

EMPOWERDEX



Economic Empowerment Rating Agency

INTERIM PROGRESS REPORT AND SECTOR COMPARISON 2006

Executive Summary

15 June 2006

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INTERIM PROGRESS REPORT AND SECTOR COMPARISON 2006

Executive Summary: Content

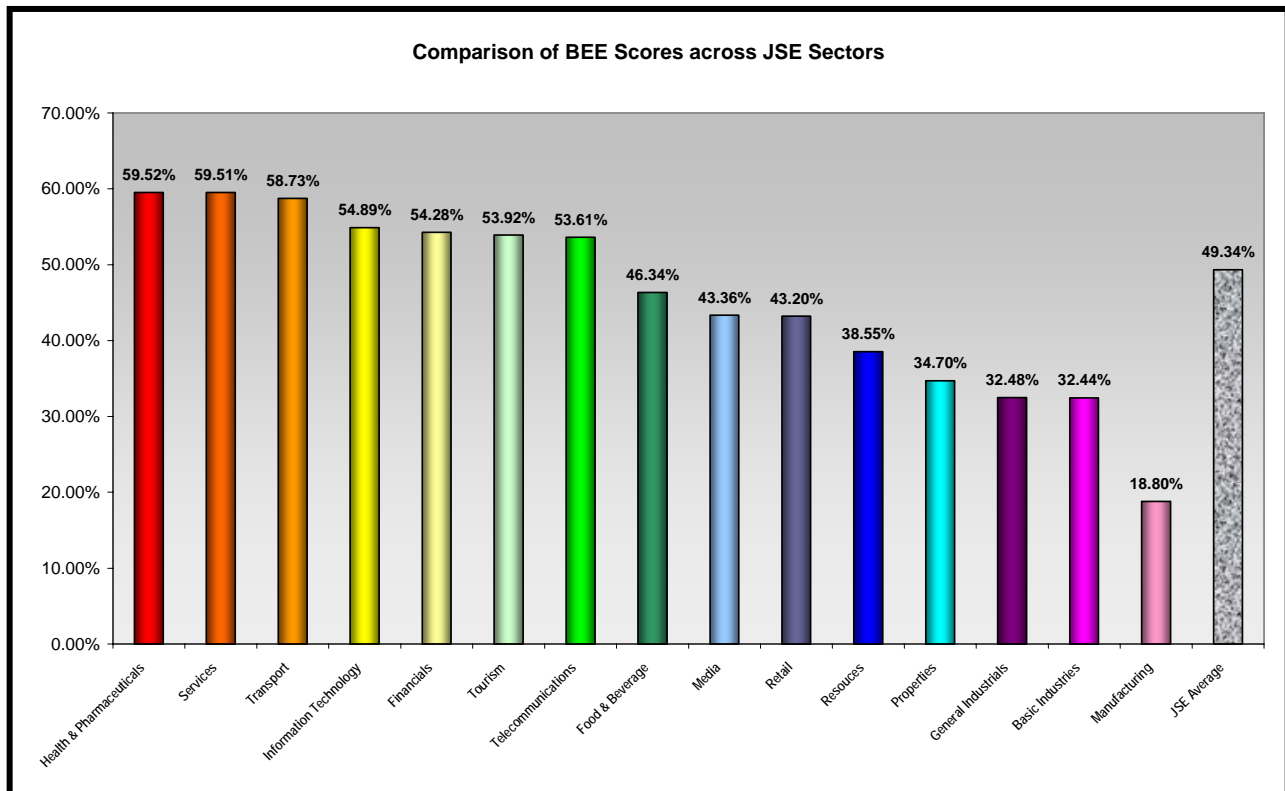
1. Overall Sector Ranking
2. Ownership Ranking
3. Management Ranking
4. Employment Equity Ranking
5. Skills Development Ranking
6. Preferential Procurement Ranking
7. Enterprise Development Ranking
8. Residual Element Ranking

Appendix A: Sector Compositions

1. Overall Sector Ranking

- The Interim Sector Comparative Report is based on the BEE Status of 228 JSE listed companies based on information disclosed as at 31 March 2006
- The companies are allocated into 15 key sectors and ranked according to the average BEE contribution of all component companies

Chart 1.1: Sector Ranking by BEE Score



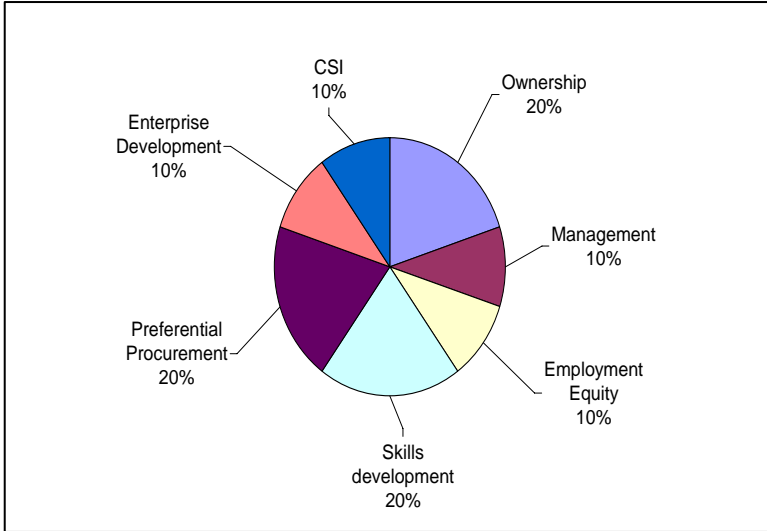
1.2. Notes on overall Sector BEE Contribution

- The Overall Ranking ranked the Health & Pharmaceutical sector with the highest average BEE score of 59.52 points (in terms of Phase 2 of the Broad-based BEE scorecard), followed very closely by the Services Sector (at an average BEE score of 59.51), and Manufacturing Sector reporting the least contribution towards Broad-based BEE (an average BEE score of 18.8 points)
- Despite the perceived high targets of the Codes of Good Practice, an average reporting company on the JSE listed scores almost 50 BEE points (49.34 points) across all sectors.
- Seven different sectors (Health & Pharmaceutical, Services, Transport, IT, Financial Sector, Tourism and Telecommunication), consisting of 92 companies, have an average score of more than 50 points on the scorecard.
- It is also of interest that all seven sector are services related sectors.

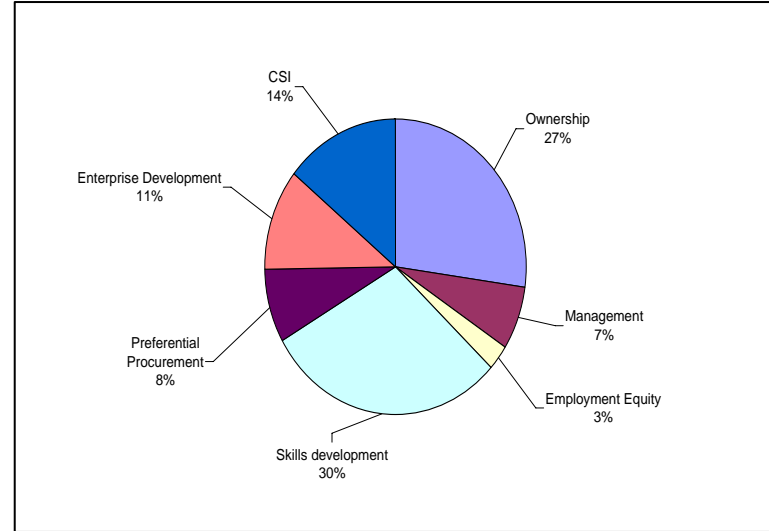
- The impacts of Government's preferential procurement programs are significant as four top sectors, Services, Transport, Health & Pharmaceutical and IT, have significant client base in the public sector.

1.3. BEE Score Distribution

Proposed Distribution Ratio (Codes)



Actual Score Distribution Ratio



- In terms of the Code, the BEE score distribution is tilted towards three areas emphasized by the BEE Strategy, Ownership, Skills Development and Preferential Procurement
- Based on the average score distribution on the JSE, an average company will score more than half of its 49 BEE points through two elements, Skills Development (30% of its BEE points) and Ownership (27% of its BEE points). This is in line with the focus of Government on these two elements.
- However, an average company reported significantly less contribution towards preferential procurement, one of the key drivers to further encourage acceleration of BEE
- Furthermore, an average company receives very limited recognition for top management (3.81 out of 10) and employment equity (1.41 out of 10), the two elements which reflect real transformation in the workplace.
- Not surprisingly, an average company find it easy to contribute more towards the residual social development element as compare to most of the BEE elements.
- In order to achieve better BEE status, the companies must be able to identify and support BEE compliant suppliers through preferential procurement, and improve the structure of the workforce as reflected by the management and employment equity elements.

Chart 1.2 Detailed Ranking of Sectors based on average BEE Score

| Ranking | Sector | Number of Participants | BEE Score | Ownership Score | Management Score | Employment Equity Score | Skills Development Score | Preferential Procurement Score | Enterprise Development Score | Residual Element Score |
|-------------|-------------------------|------------------------|-----------|-----------------|------------------|-------------------------|--------------------------|--------------------------------|------------------------------|------------------------|
| 1 | Health & Phamaceuticals | 4 | 59.52% | 16.79% | 5.37% | 2.01% | 12.26% | 4.84% | 8.24% | 10.00% |
| 2 | Services | 13 | 59.51% | 15.24% | 3.47% | 1.29% | 13.45% | 15.00% | 4.42% | 6.65% |
| 3 | Transport | 7 | 58.73% | 14.89% | 2.87% | 1.90% | 16.77% | 7.72% | 9.75% | 4.84% |
| 4 | Information Technology | 16 | 54.89% | 17.44% | 3.98% | 1.31% | 13.10% | 4.80% | 4.27% | 9.99% |
| 5 | Financials | 46 | 54.28% | 13.44% | 3.47% | 1.27% | 17.39% | 3.83% | 6.28% | 8.59% |
| 6 | Tourism | 9 | 53.92% | 11.49% | 2.60% | 2.58% | 12.27% | 6.72% | 11.00% | 7.26% |
| 7 | Telecommunications | 3 | 53.61% | 10.23% | 9.26% | 2.52% | 16.83% | 7.36% | 2.62% | 4.79% |
| 8 | Food & Beverage | 13 | 46.34% | 12.06% | 2.34% | 1.46% | 16.22% | 2.49% | 7.34% | 4.42% |
| 9 | Media | 8 | 43.36% | 10.58% | 5.05% | 1.19% | 8.13% | 0.47% | 11.00% | 6.93% |
| 10 | Retail | 13 | 43.20% | 10.80% | 3.28% | 2.01% | 13.25% | 1.31% | 2.17% | 10.37% |
| 11 | Resources | 34 | 38.55% | 13.20% | 2.81% | 1.01% | 11.40% | 2.75% | 1.49% | 5.89% |
| 12 | Properties | 17 | 34.26% | 8.79% | 2.19% | 0.55% | 10.04% | 0.72% | 7.91% | 4.06% |
| 13 | General Industrials | 16 | 32.48% | 10.66% | 3.42% | 1.10% | 11.75% | 1.05% | 2.66% | 1.84% |
| 14 | Basic Industrials | 24 | 32.44% | 10.75% | 2.71% | 0.63% | 11.75% | 1.33% | 2.16% | 3.10% |
| 15 | Manufacturing | 5 | 18.80% | 1.82% | 1.56% | 0.77% | 10.49% | 0.00% | 1.00% | 3.15% |
| JSE Average | | 228 | 49.34% | 12.35% | 3.87% | 1.44% | 15.47% | 3.03% | 7.84% | 5.34% |

2. OWNERSHIP RANKING

- Table 2.1 illustrates the sector ranking by overall ownership score (out of 20), an average company on the JSE scores more than 12.3 points out of 20 for BEE Ownership. Only two sectors (Properties and Manufacturing), have average ownership scores of less than 10 BEE points
- The BEE activities over the last three years, have seen a significant increase in the number of companies moving towards achieving 25% black ownership by 2014.

