



POSITIONING
BLACK ENTREPRENEURS
FOR INDUSTRIAL GROWTH

Presenters

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Chief Executive Officer
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General Counsel

Contents

	Section	Slide
1	About the NEF	4
2	Life to date Performance Highlights: 31 December 2016	9
3	2015 /16 Performance Milestones	11
4	NEF Performance Highlights: Year to Date	14
5	Current Economic Overview & Strategic Considerations for the NEF	16
6	Recapitalisation: Funding the Funder	21
7	Empowering Farmworkers to become Entrepreneurs	29
8	Market Failures & NEF Investment Funds	39
9	Growing Black Industrialists	43
10	Appendix	52
11	A sample of NEF Investees	62



About the NEF

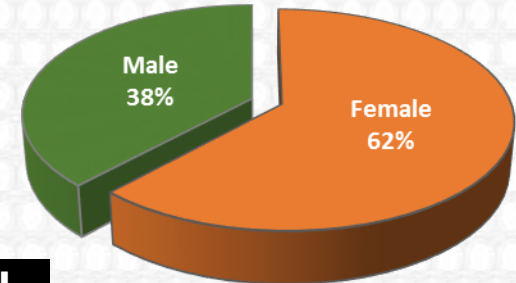
NEF Mandate...

Established by the National Empowerment Fund Act No. 105 of 1998, the NEF is a driver and a thought-leader in promoting and facilitating black economic participation through the provision of financial and non-financial support to black owned and managed businesses, as well as by promoting a culture of savings and investment among black people.

The NEF is an agency of the dti and is the only DFI exclusively mandated to grow B-BBEE

NEF Human Capital

No	Qualification	Number
1	Chartered Accountants	15
2	Master's degrees	12
3	Engineers (additional holds 4 Master's degrees)	6
4	Honours degree	17
5	Bachelor's degree	42
6	LLB degrees (9 are admitted attorneys)	10
7	Diplomas	19
8	Certificates	36
9	Abet	3
	Total	160



The jewel on the crown of the Empowerment Dividend



Strategic Planning Framework...

Broad Based Black Economic Empowerment The Codes of Good Practice

NEF Act:
Objectives

The dti
Objectives

Sectors

NEF

- Tourism; Biofuels; Construction; Agri-processing; Transport; ICT & Media; Mining services; Franchising

Industrial Policy Action Plan:

- Automotives, components, medium and heavy commercial vehicles
- Plastics, pharmaceuticals and chemicals
- Biofuels
- Strengthening linkages between cultural industries and tourism
- Business process servicing

Government Priorities:

- 1) Acceleration of economic growth and transformation, creating decent work and sustainable livelihoods;
- 2) Infrastructure development to achieve social and economic goals and rural development;
- 3) Skills and human resource development;
- 4) Build a developmental state and improve public service.

NEF Sectors in line with national industrial objectives



NEF's Performance and Investment Criteria...

“The Empowerment Dividend”

The assessment of impact is not driven only by financial returns but by measurement in terms of “The Empowerment Dividend” made up as follows:

- Broad Based Black Economic Empowerment Ownership, management control, employment equity etc.
- Black Women Empowerment
- Job Creation
- Growth Sectors
- Geographic Spread
- Investment Return

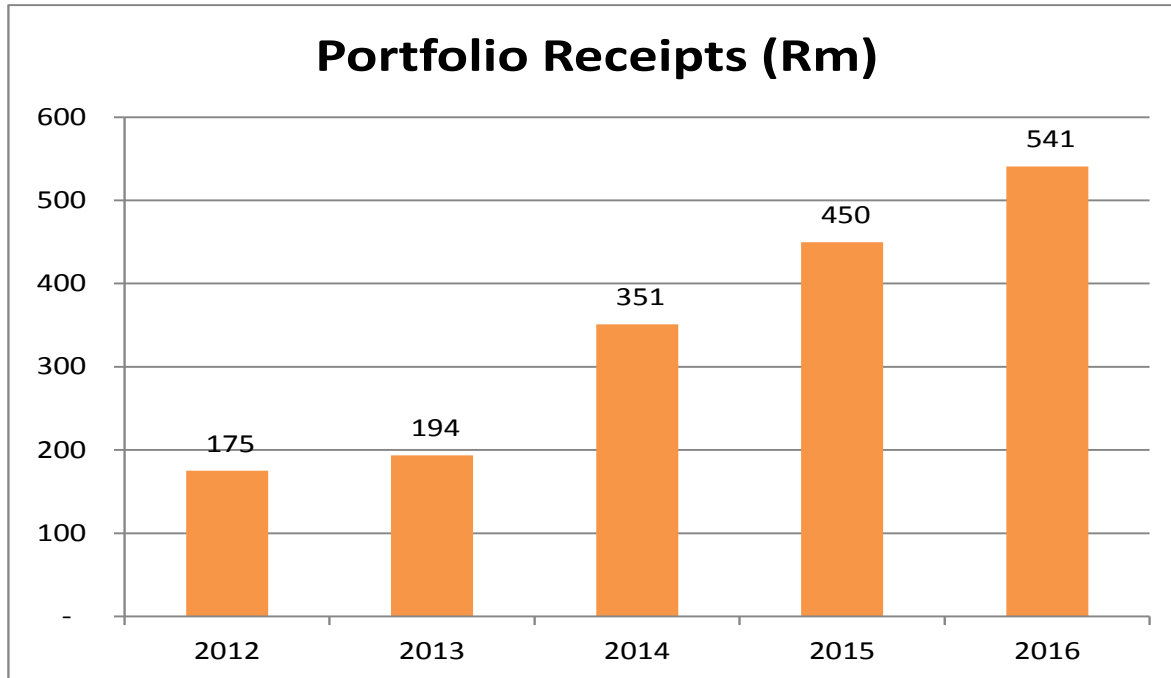


Life- to Date Performance Milestones

	Output	Achievements
1	Approvals	Benefited black entrepreneurs through approval of 839 transactions worth more than R8.5 billion across the country.
2	Disbursement	Approximately R5.6 billion has been disbursed to these companies since inception.
3	Integrity	Secured clean external audit opinions for 11 years running.
4	Supporting jobs	To date the NEF has supported in excess of 89 900 jobs , assisting well over 850 000 beneficiaries nationwide .
5	Industrialisation	27 strategic and industrial projects worth approximately R28.6 billion with potential to support over 85 000 additional jobs.
6	A culture of savings & investment	In a transaction worth over R1 billion the NEF Asonge Share Scheme made available more than 12 million MTN shares to over 87 000 investors comprising black individuals and groups. 49% of investors were women.
7	Investor education	Reached over 30 000 people in villages and townships through 134 community seminars on how to save and invest, personal financial discipline, shares, dividends, bonds, the property and money markets.
8	Entrepreneurship training / incubation	Business skills training provided to over 2 898 potential entrepreneurs who attended 109 seminars from 2012 to date.
9	National footprint	Regional offices in all provinces. Approximately 53% of the number of approved transactions emanated from the regional offices and Pre-Investment Unit, year to date as at 31 December 2016
10	Collections	Over R2.1 billion has been repaid by investees.
11	Cost to income ratio	The NEF's targeted cost to income ratio is between 54% and 58%. As at 31 December 2016 the ratio achieved was 52%, which is currently below our range of 54% to 58%.

Cash Collected

Over R2.1 billion collected cumulatively from loans disbursed across the country, in black-owned and managed businesses across virtually all sectors of the economy.



2015/16 Performance Highlights

	Output	Achievements
1	Approvals	Approved 127 deals worth R1 248 million against a target of 111 deals worth R880 million
2	Commitments	R1 028 million against a target of R770 million; 120 deals against target of 106
3	Disbursement	R819 million against a target of R691 million
4	Supporting jobs	Supported 4 938 job opportunities (of which 3 377 are new), bringing total job opportunities geared to be supported since inception in excess of 86 859 (of which 61 231 are new)
5	Unencumbered cash	Cash that is immediately available to the NEF for new approvals is R356 million
7	Collections	Portfolio collections for the year at R541 million are 20% above 2015 receipts
8	Black Women Empowerment	30% of commitments made in year were towards businesses partially/wholly owned by women (target at 45%) Total women ownership disbursed in the year is 29% vs target of 40% Black women empowerment remains a key priority of the NEF and improvement in this area will continue to be an area of focus
9	Media coverage	AVE coverage of R54 million. 88% of the coverage was positive, 9% neutral and 3% negative in tonality
10	Industrialisation	31 strategic and industrial projects worth R29 billion, with the potential to support over 86 500 jobs

2015/16 Performance Highlights / cont.....

