

SAFAL

NEWS

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MAKING A WORLD OF DIFFERENCE



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In all its processes and practices, through its products and people, in its values and its ethics, the Safal Group continually strives to

MAKE A WORLD OF DIFFERENCE

MAKING A WORLD OF DIFFERENCE



Since the inception of our business, we have been committed to making a World of Difference, acting on this principle by combining a close focus on operations and a broad vision on innovation, coupled with long-term commitments to our markets.

COIL OPERATIONS

In 2011, Mabati Rolling Mills and ALAF both celebrated 50 years of serving the Kenyan and Tanzanian markets respectively, and the Safal Group looks forward to celebrating the next 50 years with the launch of new manufacturing facilities in South Africa and other regions of Africa.

Also in 2011, the first commercial production of aluminium-zinc coated coils commenced in South Africa, adding a capacity of 150,000 tons of ZincAL and COLORPLUS coils to the Southern Africa marketplace. The products have been very well received, with buoyant local sales in South Africa, and export sales to Ethiopia, Togo, Tanzania, Angola, Malawi, Zambia, Mozambique, Botswana, Namibia, Madagascar and Mauritius.

ROOFING AND STEEL OPERATIONS

The Safintra Group continues to make great strides in investing in wider and therefore more cost-effective roll-formed profiles for the end-user market.

Zambia, Malawi, Kenya and Angola launched a range of wider coverage tile-shaped metal sheets in the popular Zentile, Romantile and Orientile profiles.

Manufacturing of Lifestyle – a stone-coated metal tile – commenced in Kenya and Malawi, and a wider new industrial profile called Trimflute was launched in Tanzania, Kenya, Angola, Malawi, Zambia, Mozambique and South Africa.

A COMPLETE ROOFING SOLUTION

Safal Group continues to move towards providing a complete roofing and cladding solution for consumers, offering them world-class ZincAL and COLORPLUS coated steel, introducing new wider roofing profiles, and supplementing its roof sheeting offering with the addition of a wide range of roofing accessories to provide a world-class roofing solution.



We at Safal Group believe in sustainable growth founded on deep local knowledge of our markets, spanning 10 countries and 24 locations and through our commitment to improve the lives of the communities in which we operate. By remaining in touch with the needs of our customers, through constant innovation and with a commitment to the triple bottom line, Safal Group will continue to make a World of Difference in the decades to come.

INTRODUCTION TO THE SAFAL GROUP



Safal Group's roots in Africa are unshakably planted in its commitment to its family of over 3,500 employees, its customers in 10 countries, the communities in which it operates, and to nurturing the environment which sustains current and future generations.

The Safal Group is Africa's largest producer of steel roofing and is one of the world's two largest providers of aluminium-zinc coated steel. It introduced aluminium-zinc coating to Africa – a steel coating technology which is recognised as being superior in corrosion resistance, and offers enhanced performance and thermal protection.

Safal had its modest beginnings in Kenya in 1960 – where it has since covered over one million roofs – and went on to become an industry leader by producing quality products and building strong brands.

The Safal Group has two core areas of expertise:

- The production of metallic and colour-coated coils.
- Roll-forming of coated steel into profiled sheeting for roofing and cladding.

Twenty roll-forming operations in 10 African countries produce steel roof sheeting and roofing related products under various

trusted and recognised consumer brand names. In the project sector of the market, these operations offer a highly valued service to professionals and end-users through a wealth of experience and technical expertise available within the Safal Group.

A further six specialised operations manufacture steel structural products and construction components that complement the roofing businesses.

Four coil coating operations in Kenya, Tanzania, Uganda and South Africa, produce metal-coated and pre-painted steel coils conforming to international quality specifications and world-class manufacturing standards.

The Safal Group of companies employs over 3,500 people, providing the leadership, resources and training necessary to create an environment in which all employees can grow as individuals and professionals.

WE HAVE A DEEP COMMITMENT TO AFRICA – AND ITS LONG TERM SUCCESS

Unlike many conglomerates that operate in Africa, the Safal Group established its first roots on the continent over 50 years ago.

The story of the Safal Group is intimately intertwined with that of its founders, the Chandaria and Shah families of Kenya. They established the first manufacturing facility in Mombasa, Kenya in 1962, and today the widely spread Group remains faithful to the philosophy and values that were set from the start.

Every company in the Group subscribes to their founding philosophies: striving to make their businesses the best of their kind on the continent, ensuring that employees feel a part of the family business, and making a meaningful commitment to the communities in which they operate.

Safal Group's roots in Africa are unshakably planted in its commitment to its family of over 3,500 staff, its customers in 10 countries, the communities in which it operates, and to nurturing the environment which will sustain current and future generations.

The Safal Group maintains the highest standards of ethics in its business dealings with partners, stakeholders and the communities affected by its operations. It believes it can make a world of difference by building a business that provides jobs, creates wealth and above all, produces world-class products that will stand the test of time.



INNOVATION BRINGS WORLD-CLASS PRODUCTS TO AFRICA



“Our vision of being a major player in the field started to take shape when our aluminium-zinc metal coating plant – the first in Africa – came into production in Mombasa in 2001. We will continue this journey by expanding into as many new countries in Africa as possible, whilst also providing the best service and quality to our customers and the end users of our products. This will help us remain a major player in the 50 years and more that lie ahead.”

Sarit Shah
Executive Director,
Safal Group

BRANDS BUILD TRUST AND LASTING RELATIONSHIPS WITH OUR CUSTOMERS

The Safal Group owns brands that are recognised and trusted as leaders in most home markets and in some cases, across the globe.

Brands are built over time, through repeated proof that they fulfil their promises to the end user. The value of all Safal Group brands are carefully managed to ensure they are associated with a focused range of products which provide customers with the best roofing that they can afford and the aesthetics that enhance their assets with individual style and taste.

Aluminium-Zinc (AZ) coating alloys are the most advanced worldwide, used to ensure the longevity and service life of steel. Safal Group’s AZ coated steel is sold under the brand ZincAL®, and its factory pre-painted ZincAL steel is sold under the brand COLORPLUS®.

STEEL ROOFING IS
100%

Steel is 100% recyclable. Over 40% of the world’s ferrous resource is recycled.

Safal Steel South Africa is a founding member of the Green Building Council of South Africa.

With a population of over one billion, Africa’s traditionally large rural population is moving to the cities, landing jobs with higher incomes and starting to enjoy discretionary spending.

- \$860 billion was spent by African consumers in 2008 – 35% more than India. Projections of middle-class growth make Africa one of the fastest growing consumer markets in the first two decades of the new millennium.
- 500 million – the number of people of working age in Africa in 2008 – this number is projected to grow to 1,1 bn by 2040 – exceeding both China and India.
- Fifty percent of all Africans will live in cities by 2030.

As economies have improved, so too has the demand for better quality products and for a greater selection of products to suit individual preferences.

The Safal Group is deeply immersed in its markets and with insights gathered over 50 years, has stayed at the forefront in providing products and brands that lead the way – in new technology, in variety and in quality. The Group is continuously building its market share with products that provide tangible performance benefits, backed by the credentials of much loved brands.



Africa's largest steel roofing company,
with trusted and loved brands.

