SUMMARISED PRELIMINARY CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 August 2017

Revenue
R6.2 billion
(2016: R1.2 billion)

Operating profit
R673 million
(2016: R23 million)

Adjusted HEPS
181.2 cps
(2016:41.1 cps#)

Successful implementation of Eqstra transaction

Unbundling of the eXtract investment post year-end

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 equipment, petrochemical, fleet management and logistics products and related services.

enX is organised into three business segments as follows:

- enX Equipment ("**Equipment**"):
  - enX Industrial Equipment ("**EIE**") provides distribution, rental and value-added services for industrial and materials handling equipment in South Africa, selected 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-Saharan Africa. Its UK operation, Impact Fork Tucks ("Impact")**,** is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK;
  - New Way Power manufactures, installs and maintains diesel generators and provides temporary power through Genmatics. It distributes a range of industrial and marine engines and components through $PowerO^2$ which is the sole distributor of John Deere and Mitsubishi industrial engines in South Africa ("**Power**"); and
  - Austro distributes professional woodworking equipment, tooling, edging and provides 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**"):
  - The Eqstra Fleet Management and Logistics business ("**EFML**") provides a full spectrum of passenger and commercial vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions driven by a unique approach to asset management through data technology. 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 and Sub-Saharan Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation); and
  - West African International ("**WAI**") distributes plastics, polymers, rubber and speciality chemicals into Southern African. It is the distributor of ExxonMobil chemicals in South Africa.

enX has a proven track record of acquiring quality industrial assets that have strong market positions that 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 2 400 employees.

OVERVIEW

The board is pleased to present enX's first full-year results incorporating EIE and EFML businesses. The results begin to illustrate the Group's true earning power and demonstrate the substantial transformation that enX undertook in the year.

By finalising the unbundling of eXtract Group ("**eXtract**"), we are now a pure-play diversified industrial business with a significantly increased market capitalisation, assets under management and earnings base. The unbundling unlocks the associated benefits of certainty and simplicity for our stakeholders. The Group is positioned clearly in the industrial space with three distinct segments each of which have market-leading positions, experienced management and strong principal and customer relationships.

Significant strategic milestones that were achieved during the year include:

1. Our industrial businesses generated adjusted HEPS of 181.2 cents per share, in-line with our projections;
2. Toyota Industrial Corporation and Toyota Tsusho Corporation ("**Toyota**") extended our distribution agreement for a further 3 years, continuing our long-term relationship;
3. The integrated operating system 'Quest' within our Fleet segment was fully implemented, differentiating our offering;
4. Our lubricants business successfully commissioned its new Cera inland blending plant thereby significantly increasing capacity;
5. We have been awarded ExxonMobil's lubricant blending rights for its strategic global accounts, contingent on meeting its quality standards;
6. We began distributing polypropylene as a new product within our chemicals business thereby increasing volumes through our existing infrastructure;
7. Power has entered the prime power space, with firm orders;
8. We successfully raised a R70 million, 5 year note to re-enter the debt capital markets;
9. We raised a new enlarged credit facility for our trading businesses; and
10. Group functions were right-sized and central cost reduced.

These milestones strengthen the long-term competitiveness and sustainability of our businesses and drive future profitability.

FINANCIAL RESULTS

Overview

Revenue for the year increased to R6.2 billion (2016: R1.2 billion) with the inclusion of EIE and EFML for ten months and WAI and AGL for the full year. Consistent with prior disclosures, management has elected to disclose adjusted EBIT which provides a more meaningful reflection of sustainable earnings. On this basis, adjusted EBIT increased to R736 million (2016: R40 million).

