
– Vehicles	1 153	2 538	1 128	**4 819**
	1 157	3 199	1 499	**5 855**

	More than five years Rm	One to five years Rm	Less than one year Rm	30 June 2008 Rm
– Forklifts		744	383	1 127
– Vehicles	1 030	2 817	1 091	4 938
	1 030	3 561	1 474	6 065

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	More than five years Rm	One to five years Rm	Less than one year Rm	30 June 2009 Rm
26. (b) OPERATING LEASE PAYABLES				
The minimum future lease payments payable under non-cancellable operating leases are as follows:				
– Property		6	5	**11**

	More than five years Rm	One to five years Rm	Less than one year Rm	30 June 2008 Rm
– Property	1	3	2	6

27. 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 analyse exposures by degree and magnitude of risks. These risks include market risk (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 centralised 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 ALCO committee.

The group does not enter into or trade in 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 as a result 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 and interest rates 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.

27. FINANCIAL INSTRUMENTS (continued)

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. Spare parts are settled in the spot market and where specific South African Exchange Control authorisation has been acquired, up to 75% of forecast annual purchases can be covered. 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. A number of forward exchange contracts became ineffective due to the cancellation of orders and extending payment terms with suppliers.

At the year end, the settlement dates on open forward contracts ranged up to twelve months. The average exchange rates shown include the cost of forward 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 balance sheet items at 30 June and specific foreign commitments not yet due. The details of these contracts are as follows:

Foreign currency	Foreign amount (million)	Average exchange rate	Contract value Rm	Fair value Rm
2009				
Imports				
US dollar	7	8,733	61	54
Euro	7	11,348	83	76
Pound sterling	3	13,624	39	37
Japanese Yen	304	11,65	26	25
Swedish Krona	4	1,046	4	4
			213	196

	US dollar	Euro	Pound sterling	Japanese Yen	Swedish Krona	Rand value
Maturing within one year (million)	7	7	3	304	4	213

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27. FINANCIAL INSTRUMENTS (continued)

Foreign currency	Foreign amount (million)	Average exchange rate	Contract value Rm	Fair value Rm
2008				
Imports				
US dollar	31	8,076	248	248
Euro	38	12,161	458	471
Pound sterling	8	15,571	129	130
Japanese Yen	3 480	12,88	270	265
Swedish Krona	6	1,216	8	8
			1 113	1 122
Exports				
Botswana pula	84	0,834	101	100

	US dollar	Euro	Pound sterling	Japanese Yen	Swedish Krona	Rand value
Maturing within one year	31	38	8	3 480	6	1 113

	30 June 2009 Rm	30 June 2008 Rm
Financial risk factors		
Uncovered foreign currency exposure		90

The impact of a 1% devaluation of the rand on the uncovered foreign exposure will have a nil million (2008: R0,9 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 R0,2 million (2008: R1,1 million) impact on equity.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements and balance sheets are as follows:

	30 June 2009 Average	**30 June 2009 Closing**	30 June 2008 Average	30 June 2008 Closing
Currency (1FC=ZAR)				
British pound	**13,1964**	**12,7128**	15,6356	15,5884
Botswana pula	**1,1857**	**1,1754**	1,2236	1,1585
Namibian dollar	**1,0000**	**1,0000**	1,0000	1,0000
Kenyan shilling	**0,1076**	**0,1065**	0,1280	0,1260
Tanzanian shillings	**0,0062**	**0,0061**	0,0068	0,0068
Nigerian naira	**0,0547**	**0,0535**	0,0686	0,0687

27. FINANCIAL INSTRUMENTS (continued)

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 achieving 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 14.

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.

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 2009 Rm	30 June 2008 Rm
Pay fixed receive floating		
Less than one year	**1 300**	
One to five years	**610**	300
	1 910	300
Fair value of interest rate swaps	**37**	9

The impact of a 1% decrease in the interest rate swap curve will have a negative R12 million (2008: R1,8 million) effect on profit and equity in respect of the interest rate swaps.

The impact of a 1% increase in interest rates will have a negative R40 million (2008: R23,8 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 is no single customer that accounts for more than 5% of group revenue at year end.

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 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 2009 Rm	30 June 2008 Rm
Trade receivables that are neither past overdue nor impaired	**561**	816

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27. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Trade receivables that are neither past overdue nor impaired (continued)

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 not impaired is set out below.

Past due	**30 June 2009 Rm**	30 June 2008 Rm
Less than 1 month	**89**	88
Between 1– 3 months		51
	89	139

The overdue debtor ageing profile above is typical of the industry in which our businesses operate.