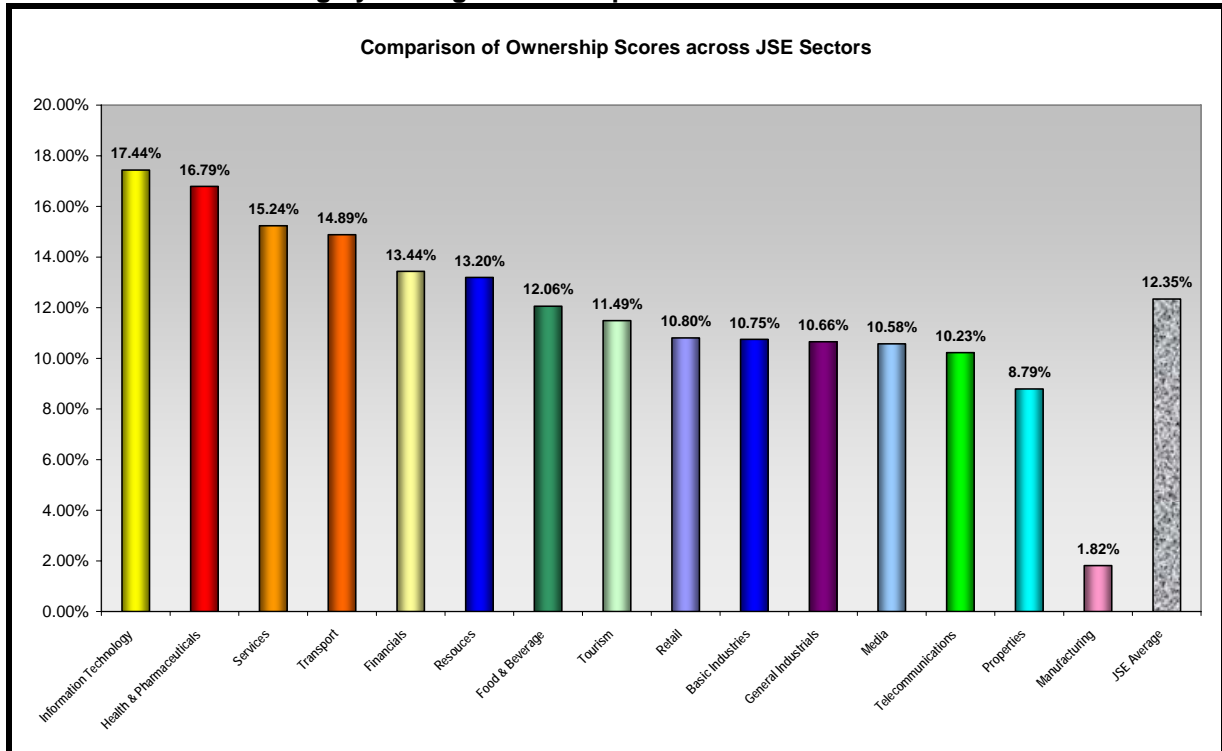
Table 2.1: Sector Ranking by Ownership Score

| Ranking | Sector | Number of Participants | Ownership Score | BEE Score |
|-------------|--------------------------|------------------------|-----------------|-----------|
| 1 | Information Technology | 16 | 17.44% | 54.89% |
| 2 | Health & Pharmaceuticals | 4 | 16.79% | 59.52% |
| 3 | Services | 13 | 15.24% | 59.51% |
| 4 | Transport | 7 | 14.89% | 58.73% |
| 5 | Financials | 46 | 13.44% | 54.28% |
| 6 | Resources | 34 | 13.20% | 38.55% |
| 7 | Food & Beverage | 13 | 12.06% | 46.34% |
| 8 | Tourism | 9 | 11.49% | 53.92% |
| 9 | Retail | 13 | 10.80% | 43.20% |
| 10 | Basic Industrials | 24 | 10.75% | 32.44% |
| 11 | General Industrials | 16 | 10.66% | 32.48% |
| 12 | Media | 8 | 10.58% | 43.36% |
| 13 | Telecommunications | 3 | 10.23% | 53.61% |
| 14 | Properties | 17 | 8.79% | 34.26% |
| 15 | Manufacturing | 5 | 1.82% | 18.80% |
| JSE Average | | 228 | 12.35% | 49.34% |

- The sector ranking once again illustrate the significance of public sector procurement on BEE, sectors supplying directly into government and the public sector, such as IT, General Services, Pharmaceutical and Transport, have the highest average ownership score.
- Secondly, the relatively higher scores of companies in Financial Services, Resources and Tourism sectors also demonstrate the impact of the sector charters and Government licensing conditions on Black Ownership.

- Chart 1.2 further illustrates the pace of broad-based BEE in the economy, with the exception of the listed manufacturing sector, the lack of procurement pressure exerted by their customer base in the retail and consumer goods sectors may be a cause of the slower pace of transformation in this sector.

Chart 2.1: Sector Ranking by Average Ownership Score

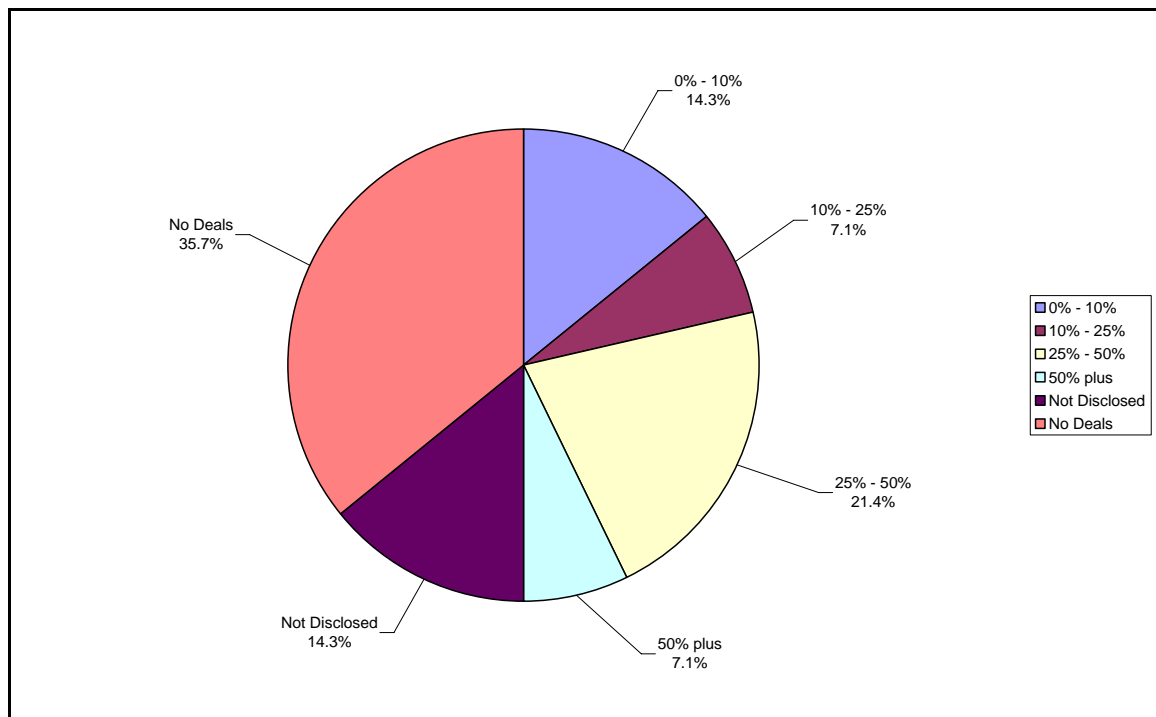


- Table 2.2 provide a detailed analysis of ownership transactions across all sectors
- 50 percent of the 228 companies (62.26%) within this study have entered into at least one BEE transaction (either through the sale of its equity or assets to black investors)
- The currently JSE listed companies have entered into BEE transaction worth more than R 110 Billion in total value.
- The Resources sector account for almost a half of the total transaction value, and the financial sector account for roughly 30 percent of the total transaction value