- 10 Countries
- 24 Operations
- 50 Year's Experience

SAFAL GROUP COIL OPERATIONS



SAFAL GROUP ROOFING AND STEEL OPERATIONS



SAFAL GROUP ROOFING BRANDS



Making A World Of Difference

it's Time

for the Future of Coated Steel

SAFAL

STEEL (PTY) LTD

PROUDLY MANUFACTURED IN SOUTH AFRICA

www.safalsteel.co.za | 031 782 5500

Aluminum Zinc, pre-painted or un-painted coils now manufactured in South Africa, will ensure your project has:

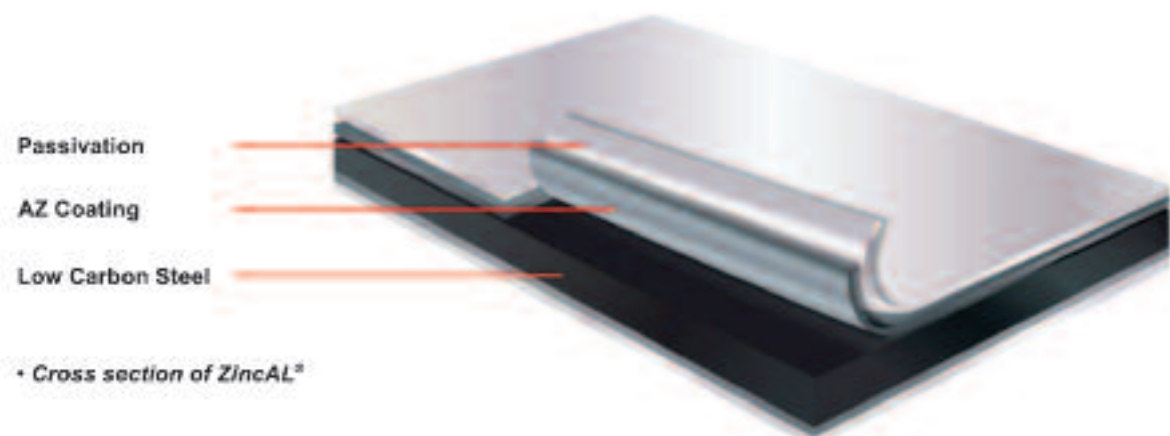
- Considerable Increase in service life
- Superior thermal protection
- Added aesthetic value
- Eco-friendly credentials





The world class coating technology used on ZincAL[®] is globally accepted as the most advanced coating formula available.

The coating protects the steel base in two ways, the aluminium component of the coating provides a tough physical barrier protecting the inner steel core against extreme atmospheric conditions and moisture. The zinc component works in a galvanic action and builds up on cut edges, to further increase corrosion protection. The combination of these two types of protection increases the life of the steel core by up to 4 times that of traditional galvanised steel with the same depth of coating.



When used in the correct application, you can be sure of the following attributes:

- Considerable increase in service life
- Superior thermal protection
- Added aesthetic value
- Cost effective solution
- Eco-friendly credentials

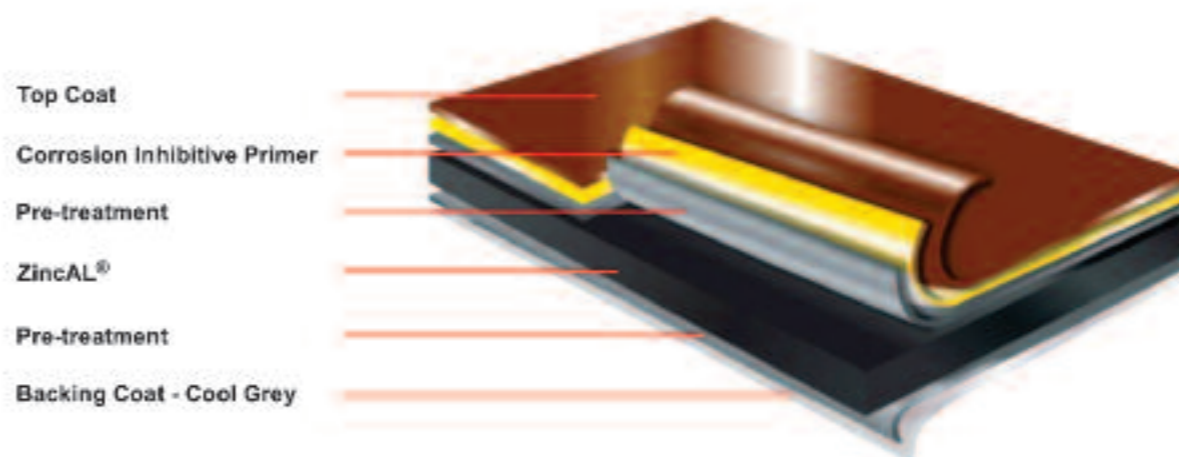
The technique of coating steel with an alloy of Aluminium and Zinc (55% Aluminium, 43.5% Zinc and 1.5% Silicon) has been extensively researched and the proven performance surpasses that of traditional galvanised steel.



COLORPLUS[®] is a factory pre-painted sheet with a ZincAL[®] substrate, giving you all the advantages of ZincAL[®] performance with the option of colour for added aesthetic appeal.

COLORPLUS is an appealing option for all building applications. The two coat modified polyester paint system has been carefully selected to endure the harsh African climate with optimal colour-coating performance.

The paint used on COLORPLUS limits chalking, and ensures optimal colour fastness. The modified polyester system also helps to resist dirt or contaminant retention, ensuring that the building stays clean and the colour is fresh-looking for as long as possible.



• COLORPLUS[®] is available in the following standard colours:

(Non-standard colours are available on request)



OUR PEOPLE

THE IMPORTANCE OF HUMAN CAPITAL DEVELOPMENT IN THE SAFAL GROUP

“A key component of our focus in the future will be performance management, and improving efficiencies in all our operating units.”

Dr. Chris Wilson, Safal Group Human Resources Executive



The Safal Group strives to bring affordable and quality roofing to Eastern and Southern Africa, and beyond.

To retain its market advantage, the Safal Group is reverse integrated, owning four steel coating mills – which are strategically situated in Kenya, Tanzania, Uganda and South Africa – to provide its roofing operations with the world’s most advanced coated metal as input coil for its roofing.

As we have seen over the past two years, the business challenges are there and increasing in frequency and severity. Competing in an ever more challenging environment will need cohesive teamwork and the best possible skills base in our people.

Over the last three years, the Safal Group operational structure has shifted; from being geographically managed, it will now be managed as lines of business, with a clear split between our Coil operations, and our downstream Roofing and Steel operations. This strategy is intended to deliver increased growth in both pillars of the Group business, through tighter focus on core competencies in each business.

This has strongly influenced the structure and focus of the Human Resources (HR) function throughout the Group.

To support the Safal Group’s business objectives, HR’s prime role is to guide and provide line management with the framework and tools to manage and develop the intellectual capital necessary to drive the business to the next level.

This necessitates a clear focus on organisational structures, manning requirements, corporate governance and labour legislation compliance, and guidelines and policies regarding employment and work issues.

At Safal Group level, HR manages specific pan-Group Centres of Expertise, comprising Learning, Training and Development (LTD), Employee Relations and Internal Communication, and Human Capital Management (HCM).

At Operational level, the key requirement will be to effectively recruit, retain and develop the intellectual capital necessary to allow the Safal Group to continue to build its competitive advantage.

Manpower costs in all our operating units form a large part of the overall overheads, and these will need to be monitored and managed prudently. A key component of our focus in the future will be on performance management and improving efficiencies in all our operating units.

OUR COMMUNITIES

CORPORATE SOCIAL RESPONSIBILITY AND THE SAFAL GROUP



The Human Resources (HR) function is deeply sensitive to the fact that most of our workforce is drawn from local communities.

It is therefore embedded in the HR function that at all times, we, as an employer and a catalyst for change, must be sensitive to, and cognisant of, our community responsibilities as good corporate citizens, and promote Corporate Social Responsibility wherever we can.

The pillars of the Corporate Social Responsibility activities of the Group are:

- Health
- Education
- Shelter
- Environment.

The many fine initiatives that are highlighted in this magazine are evidence of a culture of caring that began with the founding fathers of the Group, and continues to this day. These include the establishment of clinics and worker wellness programmes, community health programmes, including funding wide-reaching awareness and educational

programmes around HIV/AIDS and the prevention of diseases.

In education, training is provided both on the job and through formal channels such as schools, technical training centres and funding for tertiary learning programmes. The Safal Group has been a key player in construction methods and material innovations that make housing more affordable to low income earners.

Kenya has also donated sheeting to shelter the displaced, and is a signatory to the Millenium Development Goals and other initiatives to support and assist those who have been affected by disaster.