Earnings

Adjusted headline earnings increased to R281 million (2016: R21 million) and translated into adjusted HEPS of 181.2 cents (2016: 41.1 cents). The fair value adjustment relating to the eXtract investments of R737 million and once-off restructuring and transaction costs of R29 million resulted in a headline loss of R467 million (2016: R9 million profit). This translates into a headline loss of 301.2 cents per share against a headline earnings per share ("HEPS") in 2016 of 17.9 cents. The corresponding financial year's HEPS amounts are after adjusting for the share consolidation in the ratio of 11:1 that took place on 24 October 2016.

Capex

Capital expenditure increased to R1 385 million (2016: R20 million) primarily to re-invest in leasing fleets.

Funding

With the completion of the Eqstra transaction, the Group's net interest-bearing borrowings increased to R4 890 million (2016: R293 million). These borrowings were primarily to finance the increase in leasing assets of R5 077 million (2016: R Nil). Bank covenants were met for the year. The higher debt resulted in the Group's net interest charge increasing to R292 million (2016: R8 million). Included in interest received is an amount of R61 million from MCC Contracts ("**MCC**"), a wholly owned subsidiary of eXtract to service its loan obligations. This will not re-occur due to the restructure and unbundling of eXtract.

The Group redeemed its maturing notes amounting to R447 million during the year.

Investments

At balance sheet date the ordinary shares in eXtract, loans advanced to and preference shares acquired in MCC of R212 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 of R737 million was recognised against these investments at the year-end date.

Cash flow

Cash flows from operating activities after capital expenditure amounted to R256 million.
The net proceeds from shares issued totalled R1 442 million, which was used to fund the Eqstra transaction. eXtract repaid R51 million towards their principal obligations to the Group prior to concluding the restructure.

BASIS OF PREPARATION

The summarised preliminary consolidated financial statements for the year ended 31 August 2017 have been prepared in accordance with the requirements of the JSE Listings Requirements applicable to summarised preliminary reports and the requirements of the Companies Act, No. 71 of 2008 of South Africa applicable to summarised financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("**IFRS**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

This report was compiled under the supervision of IM Lipworth CA (SA), CFO of enX.

The accounting policies applied in the preparation of the consolidated financial statements are in terms of IFRS from which these summarised results are derived from and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements, with the exception of:

1. New policies adopted because of the Eqstra transaction for leasing assets, assets held for sale, and equity settled share based payments issued; and
2. The adoption of new and revised standards which became effective during the year. These standards did not have any material impact on the financial statements.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited as at 31 August 2017 R'000	Audited as at 31 August 2016 R'000
ASSETS		
Non-current assets	**6 557 215**	424 902
Property, plant and equipment	**374 470**	121 928
Leasing assets	**5 077 814**	–
Goodwill	**504 510**	151 336
Intangible assets	**428 943**	128 393
Trade, other receivables and derivatives	**3 140**	5 985
Investment in associate	**–**	971
Other investments and loans	**142 908**	–
Deferred taxation	**25 430**	16 289
Current assets	**3 093 649**	999 415
Trade, other receivables and derivatives	**1 213 608**	394 552
Inventories	**1 229 624**	542 626
Other investments and loans	**94 415**	–
Taxation receivable	**26 020**	2 087
Bank and cash balances	**317 806**	60 150
Assets held for sale - eXtract	**212 176**	–
Total assets	**9 650 864**	1 424 317
EQUITY AND LIABILITIES		
Total shareholders' interests	**2 715 250**	687 420
Stated capital	**3 087 083**	634 565
Other reserves	**(725 389)**	(40)
Accumulated profits	**322 145**	52 895
Equity attributable to equity holders of the parent	**2 683 839**	687 420
Non-controlling interests	**31 411**	–
Non-current liabilities	**4 534 345**	178 059
Interest-bearing liabilities	**4 002 506**	75 891
Deferred vendor consideration	**24 186**	65 864
Deferred taxation	**507 653**	36 304
Current liabilities	**2 401 269**	558 838
Interest-bearing liabilities	**820 125**	65 343
Deferred vendor consideration	**26 898**	33 897
Trade, other payables, provisions and derivatives	**1 500 073**	405 962
Taxation payable	**37 824**	1 483
Bank overdrafts	**16 349**	52 153
Total equity and liabilities	**9 650 864**	1 424 317
Supplementary information:		
Number of shares in issue at year end #	**180 439 427**	54 562 187
Number of shares in issue at year end (net of treasury shares)#	**178 156 727**	54 562 187
Net asset value per share at year end (cents)#	**1 506.4**	1 259.9
Net tangible asset value per share (cents)#	**1 047.7**	812.9