	Output	Achievements
11	Regional Offices	60 deals approved in the year from Regions & Pre-Investment Unit worth R427 million
12	Geographic Activity	Since inception, Gauteng comprises 45% of invested portfolio. Achieved >45% of new target to disburse funds in NC, FS, LP, MP, EC and NW (i.e. R367 million vs. target of R173 million)
13	Rural & Community Development	Rural deals since inception are geared to empower 30 communities and over 1.8 million individuals
14	Entrepreneurial Development	26 Business Today training sessions provided, 36 entrepreneurs have been successfully incubated
15	Collections & litigation	Over R1.7 billion has been repaid by investees. Litigation pipeline increased by 17 transactions with a value of R84.3 million. Collections on deals in litigation - collections of R48.5 million against legal fees of R2.3 million
16	Active Portfolio Management	Portfolio impairment increased to 25% ROI at 9.7% is within targeted range of 8-10% Collection ratio at 97% vs target of 80% 26 successful exits at 1.25 times money back Repeat business created to the value of R135 million TWR facilitated 2 turnarounds, 6 Business rescue and 6 restructures
17	Tracking Register	Overdue findings decreased by 62% from the previous year and overall total findings decreased by 33% in the same time period
18	IST Governance	IST governance framework continue to be entrenched through the steering committee as well as policy and SOP formulation The Master Systems Plan has been approved detailing key IT projects that align to NEF business objectives

2015/16 Performance Highlights / cont.....

	Output	Achievements
19	Preferential procurement	Improvement in procurement from black women-owned entities at 29.18% as compared to 14.53% in 2014/15
20	Socio-Economic Development	Reached over 24 000 people in villages and townships through 120 community seminars on how to save and invest, personal financial discipline, shares, dividends, bonds, the property and money markets.



NEF Performance: Year to date

2016/17 Performance Highlights (Apr – Dec 2016)

	Output	Achievements
1	Approvals	Approved 69 deals worth R927 million against a target of 103 deals worth R750 million
2	Commitments	R465 million against a target of R621 million
3	Disbursement	R467 million against a target of R553 million
4	Supporting jobs	Supported 3 102 job opportunities (of which 1 155 are new), against a target of 3 403, bringing total job opportunities geared to be supported since inception in excess of 89 961 (of which 62 386 are new)
5	Unencumbered cash	Cash that is immediately available to the NEF for new approvals is R208 million
6	Collections	Portfolio collections at R317 million (almost 60% of 2016 collections in 9 months)
7	Black Women Empowerment	34% of disbursements made in year were towards businesses partially/wholly owned by women (target at 40%)
8	Regional Investments	R291 million of YTD disbursements were made across other provinces outside Gauteng. 28% (129 million) of YTD disbursements were made to earmarked provinces – against a target of 25% of disbursements
9	Non-financial support	21 entrepreneurial training sessions held across the country 47 social facilitation session held during the period 31 investor education sessions held 114 entrepreneurs were referred for incubation, while 23 successfully reached the final incubation stage
10	Financial sustainability	ROI (before impairments) at 8.24% (target range of 9-10%) Collections at 88.57% against a target of 80% Portfolio impairment since reduced to 18.5%

Current Economic Overview & Strategic Considerations for the NEF

Economic Landscape

Global overview:

- Global economic activity is forecast by the IMF to accelerate in 2017 with global growth projected peak at 3.6% in 2018.
- The forecast, however, remains uncertain due to pressure from ongoing political, policy, and economic uncertainties (mainly China's weak economic outlook and major policy changes under the new administration in the USA).
- Growth prospects have marginally worsened for emerging market and developing economies, where fiscal conditions have generally tightened.

Domestic overview:

- Recovery is expected to be slow and GDP growth is forecast at 1.1% for 2017 1.9% for 2018
- Unemployment rose to 27.1% in the third quarter of 2016 up from 26.6% in the previous quarter; agriculture, transport, manufacturing, mining and trade sectors continue to report substantial job losses.



Considerations for the NEF

The economic climate calls for heightened post-investment monitoring:

1. Post-Investment Unit (POIU) reports increased distress in our investee companies requiring targeted interventions (Moratoria, reduced instalments, extension of loan tenures)
2. Five of the seven companies transferred to the Turnaround, Workouts and Restructuring Unit are in the manufacturing and construction sectors as a result of knock-on effects of the decline in the steel manufacturing and mining sectors.

NEF targeted interventions include:

1. Increased and focused mentorship interventions
2. Proactive turnaround, workouts and restructuring interventions
3. Identifying sectors with the greatest potential for maximising the empowerment dividend in a financially sustainable way

The People Shall Share: Bapo Ba Mogale



Bussing over 20 000 daily



Yellow equipment for ore



Over 50 000 beneficiaries



Supplying 3 provinces



Bapo Ba Mogale /cont

- Traditional Community in Marikana have secured 5-year contracts with Lonmin Platinum in transactions that will benefit over 50 000 beneficiaries.
- The community's Investment arm has been awarded a contract to transport Lonmin's mineral ore in a multi-million transaction that will support 45 direct jobs.
- 84 buses to shuttle 20 000 Lonmin employees per day.
- To support 180 additional jobs.
- Supply Personal Protective Equipment to employees in Lonmin's mining operations in Marikana, Limpopo and Gauteng.
- To support 60 jobs.
- The NEF has approved R96 million for the above.
- NEF supporting the community with negotiations to maximize the empowerment dividend, as well as with the provision of entrepreneurial training.

Recapitalisation & NEF's Financial Position

Presidential Injunction

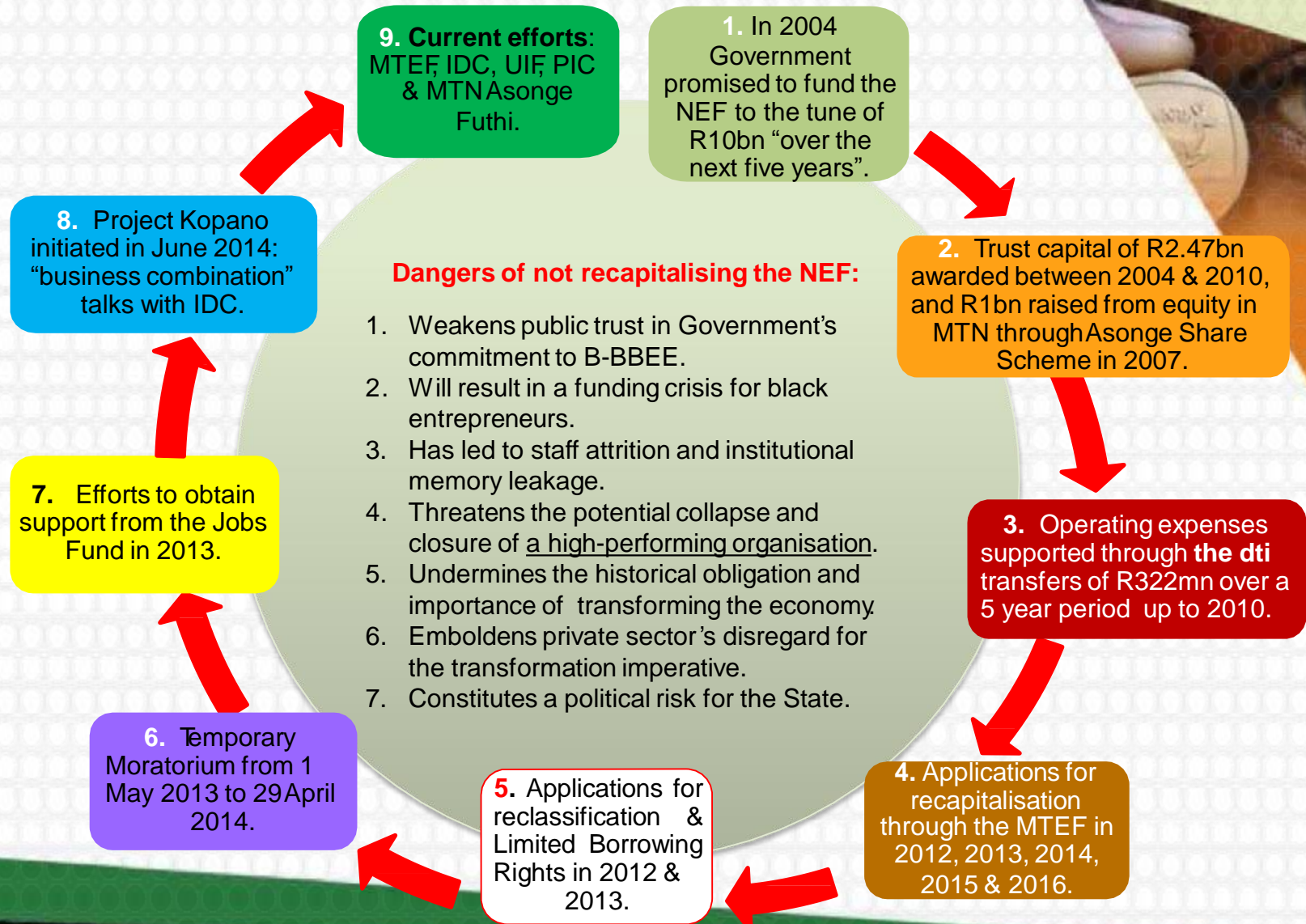
At the Black Business Council Baobab Awards Gala Dinner on
Tuesday, 27 September 2016