Table 2.2 Detailed Analysis of BEE Ownership Transactions

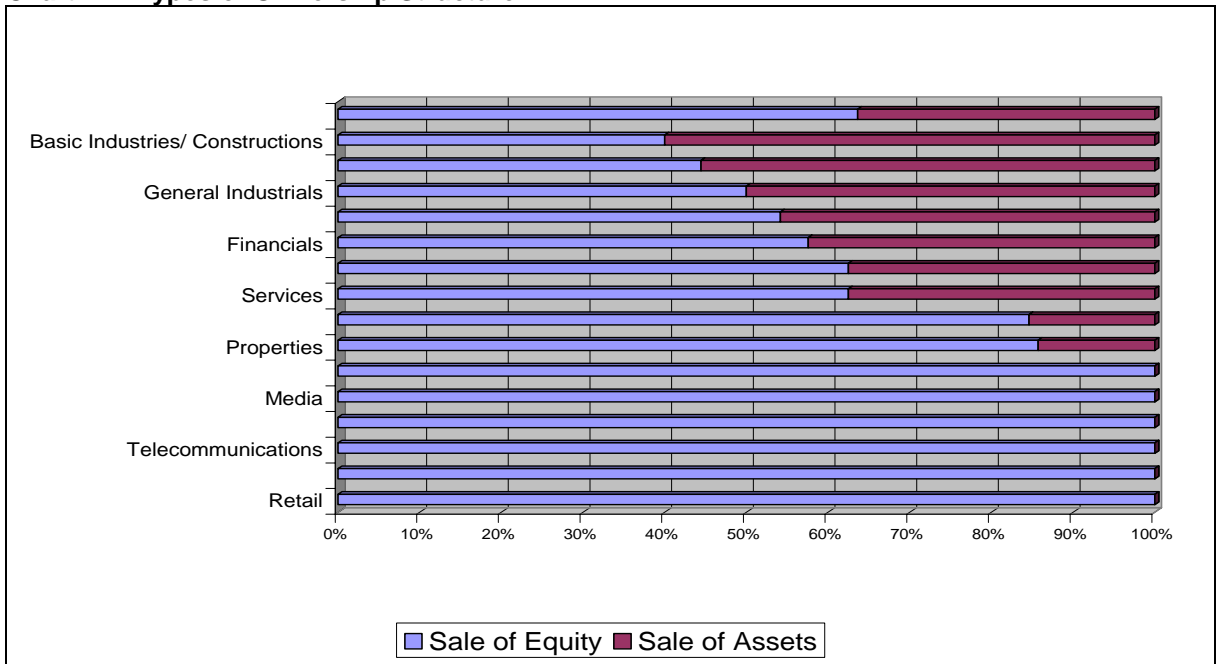
| Sector | Reported Transaction Value (R '000) | 0% - 10% | 10% - 25% | 25% - 50% | 50% plus | Not Disclosed | No Deals |
|------------------------|-------------------------------------|--------------|---------------|---------------|--------------|---------------|---------------|
| Resources | 51,542,164 | 5.26% | 21.05% | 31.58% | 5.26% | 5.26% | 31.58% |
| Financials | 30,986,315 | 4.17% | 33.33% | 20.83% | 8.33% | 4.17% | 29.17% |
| Basic Industries | 6,612,269 | 7.69% | 7.69% | 26.92% | 7.69% | 7.69% | 42.31% |
| Services | 4,301,425 | 7.14% | 14.29% | 14.29% | 14.29% | 14.29% | 35.71% |
| Retail | 3,188,313 | 0.00% | 26.67% | 0.00% | 6.67% | 13.33% | 53.33% |
| Food & Beverage | 2,959,600 | 14.29% | 7.14% | 21.43% | 7.14% | 14.29% | 35.71% |
| Consumer Goods | 2,825,240 | 0.00% | 42.86% | 14.29% | 0.00% | 28.57% | 14.29% |
| Telecommunications | 2,500,000 | 33.33% | 0.00% | 0.00% | 0.00% | 33.33% | 33.33% |
| Properties | 1,735,000 | 10.53% | 10.53% | 10.53% | 0.00% | 10.53% | 57.89% |
| General Industrials | 1,241,780 | 10.53% | 10.53% | 15.79% | 5.26% | 10.53% | 47.37% |
| Transport | 913,019 | 0.00% | 11.11% | 22.22% | 11.11% | 22.22% | 33.33% |
| Information Technology | 731,761 | 0.00% | 10.53% | 52.63% | 5.26% | 10.53% | 21.05% |
| Tourism | 604,000 | 14.29% | 7.14% | 28.57% | 7.14% | 14.29% | 28.57% |
| Media | 322,000 | 0.00% | 10.00% | 0.00% | 10.00% | 20.00% | 60.00% |
| Manufacturing | 0 | 0.00% | 0.00% | 0.00% | 0.00% | 28.57% | 71.43% |
| Overall | 110,462,886 | 6.42% | 16.98% | 21.13% | 6.42% | 11.32% | 37.74% |

Chart 2.3: Distribution of Ownership Status



- Although half of all JSE companies studies (50 percent) have entered into a BEE transaction, less than 30 percent have a BEE ownership of more than 25%, while only 17 companies (just over 7 percent) are majority black owned
- 35.7 percent of the companies have reported no BEE transaction at all.

Chart 2.4: Types of Ownership Structure



| Sector | Sale of Equity | % | Sale of Assets | % |
|---|----------------|--------------|----------------|--------------|
| Retail | 5 | 100.0% | 0 | 0.0% |
| Pharmaceutical and Other Consumer Goods | 4 | 100.0% | 0 | 0.0% |
| Telecommunications | 2 | 100.0% | 0 | 0.0% |
| Transport | 4 | 100.0% | 0 | 0.0% |
| Media | 2 | 100.0% | 0 | 0.0% |
| Manufacturing | 1 | 100.0% | 0 | 0.0% |
| Properties | 6 | 85.7% | 1 | 14.3% |
| Information Technology | 11 | 84.6% | 2 | 15.4% |
| Services | 5 | 62.5% | 3 | 37.5% |
| Tourism | 5 | 62.5% | 3 | 37.5% |
| Financials | 19 | 57.6% | 14 | 42.4% |
| Resources | 13 | 54.2% | 11 | 45.8% |
| General Industrials | 4 | 50.0% | 4 | 50.0% |
| Food & Beverage | 4 | 44.4% | 5 | 55.6% |
| Basic Industries/ Constructions | 6 | 40.0% | 9 | 60.0% |
| Overall | 91 | 63.6% | 52 | 36.4% |

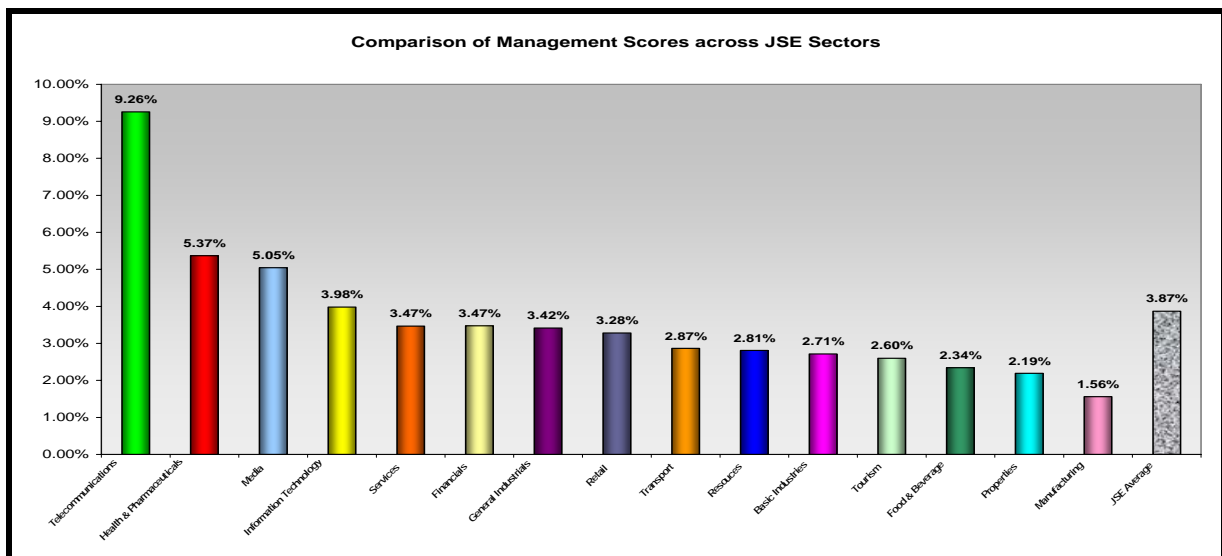
- In total, 63 percent of the transactions involve the sale of equity at the holding company level and only two of the sectors, Food and Beverage and Constructions, favours the sale of assets.
- The Sale of subsidiary assets are more common in sectors with charters which specifically allow for such recognition (e.g. Financial, Resources, Construction)

3. MANAGEMENT RANKING

Table 3.1: Sector Ranking by Management Score

| Ranking | Sector | Number of Participants | Management Score | BEE Score |
|-------------|--------------------------|------------------------|------------------|-----------|
| 1 | Telecommunications | 3 | 9.26% | 53.61% |
| 2 | Health & Pharmaceuticals | 4 | 5.37% | 59.52% |
| 3 | Media | 8 | 5.05% | 43.36% |
| 4 | Information Technology | 16 | 3.98% | 54.89% |
| 5 | Services | 13 | 3.47% | 59.51% |
| 6 | Financials | 46 | 3.47% | 54.28% |
| 7 | General Industrials | 16 | 3.42% | 32.48% |
| 8 | Retail | 13 | 3.28% | 43.20% |
| 9 | Transport | 7 | 2.87% | 58.73% |
| 10 | Resources | 34 | 2.81% | 38.55% |
| 11 | Basic Industrials | 24 | 2.71% | 32.44% |
| 12 | Tourism | 9 | 2.60% | 53.92% |
| 13 | Food & Beverage | 13 | 2.34% | 46.34% |
| 14 | Properties | 17 | 2.19% | 34.26% |
| 15 | Manufacturing | 5 | 1.56% | 18.80% |
| JSE Average | | 228 | 3.87% | 49.34% |

- Table 3.1 indicate that the telecommunications sector scores the highest in terms of black management representation (scoring 9.26 points out of 10)
- Only 3 sectors, Telecommunications, Health and Media, have an average black management representation score of more than 5 points



- The level of representation at a board and executive level is illustrated in Table 3.2 and Table 3.3
- At an overall representation level, Black directors hold 24.9 percent of all board positions on the JSE, a significant improvement from the previous years
- Black women hold only 5.6 percent of all board positions on the JSE, significantly less than their demographic representation
- Only the top three sectors again have black women representation of more than 10 percent.
- Black directors hold 558 of the 2245 board positions, the number of board positions held by black directors increased by almost 30 percent from the 432 board positions recorded in December 2003.

Table 3.2: Black Board Representation

| Board Representation | | | | | |
|--------------------------|-------------|-----------------------|-----------------------|----------------------|----------------------------|
| Sector | Total Board | Black Directors (All) | Black Women Directors | Black Representation | Black Women Representation |
| Telecommunications | 34 | 20 | 5 | 58.8% | 14.7% |
| Media | 78 | 44 | 8 | 56.4% | 10.3% |
| Health & Pharmaceuticals | 44 | 14 | 6 | 31.8% | 13.6% |
| Information Technology | 139 | 42 | 9 | 30.2% | 6.5% |
| Services | 139 | 38 | 10 | 27.3% | 7.2% |
| Financials | 495 | 125 | 31 | 25.3% | 6.3% |
| General Industries | 140 | 35 | 8 | 25.0% | 5.7% |
| Resources | 319 | 75 | 13 | 23.5% | 4.1% |
| Transport | 85 | 19 | 3 | 22.4% | 3.5% |
| Basic Industries | 208 | 45 | 8 | 21.6% | 3.8% |
| Tourism | 79 | 16 | 3 | 20.3% | 3.8% |
| Retail | 125 | 25 | 11 | 20.0% | 8.8% |
| Properties | 163 | 31 | 5 | 19.0% | 3.1% |
| Food & Beverages | 160 | 26 | 6 | 16.3% | 3.8% |
| Manufacturing | 37 | 3 | 0 | 8.1% | 0.0% |
| TOTAL | 2245 | 558 | 126 | 24.9% | 5.6% |

- From a sector point of view, black people hold the majority of the board positions in two sectors (Telecommunication and Media). These are also the two sectors where there are strict BEE requirements attached to licensing conditions.
- All seven top sectors again achieved 25 percent black representation in their boards, with only three sectors (property, food & beverage and manufacturing) have black representation of less than 20 percent, this has been a significant improvement since 1992, where the average black representation is just more than 1 percent.
- The number of black women directors across all sectors is still significantly below expectation, with a much slower rate of increase in black women appointments,

