

DENEL

INSIGHTS



Second Issue 2014

MINISTER OF DEFENCE AFFIRMS DENEL'S POSITION AS GLOBAL LEADER AT AAD 2014

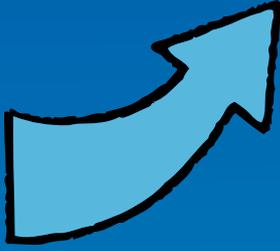


Ms Nosiviwe Mapisa-Nqakula, Minister of Defence and Military Veterans visiting the Denel stand at AAD 2014

"In South Africa, we have a capable company.....a very capable company within the aerospace, defence and security sectors, Denel. Talk to them, sign deals with them and do business with them with confidence. It is a company we are very proud of as government and if you do business with them, I can assure you, you will agree with us!" These were the words of the Minister of Defence and Military Veterans, Ms Nosiviwe Mapisa-Nqakula, to a roomful of foreign and local guests at the AAD 2014 Gala Dinner hosted by the Minister on the 18th September in Centurion. Many decision-makers and political leadership from the continent and other countries all over the world, as well as South African Ministers, Deputy Ministers and leadership within South Africa's defence and security clusters attended the event.



DENEL GROUP VALUES



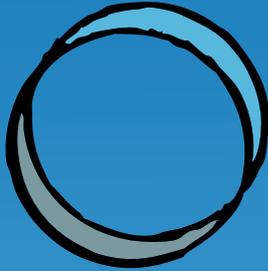
Performance

WE EMBRACE OPERATIONAL EXCELLENCE



Integrity

WE ARE HONEST, TRUTHFUL AND ETHICAL.



Innovation

WE CREATE SUSTAINABLE INNOVATIVE SOLUTIONS.



Caring

WE CARE FOR OUR PEOPLE, CUSTOMERS,
COMMUNITIES, NATIONS AND THE ENVIRONMENT



Accountability

WE TAKE RESPONSIBILITY FOR ALL OUR ACTIONS.

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Ethics hotline

Denel's role in society and its interactions with stakeholders require commitment to the values of integrity and accountability and doing business ethically. We need your help to maintain our good corporate governance record and ask employees to report any unethical and /or suspicious behaviour such as theft and unauthorised release of Denel information or tender fraud - anything which may taint Denel's good standing as a responsible corporate citizen. You may report directly to senior management or through our confidential Ethics Line.

Here are the contact details:

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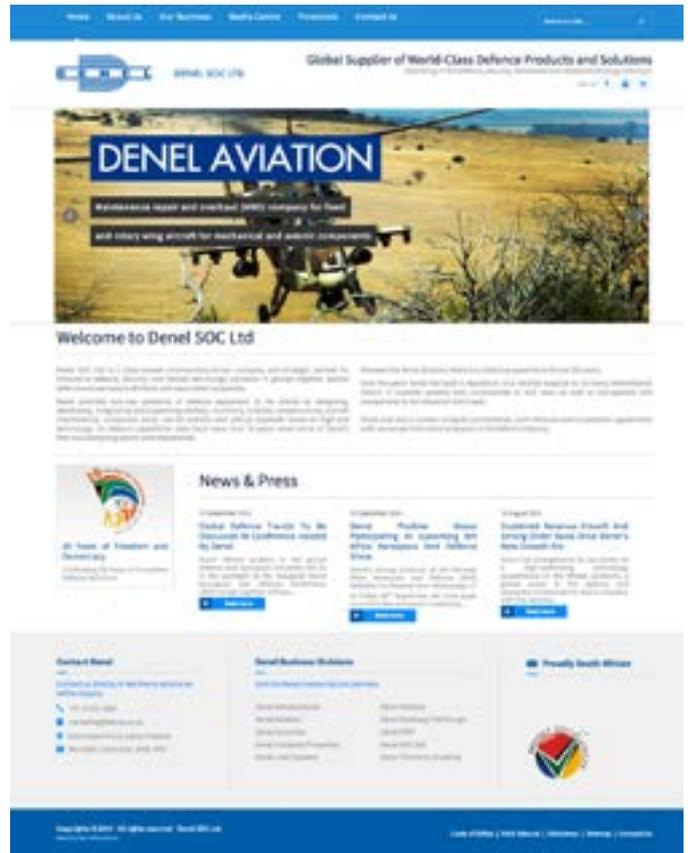
www.denel.co.za

Unifying our identity: New face for one Denel

We are proud to announce the launch of our newly redesigned website. As you may be aware, Denel is in the process of unifying the Denel brand throughout the Group. Part of this process is in showcasing a uniform brand in all the Denel websites throughout the divisions.