H.E. President Jacob Zuma stated as follows:

“One of the biggest challenges facing black businesses and the implementation of our empowerment policies is access to finance. To address this challenge we established the National Empowerment Fund (NEF) to be used as an instrument to financially support empowerment initiatives. Since its inception, the number of approvals by the National Empowerment Fund (NEF) have totalled 7.6 billion rand, supporting seven hundred and seventy (770) black businesses. For the 2015/16 financial year, the NEF has approved one hundred and twenty deals worth 1.3 billion rand. The NEF needs to be supported in order for the institution to do more to ensure access to finance by black entrepreneurs. **Government is currently exploring various means to recapitalize the NEF as an apex institution to facilitate BEE finance.**”



Journey of NEF Recapitalisation



Projected Unencumbered Cash Position

	Actual	Projected	
	Month	3 months	12 months
	31-Dec-16	31-Mar-17	31-Mar-18
Inflows			
Unencumbered cash at beginning of period	189 352 535	208 529 849	263 043 863
Inflows	34 205 042	135 392 198	460 226 014
	<u>223 557 577</u>	<u>343 922 047</u>	<u>723 269 877</u>
Outflows			
Approvals	85 587 150	4 872 850	950 000 000
Commitments withdrawn	81 351 000		
Opex & Capex	10 791 578	76 005 334	289 368 075
	<u>15 027 728</u>	<u>80 878 184</u>	<u>1 239 368 075</u>
Balance			
Unencumbered cash	208 529 849	263 043 863	-516 098 198
Disbursements	17 451 902	85 311 664	660 000 000
Actual/Projected cash	1 478 371 379		

Notes:

- Actual cash to date at R1.48 billion
- R208 million uncommitted cash at hand
- NEF projected to fully fund 2016/17 activities
- To discharge 2017/18 strategy, at least R500 million would be required as cash injection

NEF Capital Requirements

In order to meet the growing demand for business funding from **black entrepreneurs** countrywide, the NEF requires **an annual allocation of R2 billion over the next 5 years.**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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South Africa Siyasebenza



IDC Capitalising the NEF

- The Project Kopano process assessed various structural options to coordinate and strengthen the investment programmes of the two DFIs including:
 - ✓ Continue as is
 - ✓ **Arms length subsidiary**
 - ✓ Closely managed subsidiary
 - ✓ NEF as a division of the IDC
 - ✓ Complete merger into the IDC
- The NEF and **the dti** recommended the implementation of an Arms Length subsidiary where NEF assets and business are transferred to a company that is a subsidiary of the IDC.
- The process of exploring an optimum business structure has been concluded and endorsed by **the dti**.
- The process is currently at cabinet level; once cabinet approval has been obtained it will move through the requisite legal process to facilitate the business combination

IDC Capitalising the NEF

- **The next phase would be to for the NEF to obtain bridging finance from the IDC to support the NEF's funding activities over the next 5 years at R2 billion per annum.**
 - ✓ In this option the NEF remains focussed on B-BBEE and has an opportunity of increasing developmental impact as a result of recapitalisation from IDC.
 - ✓ The NEF remains an autonomous development finance institution.
 - ✓ **the dti** as custodian of B-BBEE legislation and policy in the country continues to maintain oversight over the NEF as the implementation agent of such policies.
 - ✓ The mandate of the NEF would continue as is, undiluted.

Engagements with the UIF & PIC

- The NEF approached the UIF to access its funds as our work would align to the UIF's objectives of job creation and support.
 - ✓ Our value proposition was well received by the Minister of Labour and the Commissioner of the UIF
 - ✓ Further presentation made to the UIF Exco
 - ✓ Before presenting to Investment Committee, we were directed to the PIC
 - ✓ Presented to the PIC's CEO, CFO and other senior management in June 2016
 - ✓ Submitted a comprehensive proposal to the PIC in August 2016 (R1 billion funding support)
 - ✓ Proposal approved for due diligence (DD) by the PIC Exco Investment Committee
 - ✓ The PIC has concluded a Due Diligence process and the application is going through its relevant governing structures
- The NEF is continuing to engage the UIF directly to access Labour Activation Programme funds for non-financial support purposes





Empowering farm workers
to become entrepreneurs

NEF Expertise

Rural & Community

- **Rural & Community Development**
- Expertise in unlocking economic value in peri-urban and rural areas.

Socio-Economic

- **Socio Economic Development Unit**
- Facilitates community and worker ownership and participation in transactions



Strategic & Patriotic

- Redressing past injustices
- Strengthening of Relative Rights of People Working the Land
- Potential outcomes:
 - economic development,
 - job creation,
 - enhancing food security,
 - broadening entrepreneurship, and
 - growing women's economic participation.



Milestones to date

Name of Farm	Province	Number of beneficiaries	Amount Approved	Industry	Status
Dubchick	Limpopo	6	R21 000 000	Game Farming	Partly Disbursed
Kleinmonden Rivier	Eastern Cape	40	R10 500 000	Pineapple farming & Processing	Fully Disbursed
Sun Orange Farms	Eastern Cape	58	R38 067 000	Citrus Farm	Agreements to be signed
Solms Delta	Eastern Cape	45	R65 000 000	Vineyards for wine production	Fully Disbursed
Birbury Farming	Eastern Cape	29	R5 320 903	Pineapples	Fully Disbursed
Westcliffe Farm	KwaZulu-Natal	55	R33 000 000	Vegetables, sugar cane, Timber	Partly Disbursed
Hoogland	Western Cape	18 permanent 180 Seasonal	R 75 100 000	Table Grapes, vegetables slice & dice	Agreements signed
Louie Meyer	North West	10	R28 495 000	Cattle farming	Agreements signed
Marolien	Gauteng	102	R30 433 000	Herb Farm	Agreements to be signed
Saamstaan	Western Cape	56	R160 492 000	Wine Grape Farming	Agreements to be signed
Jurgens Boedery	Limpopo	42	R44 388 000	Game Farm	Agreements to be signed
Total			R511 795 903		

Scope of NEF Work



- Due Diligence
- Price negotiations
- Transaction agreements



- Employee lists
- Warehousing
- Implementation



- Social facilitation
- NEF 5% shareholder
- Monitoring and mentorship



Milestones



Better prices negotiated



Going concern principle



Unlocking hidden value



30 farms worth over R1 bn



11 transactions approved R512 million



Milestones cont...



Strict disbursement terms



Retention of IP, trademarks,
markets & goodwill



Pioneering a new approach in
land restitution



Developmental Impact



Negotiations in progress

Name of Farm	Province	Beneficiaries	Amount	Industry
Bergstroom	KZN	192 employees	R 360 000 000	Maize, Cattle Farming
Bos Blanco	FS	80 employees	R 400 000 000	Game, cattle, grains
Gannahoek	FS	253 employees	R 60 000 000	Game, nuts, sheep, crop
Masisweni	EC	56 employees	TBC	Livestock, crop, processing
Morgenzon	FS	TBC	TBC	Cattle, sheep, game
Slagterskop	NC	3 employees	R 8 500 000	Sheep farming
Fremax Farms	MP	TBC	R 410 000 000	Potato, maize, feedlot
Zuurfontein	WC	TBC	TBC	Potatoes
Siyakhathamela	KZN	TBC	TBC	Sugar, Tannery, livestock
Thumamina	KZN	TBC	TBC	Sugar, Tannery, livestock
Seven Oaks	KZN	100 employees	TBC	Sugar, timber, livestock
Mikon Farming	MP	187 employees	R 62 000 000	Poultry
Karsten Group	NC	TBC	TBC	Table grapes
TOTAL			R 1 300 000 000	



Plan Going Forward



- To ensure the sustainability and efficient operation of all these business by actively monitoring progress.
- To establish corporate governance structures.
- To promote more similar transformation partnerships with other interested farmers in all provinces.
- To empower through skills development, and capacity building of the workers for active participation in the operation and management of these business.
- To develop Social development & empowerment plans from spin off opportunities.
- To Link the businesses to more international markets and create market linkages amongst them.
- To ensure the land tenure rights are realised by the beneficiaries.
- To ensure that proper housing structures are built for the beneficiaries.
- Implement the one household one hectare programme for more economic activities.
- Create smaller businesses on the household hectares and link them to market.

