

Corporate profile

Our mandate

The Industrial Development Corporation of South Africa Limited (IDC) was established in 1940 by an Act of Parliament (Industrial Development Corporation Act, No. 22 of 1940).

We were established to spearhead the development of domestic industrial capacity, especially in light of the shortages of manufactured goods experienced as a result of the disruption of trade between Europe and South Africa during the Second World War.

For more than 70 years, we have been instrumental in implementing South Africa's industrial policy, establishing some of the industries that have since become cornerstones of the country's manufacturing sector. These include the petro-chemicals and minerals beneficiation industries. Apart from large industrial projects in these industries, we have also been instrumental in the establishment of other industries such as fabricated metals, agro-industries, clothing and textiles.

In the 1990s, our mandate was expanded to allow investment in the rest of Africa. Our first such venture was an aluminium smelter in Mozambique, bringing together investors from around the globe to establish a major industrial operation in a country plagued by decades of civil war. The venture illustrated the viability of large projects on a continent that was often shunned

Our values



by investors. Other current investments in the rest of the continent include mining, agriculture, manufacturing, tourism and telecommunications.

We rely on funds generated from our loan and equity investments, exits from mature investments as well as borrowings from commercial banks, other development finance institutions (DFIs) and other lenders, to fund our activities.

Although our priorities evolved in line with policy direction over the years, we remain committed to our objective of developing the country's industrial capacity and, in doing so, play a major role in creating jobs.

Our industrial development role

We are a key implementing agency of industrial policy. Currently this centres on the New Growth Path (NGP) and its manufacturing driver, the Industrial Policy Action Plan (IPAP). We identify opportunities for sector development in line with policy objectives and play a catalytic role by developing projects in partnership with our various stakeholders. Our funding activities are mainly to the private sector, but we also work closely with different levels of government, government agencies and sector organisations to ensure a co-ordinated approach. In addition, we support government in other areas related to its development objectives such as research and fund management.

IDC's role in the rest of Africa is to proactively develop and implement strategies that create and integrate value chains across the continent. By taking advantage of each individual country's strengths, a more competitive industrial base throughout the region can be ensured.

Our B-BBEE score

We are a Level 2 B-BBEE contributor. During the year under review our score was 89.7.

As a State-owned development financier, the IDC believes it is our obligation to ensure economic transformation in the economy and, as such, we will continue to explore ways through which to improve our score.