Our vision is to be the credible State Owned South African strategic partner for innovative defence, security and related technology solutions and to achieve that we are fully aware that we need to constantly engage and get feedback from our stakeholders.

We encourage you to explore our new sites and your feedback will be appreciated!



Editor's Note

Every two years the South African defence industry has a singular opportunity to demonstrate its amazing range of capabilities and quality to a global audience. The Africa Aerospace and Defence Exhibition has grown into a must-attend event for decision-makers, analysts and industry watchers. This year's AAD, held at the Air Force Base Waterkloof, continued in this tradition.

As Africa's premier defence technology company Denel occupied an anchor position at the AAD. Our high-tech stand and the range of our well-established products attracted interest from more than 70 international delegations during the trade days and our reputation as a national asset was endorsed by the public's interest in our products when the show was opened to visitors. In essence, Denel is a future-driven company, inspired by its solid reputation to seek new opportunities for innovation. AAD 2014 was, therefore, also a platform for Denel to unveil its new products, services and initiatives.

This edition of Denel Insights informs you about the extent of the company's future plans as inspired by our values of Performance and Innovation. We inform you about an agreement on new work packages between Denel Aerostructures and Airbus which will contribute to the sustained turnaround of the company. Denel Land Systems has entrenched its position as a leader in infantry weapon systems with the launch of its new light-weight mortar and Mechem displayed its range of mine-protected ambulances that have recently started service in support of UN operations in Somalia.

Denel's commitment to the future is best illustrated by its investment in education and training and its support for youth development programmes.

At AAD we signed a Memorandum of Understanding to establish a new training facility for future pilots, crew members, artisans and technicians in the aviation industry with a specific focus on the empowerment of women.

The launch of the South African Regional Aircraft (SARA) attracted significant industry attention at AAD because of its potential to offer new horizons for the next generation of engineers, designers and artisans currently coming through the ranks of the country's tertiary education system. In a similar way Denel has opened doors for high school learners to become acquainted with career opportunities in the defence and aerospace sectors through our participation in the Youth Development Programme.

This theme is also explored in other articles in this edition. We provide you with insights into our donation of a library to a school in Gauteng; computers to learners in the Eastern Cape and the promotion of maths and science education through learner support programmes. Possibly the best indication of Denel's focus on the future was our hosting of a high-level conference that drew an eclectic group of speakers and participants on the eve of AAD 2014. This conference not only confirmed Denel's position as a high-tech manufacturer, but also as a catalyst for critical thinking and analysis.

We are, once again, proud to present our stakeholders with an edition of Denel Insights and encourage you to continue your valued engagement with our company.

Vuyelwa Qinga



HOMEGROWN TECHNOLOGY ON THE WORLD STAGE

At Denel, we are proud to be the strategic partners of the South African National Defence Force. We are global designers and suppliers of world-class defence and aerospace solutions. We contribute to the country's economic development. But more importantly. As we celebrate 20 Years of Freedom and Democracy, we remain committed to "Moving South Africa Forward."

Denel Sets the Pace and Draws the Crowds at AAD 2014



Denel's leadership role in the defence and aerospace sectors on the continent was underlined with its strong presence at this year's, Africa Aerospace and Defence Exhibition (AAD 2014). The company's stand drew the largest numbers of visitors and official delegations during the trade days and flagship products such as the Rooivalk and the Badger were the major sources of interest from the public who attended the open days.

Group CEO Riaz Saloojee says the Denel exhibition drew high praise from the more than 70 international delegations which we hosted during the trade days. "We put up a highly-sophisticated and technologically advanced stand.

"I want to congratulate the coordinators of the Denel exhibition and express my sincere appreciation to each and every employee who contributed to our success. We again demonstrated why Denel is Africa's top defence and technology company and a force to be reckoned with in the global industry," says Riaz.

The company used the presence of local and international industry media at the event held at Air Force Base Waterkloof to launch a number of new products and sign ground-breaking agreements on cooperation and joint ventures.