It is a founding principle of the Group that we will always nurture the environment and in all our processes and practises, we seek to minimise the impact of our operations, working to the maxims of sustainable development.

We are proud of each and every one of the Safal family, and encourage them to go even further to *Make a World of Difference* as they walk with us through the years and decades ahead.

DR. MANU CHANDARIA

FORBES AFRICA PERSON OF THE YEAR 2012 FINALIST

Dr. Manu Chandaria, Chairman of the Safal Group, was an illustrious finalist in the Forbes Magazine (Africa Edition) Person of the Year Awards, announced in January 2012.



Dr. Manu Chandaria, Chairman of the Safal Group, was one of the 20 illustrious finalists in the Forbes Magazine (Africa Edition) Person of the Year Awards announced in January 2012. A month later, the magazine gave him the cover and lead article, in recognition of his achievements both as a philanthropist and businessman.

Dr. Manu Chandaria has won many regional and international awards in recognition of his entrepreneurial feats and is also well known for his philanthropic work through his Chandaria Foundation. The spritely and energetic 82-year-old is Chairman and CEO of the billion dollar Comcraft Group of Companies, with a presence in over 40 countries. In the past 50 years, the Chandaria family has transformed a scrappy, medium-ranked business, into a major global player with some of the most coveted brands in steel roofing, electronics, software and kitchenware.

Comcraft has invested extensively in steel and profiling. The companies include Mabati Rolling Mills Ltd in Kenya, Aluminium Africa Ltd (ALAF Ltd) in Tanzania, Uganda Baati Ltd, Safintra Roofing and Steel in Zambia, Mozambique, Malawi, Rwanda and South Africa, and Ethiopian Steel PLC. Other interests include Safal Steel in Cato Ridge, South Africa and Midget Steel, Nigeria. The Group also has a presence in pipe and hollow sections manufacturing through Insteel Ltd in Kenya, ALAF Ltd in Tanzania, Uganda Baati and Hoech Pipe in Nigeria.

Dr. Manu Chandaria is the son of a former shop attendant who built the business empire. Kenyan-born, he has worked in Uganda, Tanzania and Kenya. In 1951, he joined Kaluworks

alongside his brother – a food technologist – and two other siblings, a civil engineer and university graduate. Kaluworks had 40 workers and a grocery supply business.

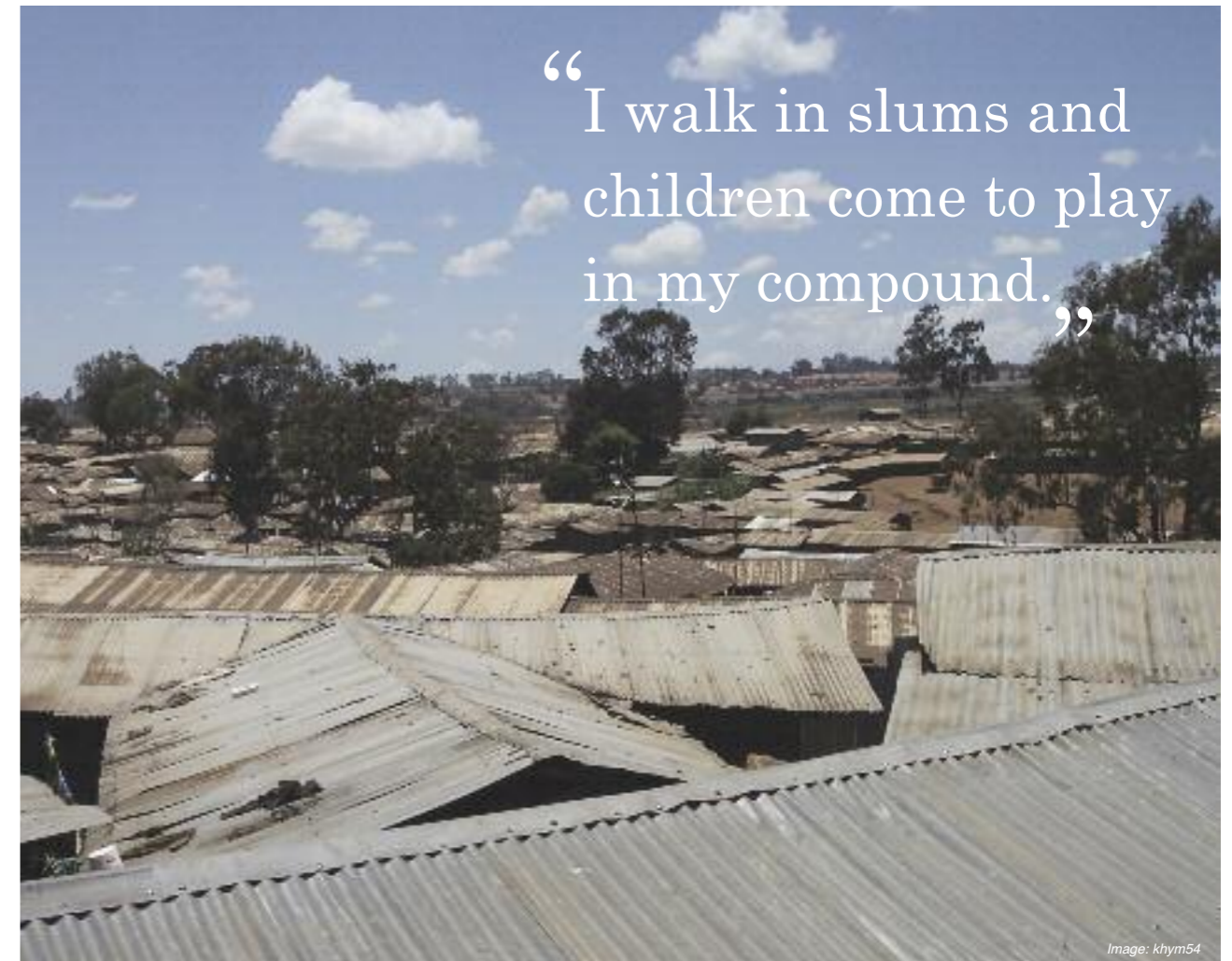
“We agreed that everybody was going to work hard from Monday to Saturday, and if there was maintenance to do on Sunday, we worked that day too. In five years we had grown from 40 to 500 people. That ethic of hard work planted the seeds of partnership that expanded the workforce to 800 people by 1960,” says Dr. Chandaria.

Success has been a concerted effort concentrating on family, higher education and vision in entrepreneurship. “It’s basically the principle of joined family. Zero multiplied by zero is zero, one multiplied by one is one; until you reach two, where two times two is four, which gives you multiplicity ... we decided we wanted multiplicity.”

That’s his mathematical way of explaining how his family teamed with his in-laws to build a business empire – from pots and pans to steel sheeting, electronics and software.

The dawn of independence in the early 60s opened investment opportunities in newly autonomous states, and Comcraft went on a spree. It ventured into its steel sheet business in Tanzania (Mabati Ltd), Zambia (Galco), Uganda (Baati Ltd) and Ethiopia (Ethiopian Steel), making it a pan-African business in just five years. “What we knew we duplicated, triplicated, four times, five times,” he says.

This Indian family from Savrashtra, Gurjarat, has proved that blood bonds can build a very strong basis for business.



In 1953, Dr. Manu Chandaria proposed a charity foundation, but his father rejected the idea. “You have lived too much in America; we are not the Ford Foundation, or Chrysler,” his father responded.

But Dr. Manu Chandaria persisted, and today the Chandaria Foundation is easily the biggest and one of the oldest charity organisations in Kenya.

Some notable achievements include establishing the Chandaria School of Business at United States International University (USIU); Chandaria Business Innovation and Incubation Centre – recently launched at Kenyatta University; and the Chandaria Emergency Centre at Nairobi Hospital, to mention but three.

The foundation is also tirelessly active in helping the poor, rebuilding houses and schools for those displaced in violence and conflict, and in educating bright children from poor families.