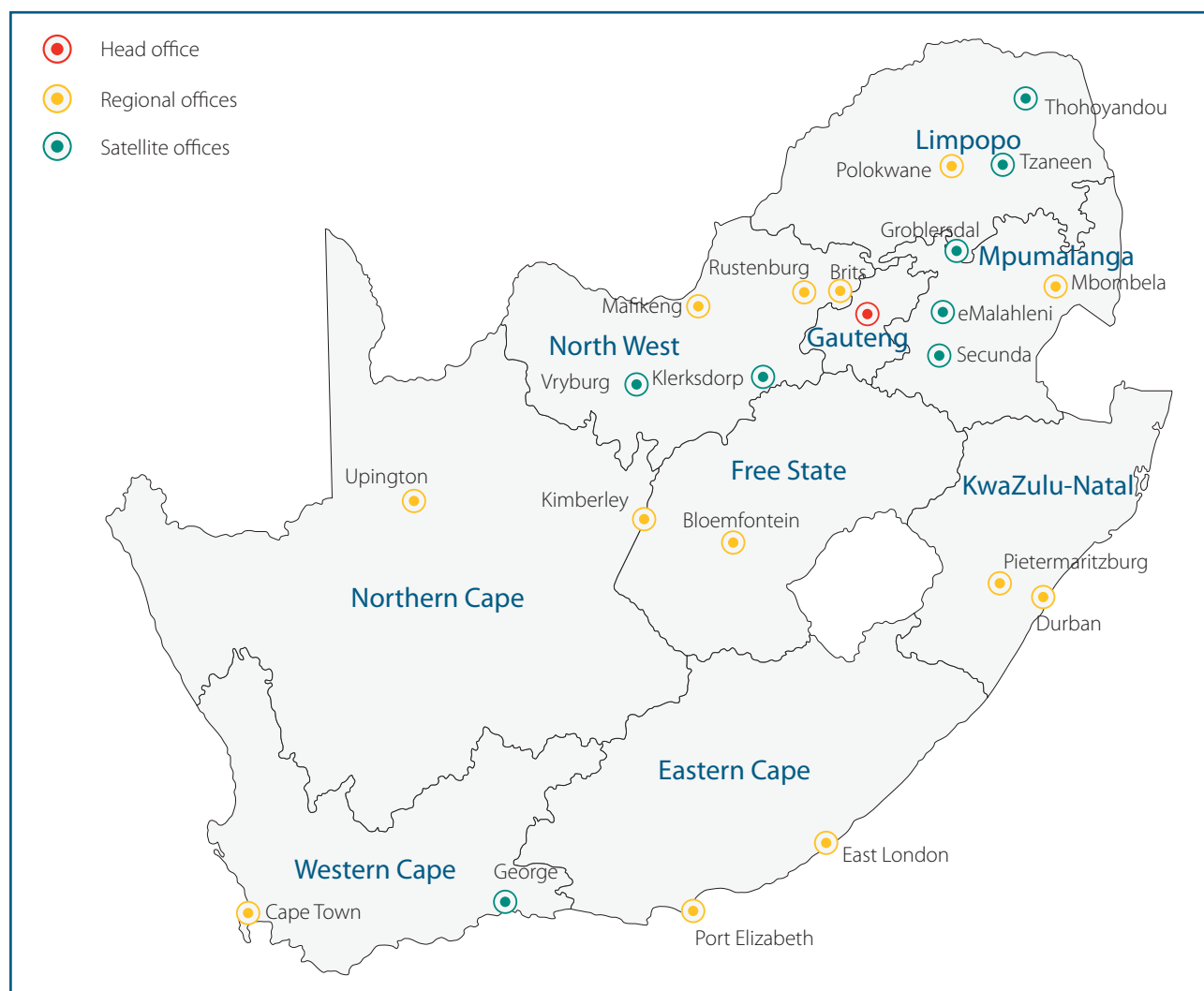
B-BBEE SCORE			
Management and Control	16/15	Employment Equity	13.6/15
Skills Development	13.5/20	Preferential Procurement	16.5/20
Enterprise Development	15/15	Socio-Economic Development	15/15

Corporate profile *(continued)*

Our main business and funding activities

Activities	Customers	Business lifecycle	Sectoral involvement	Funding products	Regional involvement
<ul style="list-style-type: none"> Provision of development finance Project development Research and policy inputs Fund management Non-financial forms of business support Capacity building 	<ul style="list-style-type: none"> Business Government Other DFIs 	<ul style="list-style-type: none"> Conceptual Pre-feasibility Feasibility Establishment Product commercialisation Expansion Mature 	<ul style="list-style-type: none"> Agricultural value-add Mining and mineral beneficiation Manufacturing Green industries Industrial infrastructure Tourism ICT Media and motion pictures Healthcare 	<ul style="list-style-type: none"> General debt Quasi-equity Equity Export/import finance Short-term trade finance Bridging finance Guarantees Venture capital Wholesale funding through intermediaries 	<ul style="list-style-type: none"> South Africa Rest of Africa Global imports of South African equipment

IDC offices in South Africa



Group five-year review

Figures in Rand million	2012	2011	2010	2009	2008
Statement of financial position					
Cash and cash equivalents*	7 825	5 828	2 866	5 607	5 370
Loans, advances and investments	96 209	94 024	79 265	61 879	78 931
Property, plant and equipment	4 772	4 587	4 136	3 038	3 002
Other assets	3 424	2 367	2 364	2 853	3 130
Total assets	112 230	106 806	88 631	73 377	90 433
Capital and reserves	91 862	92 726	79 189	64 687	75 803
Non-controlling interest	331	342	366	358	45
Other financial liabilities	9 923	6 677	3 527	5 165	5 825
Other liabilities	10 114	7 061	5 549	3 167	8 760
Total equity and liabilities	112 230	106 806	88 631	73 377	90 433
Statement of comprehensive income					
Operating profit	3 412	2 285	2 008	5 314	2 155
Income from equity-accounted investments	(2)	633	40	1 132	1 950
Profit before taxation	3 410	2 918	2 048	6 446	4 105
Taxation	(107)	(206)	181	(825)	(154)
Profit for the year	3 303	2 712	2 229	5 621	3 951

*To be utilised to fund commitments of R34,36 billion.