- **DENEL AVIATION** announced a partnership with Canadian technology company CAE and local services company, Elisa, to set up a simulation-based facility for the training of pilots, artisans and technicians. The new centre will be located at the Denel Technical Academy in Kempton Park.
- **DENEL LAND SYSTEMS** unveiled its light-combat turret which offers an affordable and low-maintenance protected firepower solution for armoured personnel carriers;
- **DENEL MECHEM** demonstrated the qualities of its new mine-protected ambulances based on its well-known Casspir armoured personnel



carrier. Three of the ambulances are already in service in support of United Nations operations in Somalia.

- **DENEL PMP** announced a plant renewal process to modernise its machinery and enable it to expand production on a number of products and increase operational and cost efficiency.
- The launch of the the South African Regional Aircraft (SARA) project – a locally-developed passenger aircraft to serve regional destinations – was attended by a large contingent of local and international media. Denel Aerostructures and Denel Aviation are leading the initiative which also includes collaboration with four South African universities and the Council for Scientific & Industrial Research (CSIR). The first scale model of a proposed design for the (SARA) was unveiled at AAD.

The Rooivalk helicopter was the undoubted “star of the show” during live demonstrations on the two public viewing days and at the air capability

demonstration hosted by the SA Air Force at the Roodewal weapons range outside Polokwane in Limpopo.

Speaking at the launch of AAD the Minister of Defence, Nosiviwe Mapisa-Nqakula, praised the Denel Rooivalk as “locally developed technology that the entire country can be proud of.”

AAD 2014 attracted an estimated 90 000 visitors over the five day period including 413 exhibitors from 29 countries. According to the organisers this year’s show was expected to generate R684-million worth of economic output and created more than 2 050 temporary jobs.



Great Defence Minds Meet at High-Level Denel Conference

The SA National Defence Force needs to be supported by an effective and innovative defence industry. This was emphasised by a number of high-level speakers at the inaugural Denel Aerospace, Maritime and Defence Conference held on the eve of the 2014 AAD. Speaking at the opening, Denel's Acting Board Chairman, Martie Janse van Rensburg said the conference brought together foremost experts in their respective fields to provide their unique perspectives on future trends in the defence, security and technology arenas.

She added that the conference, which was attended by more than 200 delegates, would, most likely, become a biannual event, before because its value lies in the quality of its participants and the range of issues covered during the discussions'.

The Secretary of Defence, Dr Sam Gulube noted that while everyone wants to live in a safe, secure and prosperous environment this, however, required a capable defence force supported by a strong industry to provide the security. He said the 2014 Defence Review, currently before Parliament, provides great insight into the security challenges facing South Africa, the government's defence strategy, and what defence capability and defence industry capacity are needed to meet these challenges.

The SANDF requires specific military capabilities to meet its mandate and the current priority is to rejuvenate its existing capabilities. However, over time the SANDF will need to replace even recently acquired systems "unless we wish to operate a museum of military antiques," Dr Gulube said. A strong defence industry was necessary to not only ensure the SANDF was well supplied but also to ensure certain sovereign technologies were locally controlled. Local

defence acquisitions would be used to maximise economic leverage, support the economy and create jobs. Referring to the defence industry as "a vibrant national asset," Dr Gulube said government will also support the industry in its international export efforts.

The Deputy Chief of the SA Air Force, Major General Gerald Malinga, called for stronger partnerships between the SANDF and the industry. He said the deployment of the Rooivalk attack helicopter in the Democratic Republic of the Congo provided South African Forces with "the winning-edge" and highlighted the value that quality equipment and systems can bring to the capacity of forces to execute their mandate. Mr Siphon Mkwana, the acting CEO of Armscor, stressed the importance of equipment that is developed in Africa for African markets. If this objective is not achieved, African countries will look to countries outside the continent for more expensive and less efficient equipment.

The Deputy Chief of the SA Army, Major General Les Rudman, said the changing defence environment required of the local defence industry to be adaptable to remain relevant. He noted that since the democratic transition there has been a complete rethink regarding the role of South Africa's military and its repositioning to participate in peace keeping, disaster relief and other operations other than war. South Africa is now perceived as a lead nation on the continent and its interests are linked to Africa's overall unity and prosperity, compelling the country to contribute to continental peace and stability.



