CONDENSED UNAUDITED INTERIM FINANCIAL RESULTS

for the six months ended 28 February 2017

Revenue
R2.4 billion
(2016: R517.7 million)

Profit before taxation
R175.2 million
(2016: R24.3 million)

Adjusted HEPS
103.3 cps
(2016:43.6 cps[#])

Net asset value
1 820.6 cps
(2016: 1 355 cps[#])

Successful completion of Eqstra transaction
Improved performance from Petrochemicals

enX GROUP

enX GROUP LIMITED (Incorporated in the Republic of South Africa) (Registration number 2001/029771/06) JSE share code: ENX ISIN: ZAE000222253 ("enX" or "the Group")

NATURE OF BUSINESS

enX is a diversified industrial group that provides quality branded industrial, petrochemical, and fleet management and logistics products and services.

enX is organised into the three business segments as follows:

- enX Equipment ("**Equipment**"):
  - EIE provides distribution, rental and value added services for industrial and materials handling equipment in South Africa, other African countries, the United Kingdom and Ireland ("**UK**"). EIE in South Africa is the market leader in materials handling and the sole distributor of Toyota Forklifts, BT warehousing equipment and Konecranes heavy duty forklifts and container handling equipment in Sub-Sahara Africa. Its UK operation, Impact**,** is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK and Ireland ("**EIE**").
  - New Way Power manufactures, installs and maintains diesel generators as well as provides temporary power through Genmatics. It distributes of a range of industrial and marine engines and components through Power02 which is the sole distributor of John Deere and Mitsubishi industrial engines in South Africa ("**Power**").
  - Austro distributes professional woodworking equipment, tooling, edging and provision of associated services such as blade sharpening and equipment maintenance. It is the sole distributor of Biesse equipment and Leitz tooling in South Africa ("**Wood**").
- enX Fleet ("**Fleet**"):
  - Eqstra Fleet Management and Logistics business ("**EFML**") provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. It also provides fleet management solutions for commercial vehicle fleet owners and logistics solutions. Its footprint is in South Africa and sub-Saharan Africa. The EFML's commercial vehicle operations are supported by a nationwide network of workshops and panel repair shops.
- enX Petrochemicals ("**Petrochemicals**"):
  - Centlube and African Group Lubricants ("**AGL**") produce and market oil lubricants in South Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation).
  - West African International ("**WAI**") and enX Polymers distribute plastics, polymers, rubber and speciality chemicals into Southern African. They are the sole agents and distributors of ExxonMobil chemicals in South Africa.

enX has a proven track record of acquiring quality industrial assets that have strong market positions, represent leading global brands with committed customer partnerships. We instil entrepreneurial management to drive returns through the disciplined allocation of capital. enX was founded in 2007, operates in fourteen countries and has over 2400 employees.

OVERVIEW

The board is pleased to present enX's first set of interim results incorporating EIE, EFML, WAI and AGL. These results illustrate the extent of the transformation that enX has undergone as a result of these acquisitions. Our rapidly developing Petrochemicals segment has begun to demonstrate its earnings potential. enX has evolved into a diversified industrial business with significantly increased market capitalisation, assets under management and earnings base. We now have the foundations of a much larger industrial business.

Our focus during the past six months has been on integrating acquisitions and driving profitability of existing operations:

1. The acquisition of EIE and EFML was completed in November 2016. Furthermore, we closed our R1.5 billion equity capital raise and invested R1.4 billion in debt, mezzanine and equity instruments in eXtract Group Limited ("**eXtract**"). The results of these acquisitions and investments have been included for 4 months.
2. The interest on our eXtract debt was serviced in cash for the period together with some principal repayments. The recapitalisation and unbundling of eXtract based on the proposed debt conversion is explained below under subsequent events.
3. The results of WAI and AGL, which were acquired in July 2016, have been included for the full period. This has driven an increase in dollar denominated revenues and market share in the oil lubricants industry. WAI introduces a stable, defensive and cash generative speciality chemical business into enX. Volumes of ExxonMobil lubricants and chemical products distributed by Petrochemicals have grown significantly. We have commissioned our new blend plant which began operations in March 2017.
4. Power's order book has recovered after being awarded large tender and contract manufacturing projects.
5. Subsequent to period end the first partial redemption of our restructured EQS05 note of R300 million took place.