Market Failures & NEF Investment Funds

Challenges / Market Failures

- Limited own capital;
- Limited management skills, including financial, marketing and technical expertise;
- Lack of accurate and reliable financial information;
- Poor quality of business plans;
- Lower bargaining power and strong competition from established businesses with entrenched market dominance;
- Inadequate access to affordable capital; and
- Lack of access to local international markets.



The NEF has a comprehensive solution for each of the market failures outlined above.

Funding Across the Economic Spectrum

	Fund	Focus	Threshold
1	iMbewu Fund (SMEs)	SME Fund providing Entrepreneurship, Procurement & Franchise Finance	R250 000 – R10 million
2	Women Empowerment Fund (WEF)	Achieve minimum 40% of enterprises owned and managed by black women	R250 000 – R75 million
3	Rural & Community Development Fund	Supporting rural economic development through New Ventures, Acquisition, Expansion & Greenfields Finance	R1 million – R50 million
4	uMnotho Fund	Funding of New Ventures, Acquisition, Project Finance, Expansion, Capital Markets, Liquidity & Warehousing	R2 million – R75 million
5	Strategic Projects Fund	Early-stage investment in industrial / manufacturing transactions	Up to R75 million

**5
specialist
funds**

Non-Financial Support



Pre-investment

As the first-point-of-contact the unit provides product advisory services, manages the online business-plan solution, manages the administration of applications, incubation and entrepreneurial training.



Socio Economic Development

Empower black people in existing NEF transactions and other broad based groups through various social development interventions such as social facilitation, entrepreneurial training, investor education, corporate governance training and market access for the acceleration of meaningful participation.



Post-investment support

Monitor investments, provide ongoing portfolio management, manage mentorship support and collections as well as legal compliance



Turnarounds, Workouts and Restructuring

Rehabilitate distressed transactions and reduce impairments Through a combination of measures including balance sheet restructuring, equity and /or working capital injection, operational restructuring, introduction of a strategic equity partner and / or turnaround specialist and business rescue.





the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Growing Black Industrialists



SPF Mandate

Strategic Projects Fund (SPF)

A unit of the NEF established with a mandate to increase the participation of black people in early-stage projects

Aligned to national Government policy.

Seeks competitive opportunity for the South African economy and the inclusion of black participation in opportunities at the outset of projects, as opposed to doing so during equity closure

Development and Economic Impact

- Creation of new manufacturing and industrial capacity
- Creation of new jobs as opposed replacement capital finance
- Investment of new fixed capital into economically depressed areas or poverty nodes
- Creation of an inclusive economy by increasing South African participation
- Increase RSA export earning potential and reduce import dependency
- Increase co-investment and linkage with foreign direct investment



Creating Black Industrialists



Together with local & international partners the NEF has developed 27 strategic and industrial projects worth R28.6bn, with the potential to support over 85 000 jobs.

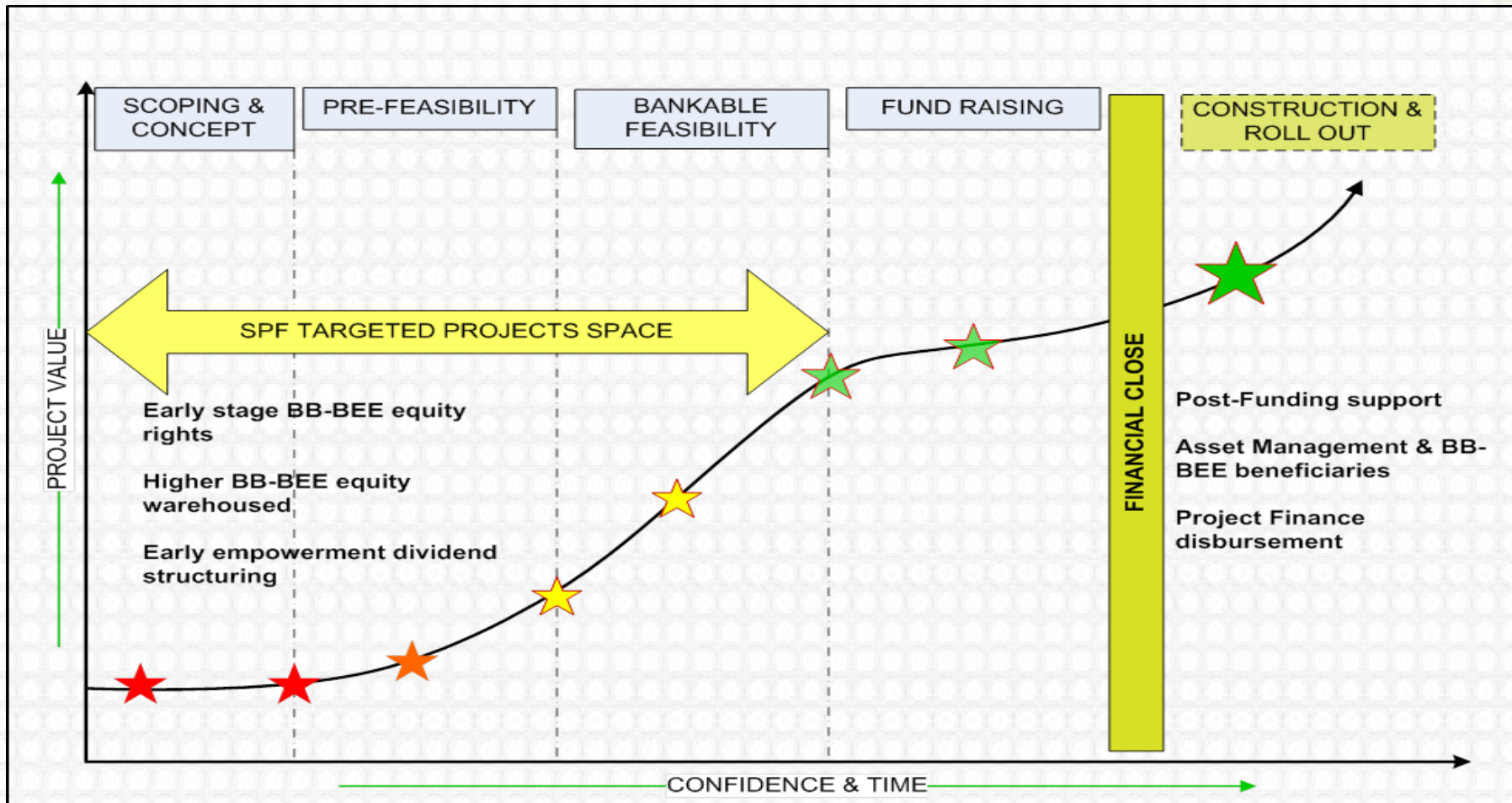
The NEF's future equity rights will total R4 billion at financial close.

Strategic Industrial Sectors

RENEWABLE ENERGY	MINERAL BENEFICIATION	AGRO-PROCESSING	INFORMATION & COMMUNICATIONS TECHNOLOGY	INFRASTRUCTURE	TOURISM
Biofuels Biomass Biogas Solar Wind Hydro	Mining & Mineral Beneficiation	Chemicals Agriculture	Telecoms Broadcasting	Roads Dams and Bridges Sewer and Bulk Services	B&Bs Hotels Guest Houses (Women-owned) Real Estate



Beneficiation Project Life Cycle



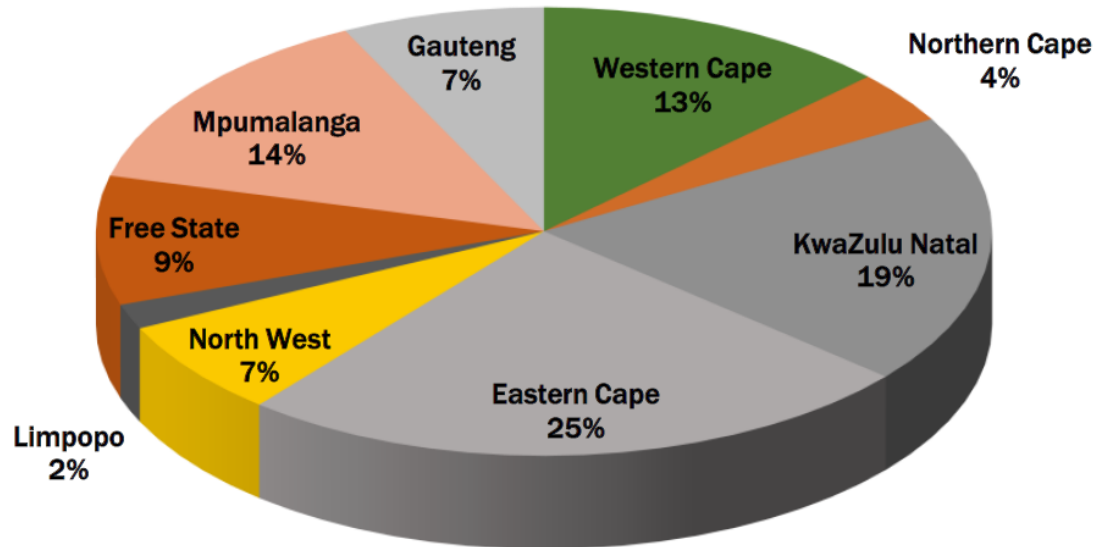
SPF Achievements Since Inception

- High risk investments - NEF only DFI with fully Venture Capital (VC) capability and offering focused on participation of black people in project development;
- Equity investments - typically with 7-10 years investment horizon;
- Circa R850m approved to date which has leveraged R4bn in external funding;
- 71% of projects at financial close, construction or operational stage
- 3 600 actual job opportunities created and
- 85 000 direct and downstream job opportunities to be created by the SPF Portfolio