Share consolidation

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

Number of shares in issue	*600 184 057*
Weighted average number of shares in issue	*566 256 129*
Net asset value per share (cents)	*114.5*
Net tangible asset value per share (cents)	*73.9*
Basic loss per share (cents)	*(12.6)*
Headline earnings per share (cents)	*1.6*
Adjusted headline earnings per share (cents)	*3.7*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000
Stated capital	**3 087 083**	634 565
Balance at beginning of the year	**634 565**	345 387
Increase through the issue of shares (net of costs)	**2 494 201**	289 178
Treasury shares	**(41 683)**	–
Other reserves	**(725 389)**	(40)
Balance at beginning of the year	**(40)**	–
Foreign currency translation reserve	**4 108**	(40)
Share-based payment expense	**7 106**	–
Transfer from accumulated profits of the fair value adjustment of investments	**(736 563)**	–
Accumulated profits	**322 145**	52 895
Balance at beginning of the year	**52 895**	115 959
Total comprehensive loss for the year	**(467 313)**	(71 393)
Transfer to other reserves of the fair value adjustment of investments	**736 563**	–
Transferred from non-controlling interest	**–**	8 329
Non-controlling interest	**31 411**	–
Balance at beginning of the year	**–**	–
At acquisition of subsidiary	**27 812**	9 979
Total comprehensive income for the year	**6 186**	–
Transactions with non-controlling interest	**–**	(1 650)
Dividends paid to minority shareholders	**(2 587)**	–
Transferred to accumulated profits	**–**	(8 329)
Total shareholders' interests	**2 715 250**	687 420

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the year ended 31 August 2017 R'000	Audited year ended 31 August 2016 R'000
Cash flows from operating activities	**1 640 721**	12 294
Cash generated from operations before working capital movements	**1 699 545**	42 178
Working capital movements	**391 735**	(20 016)
Interest received	**71 803**	3 016
Interest paid	**(356 864)**	(7 725)
Taxation paid	**(165 498)**	(5 159)
Cash flows from investing activities	**(2 636 043)**	(276 701)
Capital expenditure	**(1 384 740)**	(20 135)
Proceeds on disposal of assets	**12 859**	754
Business combinations	**(1 315 228)**	(257 320)
Proceeds from other investments and loans	**51 066**	–
Cash flows from financing activities	**1 288 782**	259 770
Net (decrease)/increase in interest-bearing borrowings	**(109 193)**	80 000
Deferred vendor considerations paid	**(40 989)**	(67 093)
Payments on transactions with non-controlling interest	**(2 587)**	(9 340)
Net proceeds from shares issued	**1 441 551**	256 203
Net increase/(decrease) in cash and cash equivalents	**293 460**	(4 637)
Cash and cash equivalents at beginning of the year	**7 997**	12 634
Cash and cash equivalents at end of the year	**301 457**	7 997

