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MIC Group of Companies

Mineworkers Investment Company (Pty) Ltd
MIC Financial Holdings (Pty) Ltd
MIC Food & Leisure Investments (Pty) Ltd
MIC Media & Technology Holdings (Pty) Ltd
MIC Industrial Investments (Pty) Ltd

Business Review 2008

THIS REVIEW COVERS THE MILESTONES, LEARNINGS AND ACHIEVEMENTS OF WHAT HAS BEEN **A YEAR OF SIGNIFICANT GROWTH** FOR THE MINEWORKERS INVESTMENT COMPANY (MIC) FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2008.

The report also outlines the strategic focus that the MIC has adopted for the future.

> **"How I wish we could create more companies whose philosophy is like that of MIC's**... if we tended to have companies that operate and follow [these] principles... how much of a difference and an impact we could actually make in the lives of ordinary people." – **Phumzile Mlambo-Ngcuka, Deputy President of the Republic of South Africa**

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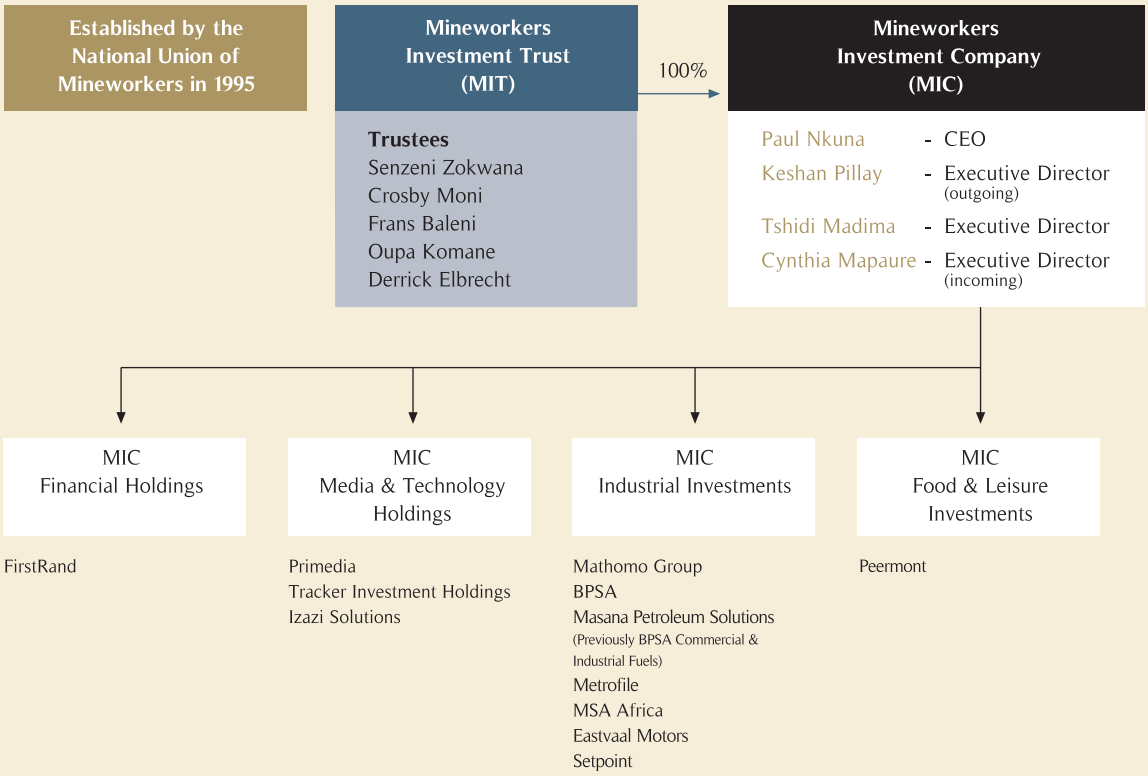
MIC – An overview

MIC is a 100% BEE investment company established in 1995 by the Mineworkers Investment Trust (MIT) to create a sustainable asset base for the benefit of mine, energy and construction workers and their dependents.

Since inception, MIC has disbursed over R368 million directly to MIT, which has in turn advanced the money to fund its social development programmes in the areas of education and micro-enterprise development.

MIC has total assets of over R2,7 billion and was awarded the BusinessMap Top Unlisted BEE Company of the Year in 2006, and the Barloworld/WITS Business School Top BEE Deal (Peermont) in 2008.

The MIC Shareholding Structure



The Board

1 Kuben Pillay (Chairperson)
2 Crosby Moni
3 Christopher Seabrooke
4 Keshan Pillay (Executive Director) (Resigned 30 June 2008)
5 Paul Nkuna (CEO)
6 Tshidi Madima (Executive Director)
7 Cynthia Mapaure (Executive Director) (Appointed 1 September 2008)
8 Clifford Elk
9 Phumzile Langeni
10 Simphiwe Nanise
11 Steve Ratlou
12 Oupa Komane
13 Thuli Mofutsanyana
14 Mary Bomela
15 Bongani Ndamase

Chief Executive Officer
Executive Director
Non-Executive Director

Management and Staff

1 Mahlatse Kabi
2 Oren Fuchs
3 Kgatho Mamakoko
4 Lebo Shembe
5 Caroline Sehlako
6 Jenice Jonas
7 Linkie Kemlo
8 Lisa Monticelli
9 Rosy Hlagala
10 Thomas Ramahlalerwa

Senior Management
Finance
Administration

Chairman's Review

The black economic empowerment (BEE) landscape has evolved tremendously since MIC's inception 13 years ago. Where initially many BEE companies had little influence in their partners' businesses, today **more players have an equal relationship and are beginning to truly influence the strategic and operational direction** of partner companies.