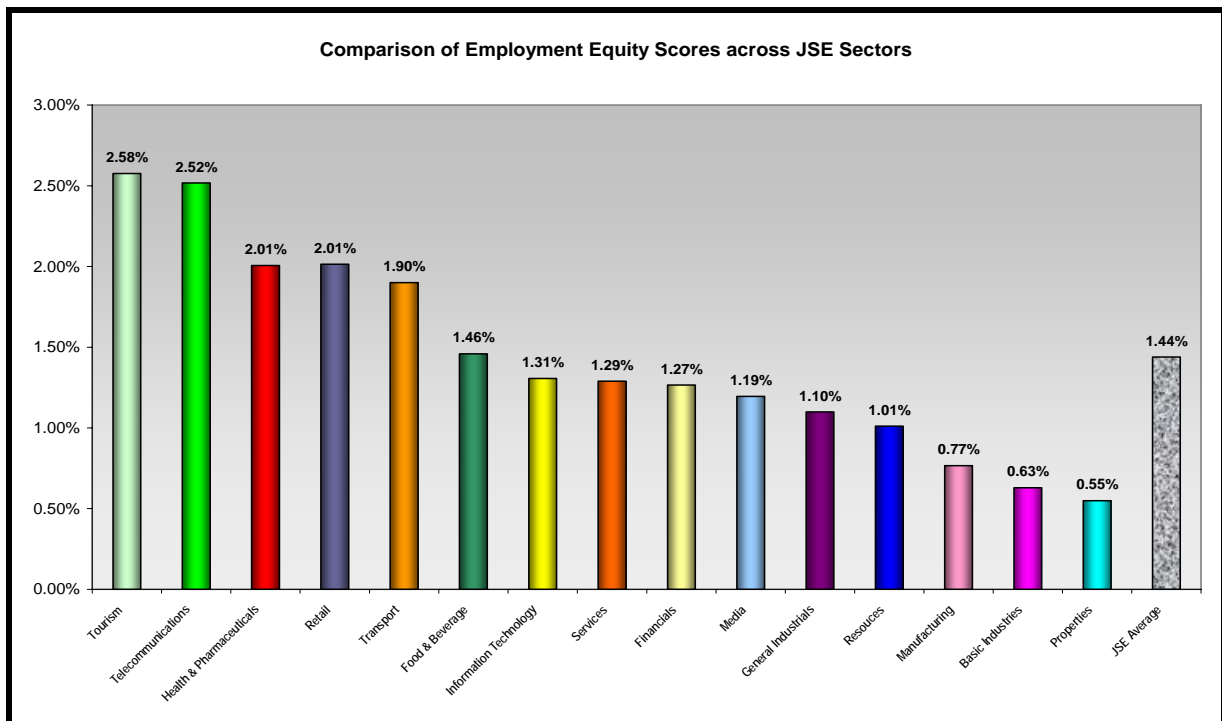
Table 3.3: Black Executive Representation

| Sector | Executive Representation | | | | | | | | |
|--------------------------|--------------------------|----------------------|------------------|----------------------|------------------|--------------------------------|----------------------------|------------------------|--------------------------------------|
| | Total Board | Total Top Executives | Total Executives | Black Top Executives | Black Executives | Black Executive representation | Black Women Top Executives | Black Women Executives | Black Women Executive representation |
| Telecommunications | 34 | 7 | 15 | 4 | 10 | 66.7% | 1 | 2 | 13.3% |
| Information Technology | 139 | 47 | 78 | 13 | 18 | 23.1% | 2 | 3 | 3.8% |
| Health & Pharmaceuticals | 44 | 7 | 15 | 0 | 3 | 20.0% | 0 | 1 | 6.7% |
| General Industries | 140 | 30 | 61 | 4 | 11 | 18.0% | 1 | 0 | 0.0% |
| Services | 139 | 32 | 71 | 5 | 12 | 16.9% | 1 | 2 | 2.8% |
| Media | 78 | 20 | 38 | 8 | 6 | 15.8% | 1 | 1 | 2.6% |
| Tourism | 79 | 19 | 31 | 2 | 4 | 12.9% | 0 | 0 | 0.0% |
| Financials | 495 | 87 | 145 | 7 | 15 | 10.3% | 0 | 2 | 1.4% |
| Resources | 319 | 54 | 103 | 4 | 10 | 9.7% | 2 | 3 | 2.9% |
| Retail | 125 | 26 | 63 | 2 | 6 | 9.5% | 0 | 1 | 1.6% |
| Basic Industries | 208 | 47 | 74 | 2 | 6 | 8.1% | 0 | 0 | 0.0% |
| Properties | 163 | 26 | 44 | 3 | 3 | 6.8% | 1 | 1 | 2.3% |
| Transport | 85 | 14 | 34 | 2 | 2 | 5.9% | 0 | 0 | 0.0% |
| Food & Beverages | 160 | 29 | 62 | 0 | 3 | 4.8% | 0 | 0 | 0.0% |
| Manufacturing | 37 | 9 | 17 | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| TOTAL | 2245 | 454 | 851 | 56 | 109 | 12.8% | 9 | 16 | 1.9% |

- Although the number of black executives doubled since December 2003, the average black executive representation is still at a paltry 12.8% of all executive directors on the JSE (the position of black women executive is dire, at a mere 1.9%)
- The telecommunications sector, is the only sector which have majority of its executive positions held by black people and the only sector to have black women executives hold more than 10 percent of all executive positions, IT ranked second with a black executive representation level of 23.1 percent.
- Black women hold a total of 25 executive and top executive positions on the JSE.

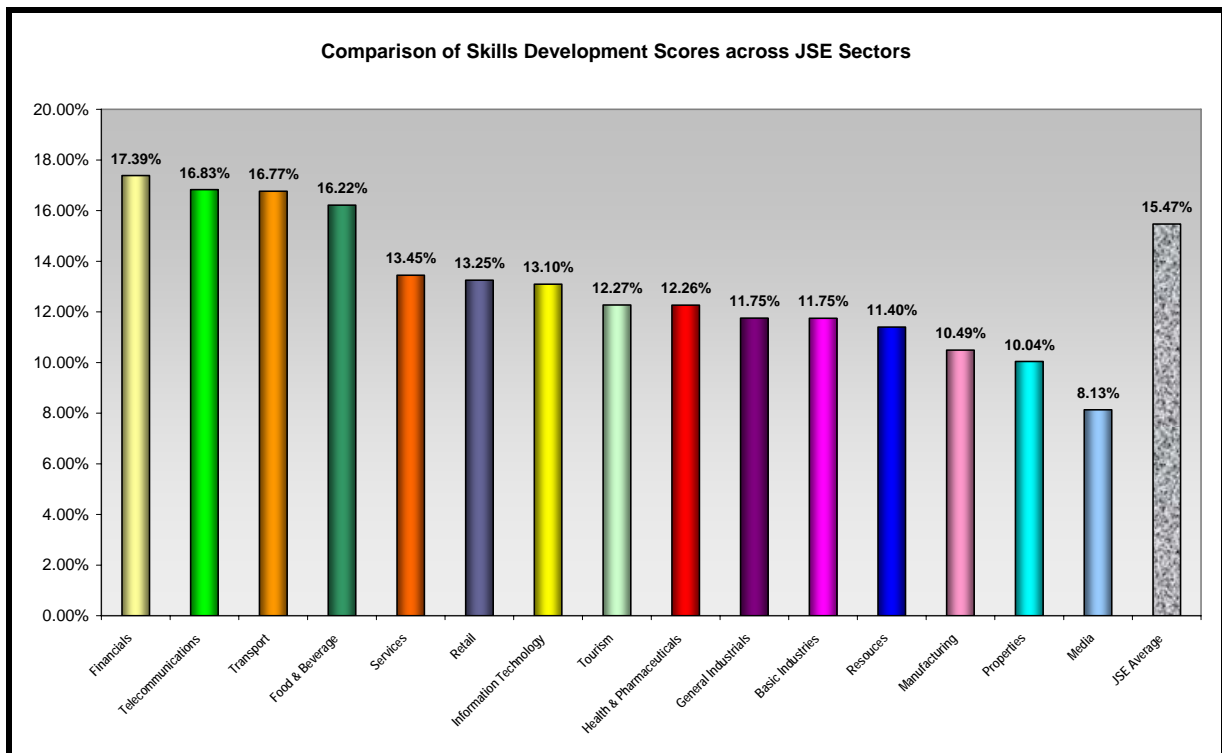
4. EMPLOYMENT EQUITY RANKING

| Ranking | Sector | Number of Participants | Employment Equity Score | BEE Score |
|-------------|--------------------------|------------------------|-------------------------|-----------|
| 1 | Tourism | 9 | 2.58% | 53.92% |
| 2 | Telecommunications | 3 | 2.52% | 53.61% |
| 3 | Health & Pharmaceuticals | 4 | 2.01% | 59.52% |
| 4 | Retail | 13 | 2.01% | 43.20% |
| 5 | Transport | 7 | 1.90% | 58.73% |
| 6 | Food & Beverage | 13 | 1.46% | 46.34% |
| 7 | Information Technology | 16 | 1.31% | 54.89% |
| 8 | Services | 13 | 1.29% | 59.51% |
| 9 | Financials | 46 | 1.27% | 54.28% |
| 10 | Media | 8 | 1.19% | 43.36% |
| 11 | General Industrials | 16 | 1.10% | 32.48% |
| 12 | Resources | 34 | 1.01% | 38.55% |
| 13 | Manufacturing | 5 | 0.77% | 18.80% |
| 14 | Basic Industrials | 24 | 0.63% | 32.44% |
| 15 | Properties | 17 | 0.55% | 34.26% |
| JSE Average | | 228 | 1.44% | 49.34% |