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000
Revenue	**6 218 342**	1 150 951
Net operating expenses	**(4 485 094)**	(1 111 076)
Profit from operations before depreciation and amortisation	**1 733 248**	39 875
Depreciation and amortisation	**(1 026 379)**	(9 799)
Profit on disposal of property, plant and equipment	**27**	379
IFRS 2 charges	**(6 708)**	(6 323)
Foreign exchange losses	**(27 085)**	(876)
Operating profit	**673 103**	23 256
Impairment of property, plant and equipment	**–**	(2 941)
Impairment of goodwill	**–**	(78 205)
Fair value adjustment of investments	**(736 563)**	–
Loss before interest and taxation	**(63 460)**	(57 890)
Net finance costs	**(291 679)**	(8 484)
Interest received	**71 803**	3 016
Interest paid	**(363 482)**	(11 500)
Share of (losses)/profits from associates	**(2 620)**	293
Loss before taxation	**(357 759)**	(66 081)
Taxation	**(103 368)**	(5 312)
Loss after taxation	**(461 127)**	(71 393)
Attributable to:		
Equity holders of the parent	**(467 313)**	(71 393)
Non-controlling interests	**6 186**	–
Loss after taxation	**(461 127)**	(71 393)
Other comprehensive loss net of taxation:		
Loss after taxation	**(461 127)**	(71 393)
Items that may be reclassified subsequently to profit or loss:		
– Foreign currency translation reserve	**4 108**	(40)
Total comprehensive loss	**(457 019)**	(71 433)
Attributable to:		
Equity holders of the parent	**(463 205)**	(71 433)
Non-controlling interests	**6 186**	–
Total comprehensive loss	**(457 019)**	(71 433)
Supplementary information:		
Basic loss per share (cents)#	**(301.2)**	(138.7)
Headline (loss)/earnings per share (cents)#	**(301.2)**	17.9
Adjusted headline earnings per share (cents)#	**181.2**	41.1
Adjusted EBIT	**735 626**	40 122
Adjusted headline earnings	**281 072**	21 135
Number of shares in issue#	**180 439 427**	54 562 187
Weighted average number of shares in issue (net of treasury shares) #	**155 154 559**	51 477 830

The dilutionary instruments in issue have an anti-dilutionary effect.

HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATIONS

	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000
Net loss after taxation attributable to equity holders of the parent	**(467 313)**	(71 393)
Adjusted for:		
(Profit)/loss on disposal of property, plant and equipment	**(27)**	379
Impairment of property, plant and equipment	**–**	2 941
Impairment of goodwill	**–**	78 205
Taxation effect on adjustments	**8**	(929)
Headline (loss)/earnings attributable to ordinary shareholders	**(467 332)**	9 203
Adjusted for:		
IFRS 2 charges	**6 708**	6 323
Restructuring and IFRS 3 transaction costs	**28 720**	10 250
Amortisation of intangible assets*	**27 311**	–
Interest received - eXtract	**(60 800)**	–
Fair value adjustment of investments and associate losses - eXtract	**738 967**	–
Taxation effect on adjustments	**7 498**	(4 641)
Adjusted headline earnings attributable to ordinary shareholders ^	**281 072**	21 135
EBIT RECONCILIATION		
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**967 869**	(39 595)
Depreciation and amortisation	**(1 033 949)**	(18 002)
Earnings before interest and taxation (EBIT)	**(66 080)**	(57 597)
IFRS 2 charges	**6 708**	6 323
Restructuring and IFRS 3 transaction costs	**28 720**	10 250
Amortisation of intangible assets*	**27 311**	–
Fair value adjustment of investments and associate losses - eXtract	**738 967**	–
Impairment of property, plant and equipment	**–**	2 941
Impairment of goodwill	**–**	78 205
Adjusted EBIT ^	**735 626**	40 122
Adjusted EBIT %	**12**	3

^ *Adjusted headline earnings per share and adjusted EBIT takes into account all the profits and losses from operational, trading, and funding activities for the period and excludes once off transaction costs, IFRS 2 costs, intangible asset amortisation (excluding software), fair value adjustments of investments and other once off items.*