Geographic Spread of SPF Deals

Portfolio by value - per province



SPF Portfolio – NEF Equity Rights

Project	Current NEF Equity	Women Shareholding	Black Ownership	Total Approved	Total Project Size	NEF Future Equity Rights	Province	Sector
Busamed Hospitals	18%		100%	230 000 000	2 500 000 000	225 000 000		Healthcare
Cape Point Film Studios	22%		100%	3 500 000	900 000 000	100 800 000	Western Cape	Infrastructure
Coking Coal	37%		100%	10 000 000	500 000 000	93 000 000	Limpopo	Mineral Beneficiation
Gemilatex	20%	52%	100%	6 635 500		-	Gauteng	Manufacturing
Graskop Goerge Lift	26%		51%	33 400 000	150 000 000	19 575 000	Mpumalanga	Tourism
Vastek	31%	20%	100%	40 481 000	100 000 000	15 450 000	North West	Mineral Beneficiation
IVac Bio	74%	100%	100%	7 000 000	70 000 000	25 900 000	Gauteng	Manufacturing
Jalo (Pty) Ltd	49%	100%	100%	9 000 000	250 000 000	61 250 000	Gauteng	Manufacturing
Jozini School	45%	100%	100%	15 000 000	25 000 000	5 625 000	KwaZulu Natal	Infrastructure
KC Energy	40%		40%	70 600 000	150 000 000	-	KwaZulu Natal	Renewable Energy
Kenako Medical	85%		100%	74 956 600	280 000 000	-	Eastern Cape	Manufacturing
Kraalbos	0%		100%	1 000 000		-	Western Cape	Manufacturing
Link Africa	0%		0%	100 000 000	1 000 000 000	-	KwaZulu Natal	Infrastructure
Mabele Fuels	20%	3%	55%	71 750 000	2 155 000 000	216 577 500	Free State	Renewable Energy
MIBT	49%		100%	28 600 000	30 000 000	7 350 000	Gauteng	Manufacturing
Milk for Life	49%		100%	2 000 000	50 000 000	12 250 000	Limpopo	Agro-processing
Mkhondo Biorefinery	49%		100%	10 000 000	800 000 000	196 000 000	Mpumalanga	Renewable Energy
Nkomazi Cotton Development	49%	63%	100%	7 400 000	150 000 000	36 750 000	Mpumalanga	Manufacturing
Nyamane Foods	50%	51%	100%	7 300 000	750 000 000	187 500 000	KwaZulu Natal	Manufacturing
RMI	30%		30%	13 500 000	15 000 000 000	2 250 000 000	Western Cape	Mineral Beneficiation
SA Metals	29%		29%	40 000 000	1 950 000 000	282 750 000	Mpumalanga	Mineral Beneficiation
Salamax	40%		100%	10 235 179	161 000 000	32 200 000	North West	Renewable Energy
African Silica Investments	50%		100%	9 100 000	1 500 000 000	375 000 000	Gauteng	Mineral Beneficiation
Tyre Energy Extraction	68%	26%	68%	57 000 000	57 000 000	19 380 000	Eastern Cape	Renewable Energy
Bapo Ba Mogale				1 500 000		-	North West	Manufacturing
House of David Tlale	30%		100%	3 000 000		-	Gauteng	Retail
Mendl Rail & Engineering	36%	80%	100%	15 000 000	145 000 000	26 100 000	Gauteng	Manufacturing
Totals				877 958 279	28 673 000 000	4 188 457 500	-	-

Thank you

Contact Details

	WHERE	TELEPHONE
1	Head Office, Johannesburg	011 305 8000 or 0861843 633 / 0861 THE NEF
2	Eastern Cape	0861 633 327 / 0861 NEF ECP
3	Free State	0861 633 377 / 0861 NEF FSP
4	KwaZulu Natal	0861 633 596 / 0861 NEF KZN
5	Limpopo	0861 633 546 / 0861 NEF LIM
6	Mpumalanga	0861 633 678 / 0861 NEF MPU
7	Western Cape	0861 633 927 / 0861 NEF WCP
8	North West	0861 633 697 / 0861 NEF NWP
9	Northern Cape	0861 633 627 / 0861 NEF NCP

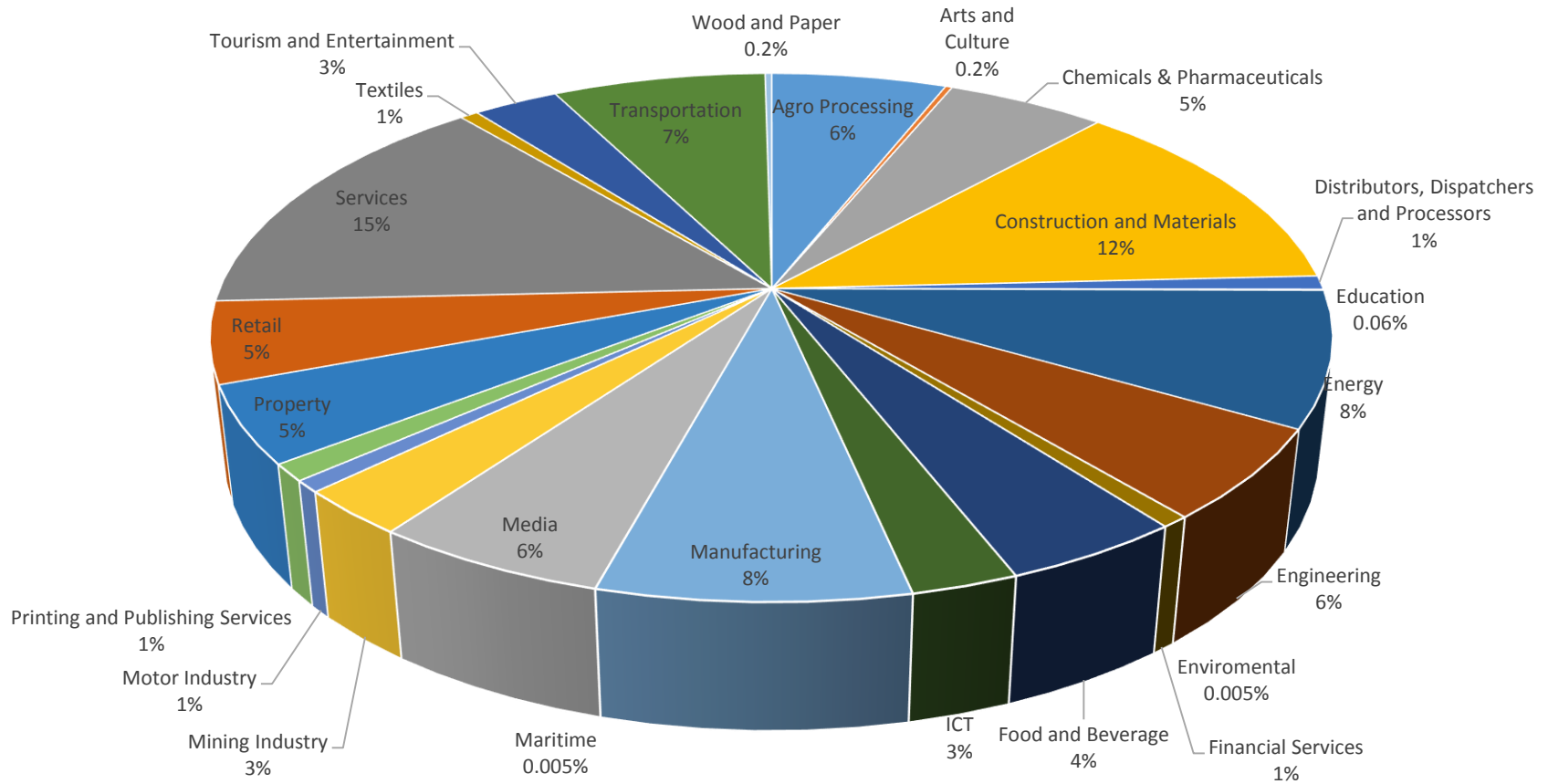
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Appendix