IDC value-added statement LA

Figures in Rand million	2012	2011
Value created		
Net interest income	1 225	1 014
Impairment losses on loans, advances and investments	(1 616)	(1 026)
Other income from lending activities	413	293
Other investment income	3 541	2 248
Operating expenditure	(511)	(436)
	3 052	2 093
Value allocated		
Benefits to employees	750	610
Social spending in communities	59	65
To government as taxation and dividends	79	133
Taxation (including deferred tax)	29	83
Dividends to shareholders	50	50
Value reinvested in operations	2 164	1 285
Transfer to reserves (retained earnings)	2 143	1 248
Depreciation and amortisation	21	37
	3 052	2 093

Corporate profile *(continued)*

Flow of funding and development impact

Five-year period 2008 – 2012

Cash inflows



R18.3 bn Borrowings raised
R15.8 bn Income after tax payments

R12.6 bn Repayments received from clients
R3.1 bn Sale of shares

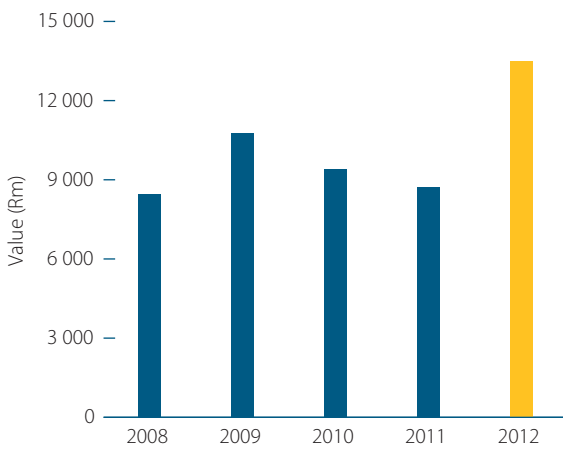
Cash outflows



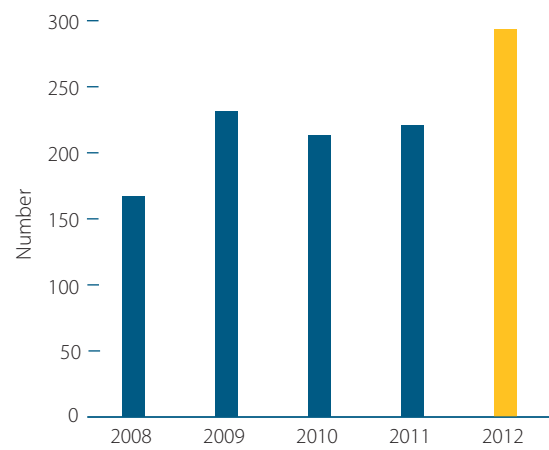
R25.2 bn Advances to clients in the form of loans
R13 bn Borrowings repaid