“If you can’t give what you have – experience, knowledge, philosophy,” Dr. Manu Chandaria says, “I don’t know what else you can give. I have compassion for others. I walk in slums and children come to play in my compound. I have no hobbies because my game is to serve.”

DR. MANU CHANDARIA HONoured AT THE AFRICAN BUSINESS AWARDS

The African Business Awards were held at Grosvenor House in London in June 2012. The event, which is in its fifth year, honours excellence and achievement in African business.

The Lifetime Achievement Award was presented to Dr. Manu Chandaria, hailed as 'one of Kenya's leading industrialists'.

Dr. Chandaria was given special credit for having built a world-class conglomerate and set a benchmark for his peers by setting up an incubation programme to develop and support young entrepreneurs in Kenya.

COMPANY AWARDS



ALAF LIMITED WINS AT THE DAR ES SALAAM INTERNATIONAL TRADE FAIR

The Dar es Salaam International Trade Fair has established itself over 36 years as the shop window for products from Tanzania as well as the East, Central and the Southern African Region.

The fair is a valuable showcase for Tanzanian businesses which not only exhibit their goods, but also use it as a forum for business exchange with other businesses in the greater region.

The trade fair awarded the best exhibitors at the show in 18 categories, and announced ALAF Limited as the winner in the Construction Materials category, for the third year in a row!

OSHO SAFETY AWARD

As part of the National Occupational Safety and Health promotion and awareness campaign in Tanzania, the Occupational Safety and Health Authority (OSHA) introduced an award for the best performance and practices in the work place for companies in Tanzania.

ALAF Limited was judged as the overall winner in the Iron and Steel category. The award was handed over by the Hon. Minister for Labour and Employment Dr. Gaudentia Kabaka at a formal function held in Dar es Salaam.

ALAF became the first and only company in its category in Tanzania to be accredited with ISO 9001:2000 and ISO 14001:2005 based on its quality standards and commitment towards the environment.

A panel of judges visited the ALAF factory and shop floor and inspected the safety procedures & practices adopted by the company.

The judges were impressed by the safety measures taken by ALAF for all its employees. They were also extremely impressed by the accident ratio; not a single accident has taken place in ALAF in 2012.



Honourable Minister for Labour and Employment, Dr. Gaudentia Kabaka, hands over the award to an ALAF Limited representative.

MABATI ROLLING MILLS WINS '2011 COMPANY OF THE YEAR' AWARD IN KENYA

Recognition of an organisation that is dedicated to continual improvement, world-class innovation and strong business results

The rain could not dampen spirits when 48 companies convened at the Safari Park Hotel in Nairobi for the 12th Kenyan Company of the Year Awards (COYA).

The Company of the Year Awards are an annual event recognising the development of world-class processes and innovation capabilities that will enable Kenyan companies to compete on a global level.

The spectacular marquee draped in fine linens in brick red, sky blue and maroon, with a dramatic crystal chandelier as the focal point, provided the backdrop for the proud Mabati Rolling Mills family when they took home the prestigious Company of the Year Award.

The steel producer beat 47 other companies for the coveted prize of being named **Company of the Year 2011**, a wonderful birthday present for a company that also celebrated its 50th anniversary in the same year.

Mabati Rolling Mills Ltd (MRM) also set a new record by having won the award three times previously, in 2003, 2007 and 2009, a huge achievement considering the company has entered the awards only six times over the period!

In total Mabati Rolling Mills managed to scoop five awards, namely:

- Company of the Year 2011
- CEO of the Year 2011

- Best Company: Financial Management 2011
- Best Company: Leadership & Management Practices 2011
- Manager of the Year 2011.

The **CEO of the Year 2011 Award** was made to Mr. Kaushik Shah, a Director of Mabati Rolling Mills.

The judges stated: "The CEO has presided over the modernisation and expansion of the company for the last decade, leading to a more efficient and stable financial condition, as well as strengthening the company's portfolio and governance structures."

Mr. Shah gave an emotive acceptance speech attributing his success to the company's loyal and hardworking team that has shown commitment to continuous growth and improvement.

Mabati Rolling Mills also received the award for **Best Company: Leadership and Management Practices 2011**, awarded for its stable and structured leadership. In making the award, the judges commented: "The company leverages some of the very best global practices and principles in governance. There is systematic strategy formulation, implementation, monitoring, evaluation and conversion of feedback for better inputs and outputs. A risk management framework has been developed and it is in use."

Disciplined financial management

Mabati Rolling Mills proved its corporate mettle yet again when it was awarded **Best Company: Financial Management** in the 2011 COYA awards. The award was received on behalf of the company by the Finance Team.

Mabati Rolling Mills' financial wing was commended by the judges who said: "This

is a company that has put in place disciplined financial management structures and dependable accounting and financial management instruments."

The **Manager of the Year Award** was given to Mr. Rajat Ranjan for his efficient leadership in the objective of achieving financial efficiency.

Mabati Rolling Mills also received recognition in other categories as **first runner-up for Productivity and Quality Practices**, **first runner-up for Corporate Citizenship and Environmental Management Focus**, **second runner-up for Customer Orientation and Marketing** and **second runner-up for Innovation and Knowledge Management**. Mabati Rolling Mills was commended for its dedication to the environment and for its spirit of philanthropy. The awards are proud testimony to Mabati Rolling Mills' dedication to continual improvement and growth, coupled with sound corporate practises and innovative thinking that together deliver consistently strong business results.

UGANDA BAATI SETS THE GOLD STANDARD IN FINANCIAL REPORTING

Uganda Baati Ltd flew the Safal Group flag high when it won a Quality Award in the Steel Products Category in the annual awards announced by the Uganda National Bureau of Standards (UNBS).

The awards recognise companies whose products meet stringent international quality standards.

On 11 November 2011, the UNBS announced its Annual Quality Awards winners at a gala event attended by the Honourable Amelia Kyambadde, the Minister of Tourism, Trade and Industry.

Uganda Baati was nominated in two categories – Highest Quality in the Steel Products Category and Overall Quality Award.

Neither would have been possible without the passion and dedication of the management and staff of Uganda Baati, which this award recognises.

In a separate event, Uganda Baati was recognised at the first Financial Reporting (FiRE) Awards made by the Institute of Certified Public Accountants of Uganda (ICPAU). The ICPAU, whose mission it is to develop the accountancy profession in Uganda and beyond, believe the awards will help improve financial reporting in the business environment.

The awards event was held at the Imperial Royale Hotel, Kampala, on Friday, 25 November 2011. The ceremony was graced by the Minister of Finance, Planning and Economic Development, the Honourable Maria Kiwanuka.

Uganda Baati came second in the Consumer and Industrial Products Category. Mr. Rajesh Mahajan, Financial Controller Uganda Baati Ltd, noted that this achievement by the finance team would not have been possible without the support of the company's various departments. He also said that the recognition of his team for their consistent efforts ensured that Uganda Baati has accurate financial reports to guide the business in its decision making.



Safal Steel coil coating complex in KwaZulu-Natal, South Africa.

SAFAL STEEL WINS KWAZULU-NATAL TOP BUSINESS AWARD



Extreme left, Brad Barthorpe (Market Manager of Exports for Safal Steel) and third from left, Tammy Grove (Marketing Officer), proudly accept a trophy awarded to Safal Steel at the KwaZulu-Natal Exporter of the Year Awards for 2011.