No significant collateral was held by the Eqstra group as security and other enhancement over the financial assets during the year.

	30 June 2009 Rm	30 June 2008 Rm
Trade debtors by industry		
Construction and Mining	**506**	678
Passenger and Commercial Vehicles	**68**	116
Industrial Equipment	**145**	214
	719	1 008

Provision for doubtful debts

Before the financial instruments can be impaired, they are evaluated for the possibility of any 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 2009 Rm	30 June 2008 Rm
Balance on unbundling		42
Balance at beginning of the year	**54**	
Amounts written off during the year	**(26)**	(12)
Increase in allowance recognised in profit or loss	**41**	24
Balance at end of the year	**69**	54

Concentration of credit risk includes any single debtor that owes the group 5% or more of total trade receivables. Trade receivables amounting to R98 million represent the significant concentration of credit risk.

27. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

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 2009 amounted to Rnil (2008: R18 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 debtor's 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 during the period obtain financial or non-financial assets by taking possession of collateral it holds as security or calling on guarantees.

There were no guarantees provided by banks to secure financing during the financial year.

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 14. 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.

Notes to the group annual financial statements continued

for the years ended

27. FINANCIAL INSTRUMENTS (continued)

Maturity profile of contractual cash flows (including interest) of financial instruments are as follows:

Maturity profile of financial instruments	Carrying amount Rm	Contractual cash flow Rm	Less than one year Rm	One to five years Rm	More than five years Rm
30 June 2009					
Financial assets					
Other investments and loans	150	157		157	
Trade and other receivables	785	785	785		
Cash and cash equivalents	51	51	51		
	986	993	836	157	
Percentage profile (%)		100	84	16	
Financial liabilities					
Interest-bearing borrowings	6 730	8 264	2 996	5 268	
Trade and other payables	1 031	1 031	1 031		
Provisions for liabilities and other charges	17	17	17		
Current derivative financial liabilities	54	54	54		
	7 832	9 366	4 098	5 268	
Percentage profile (%)		100	44	56	

Maturity profile of financial instruments – restated	Carrying amount Rm	Contractual cash flow Rm	Less than one year Rm	One to five years Rm	More than five years Rm
30 June 2008					
Financial assets					
Other investments and loans	132	132	5	108	19
Trade and other receivables	1 108	1 108	1 108		
Current derivative financial assets	18	18	18		
Cash and cash equivalents	128	128	128		
	1 386	1 386	1 259	108	19
Percentage profile (%)		100	91	8	1
Financial liabilities					
Interest-bearing borrowings	5 754	8 422	1 579	6 843	
Trade and other payables	1 986	1986	1 986		
Provisions for liabilities and other charges	29	29	29		
	7 769	10 437	3 594	6 843	
Percentage profile (%)		100	34	66	

	30 June 2009 Carrying value Rm	30 June 2009 Fair value Rm	30 June 2008 Carrying value Rm	30 June 2008 Fair value Rm
27. FINANCIAL INSTRUMENTS (continued)				
Fair value of financial instruments				
Financial assets				
Non-derivative financial assets				
Other investments and loans				
– Held to maturity	**97**	**97**	52	52
– Classified as held for trading	**35**	**35**	27	27
– Available for sale	**18**	**18**	53	53
Trade and other receivables				
– Other trade and other receivables	**769**	**769**	1 108	1 108
– Finance lease receivable	**16**	**16**		
Cash and cash equivalents	**51**	**51**	128	128
Derivative financial assets				
– Derivative instruments			18	18
Financial liabilities				
Non-derivative financial liabilities				
Interest-bearing borrowings				
– Borrowings at amortised cost	**6 730**	**6 730**	5 754	5 754
Trade and other payables				
– Other trade and other payables	**1 048**	**1 048**	1 986	1 986
Derivative financial liabilities				
– Derivative instruments	**54**	**54**		

The directors consider that the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate 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 are 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 period. 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.