Kuben Pillay – Chairman

MIC saw these shifts early on in the cycle and made significant efforts to develop a strategy that would allow the company to proactively engage with this evolution. MIC's strategy has always been underpinned by the understanding that growing a strong and dynamic team on a solid financial platform would ensure our ability to ultimately participate as an active and equal partner in our investments.

Indeed, one of our first transactions – Primedia – provides a clear illustration of the practical development of this understanding. From an initial investment in 1996 in radio assets only, followed by the purchase of 10% equity and 34% economic interest in 2000 with limited executive influence, we have progressed to being the single largest shareholder in the group. This was achieved by seconding MIC representatives to the organisation and slowly working with management to build their trust in us. Today, we are a team of equals, collectively working towards optimising the group's strategy.

One of MIC's core achievements in Primedia has been transformation from within. This achievement reflects our growing ability to act on our strategic intent to be a committed and involved investment partner at all levels. Since MIC invested in Primedia, we have worked with the team to ensure that the group progressed from a company with limited empowerment to one that was the most empowered in its sector in 2005, 2006 and 2007.

It is this model that, we believe, sets us apart. MIC offers wide ranging commercial, BEE and corporate governance expertise to the companies it partners with. In fact, we have a well earned reputation in

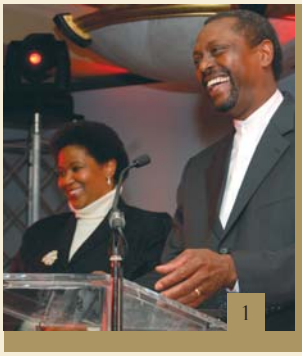
the market for being an effective transformation agent with the ability to marry a transformation mindset with a strategic commercial vision that pays attention to the demands of operating in a highly competitive global economy. Primedia, however, is just one example of the success of our approach to our investments. As this review clearly shows, MIC has taken similar strides with other companies. For more information, see our case studies on pages 8 and 23.

YEAR UNDER REVIEW

I am pleased to be able to report on another positive set of MIC results for the year under review. Most noteworthy is our NAV increase of 35% from R1,77 billion to R2,38 billion. These results, I believe, reflect a growing ability within MIC to turn our strategic thinking into reality, as well as the benefits of having a dynamic management team in place.

On a macro level, there was a clear distinction between the first and second halves of the year. From an initially buoyant local economic context, the second half quickly turned to one marred by global turmoil, which was, towards the end of the reporting period, reinforced by South Africa's sudden encounter with the energy crisis. The impact of the global financial liquidity crisis was particularly felt and played a major role in driving high interest rates and a significantly increased cost of living locally. None of these factors look likely to recede in the short term, and it is reasonable to expect conditions across the global economy to remain testing for some time to come.

Although MIC operates across many distinct industries, towards the end of F2008 the impact of the abovementioned factors on our investments could clearly be seen. Nonetheless, MIC is in the fortunate position of having a strong base from which to negotiate this terrain. Significantly, we minimised our debt to a negligible level within MIC, and grew our cash resources considerably. From our initial position 13 years ago with seed capital of R3 million, and no assets to speak of, we have grown into a broad based empowerment investment company with a strong balance sheet. This platform means we are well positioned to plot a course through what is currently a difficult period for many businesses across the world.



1. The Deputy President of the Republic of South Africa, the honourable Ms Phumzile Mlambo-Ngcuka at the MIC R245 million distribution to MIT function
2. Stand display at MIC distribution function

STRATEGY AND DELIVERY

In realising our vision over the past 13 years, MIC has incrementally moved much of the operating and gearing risk to the businesses we have invested in. Not only has this allowed the company to develop a strong balance sheet that provides the required financial muscle to structure deals favourably, but it has also given our investee companies the freedom to run their businesses without the encumbrance of other potential investment risks in our portfolio.

In essence, our approach has been one of consolidation – of furthering the relevance of our existing portfolio to the MIC strategy through ongoing investment and focus across our existing asset base. Our vision has been to create deal structures where the responsibilities are correctly allocated – to invest in quality, cash generative businesses for long term gains; to increase our economic interests to the point where they match our voting rights, and ultimately to consolidate our holdings to a level where we have significant control of our investments. This gives us much more room to influence the business direction, both in terms of transformation and in terms of financial performance. However, all these actions have to be carried out within the context of providing sustainable returns to our shareholder the Mineworkers Investment Trust (MIT) so that they can continue serving the needs of our beneficiaries. It is with some satisfaction that I am

able to say we have delivered on our commitment to the MIT in providing the trust guaranteed annuity income and support. In fact, it is noteworthy that during the year under review MIC made the largest ever single distribution by an empowerment investment company to its trust of R245 million.

