

GENERAL NOTICE

NOTICE 176 OF 2015 DEPARTMENT OF TRADE AND INDUSTRY

I, **Dr Rob Davies**, Minister of Trade and Industry, hereby:

- (a) Issue for public comment, the **DENEL GROUP BROAD-BASED BLACK ECONOMIC EMPOWERMENT FACILITATOR STATUS**; and
- (b) Invite interested persons and the public to submit comments on the Facilitator Status within **30 days** from the date of this publication.

Interested parties are requested to forward their comments in writing for attention BMaphoto@thedti.gov.za and KMhlongo@thedti.gov.za respectively or forward to the following address (es)

the dti Campus
77 Meintjies Street
Sunnyside, Pretoria
0002
c/o BEE Unit

or

Private Bag X84
Pretoria
0002
c/o BEE Unit

Enquiries: 012 394 3574/ 1892



Dr ROB DAVIES, MP
MINISTER OF TRADE AND INDUSTRY
DATE: 8 / 12 / 2014

B-BBEE FACILITATOR STATUS

DENEL (SOC) LTD

In terms of the provisions of paragraph 3.4.3 of Statement 100 of Code Series 100 of the Broad-Based Economic Empowerment Codes of Good Practice published in February 2007; the Minister may, by notice in the gazette, designate certain Public Entities as B-BBEE Facilitators.

When determining the Ownership score of the Public Entity, which is granted the B-BBEE Facilitator Status, the following rights will be deemed to be held by the Public Entity for Ownership purposes only:

- 100% of Ownership deemed to be held by Black People;
- 40% of Ownership deemed to be held by Black Women;
- 12% of Ownership deemed to be held by Designated Groups;
- 8% of Ownership deemed to be held by New Entrants;
- Without any acquisition debts; and
- Without any third-party rights.

Background

Denel SOC is a company incorporated in terms of the Companies Act of 1973 (Act 61 of 1973) and whose sole shareholder is the South African Government through the Department of Public Enterprises. Denel is the largest manufacturer of defence equipment in South Africa and operates in the military aerospace and landward defence environment. Denel is requesting the B-BBEE Facilitator Status for the purposes of its business dealings with the following three associate companies:

- **TURBOMECA AFRICA (Pty) Ltd**

Denel holds a 49% stake in Turbomeca Africa (TMA). Turbomeca is the world leader in design, manufacturing and sale of gas turbines for small and medium powered helicopters, and has 50 years' experience of cooperation in SA since the first Artouste II engine for an Allouette II in 1960. In civil aviation, 34% of SA turbine helicopters are fitted with TMA turboshaftengines. In military aviation,

75% of SA turbine helicopters are fitted with TMA turboshaft engines like ORYX, Rooivalk and A109 LUH.

- Airbus DS Optronics (Pty) Ltd formerly known as Cassidian Optronics and Carl Zeiss Optronics. During 2007 Denel sold a 70% share in what was Denel Optronics, and then became Carl Zeiss Optronics (Pty) Ltd. It was part of the Carl Zeiss Consumer / Optronics business group until October 2012, when it was bought by EADS (AIRBUS) and became part of Cassidian.. After a re-branding of EADS to AIRBUS and further alignment in the AIRBUS group of companies, the company was re-named to AIRBUS DS OPTRONICS (PTY) LTD in October 2014. Ownership remains 30% DENEL SOC, 70% AIRBUS DS OPTRONICS GmbH.
- The company manufactures Stabilised Optronic systems for helicopters, Lasers and Optical Head tracking systems for fixed wing aircraft. It also acts as the centre of excellence for classic submarine periscope design and manufacture in the AIRBUS Group worldwide.
- **RHEINMETALL DENEL MUNITION (Pty) Ltd**
Rheinmetall Denel Munition (RDM) was created on 1 September 2008 when Rheinmetall Waffe Munition GmbH of Germany acquired a 51% share in certain of Denel's munitions manufacturing facilities. RDM specialises in the development, design and manufacture of large and medium – calibre ammunition and is a world leader in the field of artillery, mortar and infantry systems and plan engineering. Its business focus is on Asia, the Middle East, South America, SA and African countries. Its product portfolio includes large- calibre ammunition (76mm to 155mm), artillery projectiles, propellant, charges and pyrotechnic carriers, mortar bombs, 40mm grenades, rocket motors, safety and arming devices and various missile sub-systems.

Should the B-BBEE Facilitator Status be granted to Denel, it will be designated and confined exclusively for business dealings with its associate companies as stated above and therefore any subsidiary, joint venture, associate, or investment company within the Denel group will fall outside the scope of this exemption.

In the event that the Status is granted to Denel, it will be valid for a period of seven (7) years from the date of approval.