Weekend Bangane, Chief Director: Intergovernmental Relations, DPE; Dr Paul Potgieter, Chairman, Aerosud Aviation; Simon Ward, Vice President: International Cooperation, Airbus; and Ismail Dockrat, CEO: Denel Aerostructures signing the tripartite agreement

New Agreement Opens Door for Joint Bids on Long-Term Business



Simon Ward with the Denel Leadership ; Dr Gert Cruywagen, Denel Board member; Martie Janse van Rensburg, Denel Board Chairman; Riaz Saloojee, Denel Group CEO



Martie Janse van Rensburg, Denel Board Chairman; Riaz Saloojee, Denel Group CEO and Monwabisi Kalawe, SAA Group CEO witnessing the signing of the agreement

A new collaborative agreement between Denel Aerostructures (DAe), Airbus and Aerosud Aviation will strengthen DAe's ability to bid for larger manufacturing work packages in the commercial industry. Dockrat, DAe CEO says the agreement, signed at Kempton Park on 16 September, is in line with the company's business strategy and will reduce its dependency on military programmes. "It opens the doors for the local aerospace industry to join forces and look together for larger work packages that are economically sustainable over the longer term," he says.

The new alliance builds on the successful partnership that both DAe and Aerosud have established over the past seven years with Airbus, as key suppliers on the A400M programme. They will now be able to develop industrial projects together which will enhance South Africa's global competitiveness and secure longer term and profitable business for the local aerospace industry.

Speaking at the function, Simon Ward, the Vice President: International Cooperation of Airbus said the agreement will bolster South Africa's strategy to grow a vibrant and strong indigenous aviation industry that can be

globally competitive, create sustainable jobs and drive transformation in the sector. Since 2006 Airbus has committed more than R4-billion worth of work packages and research projects to South Africa. Given the fact that its current order book stands at almost 6 000 aircraft to be delivered over the coming years, it is an indication of the new opportunities that are opening up for the local aerospace industry.

In terms of the agreement the three partners will also identify Research and Development projects aimed at giving the South African aerospace industry a unique competitive advantage as part of its long-term development strategy. Dockrat says the partnership will have a cascading impact on the entire high-tech manufacturing sector as long-term business will inevitably lead to the growth of small and emerging businesses that form part of Denel's supply chains.

This will strengthen the industry's contribution to South Africa's broader developmental objectives to create skilled jobs and expand opportunities for the youth and women to participate more fully in the economy.

New Centre to Introduce High-Tech Training for Aviation Industry



Protus Sokhela, Chairman of Elisa; Hugh Peterson, Business Development Executive Denel Aviation; Representative of the Canadian High Commission and Ian Bell, Vice-President CAE

Denel Aviation joined forces with a global leader in pilot and technical training and a local partner company to establish a facility for simulator and computer-based training. Hugh Petersen, the Executive Manager: Business Development said the intention is to establish a National Training and Flight Simulation Centre (SANTSC) that will offer aviation pilot, technical training as well as emergency and disaster management training for the SANDF, commercial airlines and security companies.

The first step is the allocation of classroom facilities at the Denel Technical Academy in Kempton Park where the modern synthetic training equipment will be located. This will be used for the training of pilots, artisans and technicians in the aviation sector. Denel signed a memorandum of understanding with CAE, a Canadian manufacturer of simulation technologies and Elisa, a local company under the leadership of Dr Naledi Moyo, at AAD 2014.

"We are proud to establish the beginning of a partnership with Denel," said Ian Bell, CAE's Vice President and General Manager, Europe and Africa. "The new facility will be a centre of excellence for the entire African continent." Hugh said the envisaged SANTSC will contribute to the transformation of the South African aviation industry, the retention of skills and the empowerment of women. Denel is committed to higher levels of cooperation between other public sector players such as the SA Air Force and the SAA to mobilise resources and train more people to participate in this strategic industry.

"There is a mammoth demand for the training of pilots and other professional skills in the aviation sector, both within South Africa and on the rest of the continent," he said. Figures released during the recent US-Africa Leaders' Summit in Washington show that the African aviation sector need to train some 3 600 skilled people on an annual basis. CAE is a global leader in modelling, simulation and training for civil aviation and defence. It offers civil aviation, military and helicopter training services in more than 45 locations worldwide and trains approximately 100 000 crew members yearly.