Notes to the group annual financial statements continued
for the years ended

27. FINANCIAL INSTRUMENTS (continued)

Capital risk management (continued)

The group's strategy is to maintain a gearing ratio within 70% to 80% and an investment grade credit rating.
The gearing ratios as at:

	30 June 2009 Rm	30 June 2008 Rm
Total interest-bearing borrowings	**6 730**	5 754
Less: Cash and cash equivalents	**51**	128
Net debt	**6 679**	5 626
Total equity	**1 826**	1 855
Total capital	**8 505**	7 481
Gearing ratio (debt to total capital) (%)	**78,5**	75,2

Statement of changes in equity

Included in the statement of changes in equity are the following adjustments relating to financial instruments:

	30 June 2009 Rm	30 June 2008 Rm
Hedge accounting – cash flow hedges		
Amount recognised in equity	**(50)**	25
Amount removed from equity recognised against initial cost of asset or liability		(5)

28. RELATED PARTY TRANSACTIONS

Subsidiaries and the group pension and provident funds 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, a conflict of interest with regard to directors' interest in contracts does not exist.

Balances between related parties

There were no significant outstanding balances with related parties.

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 arm's length basis amounted to R0,7 million (2008: R0,4 million).

	30 June 2009 Rm	30 June 2008 Rm
Key management personnel		
Group key management personnel remuneration comprises:		
Short-term employee benefits	**58**	7
Long-term employee benefits	**4**	1
Share-based payments recognised as an expense	**13**	
	75	8
Number of key management personnel	**37**	44

28. RELATED PARTY TRANSACTIONS (continued)

Loans advanced to directors and managers in terms of the share purchase scheme (disclosed under note 8)

30 June 2009	Inception date	Interest rate	Loan term	Nature of security	Number of shares	Value of security R000	Loan balance R000
Directors							
WS Hill	15 Dec 2005	11%	10 years	Shares	75 000	4 839	12 925
	19 June 2007	11%	10 years	Shares	75 000	4 839	13 520
E Clarke	15 Dec 2005	11%	10 years	Shares	34 000	2 194	5 859
VJ Mokoena[(1)]	15 Dec 2005	11%	10 years	Shares	25 000	1 613	
	19 June 2007	11%	10 years	Shares	10 000	645	
Managers	15 Dec 2005	11%	10 years	Shares	350 000	22 582	60 831
					569 000	36 414	93 135
Less: Accumulated impairment							(58 681)
Opening balance							(48 590)
Impairment for the year*							(10 091)
							34 454

** The impairment per the income statement is as follows:*

	R000
Impairment	*10 091*
Less: Dividends received	*(1 308)*
	8 783

This loan is considered to be impaired as the fair value of the shares at 30 June 2009 is equal to R34,4 million. This is determined with reference to the combined Eqstra and Imperial share prices, which is R64,52.

Loans advanced to directors and managers in terms of the share purchase scheme

30 June 2008	Inception date	Interest rate	Loan term	Nature of security	Number of shares	Value of security R000	Loan balance R000
Directors							
WS Hill	15 Dec 2005	11%	10 years	Shares	75 000	4 200	11 749
	19 June 2007	11%	10 years	Shares	75 000	4 200	12 283
E Clarke	15 Dec 2005	11%	10 years	Shares	34 000	1 904	5 326
V J Mokoena[(1)]	15 Dec 2005	11%	10 years	Shares	25 000	1 400	
	19 June 2007	11%	10 years	Shares	10 000	560	
Managers	15 Dec 2005	11%	10 years	Shares	337 000	18 872	53 253
					556 000	31 136	82 611
Less: Accumulated impairment							(48 590)
							34 021

The interest-bearing share purchase scheme allows participants to purchase, at market value, on interest-bearing loan accounts. There are no restrictions attached to the vesting or sale of the shares. Interest is payable by the participants to the company at a market related, variable rate. Interest is capitalised on the loan and the loan is repayable when a participant disposes of the shares or earlier, at the election of the participant if the shares are sold in the first five years after the allocation or in the last three years before the termination of the scheme in year 10. The terms of this scheme have not changed during the current year.

(1) Loan due to Imperial Holdings Limited

Financial Statements

Company balance sheet

as at

	Notes	30 June 2009 R000	30 June 2008 R000
ASSETS			
Non-current assets			
Investments and loans	2	**1 830 508**	1 992 195
Current asset			
Cash and cash equivalents		**5**	
Total assets		**1 830 513**	1 992 195
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	3	**1 964 290**	1 964 290
Other reserves		**17 891**	18 805
(Accumulated loss) retained income		**(199 096)**	1 676
Total shareholders' equity		**1 783 085**	1 984 771
Current liabilities		**47 428**	7 424
Other payables		**7 424**	7 424
Provision for financial guarantee	4	**40 000**	
Tax payable		**4**	
Total liabilities		**47 428**	7 424
Total equity and liabilities		**1 830 513**	1 992 195