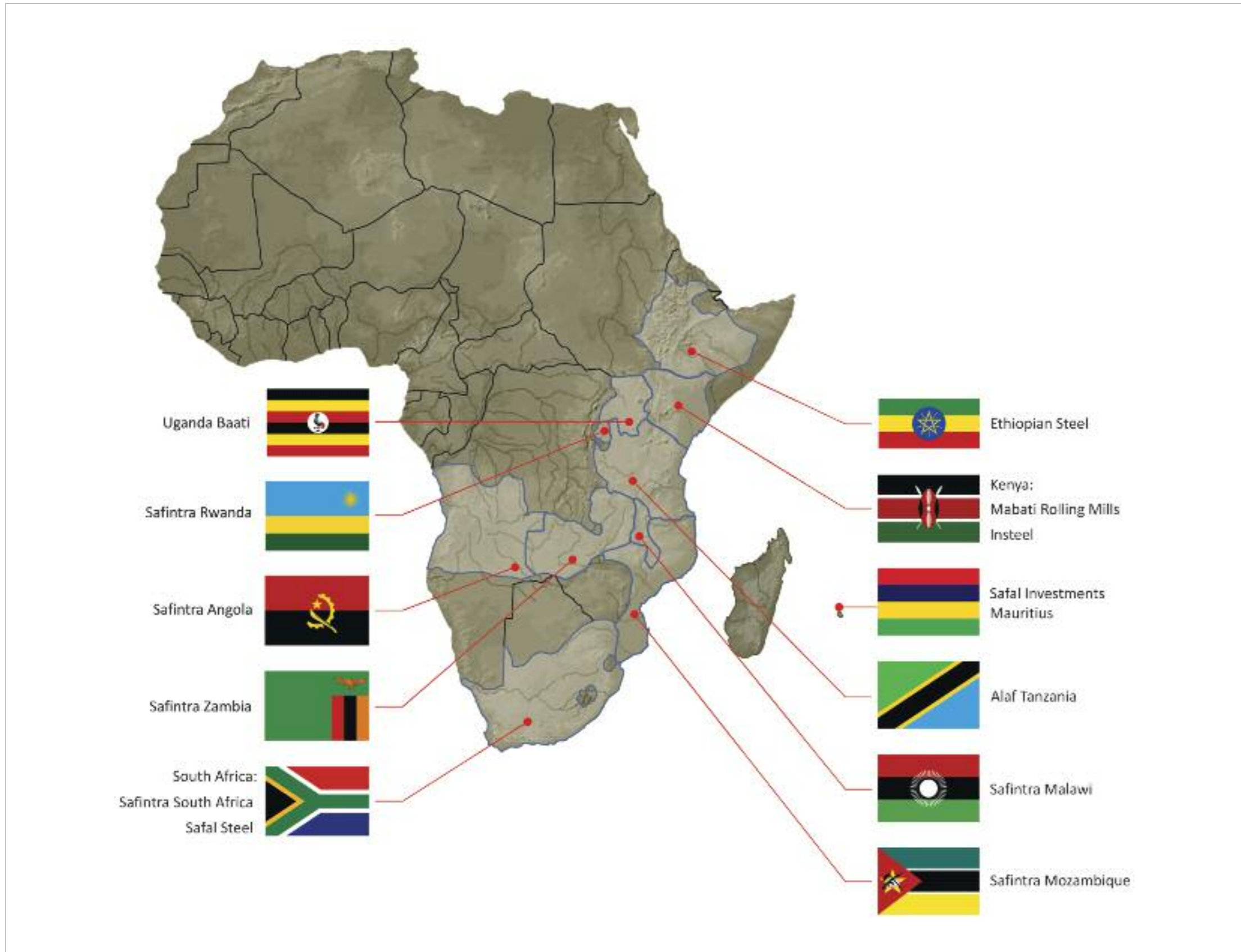
At the 6th KwaZulu-Natal (KZN) Top Business Awards held in Durban, South Africa, on 28 June 2012, Safal Steel scooped the prestigious Manufacturer Award.

First National Bank and the province hosted the awards event attended by an esteemed list of organisations, dignitaries and leaders from many government departments and municipalities representing the province.

The awards recognise businesses and organisations that are making a contribution to the sustained economic growth of KwaZulu-Natal in each economic sector of the province.

Of the 13 awards made, Safal Steel was named winner in the Manufacturing category – high praise indeed for a company which only began operations in 2010!

THE SAFAL GROUP AT A GLANCE



The largest steel roofing company in Africa

The Safal Group is founded on the production and marketing of steel roofing in Eastern and Southern Africa. The combined outputs of 24 roll-forming operations in 10 countries in Africa make it the continent's largest steel roof sheeting producer.

Brands that are known and trusted by millions

The Safal Group owns many of Africa's most loved and trusted steel roofing brands. This translates into value creation and market share, which is a cornerstone of the Group's long term strategy.

Innovation brings world class products to Africa

The Safal Group has brought the world's most advanced metal coating technology to Africa. To retain its market advantage, the Safal Group is reverse integrated, owning four steel-coating mills which are strategically situated in Kenya, Tanzania, Uganda and South Africa, to provide its roofing operations with world-class input coil.

POSITIONING THE SAFAL GROUP FOR LONG TERM SUCCESS



“We strive to make ours a business that can help build the future of Africa, by manufacturing ethical products, establishing strong brands and growing with our markets. We believe that by grasping the reality of Africa’s challenges as well as its opportunities, we can make a positive difference and succeed together. That is our view of sustainability.”

Neelesh Shah,
Chief Executive Director
of the Safal Group



Across the globe, the challenges facing businesses have never been so varied. Against a backdrop of sluggish economic recovery, the unprecedented growth expected from most developing economies, and from African economies in particular, will result in increasing competition from all quarters.

The already significant interest in African markets by global multinational corporations, particularly Chinese and Indian multinationals in steel and roofing/housing solutions businesses, has created significant challenges for many domestic businesses, and Safal Group is no exception.

Against this dynamic and volatile backdrop, the Safal Group has embarked on a journey to address the competitive challenges.

From within, it is restructuring the organisation to make it more focused, cost effective and efficient.

Today, the Group stands proud as one of the first African-based multi-national companies to have instituted formal Governance and Risk Management initiatives. It has also

implemented a Group Level Audit Committee, an Internal Audit Function and a SAP (Enterprise Resource Programme) pilot rollout, to name a few.

On the Organisational and Human Capital front, the focus is on driving performance and by recognising and rewarding talent which will be vital for succession planning.

On the market-facing side of its business, the Group is unceasingly proactive in introducing improved products and embracing new technologies that are related to Group Core Business.

A recent example is the roll-out of the Safal MiTek Business in Kenya (a joint venture with MiTek, South Africa), offering commercial and housing construction businesses the benefits of light steel frame and truss technology as part of a sustainable and complete roofing solution.

Safal Group also has a well-defined Corporate Social Responsibility ethos, with programmes focused on community development, health and wellbeing, and the environment.

by Arun Jain, Group Internal Auditor

As a responsible and committed corporate citizen, Safal Group is proactive in adopting appropriate and relevant best practices in all its operations. This stance gives meaning to the Group’s positioning statement:

In all its processes and practises, through its products and its people, in its business performance and its ethics, the Safal Group continually strives to make a World of Difference.

SAFAL GROUP MANAGEMENT CONFERENCE 2012



Executives, Directors and Operational Managers of the companies in the Safal Group meet annually to discuss strategy, to brainstorm, and to align operational best practices of the Coil Coating and the Roofing and Steel pillars of the business.



Over the years, the business decisions made at the Safal Group Management Conference have been far reaching, including the decision to move into new geographic territories, purchase agreements, and how and when to invest in new markets and new technologies.

These decisions have propelled the Safal Group into what it is today, with four coating mills and 20 roofing operations in 10 countries in Eastern and Southern Africa. The combined business and steel experience of the operational Heads of Business, and Executives in the Safal Group structures is almost without equal in Africa, or elsewhere.

The Annual Conference always reviews the Group's track record on Human Capital Development, including learning, Training and Skills development. It also sets the next year's milestones for Corporate Social Responsibility programmes, reviewing progress made by the operations, particularly in terms of their positive impact on the social and economic fabric of local communities from which their employees are drawn.

At the Group Management Conference held in Nairobi, Kenya in September 2012, a key focus was on Information Technology and its impact on the business units in terms of increased operational efficiency, improved planning, and the role played by Customer Relationship Marketing (CRM) in deepening interaction with customers and end users.