R7.6 bn Advances to clients in the form of equity
R0.4 bn Dividends paid

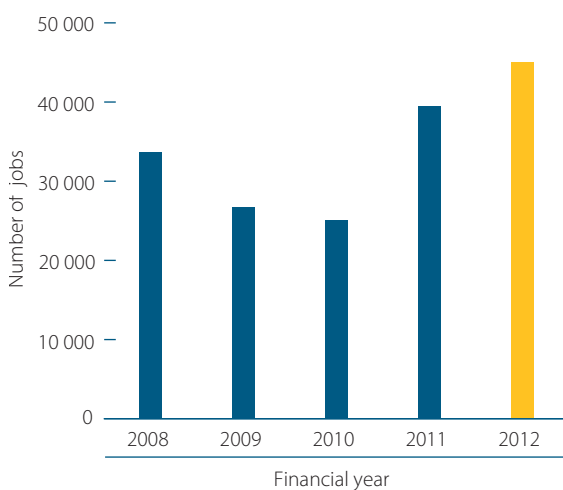
Value of approvals per year



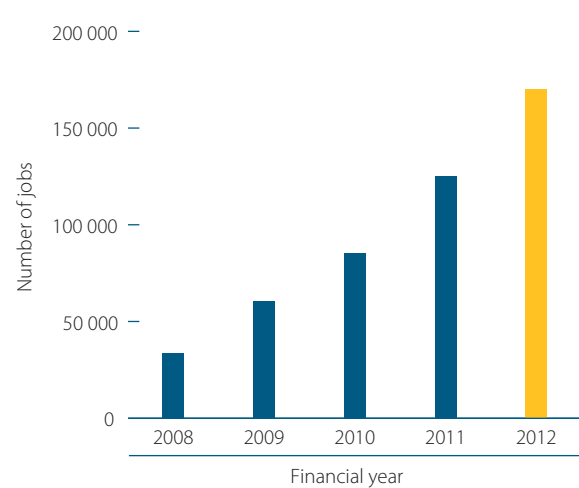
Number of approvals per year



Number of new and saved jobs facilitated per year

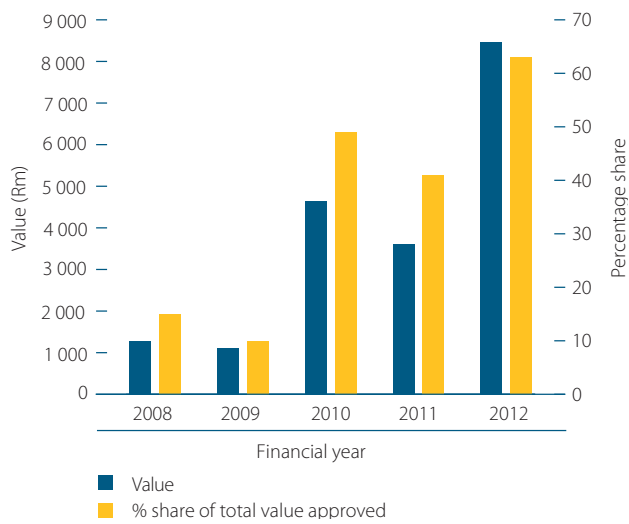


Cumulative number of new and saved jobs facilitated

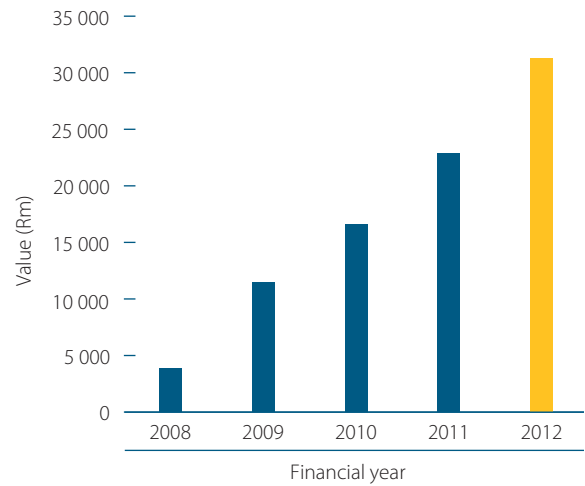


Flow of funding and development impact (continued)

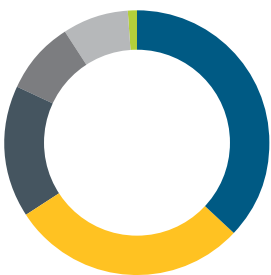
Approvals to rural companies (value) per year



Cumulative disbursements



Utilisation of IDC financing over five years (2008 – 2012)



37%	Projects and new start-ups
29%	Capacity expansions
16%	Investments outside South Africa
9%	Distressed businesses
8%	Expansionary ownership changes
1%	Other

Financing approved per region over five years (2008 – 2012)