Company income statement

for the years ended

	30 June 2009 R000	30 June 2008 R000
Dividends received	**18 216**	1 598
Finance income	**16**	
Financial guarantee expense	**(40 000)**	
Impairment of investment in subsidiaries	**(179 000)**	
(Loss) profit before taxation	**(200 768)**	1 598
Income tax expense	**4**	
(Loss) profit for the year	**(200 772)**	1 598
Taxation rate reconciliation		
Statutory tax rate (%)	**28**	28
Exempt income/non-deductible expenses (%)	**(28)**	(28)
Effective tax rate		

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Company cash flow statement

for the years ended

	Note	30 June 2009 R000	30 June 2008 R000
Cash flows from operating activities			
Cash generated by operations	5	**18 216**	9 022
Finance income		**16**	
		18 232	9 022
Cash flows from investing activities			
Acquisition of investments and loans			(1 973 312)
Increase in investments and loans		**(18 227)**	
		(18 227)	(1 973 312)
Cash flows from financing activities			
Acquisition of subsidiaries in exchange for shares			1 983 137
Share issue expenses			(18 847)
			1 964 290
Net movement in cash and cash equivalents		**5**	
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at end of year		**5**	

Company statement of changes in equity

for the years ended

	Share capital and premium R000	Other reserves R000	(Accumu-lated loss) retained income R000	**Total R000**
Balance at 25 June 2007			78	**78**
Profit for the year			1 598	**1 598**
Acquisition of subsidiaries in exchange for shares	1 983 137			**1 983 137**
Acquisition of Lereko call option		52 323		**52 323**
Impairment of Lereko call option		(33 518)		**(33 518)**
Share issue expenses	(18 847)			**(18 847)**
Balance at 30 June 2008	1 964 290	18 805	1 676	**1 984 771**
Impairment of Lereko call option		(914)		**(914)**
Loss for the year			(200 772)	**(200 772)**
Balance at 30 June 2009	**1 964 290**	**17 891**	**(199 096)**	**1 783 085**

Notes to the company annual financial statements

for the years ended

		30 June 2009 R000	30 June 2008 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	**1 863 810**	1 863 810
	Provision for losses in subsidiaries	**(179 000)**	
		1 684 810	1 863 810
	Other unlisted investments at directors' valuation	**60 998**	57 132
		1 745 808	1 920 942
	Included in the above		
	Available for sale financial asset	**17 891**	18 805
	Loans		
	Group loans	**84 700**	71 253
		84 700	71 253
	Total investments and loans	**1 830 508**	1 992 195
	Maturity analysis		
	Maturing after one year but within five years	**84 700**	71 253
3.	**SHARE CAPITAL AND PREMIUM**		
	Authorised share capital		
	360 000 000 ordinary shares of R0,001 each		
	20 000 000 "A" deferred ordinary shares of R0,001 each		
	20 000 000 "B" deferred ordinary shares of R0,001 each		
	Issued share capital		
	258 389 870 ordinary shares of R0,001 each	**258**	258
	16 781 968 "A" deferred ordinary shares of R0,001 each	**17**	17
	14 516 617 "B" deferred ordinary shares of R0,001 each	**15**	15
	Share premium	**1 964 000**	1 964 000
		1 964 290	1 964 290
	Refer to note 12 of the consolidated financial statements for details on the "A" and "B" deferred ordinary shares.		
4.	**PROVISION FOR FINANCIAL GUARANTEE**		
	Financial guarantee in respect of subsidiary that has become technically insolvent	**40 000**	
5.	**NOTE TO THE CASH FLOW STATEMENT**		
	Cash generated by operations		
	(Loss) profit before tax	**(200 768)**	1 598
	Financial guarantee expense	**40 000**	
	Impairment of investment in subsidiaries	**179 000**	
	Finance income	**(16)**	
	Working capital movements		
	– Increase in other payables		7 424
	Cash generated by operations	**18 216**	9 022

6. FINANCIAL INSTRUMENTS

Financial risk factors

Please refer to note 27 of the group annual financial statements for a description of the financial risks of the company.

