

FOR IMMEDIATE RELEASE

### **DCD MINING & ENERGY CLUSTER POISED FOR STRATEGIC GROWTH**

DCD's Mining & Energy cluster, supplying products and components for mining activities and power generation plants, has bedded down exceptionally well following the 2012 restructure of the group and is well positioned to achieve growth across all its market segments in 2013.

The Mining & Energy cluster comprises DCD Heavy Engineering, DCD Wind Energy, Mine Support Products (MSP) and DCD Venco. DCD Heavy Engineering and DCD Venco have supplied components to all coal fired power stations erected in SA from the 1960's to the 1990's and are currently supplying the new coal fired power stations, Medupi and Kusile. They have been involved in all nuclear energy projects in South Africa to date, as well as hydro-electric plants.

"DCD is on the map as an international engineering company that provides innovative and sustainable products and solutions through partnerships with all stakeholders," Gary Colegate, general manager of DCD Heavy Engineering, says. "A very strategy-driven approach has helped us maintain our focus and continue to experience steady growth in all areas.

"In line with identified growth prospects, we're sensitive to boosting skills levels across the group. Some time ago, we identified this as an emerging concern for both local and international customers and have responded by making significant investments into skills upliftment. Today, over and above requisite 3% skills development levy, DCD pays an additional 2% on our payroll.

"In addition to an apprentice scheme that will see the number of apprentices increase to 140 by 2014, we've made more than R1-million available for bursary students. However, because we recruit most of our employees from the areas in which we operate, we recognised a need to work more closely with other educational institutions in these communities, such as high schools, colleges and universities. This makes for a smooth introduction into the formal sector and ensures all the necessary foundations are in place."

To this end, in 2011 DCD established a social empowerment company called Khula Nathi with an initial investment of R35-million, with the prime objective of creating opportunities for previously disadvantaged people via funding for schools, educational initiatives, bursaries, technical training and enterprise development. In November 2012 DCD opened a dedicated new DCD Heavy Engineering Training Centre of Excellence in Vereeniging.

### **DCD Heavy Engineering**

As a niche supplier to the mining, steel and energy sectors of bespoke engineered heavy mechanical equipment for specific, individualised applications, DCD Heavy Engineering offers specialised machining and fabrication facilities unrivalled in South Africa. The company is one of only two suppliers in the world of large ball and sag mills for predominantly gold, copper and platinum mining. Most of DCD Heavy Engineering's turnover comes from the mining industry, with 90% of annual turnover export related.

"We're focusing on capacity expansion this year to make provision for the forecast growth in the international mining market and this is underpinned by a programme to optimise our current asset base," Colegate says.

### **DCD Wind Energy**

The Mining & Energy cluster is making significant inroads into the wind energy market through DCD Wind Energy, the only company of its kind in South Africa capable of manufacturing and assembling most wind turbine components. DCD Wind Energy began manufacturing 50 metre rotor blades and tower sections of the first 2.5 MW tower in South Africa in 2011.

The company is poised to make a significant investment of approximately R300-million into a brand new manufacturing facility in the Coega Industrial Development Zone in the Eastern Cape that will produce wind tower structures for OEMs.

The new facility, equipped with state-of-the-art technology and equipment, will be the first South African facility capable of manufacturing multi-megawatt towers and Colegate says this further demonstrates a commitment to growing the group and to driving localisation and job creation.

### **Mine Support Products**

MSP manufactures innovative underground support systems for the mining industry, and Dion Booyens, general manager of the company says that significantly, MSP is the only company able to comply with the mining regulations that call for support units used in seismically active areas to be tested at 3 metres per second. The company operates the only facility in the world where these tests can be performed, and most importantly is the only company legally qualified to launch new elongated support units into the South African gold mining industry.

MSP's unique ROCPROP roof-support system has also achieved an excellent safety record in seismically active and adverse mining conditions. Other locally manufactured product offering include the Rocbolt which is a ground control product that enhances safety in underground working areas, the Terra Roofbolter which increase productivity and MSP's Enerflow cooling units which lower temperatures in remote mining areas thereby improving working conditions.

### **DCD Venco**

A specialist provider of end-to-end engineering solutions, DCD Venco offers a modern, streamlined facility with extensive in-house capabilities in Newcastle. This enables the company to offer shorter production cycles and higher quality control than industry benchmarks in every step of the manufacturing process. The capacity to produce and manufacture products of up to 50 ton has made the company a first port-of-call for mining, power generation and construction industries.

"The mining industry has traditionally been an important industry sector for DCD Venco, as this is where the company has its roots. This year has seen continued focus and commitment to the sector through the signing of exclusive manufacturing agreements with three prominent OEM's in the mining industry," says Willem Mare, general manager of DCD Venco.

"A dedicated effort to develop sustainable products and solutions is further evident in the launch over the past year of three new innovations to support the mining industry. The Duratray is a low maintenance bowl with a suspended rubber carrier and synthetic support ropes that reduces carry back. New light weight bowls developed specifically for mining, allow up to 10%

additional payload, while the Crawler Excavator Transporter (CET) has made significant contributions to the efficiency of excavator transportation and movement,” concluded Mare.

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