Protus Sokhela, Elisa Chairman; Ian Bell, CAE Vice-President and Hugh Peterson, Denel Aviation Business Development Executive



Elelwani Mainganye facilitating the Denel Aviation, CAE and Elisa signing media briefing



Foreign delegations visiting the Denel stand

Denel Stand at AAD Attracts High-Powered Foreign Visitors



High-level delegations from more than 35 countries visited the Denel exhibition during the three day trade show hosted at the AAD 2014 at Air Force Base Waterkloof. Zwelakhe Ntshope the Group Executive: Business Development said the large number of international delegations that interacted with Denel "is a confirmation of the global interest in the quality of our products and our ability to deliver technology that can compete with the best in the world."

The confidence shown in Denel products by the SA National Defence Force through the combat deployment of the Rooivalk and the acquisition of the Badger infantry combat vehicle serves as a testimonial for the marketing of this and other products to potential international clients. Zwelakhe says he is especially encouraged by the interest shown by delegations from the rest of the African continent. "Africa is our biggest target market because of our ability to develop products that are suitable for conditions on the continent and our commitment to provide support, maintenance, spares and ammunition through the entire life-cycle of the system."

"Denel does not sell single products to our clients in Africa, but long-term partnerships," says Zwelakhe. Among the African delegations who visited the Denel exhibition at AAD were from the Ministry of Defence in the Democratic Republic of the Congo, a country where the Denel Rooivalk is currently deployed in support of UN and African Union peacekeeping operations.

Visitors included the Secretaries of Defence of Lesotho, Nigeria, Uganda, Botswana, Kenya, Zimbabwe, Malawi, Swaziland, Zambia and Tanzania. Senior flag officers and defence officials represented countries such as Equatorial Guinea, Angola, Namibia, Mozambique, Senegal, Egypt and Cameroon. South Africa's BRICS' partners, India and Russia was represented at both departmental and armed forces levels while visiting delegations from the Asia Pacific region included Australia, Malaysia, New Zealand, Thailand and Vietnam.

Among the European and NATO countries represented at official level were France, Germany, Spain, Sweden and Turkey while an air force delegation from the USA and senior defence officials from Cuba, Oman, Iran, Pakistan and Qatar also visited the Denel exhibition. Zwelakhe says there were positive interest shown in Denel's products, capabilities and services across the range of its divisions, especially in the group's global leadership position in niche markets such as UAVs, missile technology, artillery and landward defence. "We were able to strengthen our existing partnerships with key current clients and develop contacts with new clients that have the potential to grow into new business opportunities for Denel," says Zwelakhe.



An artist's impression of SARA

SARA Makes her Debut at AAD 2014 and Creates Immediate Excitement



Willie van der Walt, Denel Aerostructures Executive Manager: Engineering; Shalan Chetty, Denel Aviation Executive Manager: Engineering; Victor Xaba, Executive Business Development and Ismail Dockrat, Denel Aerostructures CEO

Pam Malinda facilitating the SARA launch media briefing

Denel's innovative project to design and develop a new passenger aircraft that can be used on regional routes in Africa was unveiled amidst great industry and media interest at AAD 2014.

Speaking at an event where a model of the new South African Regional Aircraft (SARA) was publicly shown for the first time, Denel Aerostructures CEO, Ismail Dockrat, said the programme will not only meet the rapidly growing needs for air travel on the continent but also lead to a new era of innovation in the local aerospace and high-tech industries.

"We have proven with the Rooivalk development that we have the capacity to develop an indigenous South African aircraft," says Dockrat. "SARA will be an exciting and challenging project that can inspire the next generation of aeronautical engineers, designers, artisans and aerospace technicians."

Denel will lead the project but is already working closely with academics and post-graduate students at four South African Universities and the CSIR in the design and development of SARA. The SARA project is in line with the country's Aerospace Sector Development Plan which has identified aerospace as a "priority sector."

Feasibility studies indicate that there was a need for a modern, point-to-point regional airliner on low-density routes, seating 15 to 24 passengers. Among the priorities is to design a passenger aircraft that will be able to take off

and land on short airfields in regional centres that are currently not served by scheduled flights. Only 17 of the more than 420 local airfields in South Africa currently form part of a scheduled airline service.