In terms of transformation, the Group has been verified as a level 5 contributor in terms of the amended B-BBEE codes of good practice. Certain subsidiaries within the Group have achieved level 2 and 4 status.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 28 February 2017 R'000	Unaudited as at 29 February 2016 R'000	Audited as at 31 August 2016 R'000
ASSETS			
Non-current assets	**6 480 481**	318 690	424 902
Property, plant and equipment	**379 753**	118 811	121 928
Leasing assets	**5 115 365**	–	–
Goodwill	**480 930**	164 776	151 336
Intangible assets	**442 408**	21 000	128 393
Trade and other receivables	**11 697**	–	5 985
Investment in associate	**1 149**	491	971
Other investments and loans	**12 007**	–	–
Deferred taxation	**37 172**	13 612	16 289
Current assets	**3 846 976**	656 773	999 415
Inventories	**1 207 683**	351 086	542 626
Trade and other receivables	**1 115 834**	243 032	394 552
Taxation receivable	**12 143**	–	2 087
Bank and cash balances	**376 026**	62 655	60 150
Assets held for sale - eXtract	**1 135 290**	–	–
Total assets	**10 327 457**	975 463	1 424 317
EQUITY AND LIABILITIES			
Total shareholders' interests	**3 273 993**	692 455	687 420
Stated capital	**3 087 083**	559 046	634 565
Non-distributable reserve	**(10 599)**	–	(40)
Accumulated profits	**167 019**	133 409	52 895
Equity attributable to equity holders of the parent	**3 243 503**	692 455	687 420
Non-controlling interests	**30 490**	–	–
Non-current liabilities	**4 832 483**	42 575	178 059
Interest-bearing liabilities	**4 307 191**	26 824	75 891
Deferred vendor consideration	**42 588**	8 194	65 864
Deferred taxation	**482 704**	7 557	36 304
Current liabilities	**2 220 981**	240 433	558 838
Interest-bearing liabilities	**453 170**	10 507	65 343
Deferred vendor consideration	**23 840**	4 762	33 897
Trade and other payables	**1 536 798**	224 716	405 962
Taxation payable	**144 022**	448	1 483
Bank overdrafts	**63 151**	–	52 153
Total equity and liabilities	**10 327 457**	975 463	1 424 317
Supplementary information:			
Number of shares in issue[#]	**180 439 447**	51 120 636	54 562 187
Number of shares in issue (net of treasury shares)[#]	**178 156 747**	51 120 636	54 562 187
Net asset value per share (cents)[#]	**1 820.6**	1 354.6	1 259.9
Net tangible asset value per share (cents)[#]	**1 367.8**	1 002.1	812.9
Share consolidation			
Number of shares in issue		*562 327 001*	*600 184 057*
Weighted average number of shares in issue		*559 252 947*	*566 256 129*
Net asset value per share (cents)		*123.1*	*114.5*
Net tangible asset value per share (cents)		*91.1*	*73.9*
Basic earnings/(loss) per share (cents)		*3.1*	*(12.6)*
Headline earnings per share (cents)		*3.1*	*1.6*
Adjusted headline earnings per share (cents)		*4.0*	*3.7*

[#] The 29 February 2016 and 31 August 2016 amounts have been presented taking into account the share consolidation of 11:1 that took place during the period. The amounts that were previously reported are:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000
Revenue	**2 399 978**	517 726	1 150 951
Net operating expenses	**(1 707 749)**	(477 926)	(1 111 076)
Profit from operations before depreciation and amortisation	**692 229**	39 800	39 875
Depreciation and amortisation	**(409 852)**	(5 436)	(9 799)
(Loss)/profit on disposal of property, plant and equipment	**(30)**	–	379
IFRS 2 charges	**(2 319)**	(6 579)	(6 323)
Foreign exchange losses	**(8 173)**	(1 547)	(876)
Operating profit	**271 855**	26 238	23 256
Impairment of property, plant and equipment	**–**	–	(2 941)
Impairment of goodwill	**–**	–	(78 205)
Fair value adjustment of investments	**(12 506)**	–	–
Profit/(loss) before interest and taxation	**259 349**	26 238	(57 890)
Net finance costs	**(81 929)**	(1 750)	(8 484)
Interest received	**65 542**	1 419	3 016
Interest paid	**(147 471)**	(3 169)	(11 500)
Share of (losses)/profits from associates	**(2 226)**	(187)	293
Net profit/(loss) before taxation ("PBT")	**175 194**	24 301	(66 081)
Taxation	**(58 392)**	(6 851)	(5 312)
Net profit/(loss) after taxation	**116 802**	17 450	(71 393)
Attributable to:			
Equity holders of the parent	**114 124**	17 450	(71 393)
Non-controlling interests	**2 678**	–	–
Net profit/(loss) after taxation ("PAT")	**116 802**	17 450	(71 393)
Other comprehensive income/(loss) net of taxation:			
Net profit/(loss) after taxation	**116 802**	17 450	(71 393)
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation reserve	**(10 559)**	–	(40)
Total comprehensive income/(loss)	**106 243**	17 450	(71 433)
Attributable to:			
Equity holders of the parent	**103 565**	17 450	(71 433)
Non-controlling interests	**2 678**	–	–
Total comprehensive income/(loss)	**106 243**	17 450	(71 433)
Supplementary information:			
Basic earnings/(loss) per share (cents)[#]	**73.6**	34.3	(138.7)
Headline earnings per share (cents)[#]	**73.6**	34.3	17.9
Adjusted headline earnings per share (cents)[#]	**103.3**	43.6	41.1
Diluted earnings per share (cents)	**72.8**	34.3	^
Diluted headline earnings per share (cents)	**72.8**	34.3	^
EBIT	**257 123**	26 238	(57 597)
Adjusted EBIT	**306 749**	32 817	40 122
Adjusted headline earnings	**160 268**	22 175	21 135
Number of shares in issue[#]	**180 439 447**	51 120 636	54 562 187
Weighted average number of shares in issue - net of treasury shares[#]	**155 154 559**	50 841 177	51 477 830
Diluted number of shares in issue	**156 867 245**	50 841 177	^