NEF Investment by Sector

NEF Invested Portfolio by sector by value (inception – 31 Dec '16)

NEF Invested Portfolio by sector by value since inception - 31 December 2016



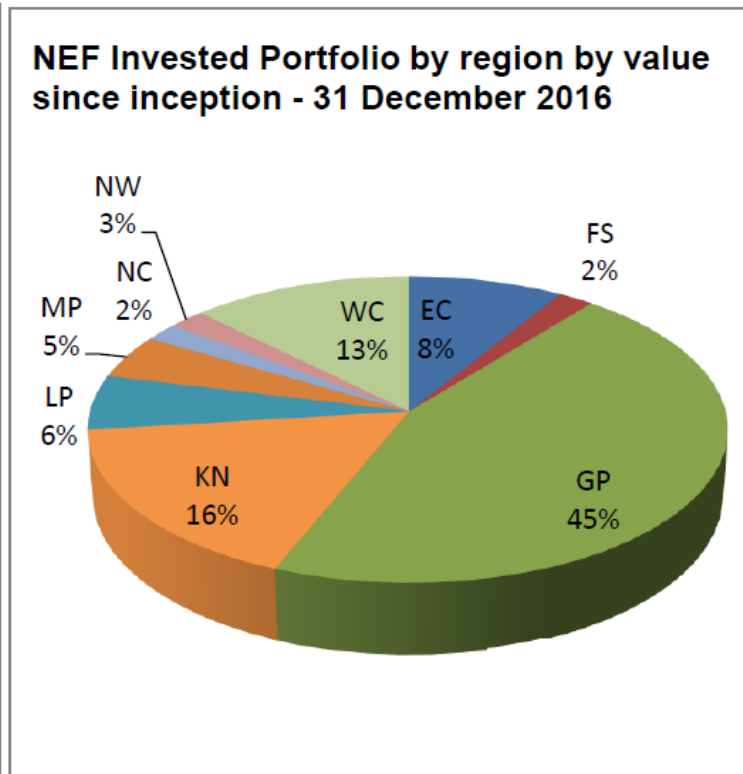
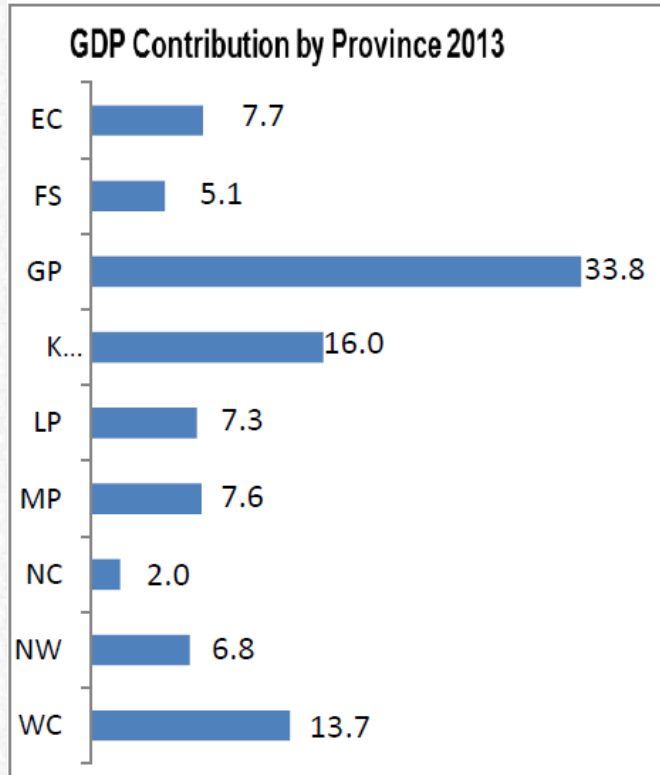
Invested growth across all provinces

1. As a national Development Finance institution (DFI) the NEF is committed to ensuring that its products and services reach the entire nation.
2. Since the launch of the NEF Asonge Share Scheme in July 2007 the NEF has implemented various measures and interventions to strive towards an even, representative and equitable distribution of its services across the country.
3. As a result, the NEF's invested presence in Gauteng has come down from above 60% of total disbursed funds in 2006, to 45% by 31 December 2016.
4. This is not as a result of a reduction of funding in Gauteng, but is a direct consequence of **planned, targeted and increased funding in the other 8 provinces** because they are integral to South Africa's economy, comprising 76% of the population.



Geographic spread of investments

NEF Invested Portfolio by region by value (inception – 31 Dec '16)



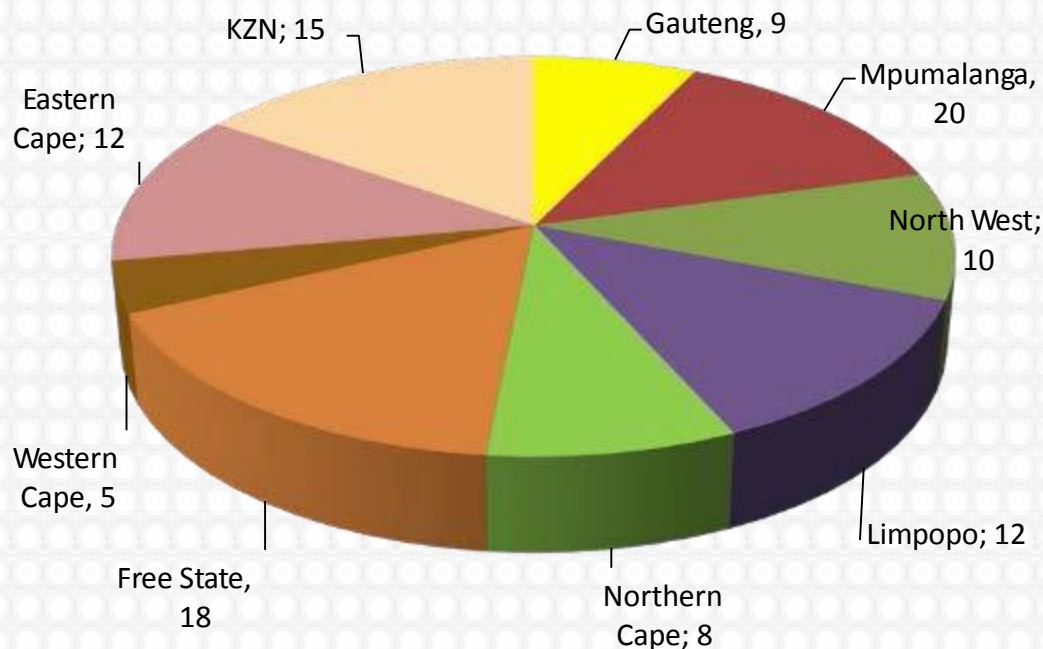
GDP Source: StatsSA (November 2014); Gross Domestic Product, Third quarter 2013 (The GDP contribution by province has been updated with the most recent available statistics from Statistics South Africa, in order to be able to match the performance to the most current available statistics.



Geographic spread of Incubation & Entrepreneurship Training

Province	Number of Training Seminars Conducted
Gauteng	9
Mpumalanga	20
North West	10
Limpopo	12
Northern Cape	8
Free State	18
Western Cape	5
Eastern Cape	12
KZN	15
Total	109

Entrepreneurial Training Seminars from 2012 to date



The NEF currently has working relationships with 3 business incubation centres across the country, which provide in-depth business support, training and in some instances assistance with access to markets, across various sectors of the economy. To date over 2800 businesses have been referred for incubation and entrepreneurship training to help take them to operational stage. At least 75% of the seminars were held in rural and township areas. These incubation centres were mainly established or supported through direct Government support, and their partnership with the NEF helps to maximise the impact that can be achieved through Government spending.



Regional Offices

1. The NEF has regional office presence in all provinces.
2. This national presence ensures that the NEF reaches every area of the country including the remotest rural areas, where the poorest of the poor mostly reside.
3. The NEF always takes part in national (the dti, EDD & DSBD), provincial and local government roadshows, as well as various other stakeholder events, to take its message to the people.
4. It is as a result of this that the NEF has successfully funded business ventures through its Rural and Community Development Fund, whose objective is to unlock value in rural and township economies.