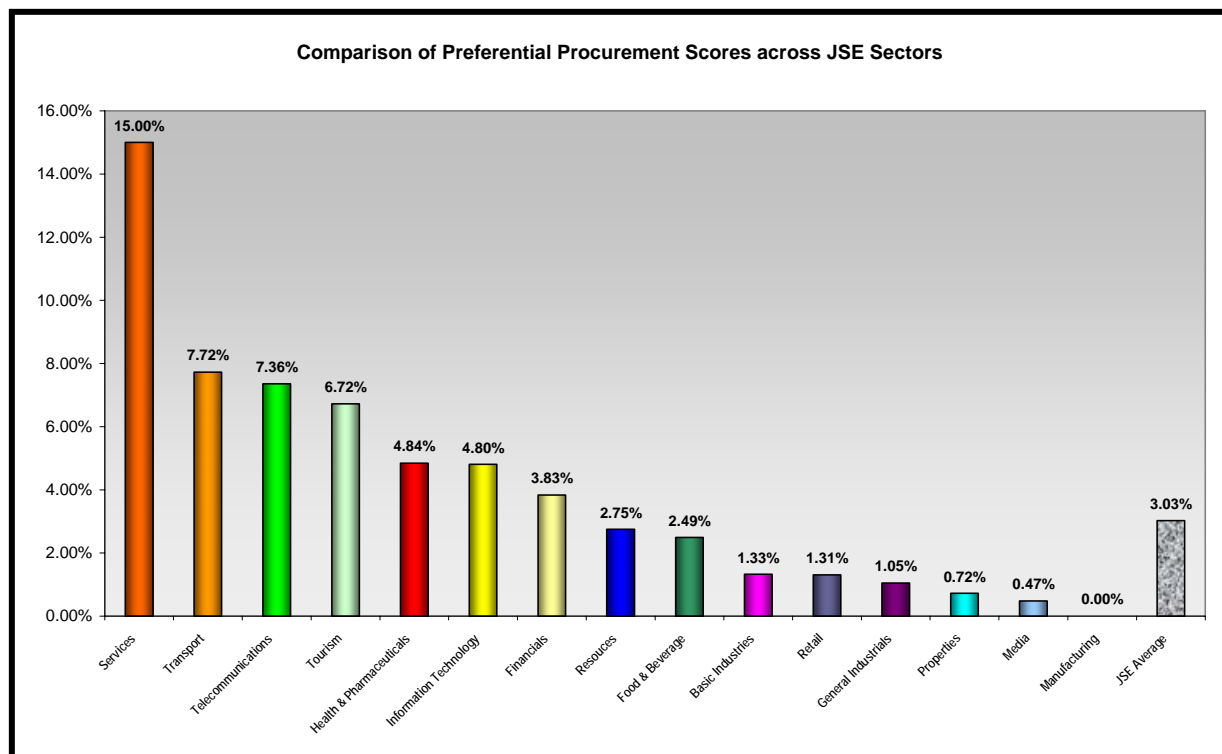
5. SKILLS DEVELOPMENT RANKING

| Ranking | Sector | Number of Participants | Skills Development Score | BEE Score |
|-------------|--------------------------|------------------------|--------------------------|-----------|
| 1 | Financials | 46 | 17.39% | 54.28% |
| 2 | Telecommunications | 3 | 16.83% | 53.61% |
| 3 | Transport | 7 | 16.77% | 58.73% |
| 4 | Food & Beverage | 13 | 16.22% | 46.34% |
| 5 | Services | 13 | 13.45% | 59.51% |
| 6 | Retail | 13 | 13.25% | 43.20% |
| 7 | Information Technology | 16 | 13.10% | 54.89% |
| 8 | Tourism | 9 | 12.27% | 53.92% |
| 9 | Health & Pharmaceuticals | 4 | 12.26% | 59.52% |
| 10 | General Industrials | 16 | 11.75% | 32.48% |
| 11 | Basic Industrials | 24 | 11.75% | 32.44% |
| 12 | Resources | 34 | 11.40% | 38.55% |
| 13 | Manufacturing | 5 | 10.49% | 18.80% |
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| 15 | Media | 8 | 8.13% | 43.36% |
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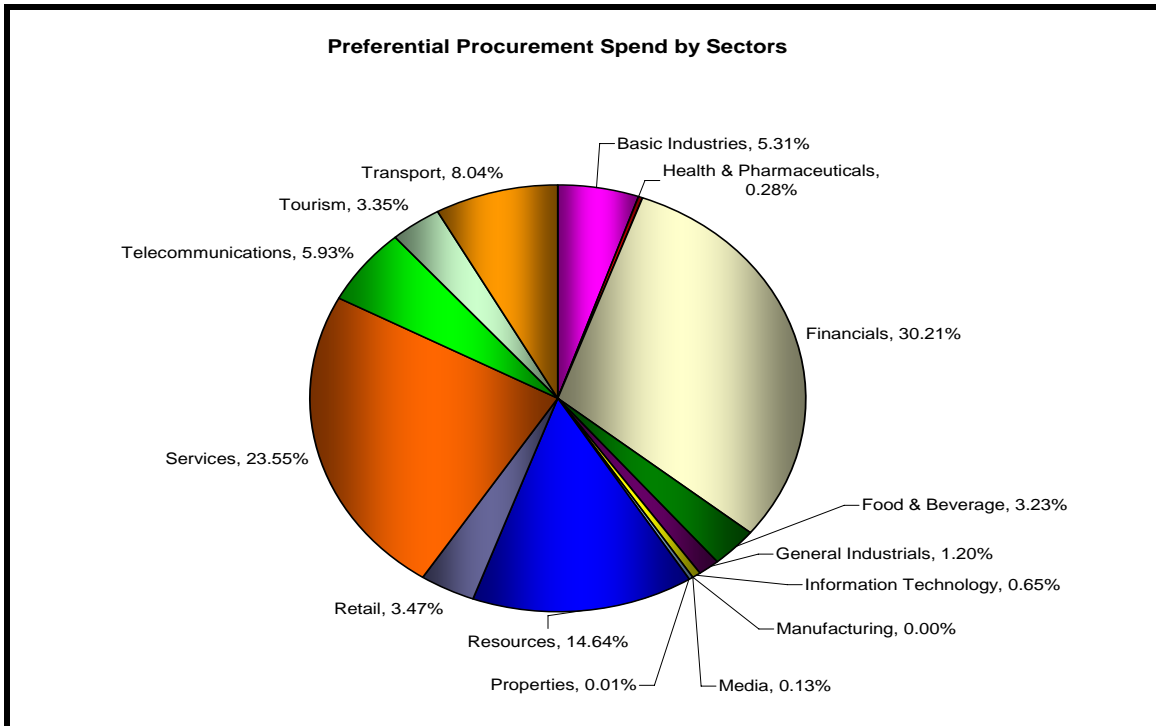
6. PREFERENTIAL PROCUREMENT RANKING

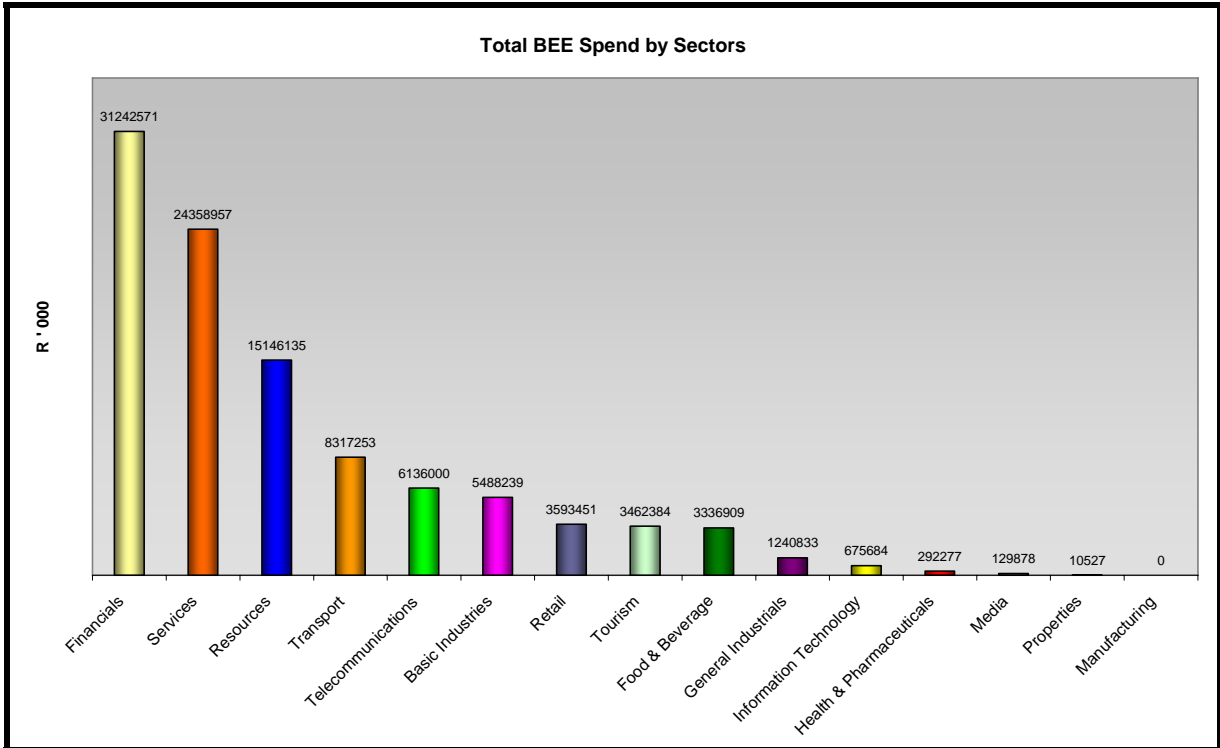
| Ranking | Sector | Number of Participants | Preferential Procurement Score | BEE Score |
|-------------|--------------------------|------------------------|--------------------------------|-----------|
| 1 | Services | 13 | 15.00% | 59.51% |
| 2 | Transport | 7 | 7.72% | 58.73% |
| 3 | Telecommunications | 3 | 7.36% | 53.61% |
| 4 | Tourism | 9 | 6.72% | 53.92% |
| 5 | Health & Pharmaceuticals | 4 | 4.84% | 59.52% |
| 6 | Information Technology | 16 | 4.80% | 54.89% |
| 7 | Financials | 46 | 3.83% | 54.28% |
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| 14 | Media | 8 | 0.47% | 43.36% |
| 15 | Manufacturing | 5 | 0.00% | 18.80% |
| JSE Average | | 228 | 3.03% | 49.34% |



- Using the current phase of the Codes of Good Practice, the Services sector is the only sector which have scored significant recognition in preferential procurement
- However, the average ranking of the financial and resources sectors may have been affected negatively as a result of non-reporting by smaller entities in the sector
- The following table and chart show that the total reported BEE procurement spend by JSE listed companies, have exceeded R 100 Billion, more than 70 percent of which comes from three sectors (Financial, Services and Resources)

| Sector | Total BEE Spend | Average BEE Spend | Average Reported Spend | Percentage of Total BEE Spend |
|--------------------------|-------------------|-------------------|------------------------|-------------------------------|
| Basic Industries | R 5 488 239 000 | R 228 677 000 | 6.19% | 5.31% |
| Health & Pharmaceuticals | R 29 227 000 | R 73 069 000 | 22.45% | 0.28% |
| Financials | R 31 242 571 000 | R 679 186 000 | 12.85% | 30.21% |
| Food & Beverage | R 3 336 909 000 | R 256 685 000 | 11.53% | 3.23% |
| General Industrials | R 1 240 833 000 | R 77 552 000 | 4.89% | 1.20% |
| Information Technology | R 675 684 000 | R 42 230 000 | 22.27% | 0.65% |
| Manufacturing | R 0 | R 0 | 0.00% | 0.00% |
| Media | R 129 878 000 | R 18 554 000 | 2.53% | 0.13% |
| Properties | R 10 527 000 | R 619 000 | 3.36% | 0.01% |
| Resources | R 15 146 135 000 | R 445 475 000 | 12.81% | 14.64% |
| Retail | R 3 593 451 000 | R 276 419 000 | 6.08% | 3.47% |
| Services | R 24 358 957 000 | R 1 873 766 000 | 19.19% | 23.55% |
| Telecommunications | R 6 136 000 000 | R 2 045 333 000 | 32.30% | 5.93% |
| Tourism | R 3 462 384 000 | R 394 709 000 | 14.10% | 3.35% |
| Transport | R 8 317 253 000 | R 1 188 179 000 | 8.40% | 8.04% |
| JSE | R 103 431 098 000 | R 506 030 000 | 11.93% | |