^ Dilutionary instruments in issue do not have a dilutionary effect.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000
Stated capital	**3 087 083**	559 046	634 565
Balance at beginning of the period	**634 565**	345 387	345 387
Increase through the issue of shares (net of costs)	**2 452 518**	213 659	289 178
Non-distributable reserve	**(10 599)**	**–**	(40)
Balance at beginning of the period	**(40)**	–	–
Foreign currency translation reserve	**(10 559)**	–	(40)
Accumulated profits	**167 019**	133 409	52 895
Balance at beginning of the period	**52 895**	115 959	115 959
Total comprehensive income/(losses)	**114 124**	17 450	(71 393)
Transferred from non-controlling interest	**–**	–	8 329
Non-controlling interest	**30 490**	–	–
Balance at beginning of the period	**–**	–	–
At acquisition of subsidiary	**27 812**	–	9 979
Total comprehensive income	**2 678**	–	–
Transactions with non-controlling interest	**–**	–	(1 650)
Transferred to accumulated profits	**–**	–	(8 329)
Balance at end of the period	**3 273 993**	692 455	687 420

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited year ended 31 August 2016 R'000
Cash flows from operating activities	**765 398**	(32 848)	12 294
Cash generated from operations before working capital movements	**698 495**	50 006	42 178
Working capital movements	**163 068**	(78 774)	(20 016)
Interest received	**65 542**	1 419	3 016
Interest paid	**(143 996)**	(2 539)	(7 725)
Taxation paid	**(17 711)**	(2 960)	(5 159)
Cash flows from investing activities	**(1 750 885)**	(72 911)	(276 701)
Capital expenditure	**(492 761)**	(12 405)	(20 135)
Proceeds on disposal of assets	**6 038**	606	754
Business combinations	**(1 315 228)**	(61 112)	(257 320)
Proceeds from other investments and loans	**51 066**	–	–
Cash flows from financing activities	**1 290 365**	155 780	259 770
Net decrease in interest-bearing borrowings	**(114 824)**	–	80 000
Deferred vendor consideration	**(36 808)**	(57 879)	(67 093)
Payments on transactions with non-controlling interest	**–**	–	(9 340)
Net proceeds from shares issued	**1 441 997**	213 659	256 203
Net increase in cash and cash equivalents	**304 878**	50 021	(4 637)
Cash and cash equivalents at beginning of the period	**7 997**	12 634	12 634
Cash and cash equivalents at end of the period	**312 875**	62 655	7 997