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

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Equipment*		Fleet		Petrochemicals		Group, financing and consolidation		Total	
	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000
Revenue	**3 062 983**	606 394	**1 649 884**	–	**1 538 666**	546 633	**(33 191)**	(2 076)	**6 218 342**	1 150 951
– South Africa	**2 322 261**	606 353	**1 453 546**	–	**1 449 123**	534 230	**72 785**	25 260	**5 297 715**	1 165 843
– Rest of World	**736 944**	–	**175 169**	–	**81 299**	10 368	**–**	–	**993 412**	10 368
– Intercompany	**3 778**	41	**21 169**	–	**8 244**	2 035	**(105 976)**	(27 336)	**(72 785)**	(25 260)
EBITDA@	**858 530**	26 976	**807 432**	–	**108 767**	39 154	**(806 860)**	(105 725)	**967 869**	(39 595)
Depreciation and amortisation	**(515 328)**	(11 218)	**(482 684)**	–	**(10 870)**	(5 999)	**(25 067)**	(785)	**(1 033 949)**	(18 002)
EBIT	**343 202**	15 758	**324 748**	–	**97 897**	33 155	**(831 927)**	(106 510)	**(66 080)**	(57 597)
– South Africa	**293 027**	15 758	**293 097**	–	**84 981**	33 293	**(831 927)**	(106 510)	**(160 912)**	(57 459)
– Rest of World	**50 175**	–	**31 651**	–	**13 006**	(138)	**–**	–	**94 832**	(138)
Adjusted EBIT	**345 706**	24 255	**326 760**	–	**101 381**	33 254	**(38 221)**	(17 387)	**735 626**	40 122
Net finance costs	**(149 047)**	(6 559)	**(145 735)**	–	**(23 960)**	(13 192)	**27 063**	11 267	**(291 679)**	(8 484)
Adjusted earnings/(loss) before taxation	**196 659**	17 696	**181 025**	–	**77 421**	20 062	**(11 158)**	(6 120)	**443 947**	31 638
Total assets	**4 320 170**	523 025	**3 117 237**	–	**840 424**	656 543	**1 373 033**	244 749	**9 650 864**	1 424 317
– Goodwill and intangibles	**13 235**	38 845	**8 391**	–	**2 881**	17 143	**908 946**	223 741	**933 453**	279 729
– Leasing assets	**2 494 411**	–	**2 583 403**	–	**–**	–	**–**	–	**5 077 814**	–
– Inventory	**810 449**	208 853	**27 630**	–	**391 545**	333 773	**–**	–	**1 229 624**	542 626
– Trade, other receivables and derivatives	**612 677**	151 484	**290 651**	–	**311 547**	247 039	**1 873**	2 014	**1 216 748**	400 537
– Other assets	**389 398**	123 843	**207 162**	–	**134 451**	58 588	**462 214**	18 994	**1 193 225**	201 425
Total liabilities	**3 341 322**	123 762	**2 482 791**	–	**766 238**	394 114	**345 263**	219 021	**6 935 614**	736 897
– Interest-bearing liabilities and overdraft	**2 474 841**	6 531	**1 884 969**	–	**289 830**	97 698	**189 340**	89 158	**4 838 980**	193 387
– Deferred vendor consideration	**9 413**	13 442	**–**	–	**41 671**	–	**–**	86 319	**51 084**	99 761
– Trade, other payables, provisions and derivatives	**649 298**	103 787	**319 655**	–	**430 321**	296 128	**100 799**	6 047	**1 500 073**	405 962
– Other liabilities	**207 770**	2	**278 167**	–	**4 416**	288	**55 124**	37 497	**545 477**	37 787
Net capital expenditure	**736 540**	16 720	**615 677**	–	**19 219**	6 011	**445**	57	**1 371 881**	22 788
Number of employees	**1 736**	362	**611**	–	**97**	91	**14**	7	**2 458**	460
GEOGRAPHICAL SEGMENTATION										
Total assets	**4 320 170**	523 025	**3 117 237**	–	**840 424**	656 543	**1 373 033**	244 749	**9 650 864**	1 424 317
– South Africa	**3 134 732**	523 025	**2 777 549**	–	**812 091**	632 592	**1 373 033**	244 749	**8 097 405**	1 400 366
– Rest of World	**1 185 438**	–	**339 688**	–	**28 333**	23 951	**–**	–	**1 553 459**	23 951
Total liabilities	**3 341 322**	123 762	**2 482 791**	–	**766 238**	394 114	**345 263**	219 021	**6 935 614**	736 897
– South Africa	**2 402 197**	123 762	**2 381 130**	–	**742 208**	366 243	**345 263**	219 021	**5 870 798**	709 026
– Rest of World	**939 125**	–	**101 661**	–	**24 030**	27 871	**–**	–	**1 064 816**	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.*