Regular passenger flights to such destinations will help to unlock the economic potential of previously marginalised areas and deliver significant benefits to local and regional economies.

Dockrat says SARA will confirm South Africa's reputation as a high-tech powerhouse, while also creating global interest in the country's advanced manufacturing capacity.

The next step is to prove the viability of SARA with a detailed market feasibility study and understanding what the development costs would be. Following this pre-development phase, it is envisaged that a five to seven year development phase would follow, eventually resulting in the construction of a prototype.

Importantly, the project must also prove its viability in being a catalyst for economic growth, infrastructure development, tourism and job creation in rural and outlying areas.



Light-Weight Mortar Weapon adds Fire-Power to Infantry

A hand-stabilised mortar weapon that can fire up to 15 rounds a minute and reach targets more than 2 kilometres away was unveiled by Denel at the AAD 2014 in Tshwane.

The 60mm M4 Mk2 Commando Mortar System is a versatile and lightweight weapon and is intended for rapid use as a fire-support weapon. It is an ideal weapon to be used by paratroopers and special forces that require the firepower of a patrol mortar.

Stephan Burger, the CEO of Denel Land Systems says it is a world-leader in its class in terms of weight, portability, range and ease of operation. It can be aimed by eye at targets at almost twice the distance of the previous version, the M4 Mk1, yet it still weighs less than 10kg and has a barrel length of only 895mm.

The Mk2 is based on the simplicity of design of the Commando mortar currently used by the SANDF but has been improved in terms of fire direction, targeting and the lethality of the enhanced 60mm extended range mortar ammunition.

The clamp-on handgrip incorporates a special aiming device with charge and range tables which provides the operator with all the data needed to engage line-of-sight targets. The unique, dome-shaped base plate provides stability when the weapon is placed on the ground.

An Mk3-version of the mortar system has also been developed by DLS. By fitting the weapon onto a base plate and bipod which weighs less than 21kg, medium range distances of more than 4km can be achieved.

Denel PMP Set To Double Turnover And Meet Local Demand For Ammunition

Denel PMP is now able to meet all the SANDF's current and future needs for small and medium calibre ammunition and is set for substantial growth in production in the next few years.

"We intend to double our turnover to more than R1-billion within the next five years in response to the strategic requirements in the local market and our growing presence in the rest of Africa," says Phaladi Petje, the CEO of PMP. More than 40% of PMP's current production is destined for the export market. The company is currently busy with a plant renewal process to modernise its machinery to improve operational and cost efficiencies whilst enabling it to expand production on a number of new and existing products.

"We are also increasing our R&D capacity to ensure PMP becomes the ammunition solution partner of choice both in South Africa and across the continent," says Phaladi. "Innovation is at the core of our activities and we are working with Armscor, the CSIR and local universities on various research projects and new product developments."

He foresees significant opportunities for growth in African markets. PMP now manufactures 7.62mm calibre ammunition for AK-47 assault rifles as well as a 23mm range widely used by African defence forces.

Locally, the company is ready to deliver on the recommendations of the 2014 Defence Review which calls for high levels of self-sufficiency in the provision of ammunition to the SANDF and the security cluster. "We have 75 years of experience in this industry and will definitely be able to meet these requirements," says Phaladi.



PMP manufacturing plant

Youth Flock to AAD2014 to Learn more about Careers and Opportunities



Denel's participation in the Youth Development Programme at AAD 2014 contributed to a greater awareness about careers in the defence and aviation sectors among the more than 7 000 learners who visited the exhibition.

The (YDP) has become an integral part of the biennial Africa Aerospace and Defence Exhibition because it enables young high school learners to interact with representatives from the defence and aviation industries.

This year more than 7 000 learners from the North West, Mpumalanga, Eastern Cape and Gauteng Provinces visited the AAD during both the trade and public show days. The Deputy Minister of Public Enterprises, Mr Bulelani Magwanishe was among the senior figures who also visited the YDP exhibition.

A number of engineers from various divisions in Denel participated in the programme, offering career advice and providing information about the activities of the Denel group. Many of the learners also visited the Denel stand at AAD.

Among the highlights of this year's programme was the launch of the Vulindlela Bus by South African Airways which offered the young visitors the opportunity to experience the wide variety of career options in the aviation sector – from the cockpit to the cabin, as crew members and on the technical side of aeroplanes.