African business and consumers are taking up new wave technologies faster than any developing region worldwide. They are even creating their own and with these developments, the Safal Group is innovating to stay ahead of the curve.

Africa's economic pulse has quickened, infusing the continent with a new commercial vibrancy.

Real GDP rose 4.9 percent per year from 2000 through 2008, more than twice its pace in the 1980s and 90s. Telecom, banking, and retail are flourishing. Construction is booming. Foreign investment is surging.

To be sure, many of the 50-plus individual African economies face serious challenges, including poverty, disease and high infant mortality. Yet Africa's collective GDP at \$1.6 trillion in 2008, is now roughly equal to Brazil's or Russia's.

- Telecom companies in Africa have added 320 million subscribers since 2000. This is more than the entire U.S. population.
- Africa's combined consumer spending in 2010 was in excess of \$900 billion – and will grow to \$1.4 trillion by 2020. This positions it only slightly behind India and well ahead of Russia.
- A billion Africans will be of working age in 2040 – and there is pent up consumer demand for products and services.



The Safal Group remains at the forefront of light-steel frame building systems.

THE STORY OF STEEL ROOFING

The use of steel roofing dates back to 970 BC when King Solomon commissioned a temple in Jerusalem which was fitted with a copper roof.



Christ Church in Philadelphia, USA, built in the 1700s with a copper roof.

Metal roofing was greatly valued for many reasons which are still critically appropriate in the architecture we create today. Metal roofing resisted earthquakes, fire and strong wind. The material was robust enough to transport, was long lasting and aesthetically pleasing, and allowed inhabitants to harvest rainwater for household use.

Modern steel roofing as we know it today evolved from the use of copper and lead sheets in shingles, tiles or as a standing seam sheet. It spread east and west as European settlers arrived in America, India, Africa and Australia.

Corrugated profiled metal sheet was the next evolutionary step in the development of steel roofing. The method for corrugating iron was originally patented in England in 1829 by British architect and engineer, Henry Palmer, who worked for the London Dock Company. It was originally known as CGI, which stood for Corrugated Wrought Iron.

Corrugation is more than a simple decorative effect. The process of profiling sheets strengthens and stiffens the sheets so that wider sheets can be used over a lighter framework, which in turn results in savings on installation time and labour.

CGI soon became the most widely used roofing construction material in many countries including the United States, New Zealand, Australia and India. Australia adopted corrugated roofing as part of the attractive architecture that has become a part of their cultural identity, a proud tradition which has stood the test of time.

As the demand for metal roofing grew, so did the quest to improve its service life. Unprotected metal is prone to rust and subsequent deterioration.

Hot dip galvanizing with zinc is believed to have been developed in France in 1837.

By the 1850s this revolutionary material was being specified for post offices and custom houses, train sheds and factories. In 1857 one of the first metal roofs in the American south was installed on the U.S. Mint in New Orleans – the building was ‘fireproofed’ with a 20 gauge galvanized, corrugated iron roof placed on heavy iron trusses.

Thomas Jefferson was a staunch supporter of this roofing solution and put it on his beloved homestead, Monticello, in Charlottesville, Virginia.

Painted steel

The establishment of production lines for tin plate made it the most commonly specified roofing material at the time and the quest for visual interest gave rise to the creation of surface interest finishes, which were embossed on the shingles.

Tin plate was usually painted red, but as demand evolved it was suggested by architect, A.J. Davies, that the material could also be painted to imitate the green patina of weathered copper, and coloured steel roofing was born.

Roll-on the 21st century and sheet metal roofing has become a highly sophisticated business. Sheet metal can be rolled in a plethora of profiles suitable for various applications and aesthetics.

Modern technology has also transformed the roofing industry in terms of gauge. The days of 0.8mm sheets being the only available option are a distant memory. Sophisticated roll-forming design innovation now makes thinner gauge roofing material of 0.50mm a viable and cost effective option. Input material also varies from stainless steel and aluminium to galvanised and aluminium-zinc coated mild steel.



Thomas Jefferson's homestead, Monticello in Charlottesville, Virginia.

Aluminium-zinc coating technology

Aluminium-zinc coating technology is the world's leading available technology for the production of mild steel against the elements.

It was developed in the USA by Bethlehem Steel and perfected by Australian researchers at BlueScope Steel (then called John Iysaght Australia). When ZINCALUME® (aluminum-zinc coated steel) was first released in 1976 it created a revolution in the building industry.

Zinc-coated (or galvanised) steel had been a highly visible sight on the Australian landscape for more than 100 years. Such a trusted product was suddenly eclipsed by the zinc/aluminum alloy coating on steel, which provided up to four times the life of traditional galvanised coatings of similar thickness, under the same atmospheric conditions.

BIEC, a BlueScope Company, patented the innovation and licensed producers in key global markets. It remains the most specified roofing material in the world, and in 1999 BIEC celebrated the milestone of its 10 millionth ton of production. In context, this represents about 65 % of global production of coated steel.

In Africa, the Safal Group is the first and sole licensee of BIEC's patented aluminium-zinc coating technology, produced as ZinCAL® And COLORPLUS® material.

MABATI ROLLING MILLS – KENYA



MABATI ROLLING MILLS ENDORSES BUSINESS ETHICS CODE

**“It’s not what we do
but *how* we do it that
Makes a World of
Difference.”**

Mabati Rolling Mills (MRM) is among the pioneering companies in Kenya which have endorsed the Code of Ethics for Business, by signing-up and pledging their support to the code. The code is an initiative by the business community to promote and enhance the ethics of business conduct in line with the 10 principles of the UN Global Compact. In its implementation, the code integrates critical company policies, activities and corporate responsibility initiatives. Endorsement of the code implies that the code will complement an individual company’s existing code of ethics.

MRM’s Legal Affairs Officer, Anthony Kung’u, and Corporate Affairs Manager, Salim Bakari, participated in a Global Compact Network co-ordinated workshop for Ethical Champions, conducted by the Ethics Institute of South Africa, which was intended to build capacity in implementation of the code.

The UN Global Compact initiative is implemented and championed at local level by the private sector through the Kenya Association of Manufacturers (KAM), the Kenya Private Sector Alliance (KEPSA) and Federation of Kenya Employers. The secretariat is hosted at KAM. Global Compact is a global platform for businesses to voluntarily practice responsible business, joint dialogue and collective actions.

MABATI ROLLING MILLS PARTNERS WITH EQUITY BANK IN GROUND BREAKING DEAL FOR AFFORDABLE HOUSING

A visionary partnership designed to enable low-income earners to invest in their own property, was launched when Mabati Rolling Mills (MRM) partnered with Equity Bank to introduce access to micro mortgages in Kenya.

Equity Bank is using Mabati Rolling Mills’ low-cost housing system manufactured by Safal MiTek, a subsidiary of Mabati Rolling Mills, to introduce the advantageously priced home loans.

The houses will use pre-engineered steel structures from Safal MiTek. In addition, Mabati Rolling Mills will provide expert technical advice using proprietary MiTek software to provide an accurate design based on the client’s specifications and needs. Mabati Rolling Mills will provide training for artisans across the country for the installation of these units, thereby creating further employment through the scheme.

The move also has environmental benefits as Kenya encourages the use of steel trusses, rather than timber trusses which contribute to deforestation.

Workers earning as little as Ksh 20,000 will now be able to afford to build their own homes. Equity Bank will be able to grant a loan of Ksh 48,000 for a new home, compared to the industry average mortgage of Ksh 6,6 million required in the past. The micro-mortgage packages will be available in Equity Bank’s 172 branches across Kenya.

Mabati Rolling Mills launched two service centres based in Mombasa and Kisumu, to bring affordable housing and construction services closer to the customer.

During the post-election violence in 2008, Mabati Rolling Mills provided a cheap solution to the Ministry of State for Special Programmes in their project to resettle internally displaced persons. During the signing of the memorandum, Mr. Kaushik Shah, Regional CEO, Horn of Africa Safal Group said, “Following the success of the pilot project with dwellings which we donated to IDPs, we want to take this opportunity to the mass market.”