PROSPECTS

F2008 has not been a year of plain sailing. Many inter-locking economic, political and social factors have created a fluid and often uncertain economic context.

MIC's investments are affected in various ways by these conditions, according to the specific evolution of relevant market segments. Certain aspects of business, however, feature across all entities. It is imperative that businesses possess a strong and stable management team, a strategy that takes concrete steps to address relevant risks affecting the company over the long term and a diversity in human resources and business structure that caters to ongoing and, sometimes extreme, change.

MIC plays an active role in ensuring that its various investments possess these features – indeed, within MIC itself our diversified strength has allowed us to negotiate the current tough economic climate and has ensured that, going into the future, the company is well positioned to continue doing sustainable business.

We are, in other words, structured for the long run. MIC's creation was focused on building a legacy of true empowerment. Our duty is to create better futures for generations of mineworkers to come. This is a responsibility we do not take lightly. For this reason, our focus remains on prudent investments and business practices. This focus has been reinforced over the years we have been in business, and I think it is a highly positive aspect of our business that we have learned from our mistakes. For example, in 1995, we bought into the Pepsi venture, based on their strategy to take on Coca-Cola in South Africa. We did not do our homework properly and invested in the hype and the brand, not the market reality. To date, this is still one of MIC's biggest losers. But, crucially, it is a mistake we have not made again.

MIC is precluded from investing in mining, construction and energy. This is a constitutionally driven decision, but it is also practical: it prevents conflicting situations arising where, for example, MIC and NUM could find themselves at opposite ends of the negotiating table. We are able, however, to look at second or third tier service providers to the mining industry, which we remain open to.

Furthermore, there are certain strategic sectors of the South African economy that MIC hasn't yet focused on, such as retail and telecommunications. We will be pursuing relevant opportunities in these areas as they arise.

BOARD APPOINTMENTS

I would like to take this opportunity to bid a formal farewell to Mbuyiseli Hibana, who resigned from the MIC board in November 2007.

I would also like to welcome Mary Bomela and Bongani Ndamase to the board. As they have already demonstrated since their appointment in March 2008, they bring significant expertise and experience to our team.

APPRECIATION

I have thoroughly enjoyed my first year as the MIC chairperson. To my board members, many of whom I have worked with for several years, thank you for welcoming me so warmly as your chairperson. To Paul, thank you for continuing to stay close to the strategy we set out to realise at the very start. Your unwavering focus on our vision is noteworthy.

To Keshan, thank you for your huge contribution to the group over ten years. We wish you well into the future.

Lastly, to our constituents: It has been a landmark year for us and an honour to have provided you with a large distribution to allow you to continue changing the lives of ordinary South Africans. Thank you for this opportunity.

I believe I speak on behalf of everyone at MIC when I say we look forward to a new year of continued growth and achievement – a year in which we will continue to meet emerging challenges head on.

Chief Executive Officer's Review

MIC, like many other companies, operated within the context of testing conditions during the year under review. With global and local markets under pressure and with companies across various sectors being forced to re-examine some of the fundamentals of their operations, it is pleasing to note **that Net Asset Value (NAV) grew by 35% and we successfully consolidated our position in two strategic investments.**

In many important respects, this success has been achieved thanks to the presence of an increasingly strong and well structured management team. Indeed, MIC's management team operates with a clear strategy as to how to achieve sustainable growth. This positions the company to emerge positively from challenging times, and to maximise the opportunities that arise in bull and bear markets.

As our Chairman points out, to understand South Africa's black economic (BEE) climate today, we need to consider the country's recent history.

In the early phase of BEE, the South African economy as a whole grappled with the basic building blocks of the concept. In many instances, available funding mechanisms is not favourable to emerging BEE players, while, equally, often the initial focus in BEE transactions is on core ownership numbers, in isolation of transformational issues such as employment equity, skills development and skills transfer.

The next phase in the country's BEE evolution beginning in the early 2000s was the emergence of a broad-based black economic empowerment (BBBEE) focus. This focus articulated the urgency of empowering a far broader base of South Africans in the transformation of the national economy. Today, the transformation of the South African economy focuses on the development of partnerships able to advance the wide spread

Paul Nkuna – CEO

of BBBEE, rather than focusing on individuals and the ownership they hold in companies.

Within this evolutionary process, BEE players have reviewed existing funding structures and the returns they offer for investors – a particularly important point has been the ability of current structures to pay off investment debt over a reasonable period while still providing substantial equity and access to dividends. BEE players, in other words, have been seeking to grow their latitude and general ability to unlock the value of their investments.

STRATEGIC REVIEW

When MIC first entered the BEE space in 1995, off a small capital base, its initial strategy was to preferably invest in listed companies – given their ability to deliver a certain degree of accountability and transparency. Challenging market conditions in subsequent years showed, however, that exposure still existed within listed stocks, especially in terms of debt. In addition, lock-in mechanisms within investments proved a hindrance in extracting the full benefit from a market turnaround.

Strategically, then, MIC began to seek to operate with increased flexibility and focused more and more on the quality and depth of management within the companies it invested in, along with a sharper focus on the strategies these companies employed. To illustrate: we realised that being involved in a company during its expansion phase might not always yield adequate cash flow, and that this needed to be factored into the way particular investments were approached.