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

During the 2017 year, the debt for the "Old Equipment" and Petrochemicals segments were restructured. Based on this restructure we have shown the debt and vendor consideration amounts in their correct segments.

No single customer exceeds 10% of group revenue.

NOTES

	Audited for the year ended 31 August 2017 R'000
1. Capital commitments	
Total capital commitments contracted	**16 500**

Expenditure will be financed from cash generated from operations and existing banking facilities.

There were no capital commitments in the prior year.

There were no contingent liabilities or guarantees at 31 August 2017.

	Audited for the year ended 31 August 2017 R'000
2. Assets held for sale - eXtract	
Ordinary shares in eXtract (net carrying value)	**5 294**
Ordinary shares in eXtract acquired	**103 009**
Impairment raised at acquisition	**(66 924)**
Fair value adjustment through profit and loss	**(30 791)**
Loans and preference shares (net carrying value)	**206 882**
Loans in eXtract (net of associate losses)	**1 303 654**
Preference shares in eXtract	**600 000**
Gross value of loans and preference shares	**1 903 654**
Impairments raised at acquisition	**(991 000)**
Fair value adjustment through profit and loss	**(705 772)**
Total assets held for sale	**212 176**

These assets were distributed via an *in specie* dividend declaration to enX shareholders on 13 October 2017, as part of the eXtract restructure agreement.

	Audited for the year ended 31 August 2017 R'000	Audited for the year ended 31 August 2016 R'000
3. Interest-bearing borrowings		
Medium Term Note Program	**1 233 897**	–
Bank debt and overdraft – South Africa	**2 776 806**	193 387
Bank debt and overdraft – Rest of world	**828 277**	–
Deferred vendor consideration	**51 084**	99 761
	4 890 064	293 148
Comprising:		
Non-current	**4 026 692**	141 755
Current	**863 372**	151 393
	4 890 064	293 148
4. Net finance costs		
Interest received – other	**11 003**	3 016
Interest received – eXtract	**60 800**	–
Interest paid	**(363 482)**	(11 500)
	(291 679)	(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.

31 August 2017	Level 1 R'000	Level 2 R'000	Fair value R'000
Financial assets			
Assets held for sale - eXtract	5 294	206 882	212 176
Other investments and loans	–	237 323	237 323
Designated as fair value through profit and loss			
– Derivative financial assets	–	1 689	1 689
	5 294	445 894	451 188
Financial liabilities			
Financial liabilities designated as fair value through profit and loss			
– Derivative financial liabilities	–	7 733	7 733
	–	7 733	7 733

AUDIT REPORT

enX's independent auditor, Deloitte & Touche, has issued its opinion on the consolidated and separate financial statements for the year ended 31 August 2017. The audit was conducted in accordance with International Standards on Auditing. Deloitte & Touche has issued an unmodified opinion. A copy of the independent auditor's report together with a copy of the audited consolidated and separate financial statements is available for inspection at enX's registered office during normal business hours from 23 October 2017.

The summarised preliminary consolidated financial statements have been derived from and are consistent in all material respects with the consolidated financial statements for the year ended 31 August 2017, but is not itself audited. The directors take full responsibility for the preparation of these summarised preliminary consolidated financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated financial statements. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditor. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the consolidated and separate audited consolidated financial statements as at 31 August 2017.