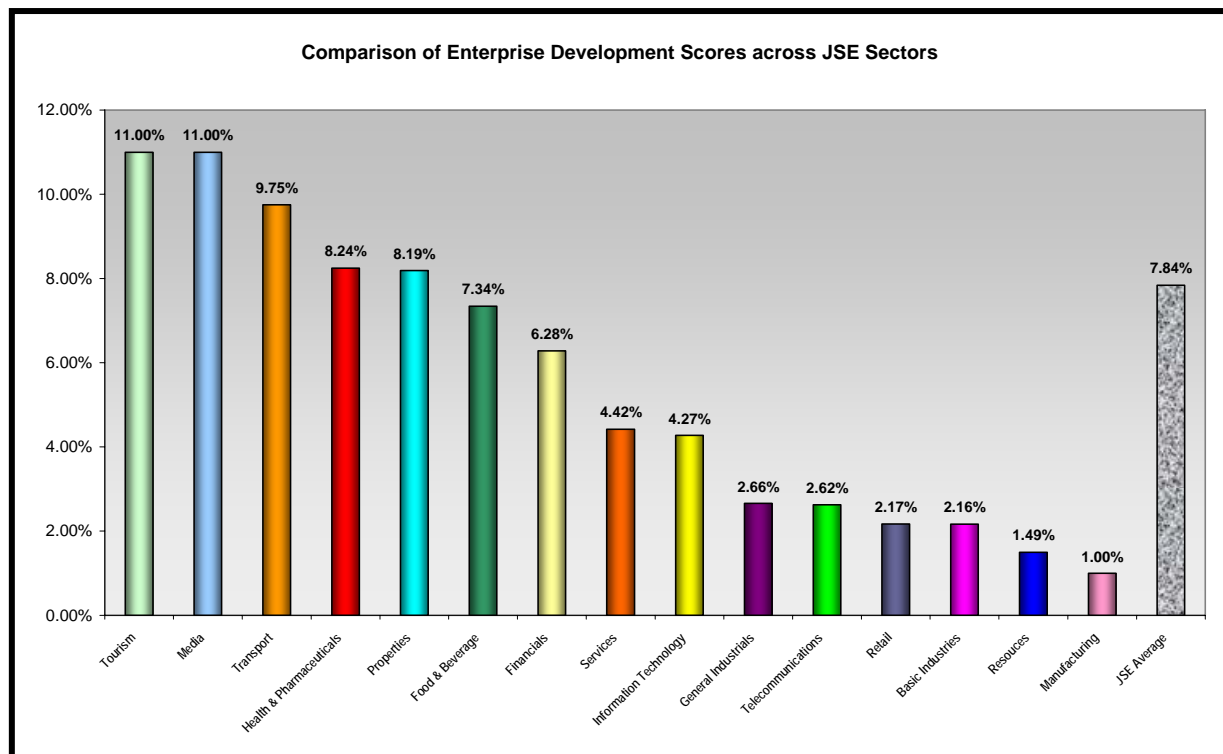




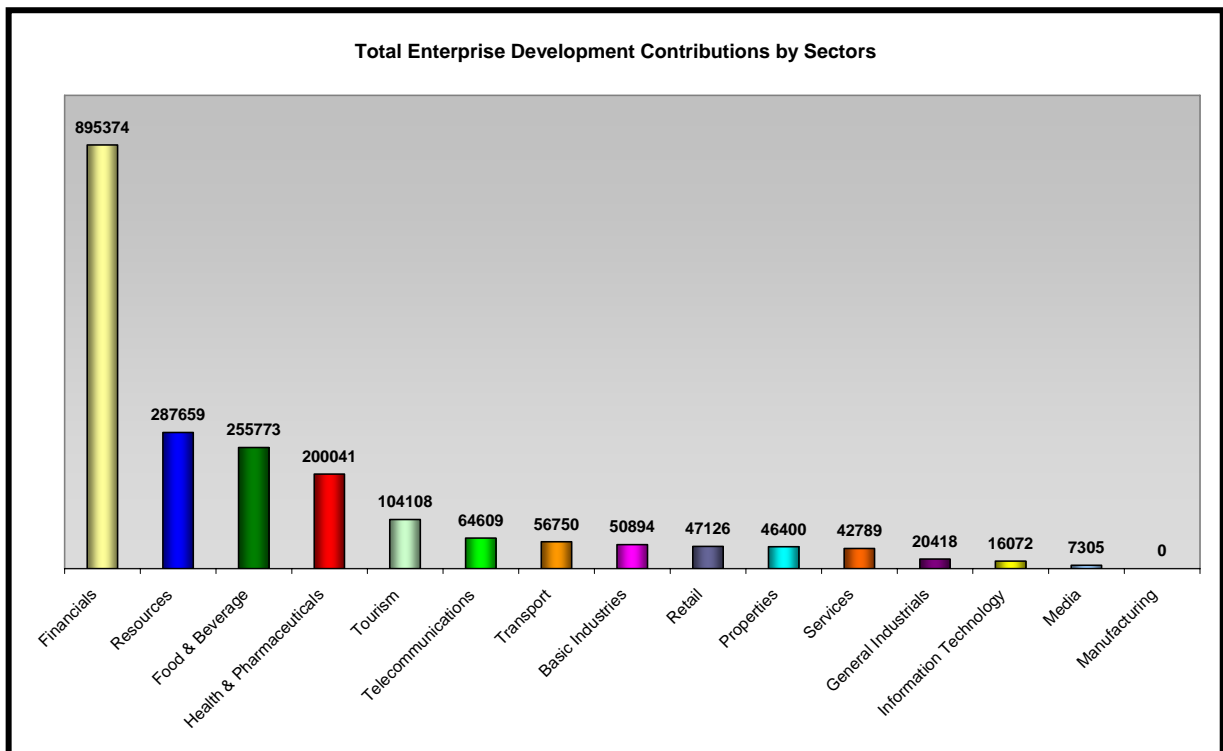
- The financial sector reported more than R 30 Billion spend towards preferential procurement, accounting for 31 percent of the total reported BEE spend
- Currently, none of the companies in the manufacturing sector reported any levels of preferential procurement

7. ENTERPRISE DEVELOPMENT RANKING

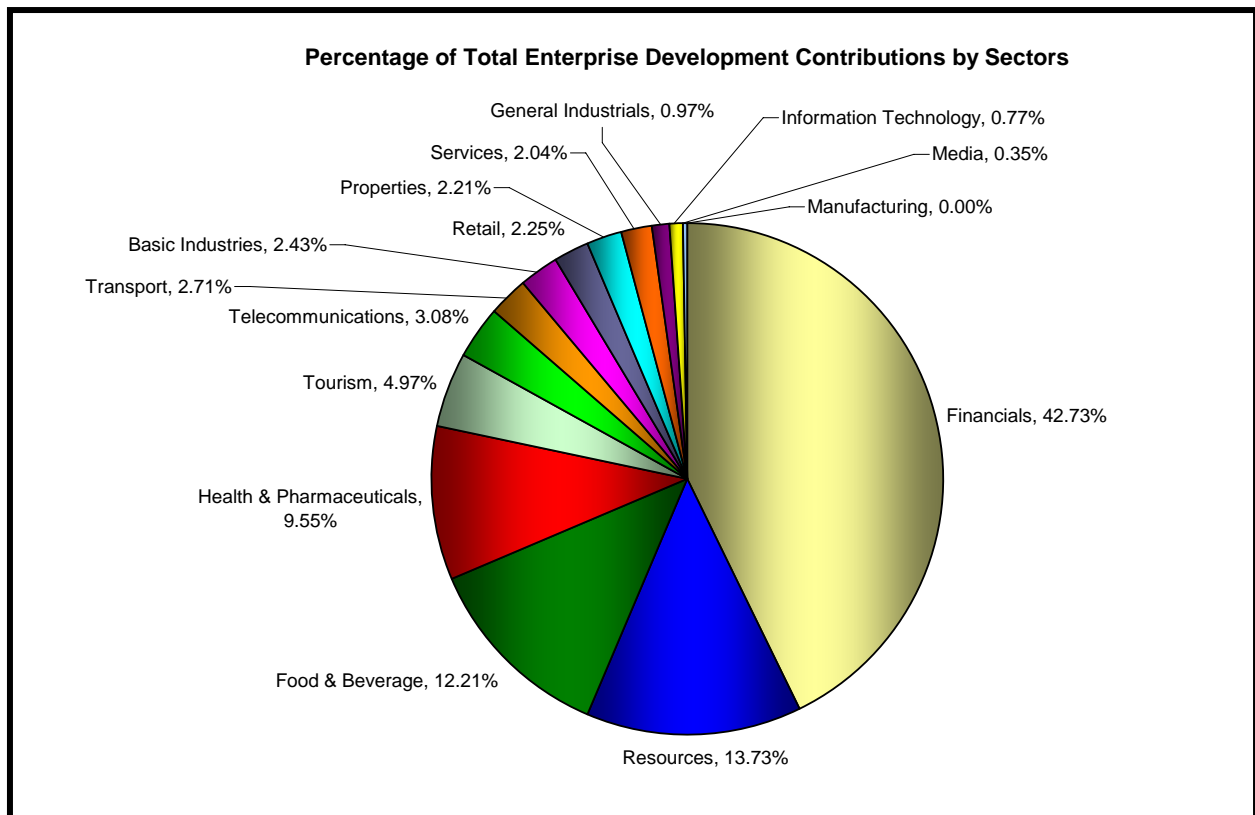
| Ranking | Sector | Number of Participants | Enterprise Development Score | BEE Score |
|-------------|--------------------------|------------------------|------------------------------|-----------|
| 1 | Tourism | 9 | 11.00% | 53.92% |
| 2 | Media | 8 | 11.00% | 43.36% |
| 3 | Transport | 7 | 9.75% | 58.73% |
| 4 | Health & Pharmaceuticals | 4 | 8.24% | 59.52% |
| 5 | Properties | 17 | 7.91% | 34.26% |
| 6 | Food & Beverage | 13 | 7.34% | 46.34% |
| 7 | Financials | 46 | 6.28% | 54.28% |
| 8 | Services | 13 | 4.42% | 59.51% |
| 9 | Information Technology | 16 | 4.27% | 54.89% |
| 10 | General Industrials | 16 | 2.66% | 32.48% |
| 11 | Telecommunications | 3 | 2.62% | 53.61% |
| 12 | Retail | 13 | 2.17% | 43.20% |
| 13 | Basic Industrials | 24 | 2.16% | 32.44% |
| 14 | Resources | 34 | 1.49% | 38.55% |
| 15 | Manufacturing | 5 | 1.00% | 18.80% |
| JSE Average | | 228 | 7.84% | 49.34% |