As a result, MIC has moved steadily towards being far more than a one-dimensional provider of BEE within our investments. Today, we are clearly present in the market as an active investor able to drive transformation within companies and enjoying the same rights and strategic involvement as any other shareholder. As an active investor, where relevant, MIC obviously seeks

TRACKER

More recoveries. In more places. More often.

Tracker is a leading South African Stolen Vehicle Recovery (SVR) company that has been operating since 1996. Tracker has recovered over 200 000 stolen vehicles (more stolen and hijacked vehicles recovered than any other company in the world) and brought more than 7 400 criminals to book.

MIC took up an investment of 25% in Tracker in 2000. Due to Tracker's strong performance, driven by a highly motivated team, MIC was able to fully pay off the debt associated with the purchase of the company well in advance of schedule, de-gearing the investment in 2005.

Following the merger with Mobile Data (a highly-rated vehicle monitoring company previously owned by WesBank specialising in fleet management and telematics through its popular Skytrax range of products) MIC elected to raise its stake in Tracker to 26.5% in 2007. MIC also has the option of increasing this stake in the near future.

MIC continues to work with Tracker's management to assist in meeting transformation challenges within the organisation, and in other areas, such as corporate social investment.

to increase its stake in certain companies and to facilitate the operational and strategic evolution of those companies in line with MIC's own strategic vision.

It was within this context, for example, that MIC approached its reinvestment in Tracker, as well as its increased stakes in Primedia and Peermont, during 2007.

EFFECTING THE MIC VISION

MIC is steadily moving to a position where it has a controlling influence across most of its assets – a position where it is operationally involved in investee companies and committed to the effective and dynamic management of these companies on strategic and operational levels.

MIC's approach to effecting its vision is incremental and addresses each investment company on a case by case basis. To be truly effective, we tackle small pieces, one at a time. This has meant a maturing of our initial approach to target investments that were aligned with our modest capital base to the point where we are discerning in our selection of investments. This involves an increased focus on growing assets in the sectors we do have a presence, whilst still catering to capitalising on new opportunities, as and when they present themselves.

In increasing our stake in Peermont during early 2007, we took more control of this asset through a leveraged buy-out (LBO) transaction, which created exposure to international gaming assets for MIC. The Primedia consolidation proved more challenging as the market landscape had changed considerably. While MIC was able to place its bond internationally with Peermont, this was not the most appropriate structure during the time the Primedia deal was put together. We did, however, manage to successfully secure local funding.

NURTURING ASSETS

Deal structure is central to MIC's strategic thinking, which centres on the need for partnerships of equal rights, risks and responsibilities. MIC, of course, has a spread of investments and each investment is ring-fenced to ensure there is no cross-collateralisation across the balance sheet.

Economic crises tend to impact on investment sectors in different ways. Importantly, MIC's spread of investments across various sectors ensures that the company is also able to cushion certain cyclical risks.

MIC's recent consolidation process has enabled us to boost our coffers significantly. This active commitment to investee companies is central to MIC's strategic approach – it is thus important that MIC continues to build an ongoing "war chest" that enables us to succeed through positive and negative market conditions. While the general economic climate will always affect MIC's underlying assets to some degree, it is pleasing to note that we are now in a position to plot viable paths through challenging conditions and play a meaningful and positive role in our investments.

DELIVERING ON STRATEGY AND COMMITMENTS

Roughly three years ago MIC detailed its strategy for the forthcoming five years. This strategy was informed by the commitment to our shareholder, the Mineworkers Investment Trust (MIT), and our ongoing goal to leverage our investments to the benefit of the trust over the long term.

The initial five year strategy included a target for total assets of R3 billion. As these results indicate, MIC has already reached total assets of over R2,7 billion.

Another five year goal was also to repatriate no less than 1.5% of NAV back to the trust. Proudly, the company has already exceeded that target. During the year under review, MIC's largest single distribution to the MIT of R245 million has been made, equating to almost 10% of NAV. The distribution will be spread over a five year period, ensuring that the trust can meet its social programmes notwithstanding market conditions. In addition, the distribution ensures that, although the company will not see immediate dividends from its two largest investments (Primedia and Peermont) over the next three to five years, we will not have to deplete assets in order to meet our shareholder commitments. This continues MIC's well established tradition of delivery to its shareholder without compromising asset growth.

MIC made **the largest ever single distribution** by an empowerment investment company to its shareholder, the MIT, of R245 million.

1

2

1. Cheque handover at MIC R245 million distribution function
2. CEOs of MIC and Peermont (Anthony Puttergill) receiving the "Barloworld/WITS Business School Best BEE Deal" award

BUILDING SKILLS

South Africa's political and social legacy means that the bulk of our skilled black graduates have emerged in academic fields, leaving a serious shortfall in areas such as corporate finance and engineering. MIC operates within this context, and has an important part to play in providing skills resources to the country, which is now at a stage where these urgently needed skills are being developed amongst the young black population. Through the trust, MIC is very proud to have assisted in introducing more than 555 black graduates to the market, and giving over 3 500 deserving students access to quality tertiary education.