Deputy Minister of Public Enterprises, Bulelani Magwanishe with learners from Mbenge Secondary School in the Eastern Cape at YDP



Deputy Minister at the AAD 2014 YDP stand

REVENUE



Revenue **R4 588m** improves by **17%**
Local revenue **R2 313m** remains **fairly stagnant**

EXPORT REVENUE



Export revenue **R2 275m** improves by **28%**
now **50%** of **total revenue**

PROFIT



Operating profit **R224m** improves **91%**
Net profit **R194m** improves by **R123m**

BALANCE SHEET



Debt equity ratio **improves** from **1.3 to 1.1**
Equity position **R1 664m** improves by **R192m**
Borrowings **reduced** by **R38m**

RESEARCH AND DEVELOPMENT



Significant **R&D spend** of **R507m**

SKILLS DEVELOPMENT



Skills **development spend** of **R64m**

Madiba Legacy Honoured Through Library Donation



Learners from OR Tambo Primary School (in red) and St. Dominics Catholic School

The O R Tambo Primary School in Tembisa has received a fully equipped library donated by Denel Aviation as part its annual Mandela Day activities.

The new library, including the structure, furniture and computers, was handed over to the school at a function attended by the MMC for City Planning and Economic Development in Ekurhuleni, Mr Bennet Nikani. DAV's Deputy CEO, Abdul Carim handed over the facility which forms part of the company's commitment to uplift communities as a strategic partner in the national developmental initiatives.

The books to be stocked in the library have been collected by learners of the St Dominic's School for Girls in Boksburg who will also provide ongoing library and media centre management skills to the local teachers

Denel Aviation has enjoyed a long-standing relationship with the O R Tambo School which is located close to its campus in Kempton Park. In the past it provided dignity packs for the girls, planted a vegetable garden and donated a mobile laboratory.

The initiative fitted well with the theme launched by the Nelson Mandela Foundation in which it called on communities to keep the legacy of Madiba alive through the donation of books to young learners.

Denel Aviation expressed appreciation LSG Sky Chefs, which provided food packs for about 300 guests who attended the ceremony. This occasion would not have been complete without the touch of an aviation hospitality company of its calibre.



Mr Motlhabane, OR Tambo Primary School Principal and Abdul Carim, Deputy CEO Denel Aviation



Denel Delivers Ambulances To SANDF

Denel is in the process of delivering seventeen truck-mounted ambulances for the South African Medical Health Services. Stephan Burger, the CEO of Denel Land System says the ambulances form part of a R20-million contract for military ambulances, mounted on refurbished Samil 20 trucks. This follows a recent delivery of wide-body ambulances, based on the Casspir mine-protected vehicle, to the United Nations in Somalia.

The contract for the South African ambulances is managed by Land Mobility Technologies (LMT), a subsidiary of Denel. Mr Burger says the acquisition of LMT in 2012 has significantly expanded Denel's range of vehicles and products which can meet the requirements of local and international land forces. It added a capacity for mine-protected vehicles, hulls and cabs and well as product testing, simulations, maintenance and support of other products within the Denel Group.

It also places Denel in a better position to supply armoured vehicles and trucks to the SA Army under its projects Vistula and Sepula. In terms of these contracts the SA Army will acquire new logistical and support trucks (Vistula) and armoured personnel carriers (Sepula). Mr Burger says LMT is a major subcontractor on Denel Land Systems' current contract to build the Badger, infantry combat vehicle for the SA Army. LMT provides the flat floor landmine protection kit for the 238 locally-designed vehicles to be delivered to the SA Army over a ten year period.

Among LMT's other products are the Gecko 8x8 tactical vehicle, used by the SANDF, armoured truck cabs, the AV55 and AV91 light-protected vehicles and explosive ordnance disposal vehicles. LMT's protected cabs are manufactured for Mercedes Benz in Germany and used by at least three NATO countries in areas such as Afghanistan.

Cameroon Students Arrive at Denel for Training

About 120 members of the Cameroon Defence Force will receive training at the Denel Technical Academy over the next few years.

This forms part of Denel Aviation's initiative to provide solutions beyond maintenance, repair and overhaul services (MRO) in Africa. The Cameroon Defence Force has awarded the contract to Denel Aviation to train its members in various aircraft maintenance and other engineering trades.

