

Reduced Budgets And Local Defence Industry Support Enables Denel Participation At Aad2018

27 August 2018

Within the current operating context of austerity and prudent financial management, Denel's participation at the upcoming Africa Aerospace and Defence (AAD) exhibition, has been enabled through local partnerships. AAD, Africa's premier aerospace and defence exhibition, is a bi annual event that takes place at Air Force Base Waterkloof from 19-23 September 2018.

"Our presence at AAD 2018 should be seen as a confident step towards turning the business around and rebuilding Denel and the confidence of the broader stakeholder environment following a difficult period of lapses in governance resulting in amongst others, reputational damage leading to liquidity challenges. Being at AAD clearly indicates that we are positive our business will turn around for the better soon", says the Denel Group's Acting Chief Executive Officer, Michael Kgobe.

"It has become a commonly known fact that Denel is currently faced with liquidity challenges so the decision to participate at AAD 2018 only came after lengthy discussions with our key stakeholders, including the local aerospace and defence industry and representative industry associations. Reducing the costs to a third of what it cost the company to participate at the last AAD and negotiating with the show organisers for terms are the reasons we will now be at this premier trade show," Kgobe says.

As South Africa's key provider in the aerospace and defence technology sector, it would have been inconceivable for Denel not to participate when key global players and decision-makers from national defence forces of other countries come to the show in South Africa.

"When we initially said we would be unable to participate this year, many in the industry expressed the view that for Denel not to participate at an event that attracts industry leaders and defence decision-makers from across the globe, would be a slight against both the country and the industry," says Kgobe.

Minimising the costs of participation to a third of what Denel spent at the last AAD in 2016, and successfully negotiating terms that recognise the current cash challenges in the company has ensured that Denel will join the 450 exhibitors from 30 countries to market the company's products and solutions to the global defence community.

"Our participation at this premier show that attracts key global players in the aerospace, defence and security industries is a positive step for Denel and also demonstrates the confidence of the new Board in the future of the company. This initiative to participate at AAD also ensures that Denel continues to play its role within the local aerospace and defence industry as lead system integrator with support of the local industry. We have experienced a period of difficulties within the organisation, but the turnaround plan introduced by the Board is starting to yield positive results. At least key stakeholders including banks and funders are now willing to meet with us now," he says.

Mr Kgobe says AAD 2018 will be an important platform to communicate some of the achievements and plans going forward for the company to the wider aerospace, defence and security sectors; as well as the South African public.

"Although our exhibition footprint this year will be reduced, we are still determined to showcase the excellent quality and cutting edge technologies that have become synonymous with the Denel Brand in the different markets" he says.

Mr Kgobe says Denel would not have been able to participate in AAD 2018 without the support from the organisers, the Department of Defence, Armscor, the SA

Aerospace Maritime and Defence Industries Association (AMD) and the Commercial Aviation Association of Southern Africa (CAASA).

Denel is Africa's leading aerospace, defence and security technology company which designs, develops and manufactures quality products in areas such as aerospace, defence, cyber security, clearance of explosive remnants of war solutions and related TECHNOLOGIES.