| Sector | Total Enterprise Development Contributions | Average Enterprise Development Contributions | % of Total Enterprise Development Contributions |
|--------------------------|--|--|---|
| Financials | R 895 374 000 | R 19 465 000 | 42.73% |
| Resources | R 287 659 000 | R 8 461 000 | 13.73% |
| Food & Beverage | R 255 773 000 | R 19 675 000 | 12.21% |
| Health & Pharmaceuticals | R 200 041 000 | R 50 010 000 | 9.55% |
| Tourism | R 104 108 000 | R 11 568 000 | 4.97% |
| Telecommunications | R 64 609 000 | R 21 536 000 | 3.08% |
| Transport | R 56 750 000 | R 9 458 000 | 2.71% |
| Basic Industries | R 50 894 000 | R 2 121 000 | 2.43% |
| Retail | R 47 126 000 | R 3 625 000 | 2.25% |
| Properties | R 46 400 000 | R 2 729 000 | 2.21% |
| Services | R 42 789 000 | R 3 291 000 | 2.04% |
| General Industrials | R 20 418 000 | R 1 276 000 | 0.97% |
| Information Technology | R 16 072 000 | R 1 005 000 | 0.77% |
| Media | R 7 305 000 | R 913 000 | 0.35% |
| Manufacturing | R 0 | R 0 | 0.00% |
| <i>JSE</i> | <i>R 2 095 318 000</i> | <i>R 10 342 000</i> | |

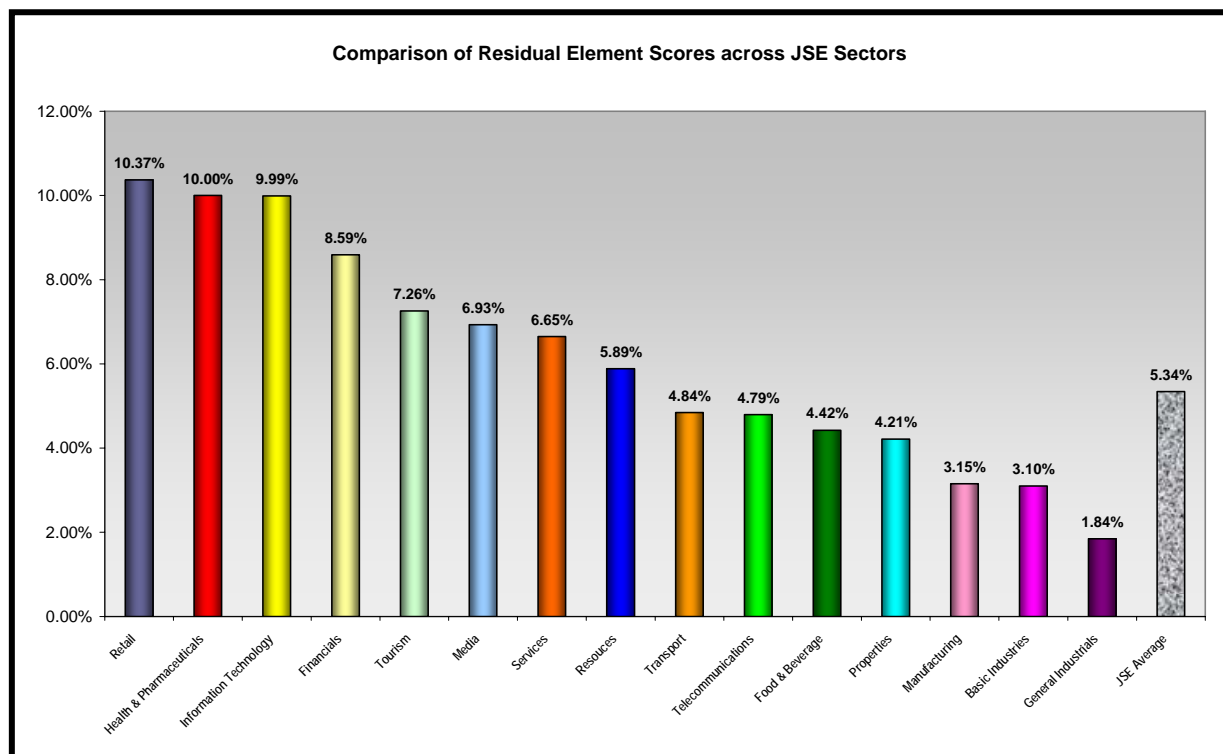


- A total of R 2 Billion was reported to be spent on enterprise development over the last 12 months, the most significant contribution have been investment, financing and support provided to black owned and black empowered subsidiary or associate companies. A number of companies also provided enterprise development through its support of its BEE partners and shareholders
- Tourism and Media, represent the two sectors with the highest enterprise development score, with the financial sector contributing the most significant portion of the total enterprise development spend.
- The significant focus of the FSC charter on empowerment financing and access to financial services provide a robust platform for enterprise development.
- The Resources and Food & Beverage sectors ranked second and third in terms of total enterprise development contribution to the companies.



8. SOCIAL DEVELOPMENT RANKING

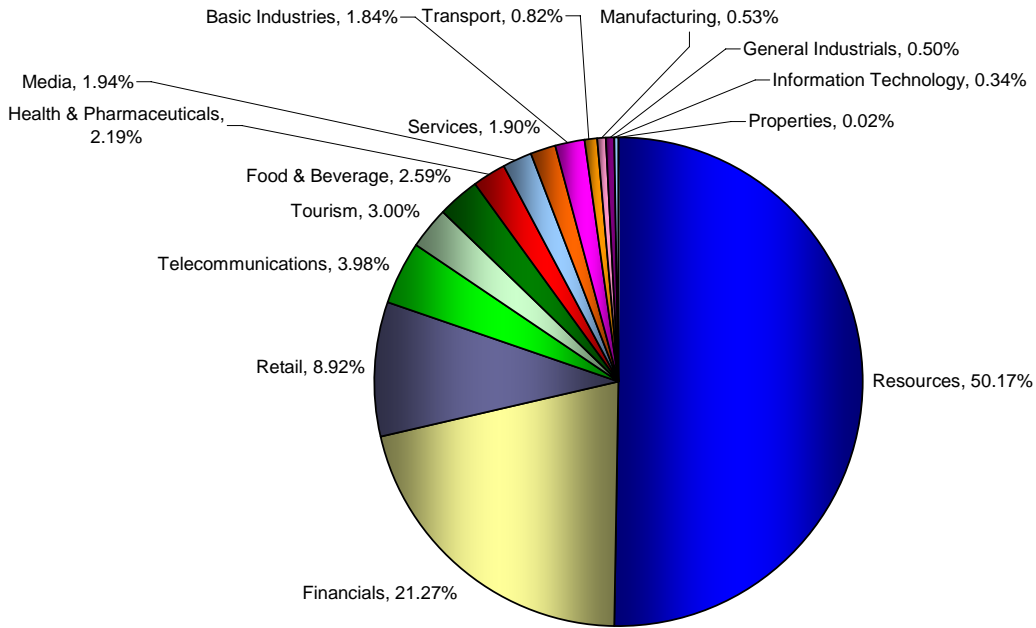
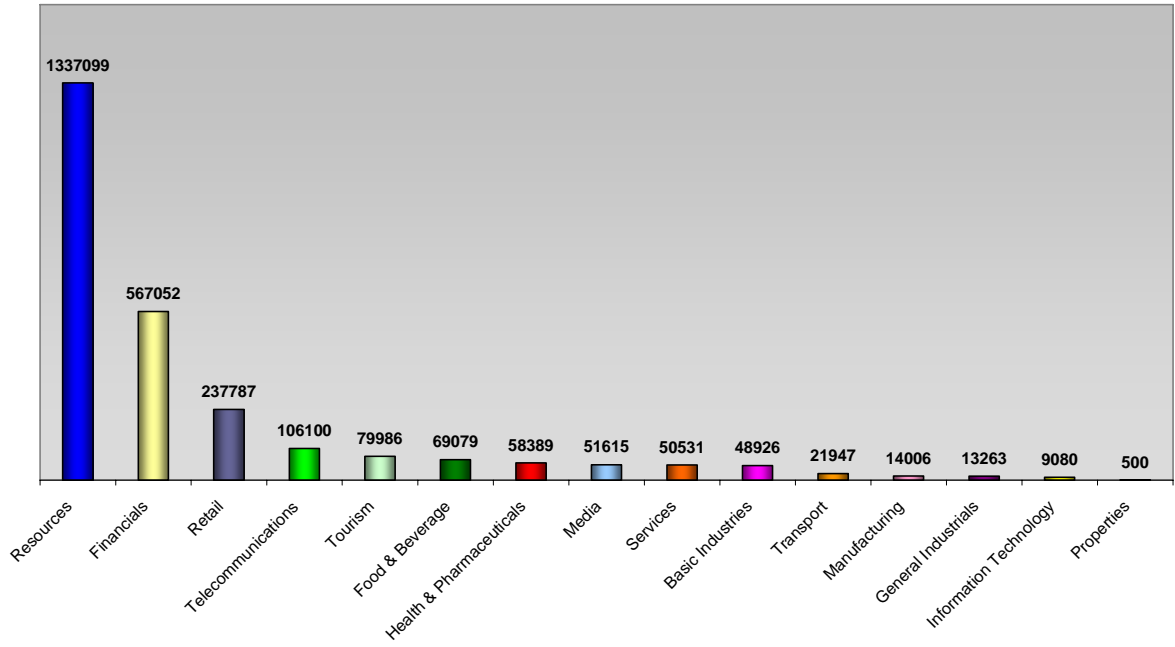
| Ranking | Sector | Number of Participants | Residual Element Score | BEE Score |
|-------------|--------------------------|------------------------|------------------------|-----------|
| 1 | Retail | 13 | 10.37% | 43.20% |
| 2 | Health & Pharmaceuticals | 4 | 10.00% | 59.52% |
| 3 | Information Technology | 16 | 9.99% | 54.89% |
| 4 | Financials | 46 | 8.59% | 54.28% |
| 5 | Tourism | 9 | 7.26% | 53.92% |
| 6 | Media | 8 | 6.93% | 43.36% |
| 7 | Services | 13 | 6.65% | 59.51% |
| 8 | Resources | 34 | 5.89% | 38.55% |
| 9 | Transport | 7 | 4.84% | 58.73% |
| 10 | Telecommunications | 3 | 4.79% | 53.61% |
| 11 | Food & Beverage | 13 | 4.42% | 46.34% |
| 12 | Properties | 17 | 4.06% | 34.26% |
| 13 | Manufacturing | 5 | 3.15% | 18.80% |
| 14 | Basic Industrials | 24 | 3.10% | 32.44% |
| 15 | General Industrials | 16 | 1.84% | 32.48% |
| JSE Average | | 228 | 5.34% | 49.34% |