HEADLINE EARNINGS RECONCILIATION

	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000
Net profit/(loss) after taxation attributable to equity holders of the parent	**114 124**	17 450	(71 393)
Adjusted for:			
Loss/(profit) on disposal of property, plant and equipment	**30**	(17)	379
Impairment of property, plant and equipment	**–**	–	2 941
Impairment of goodwill	**–**	–	78 205
Taxation effect on adjustments	**(8)**	5	(929)
Headline earnings attributable to ordinary shareholders	**114 146**	17 438	9 203
Adjusted for:			
IFRS 2 charges	**2 319**	6 579	6 323
Restructuring costs	**–**	–	5 426
IFRS 3 transaction costs	**22 203**	–	4 824
Amortisation of intangible assets*	**10 194**	–	–
Fair value adjustment of investments	**12 506**	–	–
Share of losses from eXtract	**2 404**	–	–
Taxation effect on adjustments	**(3 504)**	(1 842)	(4 641)
Adjusted headline earnings attributable to ordinary shareholders	**160 268**	22 175	21 135
EBIT RECONCILIATION			
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**670 662**	34 697	(39 595)
Depreciation and amortisation	**(413 539)**	(8 459)	(18 002)
EBIT	**257 123**	26 238	(57 597)
IFRS 2 charges	**2 319**	6 579	6 323
IFRS 3 transaction costs	**22 203**	–	4 824
Restructuring costs	**–**	–	5 426
Amortisation of intangible assets*	**10 194**	–	–
Share of losses from eXtract	**2 404**	–	–
Fair value adjustment of investments	**12 506**	–	–
Impairment of property, plant and equipment	**–**	–	2 941
Impairment of goodwill	**–**	–	78 205
Adjusted EBIT	**306 749**	32 817	40 122
Adjusted EBIT %	**13**	6	3

* *The amortisation of intangible assets arising as part of business combinations has been added back for adjusted headlines earnings and adjusted EBIT.*

CONDENSED SEGMENTAL ANALYSIS

	Equipment			Fleet			Petrochemicals			Group, financing and consolidation			Total		
	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000	Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000
Revenue	**1 160 989**	357 873	606 394	**554 848**	–	–	**695 716**	159 853	546 633	**(11 575)**	–	(2 076)	**2 399 978**	517 726	1 150 951
– External South Africa	**871 724**	357 873	606 353	**481 543**	–	–	**660 521**	159 853	534 230	**37 295**	19 152	25 260	**2 051 083**	536 878	1 165 843
– External Rest of world	**287 869**	–	–	**63 127**	–	–	**35 195**	–	10 368	**–**	–	–	**386 191**	–	10 368
– Intercompany	**1 396**	–	41	**10 178**	–	–	**–**	–	2 035	**(48 870)**	(19 152)	(27 336)	**(37 296)**	(19 152)	(25 260)
EBITDA®	**335 500**	37 358	26 976	**341 422**	–	–	**48 450**	11 213	39 154	**(54 710)**	(14 061)	(105 725)	**670 662**	34 510	(39 595)
Depreciation and amortisation	**(202 445)**	(5 327)	(11 218)	**(196 745)**	–	–	**(3 777)**	(3 011)	(5 999)	**(10 572)**	(121)	(785)	**(413 539)**	(8 459)	(18 002)
EBIT	**133 055**	32 031	15 758	**144 677**	–	–	**44 673**	8 202	33 155	**(65 282)**	(13 995)	(106 510)	**257 123**	26 238	(57 597)
– South Africa	**108 877**	32 031	15 758	**124 899**	–	–	**40 054**	8 202	33 293	**(65 282)**	(13 995)	(106 510)	**208 548**	26 238	(57 459)
– Rest of world	**24 178**	–	–	**19 778**	–	–	**4 619**	–	(138)	**–**	–	–	**48 575**	–	(138)
Adjusted EBIT	**133 885**	24 653	24 255	**145 269**	–	–	**44 744**	8 281	33 254	**(17 149)**	(117)	(17 387)	**306 749**	32 817	40 122
Net finance costs	**(58 929)**	(3 359)	(6 559)	**(62 286)**	–	–	**(12 702)**	(5 316)	(13 192)	**51 988**	6 924	11 267	**(81 929)**	(1 751)	(8 484)
Adjusted PBT	**74 956**	21 294	17 696	**82 983**	–	–	**32 042**	2 965	20 062	**34 839**	6 807	(6 120)	**224 820**	31 066	31 638
Total assets	**4 467 754**	642 315	523 025	**3 280 261**	–	–	**649 423**	212 804	656 543	**1 930 019**	120 344	244 749	**10 327 457**	975 463	1 424 317
– Goodwill and intangibles	**50 106**	38 845	38 845	**9 251**	–	–	**17 177**	1 000	17 143	**846 804**	145 931	223 741	**923 338**	185 776	279 729
– Leasing assets	**2 497 207**	–	–	**2 618 158**	–	–	**–**	–	–	**–**	–	–	**5 115 365**	–	–
– Inventory	**859 996**	226 627	208 853	**28 662**	–	–	**373 260**	124 459	333 773	**(54 235)**	–	–	**1 207 683**	351 086	542 626
– Trade and other receivables	**508 249**	218 168	145 501	**344 498**			**244 910**	55 044	247 039	**29 874**	(46 107)	–	**1 127 531**	227 105	392 540
– Other assets	**552 196**	158 675	129 826	**279 692**	–	–	**14 076**	32 301	58 588	**1 107 576**	20 521	21 008	**1 953 540**	211 497	209 422
Total liabilities	**3 373 528**	200 360	123 762	**2 927 531**	–	–	**347 931**	86 491	394 114	**404 474**	(3 843)	219 021	**7 053 464**	283 008	736 897
– Interest-bearing liabilities and overdraft	**2 479 231**	8 300	6 531	**2 252 360**	–	–	**14 454**	20 031	17 595	**77 467**	9 000	89 158	**4 823 512**	37 331	113 284
– Deferred vendor consideration	**8 927**	12 957	13 442	**–**	–	–	**–**	–	–	**57 501**	–	86 319	**66 428**	12 957	99 761
– Trade and other payables and provisions	**693 385**	178 756	103 789	**386 587**	–	–	**328 457**	64 683	74 959	**128 369**	(18 722)	(85 820)	**1 536 798**	224 717	92 928
– Other liabilities	**191 985**	347	–	**288 584**	–	–	**5 020**	1 777	301 560	**141 137**	5 880	129 364	**626 726**	8 004	430 924
Net capital expenditure	**305 354**	9 551	16 720	**174 321**	–	–	**6 952**	2 813	6 011	**96**	41	57	**486 723**	12 405	22 788
Number of employees	**1 779**	466	362	**552**	–	–	**96**	48	91	**13**	7	7	**2 440**	521	460
GEOGRAPHICAL SEGMENTATION															
Total assets	**4 467 754**	642 315	523 025	**3 280 261**	–	–	**649 423**	212 804	656 543	**1 930 019**	120 344	244 749	**10 327 457**	975 463	1 424 317
– South Africa	**3 279 054**	642 315	523 025	**2 919 016**	–	–	**621 459**	212 804	632 592	**1 930 019**	120 344	244 749	**8 749 548**	975 463	1 400 366
– Rest of world	**1 188 700**	–	–	**361 245**	–	–	**27 964**	–	23 951	**–**	–	–	**1 577 909**	–	23 951
Total liabilities	**3 373 528**	200 360	123 762	**2 927 531**	–	–	**347 931**	86 491	394 114	**404 474**	(3 843)	219 021	**7 053 464**	283 008	736 897
– South Africa	**2 409 876**	200 360	123 762	**2 743 762**	–	–	**319 732**	86 491	366 243	**404 474**	(3 843)	219 021	**5 877 844**	283 008	709 026
– Rest of world	**963 652**	–	–	**183 769**	–	–	**28 199**	–	27 871	**–**	–	–	**1 175 620**	–	27 871