23%	Gauteng	8%	Eastern Cape
16%	Outside SA	8%	KwaZulu-Natal
14%	Northern Cape	7%	Limpopo
11%	North West	4%	Mpumalanga
8%	Western Cape	1%	Free State

Corporate profile *(continued)*

Board of directors



MW HLAHLA (49) ⁽⁶⁾
Chairman
(Non-executive)

BA (Hons) (Economics) (Pomona College – California); Masters in Urban and Regional Planning (University of California, Los Angeles)

Directorships

- Findevco (Pty) Limited
- Royal Bafokeng Holdings Limited
- Praxley Consortium (Pty) Limited



MG QHENA (46)
Chief Executive Officer
(Executive)

BCompt (Hons) (Unisa); CA(SA); SEP (Wits and Harvard); Advanced Tax Certificate (Unisa)

Directorships

- Findevco (Pty) Limited
- Foskor (Pty) Limited (Chairman)
- Acerinox SA



LI BETHLEHEM (44) ^(5, 9)
(Non-executive)

BA (Hons) Industrial Sociology (Wits); Master of Arts (Wits); Certificate in Economics and Public Finance (Unisa)

Directorships

- Findevco (Pty) Limited
- Holds 13 other directorships, details available upon request from the Company Secretary



PM BUTHELEZI (48) ⁽¹⁰⁾
(Non-executive)

BA (Economics) (University of the North); MSc (Economics) (University of Paris); MBA Corporate Finance (University of Sheffield)

Directorships

- Findevco (Pty) Limited
- Group Five Limited
- Mervana (10 Beneficiary Family Trust)
- Sanlam Limited
- Sanlam Life Insurance Limited



JA COPELYN (61) ^(7, 9)
(Non-executive)

BA (Hons) African Governments (Wits); BProc (Unisa)

Directorships

- Findevco (Pty) Limited
- Holds 112 other directorships, details available upon request from the Company Secretary



BA DAMES (46) ^(6, 9)
(Non-executive)

BSc (Hons) (University of Western Cape); MBA (Stanford University)

Directorships

- Findevco (Pty) Limited
- EPRI – USA
- World Association of Nuclear Editors (WANO)
- World Business Council for Sustainability Development (WBCSD)
- VGB (Electricity Utility Industry Association)



LL DHLAMINI (38) ^(6, 7, 8)
(Non-executive)

BSc (Computer Science) (UCT); BCom (Conversion) (UCT); CA(SA); Post-graduate Diploma in Accounting (UCT)

Directorships

- Findevco (Pty) Limited
- Xabiso Consulting
- Nkwenkwezi Investment
- Xabiso CA Inc



RM GODSELL (59) ^(6, 7)
(Non-executive)

BA (Sociology and Philosophy) (University of Natal); MA (Liberal Ethics) (University of Cape Town), Post-graduate Studies (Sociology and Philosophy) (Leiden University)

Directorships

- Findevco (Pty) Limited
- Holds seven other directorships, details available upon request from the Company Secretary

Legend

- (1) Chairman of the Board Human Capital and Nominations Committee
- (2) Chairman of Board Audit Committee
- (3) Chairman of Governance and Ethics Committee
- (4) Chairman of Board Risk and Sustainability Committee
- (5) Chairman of Board Investment Committee

- (6) Member of Board Human Capital and Nominations Committee
- (7) Member of Board Audit Committee
- (8) Member of Governance and Ethics Committee
- (9) Member of Board Risk and Sustainability Committee
- (10) Member of Board Investment Committee



BA MABUZA (48) (4, 10)
(Non-executive)

BA (Mathematics and Computer Science) (Hunter College, City University of NY); MBA (Finance and Information Systems) (Leonard Stern School of Business, NYU)

- Directorships**
- Findevco (Pty) Limited
 - Afagri Limited
 - Africa Business News (Pty) Limited
 - Development Bank of Southern Africa
 - Airports Company South Africa SOC Limited
 - Lehumo Women's Investment Holdings



SK MAPETLA (61) (1, 10)
(Non-executive)