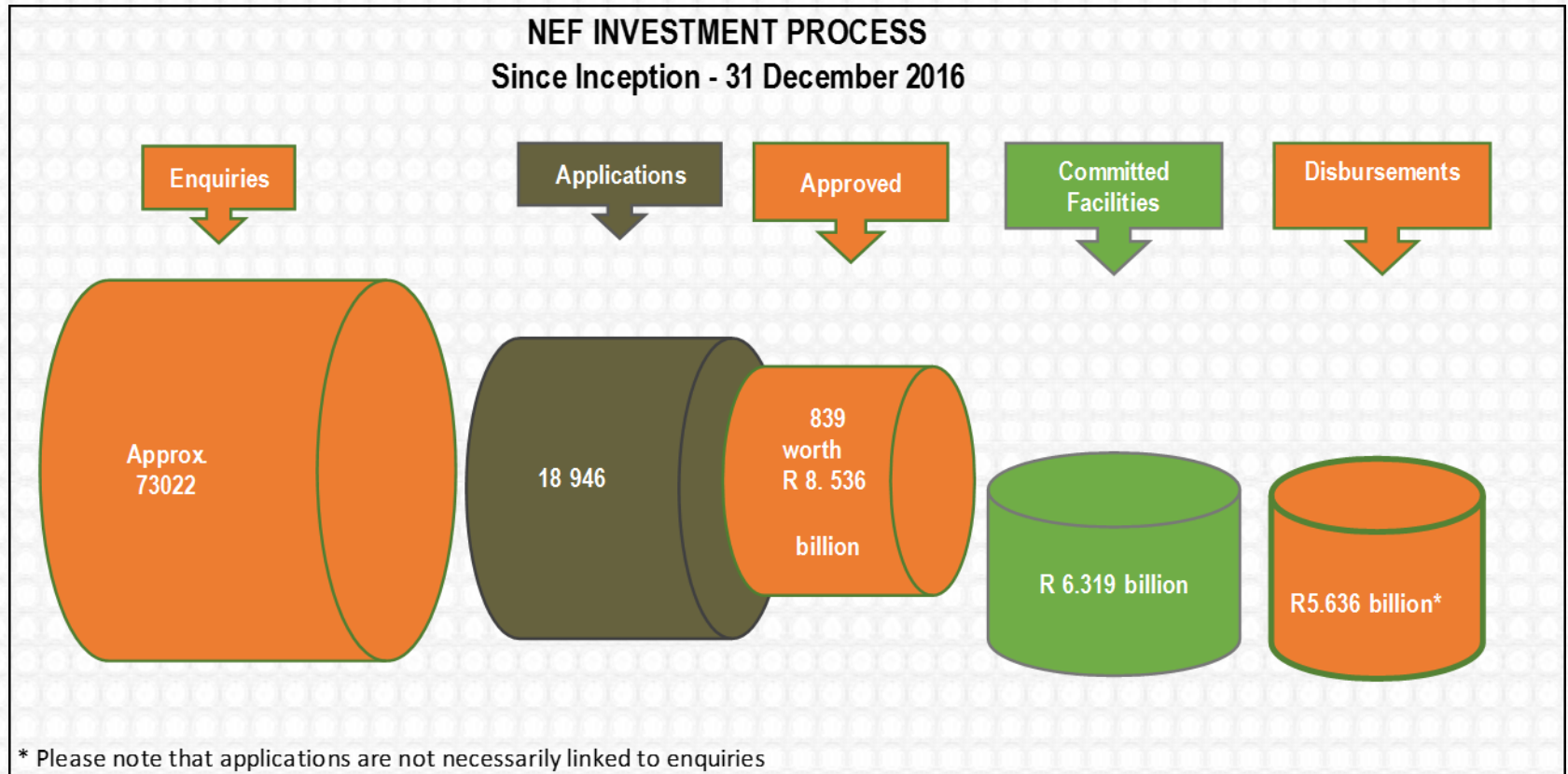


Geographic Spread – Investor Education

Investor Education campaign has been rolled out in the Eastern Cape, Northern Cape, Free State, Limpopo, Western Cape, North West, KZN, Mpumalanga and Gauteng. Attendees: Over 30 000



NEF Investment Process



Women Empowerment

31 March 2012	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 December 2016
21%	21.5%	21.5%	26%	*29%	*34%

*Percentage on annual disbursements



Fund a Woman, Fund a Nation	
Investors	86 000
Amount	R1.3 billion
Women by number	49%
Women by value	43%

Job Creation

Cumulative job opportunities created since inception:



**31 March
2012**

29 000 jobs
opportunities

**31 March
2013**

40 000 jobs
opportunities

**31 March
2014**

47 000 jobs
opportunities

**31 March
2015**

*81 000 jobs
opportunities

**31 March
2016**

86 859 jobs
opportunities

**31 Dec
2016**

89 900 jobs
opportunities

Geared to support in excess of 100 000 over the next 3 years

*In 2014/15 the PRASA deal alone was geared to support 31 121 job opportunities



A Sample of NEF Investees

Salamax - Biofuels



Global warming



Bioethanol



Renewable energy



Grass as feed stock



Leaves as feed stock



Export revenue

Medical Devices Manufacturing

JaLo Renal



Location	TBA, ideally in an IDZ
Project Development Stage	Bankable Feasibility Study
NEF Investment to date	R9 million (BFS)
NEF Equity	49%
Project Promoter	JaLo Enterprise
Projected Financial Close Requirement	USD11.5 million
Jobs	60 (200 indirect)

The project seeks to establish a Hollow Fibre Dialyzer Manufacturing Plant with a capacity to produce 1 million dialysers per annum.

The project will also produce other haemodialysis products such as dialysates, dialysis kits etc. The BFS is estimated to be completed before the end of 2016.

Infrastructure & Manufacturing

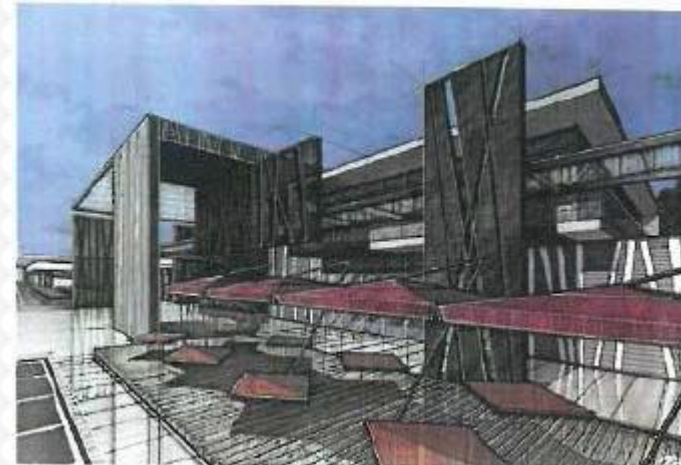
CAPE POINT FILM STUDIOS

Cape Point Film Studios aims to develop the first purpose built four precincts Sea & Underwater Sound Stage in the southern hemisphere. There has been growing demand for production facilities of an international standard in South Africa by Hollywood producers and therefore Cape Point Film Studios aims to address this shortfall by offering unique and niche water stage facilities that are currently not available in the country in addition to existing sound stages. The project has great job creation potential and will assist to revive an economically depressed area in Atlantis, Cape Town



exterior infinity water stage

Location	Cape Town, Western Cape
Project Development Stage	PFS
NEF Investment to date	R3.5 million
NEF Equity (projected)	22.4%
Project Promoter	Cape Point Film Studios (Pty) Ltd
Projected Financial Close Requirement	USD40 million
Jobs	50 direct and 4500 indirect



Renewable Energy Projects

KC ENERGY

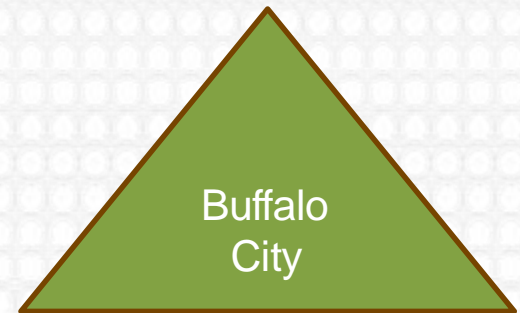
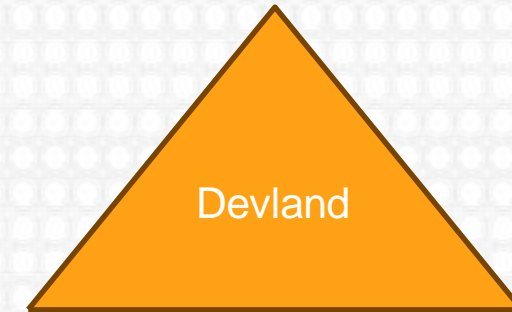
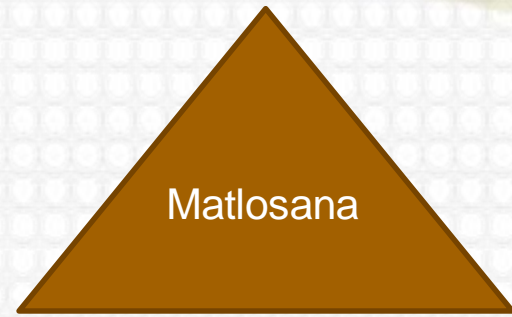
The cogeneration project has developed a Combined Heat and Power (CHP) plant producing steam (60 tph) and electrical power (7MWp) for process plant usage and is based in Newcastle, Kwa-Zulu Natal province. The plant is currently being partially commissioned, with some sub-components thereof, still under the final stages of construction.