BUSINESS COMBINATION

In line with enX's stated goal to build a substantial industrial company, with effect from 8 November 2016, the Group acquired all of the issued shares of enX Leasing Investments (formerly Eqstra Investments) which owns EIE and EFML businesses. The Eqstra transaction was settled 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 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 in 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, is as follows:

	R'000
Non-current assets	6 660 372
Current assets	1 664 473
Non-current liabilities	(5 235 775)
Current liabilities	(1 324 120)
Total identifiable net assets	**1 764 950**
Non-controlling interests	(27 812)
Total identifiable net assets acquired	**1 737 138**
Goodwill arising from business combination	342 334
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 assumed	(86 172)
Net cash outflow on business combination	**1 315 228**

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

Revenue of R4 170 million and net profit after taxation of R198 million have been included in these results with effect from the acquisition date. If the acquisition had occurred on 1 September 2016, the following amounts would have been included in these results: Revenue of R6 083 million and net profit after taxation of R229 million.

OPERATIONAL OVERVIEW

Equipment

Revenues of R3 063 million, adjusted EBIT of R346 million and adjusted PBT of R197 million were achieved. The inclusion of EIE for ten months for the financial year was the principal reason for the improvement.

The SA and UK materials handling equipment market shares were maintained in growing markets. The EIE focus on its overhead recovery percentage contributed to performance. Despite the volatility of the exchange rates all the businesses remained price competitive. The current rental fleet in South Africa and UK stands at 8 264 and 4 622 units respectively.

Power grew its revenues and market shares despite a subdued environment. Margins remained under pressure, resulting in breakeven performance. Working capital improvements generated strong cash flows. Revenues in Wood came under pressure, but stronger margins and cost controls resulted in an improvement in operating profit compared to the prior year.

Fleet

Revenues of R1 650 million, adjusted EBIT of R327 million and adjusted PBT of R181 million were achieved. Leasing assets stabilised with a few key mandates awarded due to investment into sales resources. EFML maintained its high quality blue chip customer base. Unit and revenue growth in value added products ("**VAPs**"), particularly GPS and accident management, contributed positively to margins for the year.

The segment's integrated operating environment, Quest, is now fully embedded in all operating regions since implementation in November 2016.

Petrochemicals

Revenues of R1 539 million, adjusted EBIT of R101 million and adjusted PBT of R77 million were achieved. Growth in toll blending volumes contributed to a strong performance. A new lubricants blend plant was commissioned during the year to service greater demand in production volumes, enabling capacity to grow by 70%. All key clients were retained with a number of additional mandates awarded during the year. WAI saw a decline in polymers volumes due to the see-through effect of consumer pressure on plastic packaging. This is contrasted with an increase in volumes for chemicals, rubber and additives in the year.

PROSPECTS

Strategy

Our long-term 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 licence to conduct business.

We believe that operating on a decentralised basis is the most effective way to drive these strategies. As a result we have had success executing on many objectives that fall within these themes. Focusing our organic and acquisitive growth initiatives within our segments reduces the risks of growing as we have experienced teams, industry knowledge and infrastructure in place. The specific initiatives that we are pursuing are set out below:

Equipment:

Growing our operations with the support of our global OEM partners

- EIE aims to expand its UK footprint and market share through the acquisition of complementary forklift businesses and strengthen its long-term partnership with Mitsubishi Caterpillar Forklifts Europe,, the supplier of Cat Lift Trucks.
- EIE will seek to grow forklift market share in line with Toyota's aspirations and improve operational efficiencies.
- Power will develop its contract manufacturing volumes while continuing to consolidate its operations to reduce costs. It has secured clients in the prime power market and will continue to seek new power related revenue opportunities.
- Wood aims to maintain its leading market share and gradually build a leasing and rental business.