The first group of 60 students arrived in July and the next intake will be in South Africa in early 2015. Both groups will receive theoretical training at the DTA followed by another two years on-the-job training and an eventual trade test that will allow them to qualify as artisans.

An induction session for the students was held in July and attended by three officials from the Cameroon Defence Force and representatives from the country's embassy in South Africa.

DLS Donates 10 Computers to Eastern Cape School



Mxolisi Makhatini, Deputy CEO at Denel Land Systems with community leaders



Learners trying out the new computers during the handing over ceremony

Ten computers have been donated by Denel Land Systems to the Mbenge School in Elliot in the Eastern Cape. The Deputy CEO of DLS, Mxolisi Makhatini, accompanied by the chairperson of the Young Professionals' Forum, Thandi Badi, conducted the handover at a function which was attended by local dignitaries, traditional leaders and senior SANDF staff.

Makhatini provided the guests with an overview of DLS's activities and its role in supporting the SANDF to ensure South Africa's territorial integrity. He placed a strong emphasis on the value of education encouraging parents to support their children.

The SA Army's Major General Sazi Veldtman thanked Denel for their initiative to support education at the Mbenge Secondary school through the provision

of computers. The headmaster, Ms Nombongo Mabhengu, welcomed the guests who included current and former SANDF officers, traditional leaders, officials of the Eastern Cape Department of Education and members of the local community.

Thandi Badi reminded learners and parents about the importance of investing in education and DLS's commitment to support local communities.

At the conclusion of the function the guests visited the school's computer room to view and test the computers that were handed over.



A Denel Casspir with demining equipment.

Global Demining Experts Hosted at Denel

Denel Mechem recently hosted the conference of the Geneva International Centre for Humanitarian Demining – the first time this global event was held outside Geneva, Switzerland.

The Centre (GICHD) is the “neutral standard setter” for all humanitarian and commercial demining and is sponsored by the United Nations and the Swiss Government. It is the custodian of the International Mine Action Standards (IMAS) which all demining companies have to adhere to.

The International Campaign to Ban the Landmine (ICBL) as well as a number of conventions, such as the Convention against Cluster Ammunition, are all managed by the GICHD.

The conference was held at the auditorium of Denel Land Systems and at the CSIR testing grounds at Paardefontein. Here the various organisations involved in humanitarian demining had the opportunity to exhibit and demonstrate their products and services. Among the highlights was an exciting ride on the Casspir vehicle.

This technology workshop was the first to take place outside of Geneva and was co-hosted by the UN Mine Action Services (UNMAS) which falls under the UN Dept of Peacekeeping Operations (DPKO).

Ashley Williams, the General Manager of Mechem says the organisers received positive feedback from the participants who complimented the organisation and the DLS facilities and enjoyed visiting the beautiful South Africa.

He expressed his appreciation to the DLS staff and organisers who contributed to the success of the workshop. “I believe we did ourselves proud and left the guests with a positive impression of DLS as a company,” he says.

Denel's Remarkable Women Celebrated at Function



Riaz Saloojee, Group CEO, Denel; Brig Gen Debbie Molefe, SANDF; Celia Malahlela, Supply Chain Executive, Denel Land Systems and Natasha Davies, Group Executive, HR & Transformation



Twenty years of remarkable progress for women at Denel was celebrated at a special function at the Gallagher Convention Centre in Midrand.

Speaking at the event to mark Women's Month, Group CEO, Riaz Saloojee said the recruitment of women across the spectrum of the company's activities is a primary goal of the company.

"If you look at Denel human resource strategic plan you will note that we strive to create a diverse workforce that reflects the broader South African demographics, contributes to the creativity within the organisation and enables us to challenge the boundaries and grow our competitiveness," said Saloojee.

Brig Gen Debbie Molefe of the SANDF spoke passionately about the position of women in the defence industry and gave the assurance that the transformation of the sector is a continuous process that will yield results for all women.

The function was attended by women from Denel, the SANDF and other companies in the defence industry. A panel made up of the Group CEO, Gen Molefe, Natasha Davies, the Group Executive: HR and Transformation and Celia Malahlela, Supply Chain Executive at Denel Land Systems gave the participants an opportunity to interact on issues affecting women across the group.

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