- Although the retail sector claims the top spot for contribution towards CSI and other social development projects. The Resources sector is the largest benefactor to the economy, contributing more than R 1 Billion of the R 2.6 Billion CSI spend reported across all sectors
- This is followed by the Financial, Retail and Telecommunications sectors
- Due to their size and operational model, the property sector have reported very little CSI contribution

| Sector | Total Residual Element Contributions | Average Residual Element Contributions | % of Total Residual Element Contributions |
|--------------------------|---|---|--|
| Resources | R 1 337 099 000 | R 39 326 000 | 50.17% |
| Financials | R 567 062 000 | R 12 327 000 | 21.27% |
| Retail | R 237 787 000 | R 18 291 000 | 8.92% |
| Telecommunications | R 106 100 000 | R 35 367 000 | 3.98% |
| Tourism | R 79 986 000 | R 8 887 000 | 3.00% |
| Food & Beverage | R 69 079 000 | R 5 314 000 | 2.59% |
| Health & Pharmaceuticals | R 58 389 000 | R 14 597 000 | 2.19% |
| Media | R 51 615 000 | R 6 452 000 | 1.94% |
| Services | R 50 531 000 | R 3 887 000 | 1.90% |
| Basic Industries | R 48 926 000 | R 2 039 000 | 1.84% |
| Transport | R 21 947 000 | R 3 135 000 | 0.82% |
| Manufacturing | R 14 006 000 | R 2 801 000 | 0.53% |
| General Industrials | R 13 263 000 | R 829 000 | 0.50% |
| Information Technology | R 9 080 000 | R 568 000 | 0.34% |
| Properties | R 500 000 | R 29 000 | 0.02% |
| <i>JSE</i> | <i>R 2 665 361 000</i> | <i>R 10 257 000</i> | |

Total Residual Element Contributions by Sectors



Percentage of Total Residual Element Contributions by Sectors

- The Retail and the Health sectors, which have the most direct interaction with the general public, also scores the highest points for corporate social investment

APPENDIX A: SECTOR COMPOSITIONS

Basic Industries

| | |
|----|--|
| 1 | Group Five |
| 2 | African Oxygen |
| 3 | Omnia |
| 4 | Aveng Limited |
| 5 | Highveld Steel & Vanadim Corporation Ltd |
| 6 | Murray & Roberts Holdings Limited |
| 7 | Sappi Ltd |
| 8 | AECI |
| 9 | Basil Read Holdings Limited |
| 10 | Cashbuild limited |
| 11 | Pretoria Port Cement |
| 12 | Distribution and Warehousing Network Limited |
| 13 | Iliad Africa Ltd |
| 14 | ELB |
| 15 | Masonite |
| 16 | Wilson Bayly Holmes-Ovcon Limited |
| 17 | Mittal Steel |
| 18 | The York Timber Organisation Ltd |
| 19 | Exxoteq |
| 20 | AG Industries Ltd |
| 21 | Italtile Ltd |
| 22 | Buildmax |
| 23 | Spanjaard |
| 24 | Oando Plc |

Financials

| | |
|----|---|
| 1 | Nedbank Group Limited |
| 2 | African Bank Investments |
| 3 | Metropolitan Holdings |
| 4 | Cadiz Holdings |
| 5 | Brimstone Investment Corporation Ltd |
| 6 | Investec Ltd |
| 7 | Investec Plc |
| 8 | Sanlam Limited |
| 9 | Liberty Group |
| 10 | FirstRand |
| 11 | Capitec Bank |
| 12 | Standard Bank Group |
| 13 | Discovery Holdings Ltd |
| 14 | ABSA Group |
| 15 | Coronation Fund Managers |
| 16 | Alexander Forbes |
| 17 | Hosken Consolidated Investments Limited |
| 18 | Mutual & Federal Insurance Co. |
| 19 | Old Mutual |
| 20 | Cape Empowerment Trust Ltd |
| 21 | Clientele Life Assurance Company |
| 22 | South African Eagle Insurance Company Ltd |
| 23 | Santam Limited |
| 24 | Micromega Holdings Limited |
| 25 | Glenrand MIB |
| 26 | Makalani Holdings Ltd |
| 27 | Remgro Ltd |
| 28 | Brait SA |
| 29 | Barnard Jacobs Mellet |
| 30 | PSG Group Limited |
| 31 | Decillion Limited |
| 32 | Sasfin Holdings Ltd |
| 33 | Purple Capital |
| 34 | Mercantile Lisbon Bank Holding |
| 35 | Enterprise Risk Management Limited |
| 36 | Sabvest |
| 37 | RMB Holdings |
| 38 | Richemont |
| 39 | Corpcap |
| 40 | London Finance & Investment Group P.L.C |
| 41 | Trematon Capital Investments Ltd |
| 42 | Eureka Industrial |
| 43 | M Cubed Holdings Ltd |
| 44 | Peregrine Holding LTD |
| 45 | Real Africa Holdings Ltd |
| 46 | Liberty International |

Food and Beverage

- 1 Oceana
- 2 SAB Ltd
- 3 Distell Group
- 4 Illovo Sugar
- 5 Tigerbrands
- 6 Tongaat-Hulett Group
- 7 Astral Foods
- 8 AVI Limited
- 9 Afgri Ltd
- 10 KVV Investments Limited
- 11 Crookes Brothers Ltd
- 12 Intertrading Ltd
- 13 Sovereign Food Investments Ltd

General Industrials

- 1 Sekunjalo Investments
- 2 Jasco Electronics
- 3 Nampak
- 4 Howden African Holdings
- 5 Kap International Holdings Ltd
- 6 Control Instruments Group Ltd
- 7 Reunert Ltd
- 8 Pasdec Resources SA Ltd
- 9 Digicore Holdings Ltd
- 10 Barloworld
- 11 Hudaco
- 12 Allied Electronics Corporation (Altron)
- 13 Kairos Industrial-holdings
- 14 BELL Equipment
- 15 Setpoint Technology Holdings Ltd
- 16 Invicta Holdings Limited

Health and Pharmaceuticals

- 1 Enaleni Pharmaceuticals
- 2 Network Healthcare
- 3 Aspen Pharmacare
- 4 Medi-Clinic

Information Technology

- 1 Datacentrix Holdings Ltd
- 2 Mustek Ltd
- 3 Bytes Technology Group Limited
- 4 Paracon Holdings
- 5 Gijima AST
- 6 Business Connexion Group Ltd
- 7 Dimension Data Holdings plc
- 8 Square One Solutions Group
- 9 Spescom Ltd
- 10 Infowave Holdings Ltd
- 11 Prism Holdings
- 12 Vesta Technology Holdings Ltd
- 13 Datatec Connecting Minds
- 14 Pinnacle Technology Holdings Ltd
- 15 Enterprise Outsourcing Holdings Ltd
- 16 Compu-Clearing Outsourcing

Manufacturing

- 1 Steinhoff
- 2 Nu-world Holdings
- 3 Wesco Investments Ltd
- 4 Pals Holdings Limited
- 5 Sear del Investment Corporation Ltd

Media

- 1 Primedia
- 2 Kagiso Media
- 3 Johnnic Communications
- 4 Naspers
- 5 New African Investment Limited
- 6 AME
- 7 Caxton
- 8 Moneyweb Holdings Ltd

Properties

- 1 Johnnic Holdings
- 2 Growthpoint Properties
- 3 Spearhead
- 4 Pangbourne Properties Limited
- 5 Sycom Property Fund
- 6 Emira property Fund
- 7 Ambit Properties Ltd
- 8 Paramount Property Fund Limited
- 9 Metboard Properties
- 10 Resilient Property Income Fund Ltd
- 11 Martprop Property Fund
- 12 Vukile Property Fund Ltd
- 13 Capital Property Fund
- 14 Siyathenga Property Fund Ltd
- 15 iFour Properties
- 16 Atlas Properties Ltd
- 17 Allan Gray Property Trust

Resources

- 1 Merafe Resources
- 2 Harmony
- 3 AngloGold Ashanti
- 4 Gold Field
- 5 African Rainbow Minerals
- 6 Kumba Resources
- 7 Western Areas Limited
- 8 Impala Platinum
- 9 Lonmin Plc
- 10 Northam Platinum Limited
- 11 Anglo American plc
- 12 Barplats Investments Ltd
- 13 DRD GOLD
- 14 Transhex
- 15 Sasol Ltd
- 16 Anglo Platinum Limited
- 17 African Gem Resources Limited
- 18 Palabora
- 19 Aquarius Platinum Limited
- 20 Afilease (Sub Nigel Mining Company)
- 21 Assore Ltd
- 22 Scharrig Mining Limited
- 23 Mvelaphanda Resources
- 24 Matodzi Resources
- 25 Thabex Exploration Limited
- 26 Metorex Limited
- 27 Teal
- 28 Diamond Core Resources
- 29 Good Hope Diamonds
- 30 Kelgran Limited
- 31 BHP Billiton
- 32 Tawana Resources
- 33 Zambia Copper Investments Ltd
- 34 Hwange

Retail

- 1 Edcon
- 2 LA Group
- 3 Foschini Ltd
- 4 Massmart Holdings
- 5 Woolworths
- 6 Pick 'n Pay
- 7 Truworths International Ltd
- 8 Lewis Group Ltd
- 9 Verimark Holdings Limited
- 10 Shoprite
- 11 New Clicks Holdings Limited
- 12 J D Group Ltd
- 13 Mr Price Group Limited

Services

- 1 Enviroserv Holdings LTD
- 2 Adcorp Holdings Limited
- 3 Astrapak
- 4 Bidvest
- 5 Mvelaphanda Group Ltd
- 6 Command Holdings Limited
- 7 Advtech Ltd
- 8 Alex White Holding
- 9 Transpaco Ltd
- 10 Consol Limited
- 11 Primeserv Group
- 12 Bowler Metcalf Limited
- 13 Global Village Holdings Ltd

Telecommunications

- 1 Telkom
- 2 MTN Group Ltd
- 3 Allied Technologies (Altech)

Tourism

- 1 Sun International
- 2 Phumelela Gaming & Leisure
- 3 The Don Group
- 4 Peermont
- 5 City Lodge
- 6 Tourvest
- 7 Gold Reef Casino Resorts Ltd
- 8 Spur Corporation
- 9 Famous Brands

Transport

- 1 Imperial Holdings
- 2 Super Group Ltd
- 3 Comair Ltd
- 4 Unitrans Ltd
- 5 Grindrod Ltd
- 6 Value Group Ltd
- 7 Cargo Carriers Ltd