BSc Chemistry (Lesotho); MSc Analytical Chemistry (USA); Business Management Diploma (Dublin); EDP (Wits); Certificate in Financial Analysis (Wits)

- Directorships**
- Findevco (Pty) Limited
 - Afrika Biopharma Investment (Pty) Limited (Chairman)
 - Biotech Labs (Pty) Limited



LR PITOT (65) (2, 3, 9, 10)
(Non-executive)

CA(SA)

- Directorships**
- Findevco (Pty) Limited



SM RENSBURG (53) (7, 10)
(Non-executive)

BA (Management – Accounting and Business Administration) (Webster University, Vienna); MBA (Webster University, London)

- Directorships**
- Findevco (Pty) Limited



ZJ VAVI (49) (6, 8, 9)
(Non-executive)

General Secretary COSATU

- Directorships**
- Findevco (Pty) Limited



NE ZALK (43) (10)
(Non-executive)

BA (English and Private Law) (Unisa); Post-grad Diploma in Economics (Development) (School of Oriental and African Studies, London University); MSc Economics (School of Oriental and African Studies, London University)

- Directorships**
- Findevco (Pty) Limited



GS GOUWS (53)
Chief Financial Officer (Alternate)

BCom (Law); BCom (Hons) (UJ); CA(SA); FCMA, Advanced Management Programme (Insead)

- Directorships**
- Kumba Iron Ore Limited
 - Pebble Bed Modular Reactor (PBMR)
 - Atlantis Business Park (Pty) Limited
 - The Export-Import Finance Corporation of South Africa (Pty) Limited
 - Herdmans (Pty) Limited
 - Impofin (Pty) Limited
 - Konbel (Pty) Limited
 - Konoil (Pty) Limited
 - Kindoc Nominees (Pty) Limited
 - Findevco (Pty) Limited

During the period under review, the following directors retired:

- JR Barton
- SM Moloko
- JC Mtshali
- NG Nika
- MC Nkuhlu
- NN Nokwe

Corporate profile *(continued)*

Executive management



MG QHENA (46)
Chief Executive Officer

*BCompt (Hons) (Unisa); CA(SA), Advanced
Taxation Certificate (Unisa); SEP (Harvard, Wits)*



GS GOUWS (53)
Chief Financial Officer

*BCom (Law) (UJ); BCom (Hons) (UJ) CA(SA);
FCMA; Advanced Management Programme
(Insead)*



JM MODISE (49)
**Divisional Executive:
Human Capital
and Support Services**

*Diploma in General Nursing; BCom (Unisa);
Management Development Programme;
Senior Executive Programme;
Master in Business Leadership (Unisa)*



PB MAKWANE (46)
**General Counsel and
Divisional Executive:
Legal Services**

BJuris, LLB (Western Cape)



AP MALINGA (47)
**Divisional Executive:
Mining and Manufacturing
Industries**

BSc (Geology) (UCT); MBL (Unisa)



K SCHUMANN (43)
**Divisional Executive:
Services Industries
and Regions**

*BHome Economics, MBA (Stellenbosch);
Advanced Management Programme (Insead)*



U KHUMALO (46)
Divisional Executive:
Agro and New Industries

BSc Engineering (Electrical and Electronic) (UCT); MSc Engineering (Electrical Engineering) (UCT); Management Advancement Programme (MAP) (Wits); SEP (Harvard), Advanced Management Programme (Insead)



NV MOKHESI (51)
Divisional Executive:
Marketing and Corporate Affairs

BCom (Lesotho); Management Advancement Programme (MAP) (Wits); Advanced Management Programme (Insead)



LP MONDI (49)
Chief Economist and
Divisional Executive:
Professional Services

BCom (Hons) (Wits); MA Economics (Illinois University); Management Advancement Programme (MAP); Advanced Management Programme (Insead)



SAU MEER (49)
Divisional Executive:
Corporate Strategy

BSc (Mechanical Engineering) (University of Natal); MBL (Unisa); Advanced Management Programme (Insead)



G VAN WYK (52)
Chief Risk Officer

BCom (Hons); MCom; MBL (Unisa); Advanced Management Programme (Insead)