* *The group segments have been brought in line with the three segments as previously reported in the Revised Listing Particulars issued on 24 August 2016. The Power and Wood segments were previously reported separately and have been combined into the Equipment segment with comparative amounts aggregated.*

® *Excludes intercompany management fees, which was not previously adjusted for by EIE and EFML.*

BASIS OF PREPARATION

The condensed unaudited interim financial results for the six months ended 28 February 2017 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and complies with IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Board or its successor, the requirements of the Companies Act, No. 71 of 2008 of South Africa and the Listings Requirements of the JSE Limited. The accounting policies used in the preparation of the condensed unaudited interim financial results for the six months ended 28 February 2017, are consistent with those applied in the audited financial statements for the year ended 31 August 2016.

During the current period the Group adopted those standards and interpretations in issue and effective for the period. The adoption of these new and amended standards and interpretations has not had a significant impact on the Group's adopted accounting policies.

These results have been compiled under the supervision of Irwin Lipworth CA(SA), the Financial Director. The condensed interim financial results have not been reviewed or reported on by the Group auditors.

BUSINESS COMBINATION

With effect from 8 November 2016, the Group acquired an effective 100% shareholding in Eqstra Investments Proprietary Limited which owned EIE and EFML. The transaction was settled by enX as follows:

- the allotment and issue to eXtract of 52 715 390 new enX shares ("**Consideration Shares**") at R21.00 per enX share;
- the recapitalisation of eXtract to the value of approximately R1.4 billion by way of enX:
  - subscribing for 101 400 000 new eXtract ordinary shares at R1.00 per eXtract ordinary share;
  - subscribing for 400 new MCC Contracts Proprietary Limited ("**MCC**"), a wholly owned subsidiary of eXtract, preference shares for an aggregate subscription price of R600 million; and
  - advancing a loan of R700 million to MCC.

On 15 November 2016, the Consideration Shares were distributed to eXtract shareholders in the ratio of 0.13 enX shares for every one eXtract share.

enX funded this transaction by:

- issuing the Consideration Shares; and
- raising R1.5 billion of cash to fund the recapitalisation of eXtract and approximately R100 million for enX transaction costs and general corporate purposes.