Fleet:

Leveraging data to differentiate our product offering

- EFML is focused on growing revenues derived from VAPs, which are non-capital intensive and which differentiate their offering. Capital is available to support their initiative to increase retention rates on existing business and pursue new leasing contracts. The implementation of Quest will present data and technology opportunities to offer outsourced processing and fleet management services and deliver internal operational efficiencies. There is significant latent value in leveraging this data and technology which EFML will seek to unlock over time.

Petrochemicals:

Building a leading independent petrochemicals business in partnership with ExxonMobil

- The lubricants business will focus on growing its distribution and contract manufacturing volumes in Sub-Saharan Africa. These growth opportunities have been enabled through the successful commissioning of its new inland blending plant, integrated customer relationships and strong partnership with ExxonMobil. It will continue to seek and develop new product distribution opportunities through this relationship.
- The chemicals business will focus on growing volumes in selected polymer and speciality chemicals. The business will also seek new distributorships, whereby it can increase sales volumes through its existing infrastructure.

Group:

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

Our funding plan over the next 18 months is aimed at extending our maturity profile, attracting a more diverse source of funds and achieving an "A" credit rating.

Outlook

EIE and EFML will be included for a full 12 months in the coming year, compared to the 10 months included in 2017.

On a constant currency basis, EIE is expected to deliver annualised earnings growth driven by the UK operations. Southern African forklift operations, Power and Wood businesses are expected to deliver solid performances.

EFML expects to show annualised earnings growth with the overriding objective over the next 24 months of increasing retention rates and new business.

The lubricant business has been awarded ExxonMobil's lubricant blending rights for their strategic global accounts. This is expected to commence in the second half of 2018. Supportive conditions in the polymers market are expected to drive higher volume and profitability.

Macro-economic conditions remained subdued**.** Whilst recognising this, enX believes that its business model and current portfolio of businesses have defensive characteristics given the annuity generating nature of its products and assets, strong market positions, brand partnerships and long-term client commitments. We have an experienced, entrepreneurial management team who will continue to maintain strong relationships with our OEM's, customers, drive cost efficiencies and be alert to growth opportunities.

SUBSEQUENT EVENTS

Restructure and unbundling of eXtract

Following a strategic review of the business of eXtract, its board concluded that it wished to engage in a structured exit of its contract mining business.

Accordingly, enX agreed to convert R1.8 billion of the debt owed by eXtract into 3.7 billion new shares in eXtract. The conversion took place on 28 September 2017. The shares acquired, together with the existing ordinary shares held by enX in eXtract, totalling 3.8 billion shares, were unbundled to enX shareholders on 16 October 2017. enX shareholders received 21.39799 eXtract shares for every one enX share held. The Group's exposure to eXtract after the unbundling comprised a cash collateralised financial assistance to eXtract of R44 million and a mezzanine debt of R250 million which we expect to be repaid over the next 12 to 18 months.

On 30 June 2016 a forecast was issued for enX's 31 August 2018 results. As a result of the above restructure, the assumptions of the profit forecast have materially changed. The Group will revert back to the JSE Listings Requirements guidelines with regards to EPS and HEPS announcements.

Apart from the above, there have been no other material events subsequent to year-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 current and prior year.

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 year:

- 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 Chief Executive Officer ("**CEO**"), with PD Mansour assuming the role of the Executive Deputy Chairman ("**EDC**"), effective 8 November 2016; and
- LL von Zeuner and SF Booysen were appointed as independent non-executive directors, effective 8 November 2016.

JL Serfontein will resign as CEO on 31 March 2018. The board wishes him well on his future endeavours. The board is pleased to announce that PD Mansour, the current EDC, will replace JL Serfontein as CEO and the role of EDC will fall away.

For and on behalf of the board

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

23 October 2017

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Sponsor: Java Capital; Company secretary: L Möller
Transfer secretaries: Computershare Investor Services Proprietary Limited
Auditors: Deloitte & Touche
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