Location	Newcastle, KZN
Project Development Stage	Construction
NEF Investment to date	R70.6 million
NEF Equity	40%
Project Promoter	KC Energy
Total Project Cost	USD14 million
Jobs	250



Social housing support

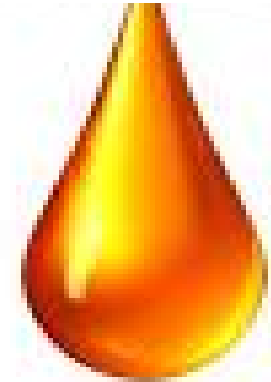


Renewable Energy Projects

MABELE FUELS

The project intends to develop a fuel grade bioethanol plant, in Bothaville, in the Free State Province. With capacity to produce about 154 million litres per annum, the plant feedstock is grain sorghum. The production methodology involves a process utilising grain milling through to starch conversion to sucrose as well as fermentation and drying that ultimately culminates in the production of saleable bioethanol.

Location	Bothaville, Free State
Project Development Stage	Financial Close
NEF Investment to date	R40 million
NEF Equity	11.76%
Project Promoter	Mabele Fuels Pty Ltd
Projected Financial Close Requirement	R2.5 billion
Jobs	16 700



Development impact of Project

- A high job creator with an estimated **cost per job** relatively **low** at approximately R149,700;
- Use of agricultural outputs in project creates opportunities for **community ownership** through community trusts and/or employee ownership schemes;
- Opportunity for **rural socio-economic development**;
- A green **environmentally friendly** alternative to the conventional use of fossil fuels;
- Provides for **greater fuel security** in countries such as South African with no oil reserves;



***PROJECT WAITING FOR FINALISATION OF REGULATORY
FRAMEWORK***

Super Grand Agric



Super Grand Agric. is an animal feed producer specialising in chicken feed as well as pig feed on special order. The company is located in Bronkhorspruit, Gauteng and has received funding of R15 million from the NEF as well as R17,5 million from the Department of Rural Development and Land Reform. The company is managed by a cooperative that has experience of running a smaller animal feed operation for the past 5 years. The NEF has warehoused 20% on behalf of the workers Trust.

Sector: Agro-processing

Core Business: Animal Feed

Jobs: 40 permanent jobs

Smith Capital (Pty)Ltd.



The National Empowerment fund has funded Isipho Capital Engineering to acquire a 100 % interest in Smith Capital Equipment, a company that manufactures aerial platforms, commonly known as cherry pickers and used to reach elevated structures such as street lights, as well as drilling rigs used in mining exploration and installation of pylons and street poles.

With 42 years experience, Smith Capital is a household name in the industry. Isipho Capital owns 65% while 35% is owned by staff and management.

Sector: Electronics Manufacturing

Core Business: Drilling Rigs and Platforms

Jobs: 95

Stylco Group (Pty) Ltd



Stylco Empowerment (Pty) Ltd is a majority youth owned company with 75% and 25% owned by the Stylco (Pty) Ltd. Their technical partner. The company has alliance partners, Universal Export Group, based in Hong Kong and China. Stylco manufactures and distributes many popular brands. Under license. Stylco Empowerment has listed to supply Pick 'n Pay with their branded products (AIM) which it has exclusivity in manufacturing.

Sector: Electronics Manufacturing

Core Business: Television Screens

Jobs: 100

Go 2 market (Pty) Ltd. (G2M)



G2M is a 100% black woman owned and managed concrete mixing company. The core product of the company is to provide onsite concrete mixing using OMEGA Volumetric Concrete Mixer (VCM). These mixers are capable of producing a wide range of volumetric mix designs, including standard concrete, high specification concrete, grout mixes, pump mixes efficiently according to complex construction specifications. G2M has an exclusive contract to supply VCM within the continent.

Sector: Construction

Core Business: Concrete Mixing

Jobs: 18

Boniswa Corporate Solutions (Pty) Ltd.



Boniswa Corporate Solutions is a 100% black woman owned business . The company is a multidisciplinary telecommunications services company that was established in 2004 and has experience in various disciplines of telecommunications including wireless technologies, optic fibre, copper cable works, civil works, and network support services for both fixed and wireless lines systems. Boniswa Corporate Solutions provides site infrastructure to Vodacom and other telecommunication companies in South Africa and the SADC region.

Sector: Telecoms Infrastructure

Core Business: Telecoms Installations

Jobs: 130

Dikwata Harvesting (Pty)Ltd.



Dikwata Harvesting (Pty) Ltd. Is a newly established company that has an offtake agreement with SAPPI Forests. The business is 100% black owned and specialises in mechanised timber harvesting in the Highveld. Dikwata harvests different species of Eucalyptus trees. The business is based in Piet Retie Mpumalanga. The NEF has invested R9.9 million for the acquisition of plant equipment, trucks to transport timber and for working capital.

Sector: Forestry

Core Business: Tree Harvesting

Jobs: 24

Pyrratrade (Pty) Ltd



Pyrratrade is a 100% black-owned castor oil processing plant located in Hammarsdale, KZN. The castor oil processing plant is designed to handle 60 tons per day. Products from the plant are: Castor Oil and Cake Meal (Fertilizer).

WS Lloyds Limited is the 100% off-taker for the castor oil. The business is a start-up and will create 40 permanent jobs. The Department of Agriculture in KZN is in full support of the project and will assist with the identification of Land Reform Farms in order to plant castor beans for the project.

Sector: Agro-processing

Core Business: Castor Oil Production

Jobs: 40

Halala Shopping Centre



The shopping Centre is located in Soshanguve, Gauteng Pretoria. Hala Shopping Centre is 100% black owned project measuring 5000 m² in building size and the current Gross Lettable Area (GLA) is 1 578 m². The second phase expansion is geared to increase GLA from 1 151 m² to 2 729 m². The increase in the GLA will result in a significant increase in the monthly revenue and sustainability of the project.

The property has 100% tenancy confirmed, with 63% national tenants and 37% regional. Among the tenants listed are Shoprite, USAVE, Tab Horse Racing, Halala Pharmacy, Standard Bank and Spykos Food

Sector: Property Development

Core Business: Shopping Centre

Jobs: 81

African People Mover (Pty) Ltd



African People Mover (Pty) Ltd. Is a majority black owned and managed enterprise which provides intercity passenger transport services within South Africa. Established in 2014 APM has developed a service model that revolves primarily around the passenger while ensuring commercial and social sustainability for the organisation in a long term.

APM has a mission to unlock and deliver value to the stakeholders by consistently ensuring that the intercity passenger service remains relevant to the commuters.

Sector: Transport & Logistics

Core Business: Intercity Bus Services

Jobs: 84

Park Inn Raddison



Park Inn Polokwane is a development of the hotel that required R175.4million funding sought from the NEF, IDC and own contribution. 108 direct permanent jobs during the hotel operations and about 400 indirect jobs during construction will be created. Black equity ownership is 83%,and effective black woman shareholding is 30%.

The hotel is a 3 star graded hotel with 161 rooms, centrally located in Polokwane. It is targeted at local, international business and leisure travellers. It will offer all amenities including restaurant, conference facility, spa and other related facilities typical of a 4* up-scaling hotel experience. The hotel will be managed by the owners together with Hotel Manager (Rezidor) through a management contract.

Sector: Tourism

Core Business: Hotel Accomodation

Jobs: 120

Allimor Footwear (PTY)LTD



Location	Ladysmith, KZN
Project Development Stage	Expansion Capital
NEF Investment Undertaken	R12.2 million
NEF Equity (Workers Trust) representing 120	30%
Project Promoter	Marimothoo Family Trust (MFT), 70%
Total Projected Cost	R16.13 million
Jobs to be created	60

Allimor Footwear is a company based in Chatsworth, KZN; is expanding its' operations in Ezakheni in Ladysmith to service the JHB market. The Company Manufactures fast fashion footwear for ladies in the lower income group; and the customers base includes Jumbo, Makro, Chinese retailers as well as Wholesalers. The expansion capital required will create further 60 permanent jobs in a economically depressed area of Ladysmith. The company worker will own