The summary of the net assets acquired through this business combination, for which the purchase price has been allocated to the respective assets and liabilities, are as follows:

	R'000
Non-current assets	6 621 907
Current assets	1 664 473
Non-current liabilities	(5 199 469)
Current liabilities	(1 298 848)
Total identifiable net assets	**1 788 063**
Non-controlling interests	(27 812)
Total identifiable net assets acquired	**1 760 251**
Goodwill arising from business combination	319 221
Total consideration transferred	**2 079 472**
Ordinary shares acquired in eXtract (at fair value)	34 476
Loans advanced to and preference shares acquired in MCC	1 300 000
Impairment raised on MCC loans and preference shares	(991 000)
Consideration shares (at fair value)	(1 021 548)
Purchase consideration settled in cash	**1 401 400**
Purchase consideration settled in cash	1 401 400
Cash balances taken over	(86 172)
Net cash outflow on total acquisition	**1 315 228**

The purchase price allocation is provisional and will be finalised on the first anniversary of the business combination.

Revenue of R1 716 million and net profit after taxation of R111 million have been included in these results since the acquisition date. If the acquisition had occurred on 1 September 2016, the following amounts would have been included in these results: Revenue of R2 586 million and net profit after taxation of R146 million.

NOTES

		Unaudited for the six months ended 28 February 2017 R'000
1.	**Capital commitments**	
	Total capital commitments contracted	6 000
	Contingent liabilities	–
	Guarantees	22 412
	Expenditure will be financed from cash generated from operations and existing banking facilities.	
	There were no capital commitments in the prior period.	
2.	**Assets held for sale – eXtract**	
	Ordinary shares in eXtract (at fair value)	21 174
	Loans and preference shares (net)	1 114 116
	Loans in MCC	1 505 116
	Preference shares in MCC	600 000
	Gross value of loans and preference shares	2 105 116
	Impairments raised	(991 000)
	Total assets held for sale	**1 135 290**

		Unaudited for the six months ended 28 February 2017 R'000	Unaudited for the six months ended 29 February 2016 R'000	Audited for the year ended 31 August 2016 R'000
3.	**Interest-bearing borrowings**			
	Notes	1 531 051	–	–
	Bank debt and overdraft – South Africa	2 523 266	37 331	141 234
	Bank debt and overdraft – Rest of world	769 195	–	–
	Deferred vendor consideration	66 428	12 956	99 761
		4 889 940	50 287	240 995
	Comprising:			
	Non-current	4 349 779	35 018	141 755
	Current	540 161	15 269	99 240
		4 889 940	50 287	240 995
4.	**Net finance costs**			
	Interest received – other	4 743	1 419	3 016
	Interest received – MCC	60 799	–	–
	Interest paid	(147 471)	(3 169)	(11 500)
		(81 929)	(1 750)	(8 484)

5. Fair value hierarchy disclosures

Valuation methodology

Level 1 – Valuations with reference to quoted prices in an active market:

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

Level 2 – Valuations based on observable and unobservable inputs include:

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

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

28 February 2017	Level 1 R'000	Level 2 R'000	Fair value R'000
Financial assets			
Assets held for sale	21 174	1 114 116	1 135 290
Available-for-sale investments	–	12 007	12 007
Designated as fair value through profit and loss – Derivative financial assets	–	2 990	2 990
	21 174	1 129 113	1 150 287
Financial liabilities			
Financial liabilities designated as fair value through profit and loss – Derivative financial liabilities	–	29 128	29 128
	–	29 128	29 128

FINANCIAL RESULTS

Overview

Revenue for the year increased to R2.4 billion (2016: R517.7 million) with the inclusion of EIE and EFML for four months totalling R1 716 million. Revenues for Petrochemicals increased to R695.7 million (2016: R159.9 million) following the inclusion of WAI and AGL for the full period. The Group's EBIT improved to R257.1 million (2016: R26.2 million) and PBT improved to R175.2 million (2016: R24.3 million). PBT includes once-off IFRS 3 transaction costs of R22.2 million and a fair value adjustment of R12.5 million in order to account for eXtract as an 'Asset held for sale'. Consistent with prior disclosures, management has elected to disclose adjusted EBIT which provides a more meaningful reflection of sustainable earnings. Adjusted EBIT increased to R306.7 million (2016: R32.8 million).

The effective tax rate for the period was 33.3% (2016: 28.2%). The higher charge is primarily due to the transaction costs and fair value adjustments. If these were excluded the effective taxation rate would have been 27.8%.