30 June 2009 Maturity profile of financial instruments	Carrying amount R000	Contractual cash flow R000	Less than one year R000	One to five years R000
Financial assets				
Other investments and loans	84 700	84 700		84 700
Available for sale financial asset	17 891	17 891		17 891
Cash and cash equivalents	5	5	5	
	102 596	102 596	5	102 591
Percentage profile (%)		100		100
Financial liabilities				
Trade and other payables	7 428	7 428	7 428	
Provision for financial guarantee	40 000	40 000		40 000
	47 428	47 428	7 428	40 000
Percentage profile (%)		100	16	84

30 June 2008 Maturity profile of financial instruments	Carrying amount R000	Contractual cash flow R000	Less than one year R000	One to five years R000
Financial assets				
Other investments and loans	71 253	71 253		71 253
Available for sale financial asset	18 805	18 805		18 805
Financial liabilities				
Trade and other payables	7 424	7 424	7 424	
	97 482	97 482	7 424	90 058
Percentage profile (%)		100	8	92

Fair value of financial instruments	30 June 2009		30 June 2008	
	Carrying value R000	Fair value R000	Carrying value R000	Fair value R000
Financial assets				
Non-derivative financial assets				
Other investments and loans				
– Classified as held to maturity	84 700	84 700	71 253	71 253
– Available for sale	17 891	17 891	18 805	18 805
– Cash and cash equivalents	5	5		
Financial liabilities				
Non-derivative financial liabilities				
Trade and other payables	7 428	7 428	7 424	7 424
Provision for financial guarantee	40 000	40 000		

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.

Financial Statements

Annexure A – Interest in principal subsidiaries

for the years ended

The following relates to Eqstra Holdings Limited's direct interest in its significant subsidiaries:

Company	Nature of business	Place of incorporation	Interest owned directly or indirectly	Ordinary shares in issue	Book value of interest – Shares 30 June 2009 R000	Book value of interest – Shares 30 June 2008 R000	Book value of interest – Indebtedness 30 June 2009 R000	Book value of interest – Indebtedness 30 June 2008 R000
MCC Contracts (Pty) Limited	Contract mining	South Africa	100%	1 000	**710 779**	710 779		
Mutual Construction Company Transvaal (Pty) Limited	Equipment rental	South Africa	100%	1 000	**115 318**	115 318		
Explotech Marketing Services (Pty) Limited	Explosives	South Africa	100%	1 000	**73 259**	73 259		
Eqstra NH Equipment (Pty) Limited	Importer and distributor	South Africa	100%	5	**50 000**	50 000		
– Provision for losses in subsidiary					**(50 000)**			
Eqstra TA Equipment (Pty) Limited	Importer and distributor	South Africa	100%	277 000	**131 839**	131 839		
Eqstra Corporation (Pty) Limited	Passenger and commercial vehicle leasing	South Africa	100%	400 000	**548 874**	548 874	**55 700**	42 253
Impact Fork Trucks Limited	Forklift rental dealer	United Kingdom	100%	98 535 034	**101 992**	101 992		
– Provision for losses in subsidiary					**(65 000)**			
Saficon Industrial Equipment (Pty) Limited	Distribution and leasing of forklifts	South Africa	100%	2 394 000	**29 788**	29 788		
Other interests					**101 961**	101 961	**29 000**	29 000
Provision for losses in subsidiaries					**(64 000)**			
					1 684 810	1 863 810	**84 700**	71 253

Results of subsidiaries

The aggregate profits and losses of subsidiaries after taxation attributable to the company are:	30 June 2009 R000	30 June 2008 R000
– Profits	**226 045**	121 616
– Losses	**(181 521)**	(7 057)

Annexure B – Summary of Employment Equity Report

Analysis of South African workforce only

	Eqstra group	Contract mining and plant rental	Distri-butorships	Passenger and Commercial Vehicles	Industrial Equipment	Head office
Description						
Total workforce	6 006	3 833	403	590	1 159	21
Total employees with disabilities	4		1	3		
Workforce profile						
Racial and gender profile	6 006	3 833	403	590	1 159	21
Non-designated group	1 043	422	171	166	275	9
White female	346	59	69	121	91	6
Black males	3 866	3 131	114	160	457	4
Black females	337	101	22	95	117	2
Non-RSA	414	120	27	48	219	
Occupational level profile	5 592	3 713	376	542	940	21
Management	654	371	53	157	53	20
Non-management	4 938	3 342	323	385	887	1
Management profile by gender	654	371	53	157	53	20
Males	545	343	49	99	41	13
Females	109	28	4	58	12	7
Non-management profile by gender	4 938	3 342	323	385	887	1
Males	4 351	3 210	236	214	691	
Females	587	132	87	171	196	1
Management profile by race	654	371	53	157	53	20
Whites	535	323	48	105	44	15
Designated groups	119	48	5	52	9	5
Non-management profile by race	4 938	3 342	323	385	887	1
Africans	3 697	3 163	107	146	280	1
Indians	148	2	8	26	112	
Coloureds	236	19	15	29	173	
Whites	857	158	193	184	322	
Workforce movement						
Total employees at beginning of year	6 121	3 717	498	661	1 230	15
Resignations not replaced	(261)	(16)	(65)	(58)	(122)	
Dismissals	(126)	(126)				
Retirements	(1)	(1)				
Retrenchments	(313)	(161)	(34)	(71)	(47)	
Engagements	586	420	4	58	98	6
Total employees at end of period	6 006	3 833	403	590	1 159	21
Summary of global workforce						
South African	5 592	3 713	376	542	940	21
Non-South African	414	120	27	48	219	
Total workforce	6 006	3 833	403	590	1 159	21