As was highlighted by Dr. Manu Chandaria in his address: “Kenya needs about 150,000 to 200,000 houses every year, but we are regrettably building a paltry 35,000 to 40,000 units annually... with Equity Bank’s support, we now hope to start bridging the gap by facilitating the construction of at least 5,000 more units each year.”

Dr. James Mwangi, CEO of Equity Bank, said of the partnership, “Today we celebrate yet another milestone in Kenya’s banking and real estate development sector as we unveil the first of a kind micro mortgage product in conjunction with Mabati Rolling Mills. This partnership confirms our joint commitment to transform the lives of Kenyans through the rollout of innovative creatively designed financing solutions.”



MiTek provides training for artisans in Kenya.



Affordable housing under construction.

MABATI ROLLING MILLS PARTNERS WITH MOMBASA POLYTECHNIC UNIVERSITY COLLEGE TO PROVIDE NEW SKILLS TO THE MARKET

Mabati Rolling Mills (MRM) has signed a Memorandum of Understanding (MOU) with Mombasa Polytechnic University College to teach practical skills specifically for the manufacturing sector.

This MOU is targeted at college students who will be put on the programme for a period of three months, during which time they will receive focused guidance and tutoring to improve their skills and competencies.

MRM's Human Resources Manager, Morara Matunda, signed the MOU with Prof. Josphat Mwatelah, Principal of Mombasa Polytechnic University College, at a ceremony witnessed by Sylvester Odhiambo (Human Resource Manager in charge of

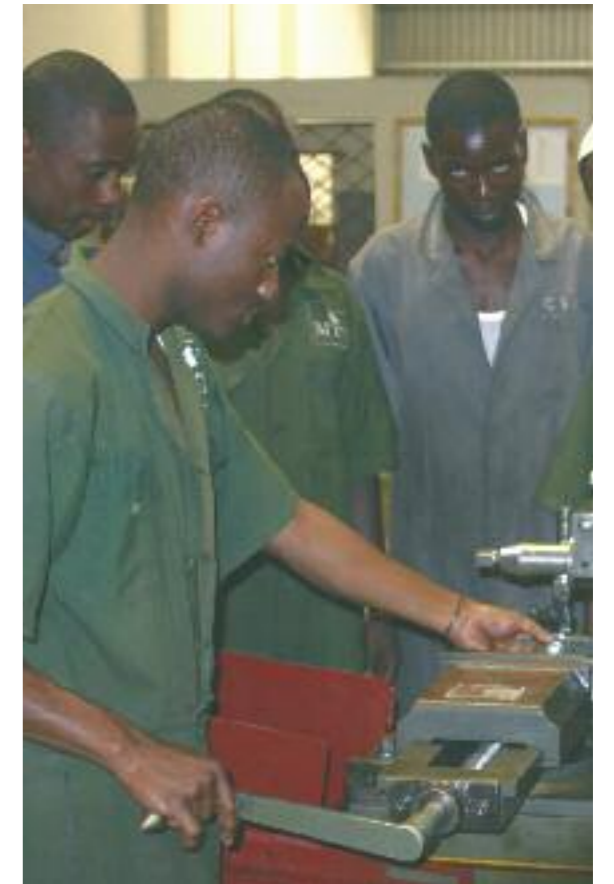
learning, training and development at MRM) and members of the Polytechnic, including Dr. Joseph Obwogi (Registrar Administration and Planning), Erastus Oruru (Legal Officer) and Dr. Titus Tunje Kadere (Registrar Academic Affairs).

Another notable Mabati Rolling Mills' achievement has been the development and funding of Mabati Technical Training Institute which seeks to give education and employable skills to the youth of Kenya, a joint investment worth Ksh 31 million, between Mabati Rolling Mills and the European Investment Bank (EIB).



Ceremony to officially launch the MRM Learning, Training and Development Initiative with Mombasa Polytechnic University College.

THE MABATI TECHNICAL TRAINING INSTITUTE WAS ESTABLISHED IN 2004 AS A VOCATIONAL TRAINING CENTRE



The Mabati Technical Training Institute (MTTI) in Mariakani, Mombasa, was established to assist the poor and needy youth of the villages in and around Mariakani Township which lies in the coastal region of Kenya. The institute's objective is to empower the youth with employable skills to enable them to support themselves and their families.

The Institute is managed by the MRM – EIB Trust, a joint venture between Mabati Rolling Mills and European Investment Bank, working in collaboration with the Salesians of Don Bosco, the latter providing expertise in the running of vocational institutions. The founding benefactors funded the start up, and sponsors are invited to participate so that the Institute may become largely or entirely self-funding.

Beneficiaries are selected through a process of community participation, with local chiefs, village elders, religious leaders and teachers being involved in the selection process. Priority is given to orphans, girls, and youths from remote and isolated villages who would otherwise have no opportunity to acquire skills.

Currently, the Institute has about 250 students and the number increases every year. The Institute adheres to the Kenyan

Ministry of Science and Technology curriculum, focusing on developing skills in the trades, and building students' entrepreneurial skills. As part of their studies, students work and learn within the businesses on campus, the income from which helps to fund costs.

Courses range from Electrical Wireman, Fitting, Turning and Welding, to Tailoring and Dressmaking, Carpentry, Electrical Skills and Computer Literacy. The Institute has had consistently outstanding results with pass rates of 97-100% year on year. MTTI also ensures that all graduates are gainfully employed upon completion of their course.

In every way, the Institute is a beacon of hope for disadvantaged young men and women. Long may its example shine to other companies operating in Africa and beyond.

Mariakani is a town lying on the boundary of Kaloleni and Kinango districts (formerly Kilifi and Kwale respectively), Coast Province of Kenya, 36 kilometres northwest of the port city of Mombasa.

MABATI ROLLING MILLS SPONSORS MEDICAL CAMP AND BREAST CANCER SCREENING AT MALINDI DISTRICT HOSPITAL

In March 2012 the Lions Club of Mombasa Bahiri, facilitated the health screening of approximately 1,200 patients by a team of specialist doctors in a Mega Operative Medical Camp and Breast Cancer Awareness Drive held at the Malindi District Hospital.

During the drive from the 7–11 March 2012, 92 major operations were undertaken by specialists from across the globe.

Ironically, the camp was held against the backdrop of a national strike by the nursing fraternity in government hospitals.

Dr. Anil Tibrewalla, a consultant plastic and reconstructive surgeon from Mumbai, carried out 48 major operations dealing with children with cleft palates, burns and post-burn contractures, post-traumatic deformities and tumours.

A young and dynamic eye surgeon, Dr. Yusufali, treated over 300 eye ailments and performed 16 cataract surgeries. It was a miracle to see an elderly woman, almost blinded in both eyes by cataracts – who could previously only walk with the help of an escort and walking stick – leave the hospital unaided, thanks to the help of Dr. Yusufali.

Another part of the hospital was thronged by a multitude of women seeking help from Dr. Mala Nyun, a consultant obstetrician and gynaecologist. She not only examined all the patients, but also carried out five hysterectomies and two caesarian sections, which saved the lives of two babies who may not have survived due to the strike action by the regular hospital staff.

On the 9 and 10 March, Cleopatra Cinema Hall played host to a Breast Cancer Awareness Campaign, which formed part of the drive – 85 patients received free breast cancer examinations.

These medical camps have been held for the past 15 years by the Lions Club with the support of Mabati Rolling Mills and other organisations, and have benefited many deserving Kenyans who may never have had the opportunity to seek quality and specialised healthcare due to their impoverished circumstances. As the Lion's District Governor, Murtaze Dungarwalla, stated: "Seeing people come to the camp to seek medical help makes one wonder why we cannot get together more frequently to help them."



Mabati Rolling Mills consistently shows its commitment to its employees and the communities in which it operates.



WORLD EARTH DAY 2012 CELEBRATED IN KENYA

Mabati Rolling Mills celebrated World Earth Day on the 22 April 2012 as a special guest of the AGA Khan Foundation, and participated in tree planting activities to commemorate the day.