Earnings

Headline earnings increased to R114.1 million (2016: R17.4 million). This translates into HEPS of 73.6 cents (2016: 34.3 cents). Adjusted headline earnings increased to R160.3 million (2016: R22.2 million) and translated into adjusted HEPS of 103.3 cents (2016: 43.6 cents). The corresponding financial period HEPS amounts are after adjusting for the share consolidation in the ratio of 11:1 that took place on 24 October 2016. Prior to the share consolidation HEPS and Adjusted HEPS were reported as 3.1 and 4.0 cents per share respectively.

Capex

The capital expenditure increased to R492.8 million (2016: R12.4 million) primarily to maintain and grow leasing fleets.

Funding

With the completion of the Eqstra transaction, the Group's net interest-bearing debt levels (including deferred vendor consideration and cash) increased to R4 513.9 million resulting in a net gearing ratio of 139.2%. This was against an increase in leasing assets of R5 115.4 million (2016: Rnil). Bank covenants were met for the period. The higher debt resulted in the Group's net interest charge increasing to R81.9 million (2016: R1.8 million). Included in interest received is an amount of R60.8 million from MCC to service its loan obligations. This will not re-occur due to the proposed restructure and unbundling of eXtract (Refer to subsequent events).

Investments

With the proposed restructure and unbundling, the ordinary shares in eXtract, loans advanced to and preference shares acquired in MCC of R1 135.3 million, have been classified as assets held for sale. As part of the purchase price allocation an impairment of R991 million was made to the loans and preference shares. Following the change in classification of these assets, a fair value adjustment was made to the ordinary shares held to reflect the share price of eXtract at the period end date.

Cash flow

Cash flows from the Group were positive over the period. Cash outflows from investing activities totalled R1 750.9 million outflow, of which R1 315.2 million was due to the business combination. In addition to this MCC repaid R51.1 million towards their principal obligations to the Group.

OPERATIONAL OVERVIEW

Equipment

The segment performed in line with expectations for the period. Revenues of R1 161.0 million, adjusted EBIT of R133.9 million and adjusted PBT of R75.0 million were achieved. The inclusion of EIE's results for the first four months was the primary reason for the improvement. The SA and UK materials handling equipment market shares were stable. The ZAR strength during the period, assisted all the businesses to remain price competitive and in some instances, widen margins. The current rental fleet in South Africa and UK stands at 8320 and 4550 units respectively.

Power has rebuilt its order book after the decline in revenues and losses experienced in the second half of 2016. Together with a reduction in its cost base this business returned to profitability. Revenues in Wood came under pressure but stronger margins and cost controls resulted in a material improvement in operating profit compared to the prior period.

Fleet

Revenues of R554.8 million, adjusted EBIT of R145.3 million and adjusted PBT of R83.0 million were achieved. EFML continued to show respectable returns in a challenging environment. Leasing assets remained stable. EFML maintained its high quality blue chip customer base. Continued traction in value added products ("**VAPs**") particularly GPS and accident management contributed positively to margins for the period.

The division embarked on the implementation to its new ERP operating environment, called Quest, in November 2016.

Petrochemicals

Revenues of R695.7 million, adjusted EBIT of R44.7 million and adjusted PBT of R32.0 million were achieved. The inclusion of WAI and AGL for the full period combined with growth in toll blending volumes and product profitability in the lubricants business contributed to a strong performance. As a result of the additional production volumes we have commissioned a new lubricants blend plant. WAI experienced lower than expected polymers volumes through its distribution business. January 2017 saw the establishment of enX Polymers as the agency business for ExxonMobil in South Africa which has introduced a new profit center.

PROSPECTS

Strategy

Our goal is to build a growing, cash generative industrial business which over time consistently delivers returns on equity in excess of its cost of capital. We aim to do this by investing in assets and opportunities that:

- Drive differentiation and scale;
- Strengthen our partnerships with leading global brand owners;
- Expand our businesses geographically;
- Build an entrepreneurial culture;
- Maintain strong financial disciplines; and
- Ensure an ongoing social license to do business.

The specific initiatives that we are and intend to pursue to deliver on these strategic priorities are as follows:

Equipment:

- EIE will seek to grow its South Africa share of the forklift market in line with Toyota's aspirations.
- EIE aims to expand its UK market share through the acquisition of complementary forklift businesses and strengthen its long-term partnership with Mitsubishi, the supplier of Cat Lift Trucks.
- Power will drive its contract manufacturing volumes while continuing to consolidate its operations to reduce costs and improve efficiencies. Over time it will aim to generate new sources of power related revenues by moving into prime power and solar activities.
- Wood aims to maintain its leading market share and gradually build a leasing and rental businss.