Financial Statements

Shareholders' diary

at 30 June

Financial year end	30 June
Annual general meeting	12 November 2009
Reports and profit statements	Published
Half-yearly interim report	February
Annual report	August

Annual general meeting

The second annual general meeting of the members of the company will be held in the Eqstra Meeting Room, 12 Corobrik Road, Meadowdale, on Thursday, 12 November 2009, at 09:00.

Notice of annual general meeting

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
("the company")

Notice is hereby given that the 2nd annual general meeting of the members of the company will be held in the Eqstra Meeting Room, 12 Corobrik Road, Meadowdale, Gauteng on Thursday 12 November 2009, at 09:00 for the purpose of considering the following business and, if deemed fit, to pass, with or without modification, the following resolutions:

The minutes of the annual general meeting held on 17 November 2008 will be available for inspection at the registered office of the company until 16:00 on Wednesday 11 November 2009 and up to 30 minutes immediately preceding the meeting.

1. **ORDINARY RESOLUTION 1 – Approval of the annual financial statements for the year ended 30 June 2009.**
   "Resolved that the group annual financial statements for the year ended 30 June 2009, including the directors' report and the report of the auditors, be adopted and approved."

2. **ORDINARY RESOLUTION 2 – Re-appointment of directors retiring by rotation.**
   Messrs MJ Croucamp, VJ Mokoena and Ms S Dakile-Hlongwane retire by rotation in terms of Article 35.1 of the articles of association of the company. They have offered themselves for re-election respectively. Brief biographical notes of each director standing for re-election are set out on pages 6 to 7 of the annual report.

   2.1 Ordinary resolution 2.1
   "Resolved that Mr MJ Croucamp who retires in terms of article 35.1 of the articles of association and is eligible and available for election, be and he is hereby elected as a director of the company."

   2.2 Ordinary resolution 2.2
   "Resolved that Mr VJ Mokoena who retires in terms of article 35.1 of the articles of association and is eligible and available for election, be and he is hereby elected as a director of the company."

   2.3 Ordinary resolution 2.3
   "Resolved that Mrs S Dakile-Hlongwane who retires in terms of article 35.1 of the articles of association and is eligible and available for re-election, be and she is hereby re-elected as a director of the company."

   The performance and contribution of each of the above directors have been reviewed by the board and the board recommends that each of these directors be re-elected.

3. **ORDINARY RESOLUTION 3 – Re-appointment of auditors and designated partner**
   "Resolved that Deloitte & Touche be re-appointed as external auditors of the company and to appoint Mr JM Bierman as the designated auditor to hold office for the ensuing year."

4. **ORDINARY RESOLUTION 4 – Increase of non-executive directors' fees**
   "Resolved that in terms of article 26.5 of the company's articles of association, 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 July 2010 as follows:

   Board annual retainers
   • Non-executive chairman – increase from R605 000 to R645 500
   • Non-executive directors – increase from R110 000 to R117 400

   Fees per board meeting
   • Non-executive chairman – no additional fees
   • Non-executive directors – increase from R13 200 to R14 100

Notice of annual general meeting continued

Fees per board committee meeting

Audit committee
- Non-executive chairman – increase from R24 200 to R25 800
- Non-executive directors – increase from R12 100 to R12 900

Remuneration/nominations committee
- Non-executive chairman – no additional fees
- Non-executive directors – increase from R9 625 to R10 300

Asset and liability committee
- Non-executive directors – increase from R9 625 to R10 300

Risk committee
- Non-executive chairman – increase from R17 600 to R18 800
- Non-executive directors – increase from R8 800 to R9 400

Transformation committee
- Non-executive chairman – increase from R17 600 to R18 800
- Non-executive directors – increase from R8 800 to R9 400