Aside from its impact on the larger South African economy, this activity also represents the development of a valuable skills pool for MIC, which is able to deploy graduates into investee companies.

Reinforcing the activities of the MIT, it is also important to note the success of several MIC corporate social investment (CSI) initiatives. Support for various CSI projects across the country has delivered tangible results and we are proud to note the impact these projects are having in the national quest to strengthen our social fabric. Refer to page 16 for detail.

LOOKING FORWARD

An organisation that focuses the majority of its efforts on its internal structures and dynamics, without considering the larger context, runs a clear risk of losing touch with the reality of the markets in which it operates. MIC thus places strong emphasis on its relationships with other players in the market, and on assessing how the company is viewed externally.

Within this context, it has been pleasing to note that MIC was awarded the BusinessMap Top Unlisted BEE Company of the Year award in 2006 and the Barloworld/WITS Business School Top BEE Deal for Peermont in 2008, as well as being a runner up for the Primedia deal. In addition, the "Ask Africa" Trust Barometer rated MIC as one of the top ten most admired BEE companies in 2007.

MIC FIVE YEAR STRATEGY: 2005 – 2010	
Objective	**Delivery**
• To be the pre-eminent company in BEE	• During the year, the group was rated by the "Ask Africa" Trust Barometer as one of the top ten most admired BEE companies. It was also rated as the BusinessMap Top Unlisted BEE Company of the Year in 2006
• To grow total assets to R3 billion	• After only three years, total assets under management are already worth over R2,7 billion
• To increase distributions in order to to impact positively on the MIT	• During the year under review, MIC's largest single distribution to the MIT of R245 million was made, equating to almost 10% of NAV
• To impact positively on the national skills pool	• MIC has assisted in introducing more than 555 black graduates to the market and giving over 3 500 students an opportunity to study
• To ensure high levels of transformation in underlying companies	• The group chairs most of its investee companies' transformation committees and has played a significant role in transforming these companies. For example, Primedia has been recognised as the most empowered company in its sector for three years running

Looking forward, it is encouraging to note the healthy state of the MIC balance sheet and the strong platform it creates for the company to steadily turn its strategic vision into operational reality. Because its dividend has been covered for the next five years, the MIT is able to forecast and plan its projects with certainty.

MIC, in turn, will continue to focus on building a sustainable asset base. This means using our cash cleverly, with an emphasis on buying quality cash generative assets that are able to deliver results. We will thus continue to optimise and consolidate our assets and to fund high cash-generating assets.

Given the current challenging market conditions, our focus in the year ahead will not primarily be on new transactions, but on looking for the right assets and optimising the assets we currently hold. The consolidation of Primedia and Peermont is just the beginning, and similar consolidation (while always keeping an eye out for expansion opportunities) will be a focus across our key investments in the future.

THANK YOU

I wish to thank the board for their contribution during the year. I would also like to take this opportunity to thank Keshan Pillay for the formidable team member he has been at MIC for ten years. It was an honour to work with you and to experience your understanding of business and, perhaps more importantly, of South Africa and its people. In the same vein, I extend a warm welcome to Cynthia Mapaure, our new executive director, to the MIC family.

To the MIC team, I wish to extend my appreciation for your dedication and commitment during the challenges of the year. Business is never simple. Indeed, it is frequently very challenging on multiple levels. That we have remained steadfast in our vision as active equity partners and that we have succeeded in bringing value to the companies we invest in, our shareholders and the wider South African population is testament, I believe, to the quality and commitment of the people who make up MIC. So, thank you to all. Without your efforts none of what MIC has achieved in recent times would have been possible.

Financial Review

MIC continues to grow its assets under management in line with its strategic vision. Significantly, **the company continues to make strides in not only growing its asset base, but in taking up controlling positions within our investment companies.** This also allows us to influence their strategic and operational direction on a fundamental level, which is reflected in MIC's portfolio structure and in the company's growth in Net Asset Value (NAV).

Keshan Pillay – Executive director (Outgoing)

FINANCIAL PERFORMANCE – HIGHLIGHTS

- **MIC takes a controlling stake in Primedia**
- **MIC delivers largest contribution by an empowerment investment company to its trust of R245 million**
- **Acquisition of 15% of Sethold**
- **NAV growth of 35%**

TRANSACTION OVERVIEW

Peermont and Primedia

Shortly after the close of the February 2007 financial year, the Peermont and Primedia transactions occurred, which was an exciting shift for MIC. The company moved from minority to controlling shareholder in both organisations, signifying a major boost for empowerment in the South African economy. Both deals were unique in that they were empowerment-led leveraged buyouts, with MIC leading the structuring of the deals.

Due to the change in market conditions, the two deals were very different in their structure.

Peermont was concluded in April 2007, before the market squeeze. The transaction was thus structured at very good rates on the offshore Euro bond market. This was the first ever Rand denominated high yield bond. Conversely, Primedia was concluded as the credit crunch was making itself felt across the global

economy. There was no new issue of Euro bonds and the offshore environment was challenging. MIC therefore worked very hard at finalising the deal locally. It is important to note the required structure was new for local banks, as South African banks have not traditionally taken on high levels of exposure through significantly leveraged transactions. Ultimately, the MIC Primedia transaction ended up becoming one of the largest locally funded empowerment deals at the time.