Fleet:

- EFML is focused on growing revenues derived from VAP's, which are not-capital intensive. Capital will be made available to this division to pursue new leasing contracts. The implementation of Quest will present opportunities to offer outsourced processing and fleet management services and drive operational efficiencies.

Petrochemicals:

- The lubricants component will focus on growing its distribution and contract manufacturing volumes. It will also seek new product distribution opportunities through its relationship with ExxonMobil. These growth opportunities have been enabled through the successful commissioning of its new inland blending plant.
- The chemicals business will focus on growing volumes in selected polymer and speciality chemicals. The business will also seek new distributorships, whereby it can sell more volume through its existing infrastructure.

The remainder of the financial year will see us work towards the completion of the conversion of our debt and preference share investments in eXtract and subsequent unbundling to enX shareholders.

The broader industrial focus of enX may in time result in the addition of new segments should the business be aligned with our strategic priorities.

Outlook

We expect EIE to marginally improve on its first half reported performance as the fruit harvesting season drives sales and short-term rentals. Our UK operations are expected to perform in line with plan. The effect of these earnings on our full year results will be dependent on currency fluctuations. The order book that Power has built up over the past six months will begin to translate into revenues resulting in a marked improvement in 2017 second half performance, while performance of Wood should continue to be stable.

EFML expects to perform in line with its current performance, although PBT margins may come down as a result of higher low-margin revenues.

Petrochemicals to continue with its strong half year performance. Higher contract manufacturing volumes, the integration of Group's lubricant businesses, increased activity the mining clients, the take-on of the ExxonMobil polymer agency business and improved polymer distribution volumes should all contribute to this result.

Risks to our business are posed by the macroeconomic impact on growth, currency and interest rates of recent sovereign debt downgrades. It is still too early to assess the effect that these may have on our businesses. Whilst recognising this, enX believes its business model and current portfolio of businesses have defensive characteristics given the annuity generating nature of its assets, strong market positions, brand partnerships and long-term client commitments. We have an experienced management team who will maintain the strong relationships with our OEMs, drive cost efficiencies and be alert to the opportunities to grow when macro events present.

SUBSEQUENT EVENTS

Repositioning, recapitalisation and unbundling of eXtract

Following a strategic review of the business of eXtract the board of eXtract concluded that it wishes to engage in a structured exit of its sub-optimal contract mining contracts and reposition eXtract by establishing a new funding model for future diverse resource investments. The enX Board wishes to support this repositioning.

Accordingly enX will convert R2.1 billion of the debt owed by MCC into 5.2 billion new shares in eXtract. These shares together with the existing ordinary shares held by enX in eXtract amounting in aggregate to 5.3 billion shares will then be unbundled to enX shareholders. enX shareholders will receive approximately 29.5 eXtract shares for every enX share held. Furthermore, enX provided collateralised financial assistance to eXtract of R44 million. Shareholders are referred to the joint announcement released on SENS on 18 April 2016 for more details.

The unbundling of eXtract moulds enX into a pure-play industrial company and unlocks the associated benefits of certainty and simplicity for our stakeholders.

Apart from the above, there have been no other material events subsequent to period end that have been taken into account in the financial statements.

DIVIDENDS

In line with the Group policy to reinvest for growth, no dividend has been declared for the period.

DIRECTORS

Executive directors:	PD Mansour (Executive Deputy Chairman), JL Serfontein (Chief Executive Officer), IM Lipworth (Financial Director)
Non-executive directors:	SB Joffe (Chairman), PM Makwana* (Lead), PC Baloyi, SF Booysen*, NV Lila*, LN Molefe*, TC Moodley, PS O'Flaherty, AJ Phillips*, LL von Zeuner* *(* Independent)*

As previously reported the following changes to directorships took place during the period:

- M Motjope resigned as an alternate director to PC Baloyi on 1 September 2016;
- LN Molefe was appointed as an independent non-executive director, effective 21 October 2016;
- TC Moodley was appointed as a non-executive director, effective 21 October 2016;
- JL Serfontein was appointed as CEO, with PD Mansour assumed the role of the Executive Deputy Chairman, effective 8 November 2016; and
- LL von Zeuner and SF Booysen were appointed as independent non-executive directors effective 8 November 2016.

For and on behalf of the board

PD Mansour	**JL Serfontein**	**IM Lipworth**
Executive Deputy Chairman	Chief Executive Officer	Financial Director

15 May 2017

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Sponsor: Java Capital
Company secretary: L Möller
Transfer secretaries: Computershare Investor Services Proprietary Limited