Divisional board
- Non-executive chairman – no additional fees
- Non-executive directors – increase from R8 800 to R9 400

Divisional audit committee
- Non-executive chairman – increase from R13 200 to R14 100
- Non-executive directors – increase from R6 600 to R7 100

5. ORDINARY RESOLUTION 5 – General authority to issue shares for cash

"Resolved that subject to article 5.1 of the articles of association of the company, the Act, and the Listings Requirements of the JSE, the directors are hereby authorised, by way of a general authority, to allot and issue ordinary shares and/or any options/convertible securities that are convertible into ordinary shares [5.52(a) and (e)] for cash on the following basis, after setting aside so many shares as may, subject again to article 5.1 of the articles of association of the company, be required to be allotted and issued by the company pursuant to the schemes, to any public shareholder, as defined by the Listings Requirements of the JSE, as and when suitable opportunities arise, subject to the following conditions:

5.1 this authority shall not extend beyond the next annual general meeting or fifteen months from the date of this annual general meeting, whichever date is earlier; [5.50(b)]

5.2 a press announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one year, 3% or more of the number of shares in issue prior to the issue(s);

5.3 the shares be issued to public shareholders as defined by the JSE and not to related parties; [5.52(b)]

5.4 any issue in the aggregate in any one year shall not exceed 5% of the number of shares of the company's issued ordinary share capital (including the number to be issued in the future as a result of the exercise of options or conversion of convertible securities issued in the same financial year); and [5.52(c)(i)]

5.5 in determining the price at which an issue of shares be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares over the thirty days prior to the date that the price of the issue is agreed in writing between the issuer and the party/parties subscribing for the securities. In the event that shares have not traded in the said thirty day period a ruling will be obtained from the committee of the JSE." [5.52(d)]

Notice of annual general meeting continued

6. **To transact such other business as may be transacted at an annual general meeting of shareholders.**

PROXY AND VOTING PROCEDURE
Shareholders who have not dematerialised their shares or who have dematerialised their shares with ''own name" registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy to attend, speak and vote in their stead. The person so appointed need not be a member of the company.

If certificated members or dematerialised members with "own name" registration are unable to attend the annual general meeting but wish to be represented thereat, they must complete the attached proxy form.

In order to be effective, proxy forms shall be delivered or posted to Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107, so as to reach these addresses not later than 09:00 on Tuesday, 10 November 2009.

Members who have dematerialised their shares, other than those members who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant (CSDP) or stockbroker:
• to furnish their CSDP or stockbroker with a voting instruction; and
• in the event that they wish to attend the meeting, to obtain the necessary letter of representation to do so.

By order of the board

L Möller
Group company secretary

25 August 2009

Corporate information

NAME AND REGISTRATION NUMBER
Eqstra Holdings Limited (Formerly Imperial Investment Holdings (Proprietary) Limited)
1998/011672/06

REGISTERED OFFICE AND BUSINESS ADDRESS
12 Corobrik Road, Meadowdale, 1614
(PO Box 1050, Bedfordview, 2008)
Tel: +27 11 458 7555
Fax: +27 11 458 7666

LEGAL ADVISOR
Tugendhaft Wapnick Banchetti & Partners
20th Floor, Sandton City Office Towers
5th Street, Sandown, Sandton, 2196
(PO Box 786728, Sandton, 2146)
Tel: +27 11 291 5000

SPONSOR
Merrill Lynch South Africa (Proprietary) Limited
138 West Street, Sandown, Sandton, 2196
(PO Box 651987, Benmore, 2010)
Tel: +27 11 307 0000

EXTERNAL AUDITORS
Deloitte & Touche
Buildings 1 and 8, 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 OFF LINE
Free call: +27 800 212677
Free fax: +27 800 007788
e-mail: eqstra@tip-offs.com

EXECUTIVE DIRECTORS
E Clarke
WS Hill

NON-EXECUTIVE DIRECTORS
DC Cronjé*
MJ Croucamp*
S Dakile-Hlongwane
VJ Mokoena
PS Molefe
SD Mthembi-Mahanyele*
AJ Phillips*
TDA Ross*
** independent*

EXECUTIVE COMMITTEE
MR Barnes
JV Carr
E Clarke
VC Dube
WS Hill
GD Neubert

ASSET AND LIABILITY COMMITTEE
E Clarke (chairman)
DC Cronjé
MJ Croucamp
WS Hill
PS Molefe