These leveraged transactions not only allowed MIC to take control of the companies but also to realise increased value through access to capital. In turn, this effectively created the opportunity to make a large distribution to the MIT. Crucially, the provision of this lump sum created certainty for MIT for the next five years while simultaneously allowing MIC to build on its strong cash platform. Strategically these transactions allowed MIC to reduce risk so that the trust could continue with its projects going forward. They also opened the way for MIC to aggressively pursue new investments.

In the next five years the company will be looking to continue building a high quality asset base with strong cash generation ability, able to continue servicing the trust over the long term.

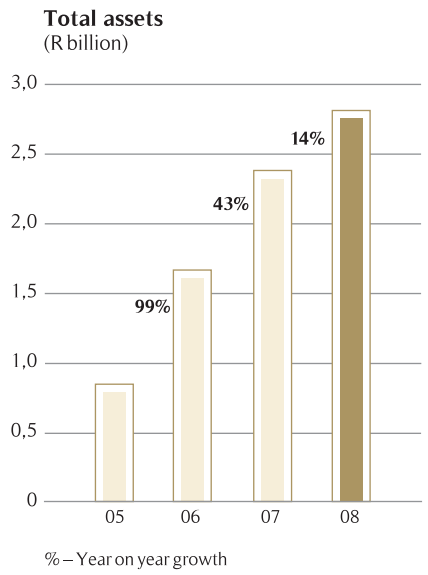
Sethold

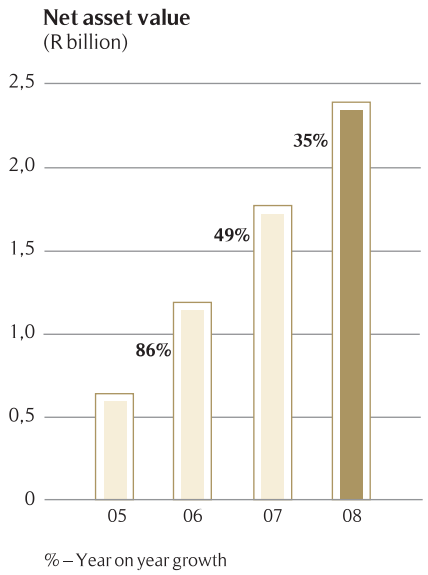
During F2008, MIC acquired 15% of Set Point Technology Holdings (Sethold) for R36,6 million.

Sethold is a supplier and operator of specialised industrial, analytical and allied technological equipment used in a wide range of industries, including the precious metal exploration industry, the petrochemical and the mining industries. Sethold is exposed to strong growth sectors and has huge potential. The management team is also very committed to transformation, which is an important criterion for MIC when making investments.

Going forward

Forecasts are that the challenging global climate will continue for the next 12 to 18 months. Within this climate, MIC's focus will remain on tight cash flow management and conserving capital. With two highly leveraged transactions, the company needs to be able to act decisively to nurture its assets and maximise its cash generation potential.





Below we outline the MIC investment history.

ACQUISITIONS

Prior to 2005

FIRSTRAND

1. Mhala Agricultural Projects
2. Marula Natural Products oil press

Examples of projects are provided below:

Mpumalanga Food Security Programme

The MDA works in partnership with the Department of Agriculture to support small-scale vegetable producers in the Mhala region of Mpumalanga. To date, 20 farmers have been assisted to start small businesses. In addition, 50 households have so far received training and support in permaculture to enable them to produce vegetables for their household needs. This training also covers nutrition, HIV awareness, sun drying techniques for fruit and vegetables, pest control and water recycling.

Welkom Food Security Programme

The Welkom project, also supported by MIC, is currently implementing an integrated food security programme for families residing in Welkom in the Free State. People in these communities are assisted with information on accessing grants and the registration of identity documents and birth certificates. To date, over 6 000 people have been reached by the programme, through initial support from TEBA Bank. Subsequent funding generously provided by the FirstRand Foundation has allowed the project to continue for a further two years. This has included branching out into areas of income generation in these communities, such as the formation of a bakery in the area.

The Ntlenzi Project

The Ntlenzi Traditional Council, which represents the Mbizana community in the Eastern Cape, approached the MDA to be the main development facilitator for their region. This community has faced many challenges, including poverty, unemployment, high crime and poor infrastructure and has existed only on subsistence farming, without any access to markets.

A three-day workshop was conducted to assist the community in creating a five year development strategy. In turn, the community has created an uplifting vision to be a “well-developed, economically vibrant and prosperous community that is healthy and stable and where all people live and enjoy a peaceful environment”.

The Mbizana community has access to forests, rivers and grazing land. The goal of the MDA’s intervention is to exploit these natural resources for commercial gain and engage in large-scale agricultural activities. Further strategic goals that have been identified include enhancing the capacity of the Ntlenzi community through a range of training and development programmes and to offer support to small businesses to link them to markets and access financial institutions.

To date, 234 businesses have been registered to undergo basic business skills training, some of which will participate in a mentorship programme. 40 families have been trained to produce their own vegetables, and plans are underway to increase this number to 200 families.

An additional strategic goal is to provide care and support to vulnerable groups. In this regard, 612 identity documents and 268 birth certificates were issued, 693 TB specimens collected, 76 grants registered and 54 orphans identified for assistance.

Furthermore, the highly successful food security programme, already rolled out in Mpumalanga and the Free State, is also being introduced into the Eastern Cape, and additional sources of funding are continually being sought to expand the programme.

Marula Natural Products

The Marula Natural Products (MNP) project is housed within the Mhala Development Centre in Mpumalanga. The project develops commercial products from the fruit and other by-products of the marula tree. It spans some 42 villages in the Bushbuckridge area of the Limpopo province where the fruit is harvested, providing employment to more than 4 000 people. A community trust, set up by MDA, holds 30% of the project, with the remaining 70% held by MDA.

MIC this year became actively involved in the upgrading of the Mhala Development Centre, specifically to facilitate the growing scale of the MNP project. This has allowed the MNP to cater for its expansion as the project has become financially self supporting.

Mhala Development Centre

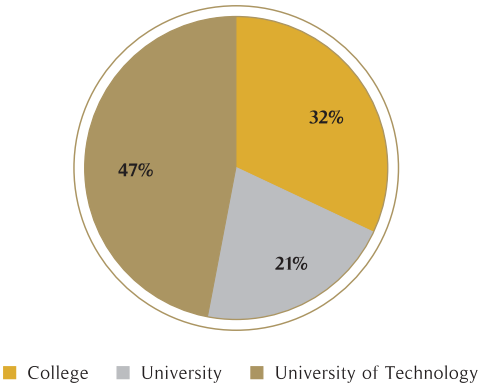
The Mhala Development Centre (which is also the base for the Marula Natural Products project) has acted as a training and skills development centre for retrenched and dismissed mineworkers and their dependants within the Mhala/Bushbuckridge area since 1996. The centre was extensively renovated this year and the training facilities upgraded. Additional upgrades to the training centre are scheduled so larger training groups may be accommodated.

JB Marks Education Trust Fund

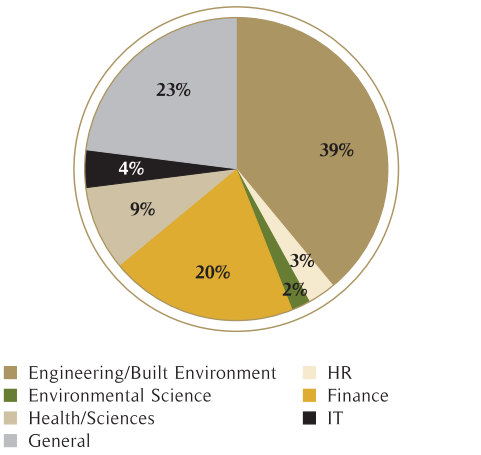
JB Marks Education Trust Fund was founded in 1997 by MIT. The Education Trust was named after JB Marks, the first president of the African Mineworkers Union.

The trust's mandate is to support the further education of mine, energy and construction workers and their dependants, with a bias towards the sciences and engineering disciplines. The overriding aim of the fund is to alter the fabric of the mining, energy and construction sectors by increasing the number of black graduates entering these sectors.

JB Marks Education Trust Fund
Types of institutions – 2008 new applicants



JB Marks Education Trust Fund –
Course breakdown for 2008 (selected new applicants)



The JB Marks bursary provides payment of the following fees:

- **Registration**
- **Tuition**
- **Examination**
- **Bridging course**
- **Text books**
- **On-campus accommodation**

Mine, energy and construction workers, retired, retrenched, disabled or deceased members' dependants all qualify for the JB Marks bursary. In addition, a member's immediate family, spouse and dependant children also qualify to apply for a JB Marks bursary.

The JB Marks Education Trust reached some landmark achievements in the year under review, with the total number of students assisted since its inception 11 years ago now reaching over 3 500. Approximately 39% of the bursaries awarded have been in the engineering and building fields, with the balance (61%) in commerce, information technology, human resources and professional degrees such as medicine and law. In 2007, 47 graduates were produced by the trust – 14 of these engineers, and 13 in the finance and commerce related fields. This brings the total number of graduates produced since 1997 to 555, of which 14 are doctors and 87 engineers.

183 students were taken on board in 2008, of which 44% are female. While the bulk of bursaries are offered to tertiary institutions, some are available for high school, between grades 10 to 12.

Although pass rates beyond the first year compare favourably with other bursary schemes, the failure rate of new students remains a challenge. This is largely due to the fact that the bursary scheme caters to young South Africans who may not have the academic record required by many other bursary schemes due to their socio-economic circumstances. A lack of access to proper schooling combined with low-income earning parents who cannot afford to send their children to better schools perpetuates a gap the trust aims to close. As such, the JB Marks Trust has developed an induction programme to assist students who come from rural schools in traditional labour feeder areas.

The JB Marks induction programme was developed using both internal resources, as well as the continuing support of partners such as Momentum Health and the FirstRand Foundation. It helps students prepare for and adapt to life at a tertiary institution and also focuses on giving students the life skills that will enable them to become more "rounded" individuals. Students' progress is monitored through one-on-one counselling sessions. Assistance is also given to students as they adapt to their new tertiary environments. This assistance includes access to the skills and training required to tackle studies. The fund is now exploring how to further support the students once they have graduated.