AUDIT COMMITTEE
MJ Croucamp
SD Mthembi-Mahanyele
AJ Phillips
TDA Ross (chairman)

REMUNERATION AND NOMINATION COMMITTEE
DC Cronjé (chairman)
VJ Mokoena
AJ Phillips

RISK COMMITTEE
E Clarke
S Dakile-Hlongwane
WS Hill
VJ Mokoena
AJ Phillips (chairman)
TDA Ross

TRANSFORMATION AND EMPOWERMENT COMMITTEE
S Dakile-Hlongwane
VC Dube
SD Mthembi-Mahanyele (chairman)

COMPANY SECRETARY
L Möller

WEBSITE
www.eqstra.co.za

Proxy form

EQSTRA HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1998/011672/07
JSE code: EQS ISIN code: ZAE000117123
(the company)

Only for the use of registered holders of certificated ordinary shares in the company and the holders of dematerialised ordinary shares in their own name in the capital of the company at the annual general meeting of members to be held in the Eqstra Meeting Room, 12 Corobrik Road, Meadowdale, Gauteng on Monday, 12 November 2009 at 09:00 (South African time).

Holders of ordinary shares in the company (whether certificated or dematerialised) through a nominee must not complete this form of proxy but should inform that nominee timeously, or, if applicable, their central securities depository participant (CSDP) or stockbroker of their intention to attend the annual general meeting and request such nominee, CSDP or stockbroker to issue them with the necessary letter of representation to attend or provide such nominee, CSDP or stockbroker with their voting instructions should they not wish to attend the annual general meeting in person. Such ordinary shareholders must not return this form of proxy to the transfer secretaries.

I/We [print name in full] ______________________________

of [insert address] ______________________________

being a holder(s) of ______________________________ ordinary shares

hereby appoint ______________________________

of ______________________________ or failing him/her,

the chairman of the meeting
as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolution(s) to be proposed at the meeting and at each adjournment of the meeting and to vote for or against such resolutions or to abstain from voting in respect of the ordinary shares in the issued ordinary share capital of the company registered in my/our name, in accordance with the following instructions (see note 9): *Insert an X or the number of ordinary shares (see note 9).

Voting instruction form	**In favour of**	**Against**	**Abstain**
Ordinary resolution 1 – Financial statements 30 June 2009			
Ordinary resolution 2.1 – Reappoint Mr MJ Croucamp			
Ordinary resolution 2.2 – Reappoint Mr VJ Mokoena			
Ordinary resolution 2.3 - Reappoint Ms S Dakile-Hlongwane			
Ordinary resolution 3 – Appointment of auditors and designated partner			
Ordinary resolution 4 – Directors' fees			
Ordinary resolution 5 – General authority to issue shares for cash			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares than you own in the company, insert the number of ordinary shares held in respect of which you desire to vote (see note 9).

Signed at ______________________ on ______________________ 2009

Signature ______________________________

Assisted by (where applicable) ______________________________

Each member is entitled to appoint a proxy (who need not be a member of the company) to attend, speak and vote in place of that member at the meeting.

Please read the notes on the reverse side of this proxy form.

ince.motiv

Notes to the form of proxy

1. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.

2. The chairman shall be entitled to decline to accept the authority of a signatory:
   (a) under a power of attorney; or
   (b) on behalf of a company unless the power of attorney or authority is deposited with the transfer secretaries, Computershare Investor Services (Proprietary) Limited, PO Box 61051, Marshalltown, 2107, South Africa, by not later than 09:00 (South African time) on Tuesday, 10 November 2009.

3. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her proxy in the blank space(s) provided for that purpose.

4. When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name appears first in the register of members in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

5. The completion and lodging of this form of proxy will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat should such person wish to do so, to the exclusion of any proxy appointed in terms hereof.

6. If, in the appropriate place on the face of the proxy, there is no indication of how to vote in respect of any resolution, the proxy shall be entitled to vote as he/she deems fit in respect of that resolution.

7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed other than in accordance with these instructions, provided that in the event of acceptance, he/she is satisfied as to the manner in which a member wishes to vote.

8. If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the member's name.

9. Please insert an "X" in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholders' votes exercisable at the meeting. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.

10. A form of proxy sent by electronic medium to the company secretary or transfer secretaries within the time allowed for submission, shall be deemed to constitute an instrument of proxy.

11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company secretary or waived by the chairman of the annual general meeting.

12. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company secretary.

EQSTRA

HOLDINGS LIMITED

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