1. Graduates and Thuli Mofutsanyana, principal officer of JB Marks, at the MIC R245 million distribution function

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"If you talk about something that came at the perfect time, it was perfect timing with regards to the bursary."
– Katlego Leephile (BCom Finance)

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1. Salome Phasha
2. Nontsikilelo Bangani
3. Katlego Leephile

"JB Marks has helped me so much, as I didn't have any money to study, and at home actually, when I was doing my first year, they sold everything to pay WITS. I didn't think I would come back the following year. I would like to say a special word of thanks to JB Marks because of what they have done for me. It is very important. Some other people did not have the chance, did not get the opportunity to further their dreams, but I managed to get the chance and to get to my destiny."
– Nontsikilelo Bangani (BCompt)

"My parents sat down with me and said: 'you know what, if you had not obtained this sponsor, we would not have been able to send you to school.'"
– Salome Phasha (MB CHB)

MIC

At the close of the 2006/2007 financial year, the MIC board took a decision to become more actively involved in a number of initiatives to provide additional support and capacity to the MIT. To this end, a CSI budget of R2 million was set aside for the 2007 financial year, with a further R2 million set aside subsequently for the following financial year, ensuring continuity of the programme. Two specific target areas were identified for immediate intervention: the upgrading and refurbishment of the Mhala Development Centre and the support of agriculture projects in the Mhala region.

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1. Marula kernels
2. Ntlenzi programme, Eastern Cape

The Mhala Development Centre

The Mhala Development Centre, the base for the Marula Natural Products project, was constructed in the early 1990s. The centre had not seen a comprehensive upgrade since its construction and the infrastructure had dilapidated significantly. There was also a particular concern for the structural integrity of the main office building. In addition, the facilities for the Marula Natural Products project were no longer conducive to growing the scale of the project.

During the financial year, the facilities at the Mhala Development Centre were significantly upgraded: existing structures were refurbished and containerised offices were supplied to provide additional administrative space. Additional capacity was also given to the Marula project and the training facilities were upgraded. An additional upgrade to accommodate larger training groups is also currently underway.

Mhala Agricultural Projects

With the generous support of the Primedia Foundation, MIC partnered with TIPA (an agricultural support programme run by the Israeli Embassy in South Africa) to undertake a number of agricultural projects, supporting both food security and job creation in the Mhala region of Mpumalanga.

Identified farmers are assisted with equipment and TIPA experts provide the technical knowledge that will enable these farmers to farm their existing land on a more sustainable basis. The strength of the model resides in the fact that all product produced (within quality and time requirements) can be sold to Pick n Pay, thereby guaranteeing a market for the produce. This promotes more than food security: it generates income and jobs for the surrounding community.

metrofile
paper records to digital assets

Metrofile is the largest and most dynamic document and records management service and solutions provider in South Africa. It has more than 5 200 customers, turnover of over R250 million, profit before interest and tax exceeding R30 million, and a staff complement of about 1 150. Services are delivered from 40 000 square metres of storage and processing space countrywide, a fleet of 80 delivery vehicles, and 2 000 square metres of state-of-the-art, highly secure, environmentally controlled vault space.

MIC obtained 25% equity in Metrofile in May 2004.

By bringing together paper and electronic solutions, delivered through both on-site and off-site services, Metrofile is well positioned to lead their market space. The company is also well positioned to expand into new, related solution areas as customer requirements change.

Playing a strategic management role on an ongoing basis in Metrofile, Paul Nkuna, CEO of MIC, is a non-executive director of the Metrofile board.

MIC has offered significant transformation advice to Metrofile, which has resulted in the company being listed as a fully compliant BBBEE company in the Empowerdex BEE Index.

Metrofile also developed a wide-ranging social responsibility programme in conjunction with MIC. It now has an inclusive and comprehensive social investment programme that involves people from the communities in which it operates.

1. Njonjela Agricultural Project, Mpumalanga

Farmers at the first Mhala Projects site, a cooperative of ex-mineworkers who have been farming for some time, have been supplied with farming and irrigation equipment and have learnt techniques of modern farming and sustainable irrigation to increase yield.

The project has progressed extremely well. Within six months of initiation, the cooperative produced its first harvest, which was sold to Pick n Pay. Other hospitality businesses in the area have also expressed interest in purchasing produce from the cooperative.

The aim is to replicate this successful model at three or four sites by the end of the 2009 financial year. Roll out has already begun at a second project site. In addition, opportunities in other provinces are being explored.

Conclusion

MIC's contribution to the development of South Africa's communities stretches beyond the activities of the company and the MIT. Each of MIC's investee companies carries out significant CSI work – indeed, MIC's management influence on the trajectory of these companies ensures that their social commitments steadily move beyond regulatory compliance towards a transformation mindset that embraces the ability of corporate organisations to drive major social change within South Africa. Looking forward, MIC will continue to drive its own CSI activities positively, and to ensure that the companies it invests in are leaders in the South African economy in the realm of social development.