World Earth Day is celebrated internationally to create awareness and appreciation of the earth and our environment. Eight representatives of Mabati Rollings Mills were sent to participate in the event. In total 1,500 trees were planted at Nzovuni Primary School on Thursday, 19th April, and a further 600 trees at Dzombo ECD Centre in Mwanda, on Saturday, 21st April 2012.

The trees were planted by the MRM team with the help of enthusiastic pupils and their parents who were shown the correct method of planting trees by the Mabati Rolling Mills' team.

Environmental Officer, James Gachara and Senior Quality Control Officer, Gabriel Olukwo, addressed the assembly on the importance of preserving the environment. Strong emphasis was also put on activities that demonstrated the importance of sustainability in all that we do.

Other participants included The Lions Club, AGA Khan Education Services, NEMA, Kenya Forestry Research Institute and students from AGA Khan Schools, Mombasa.



Image: Trees for the future

MABATI ROLLING MILLS FEEDS THE STARVING IN KITUI AND TSEKURU

A MOVING ACCOUNT OF THE ADVENTURE



The United Nations declared the drought of 2011 as one of the worst ever on the continent of Africa. This catastrophe gravely affected the lives and survival of some of Africa's most impoverished communities.

For the Mabati Rolling Mills' family, a three-day odyssey to deliver foodstuffs to the residents of Mwingi and Kitui, turned into an adventure over rough terrain, but left all those involved with an overwhelming sense of achievement and fulfillment.

DAY 1

Their journey started on an early October morning, with frenzied activity to gather up last minute requirements needed for the relief expedition. The party then headed to Jogoo House, in Nairobi's Central Business District, to mark the first phase of their journey to the Eastern Province with a flagging-off by none other than Vice-President Kalonzo Musyoka who arrived with Dr. Manu Chandaria.

The Honourable Vice-President thanked the Mabati Rolling Mills' team for their efforts and spoke of the government's commitment to start irrigation schemes in arid and semi-arid lands to stop over-reliance on rain-fed agriculture.

The procession included a trailer from Bahari Forwarders to carry the foodstuffs, a bus carrying the MRM team, and SUVs carrying Mr. Prakash Chauhan from Insteel Limited and Mr. Nandu Shah and his wife. After many hours the team finally arrived in Kitui, where the real task began.

The people of Kitui had already been informed of the arrival of their benefactors and had started gathering in the town square. There was a burst of energy as the off-loading of the foodstuffs ensued and the excitement was palpable.

As a spectacular African dusk loomed, the team made their way to another town in Kitui called Oasis. Assisted by two local chiefs and World Vision staff, the donations took an hour to offload.

At 7.45 pm, the team were back on the road and headed to Masii for a quick dinner, tired but elated. Later, they heard about their efforts on the radio, as the news anchor narrated the story of a company that had travelled a long distance to ensure the people of Kitui had something to smile about. Mabati Rolling Mills was making news!

DAY 2

The next day, the team gathered at the MRM offices in Mwingi for the second half of their journey. It was 3.00 pm and the sun beat down relentlessly as they embarked on the 120km of dusty, bumpy road between Mwingi and Tseikuru.

The journey was complicated by mechanical problems with the truck ferrying the food. The rough terrain had taken its toll on the vehicles. Finally, at 6.00 pm there was a collective sigh of relief at the sight of the District Commissioner's Office in the small town of Tseikuru. The exhausted team slept in humble but welcome accommodation for the night.



DAY 3

At 7.00 am the next morning, the team left the District Commissioners Office to head to a remote school in Tsueni, some 30 km away.

After about 30 minutes on the road through desolate terrain, the team feared that they may have unwittingly crossed the border into Somalia, despite the assurance of the driver (and gym trainer) Mr. Eric Opembe, that they hadn't. Eric quipped, that they had in fact reached "the end of the world!" instead.

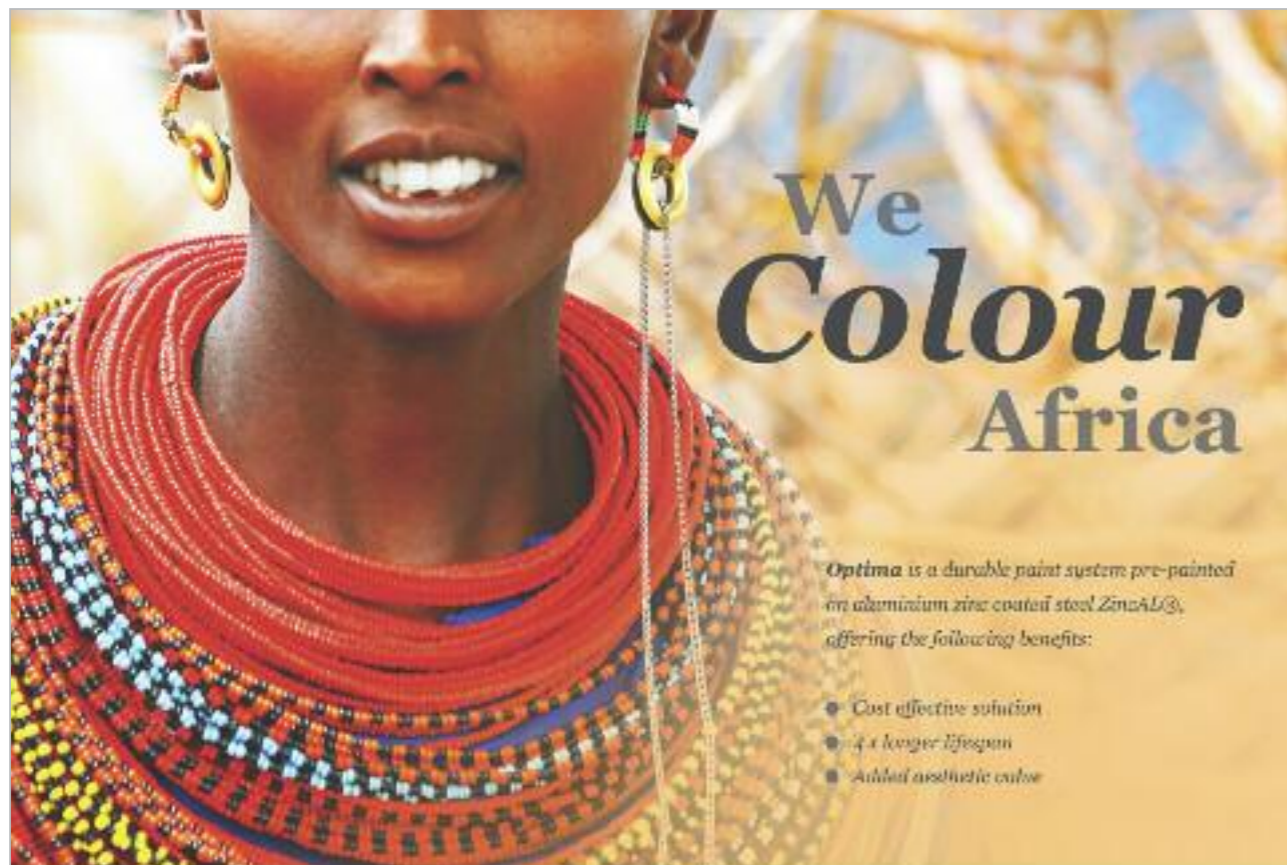
In the midst of their trials, they came to a road sign that read 'Water and Irrigation Board' – ironic given the noticeable absence of any semblance of water!

Finally, the team arrived at the simple educational facility of Tsueni Primary School. The mud classrooms had a precarious crumbling look about them. After formal introductions, the team was anxious to get answers that would explain the sorry state of affairs and lack of formal infrastructure. The media who had followed the team to cover the story was also interested in the story behind Tsueni Primary and journalists from The Star, Citizen TV and NTV began to set up their equipment.

The story unfolded and the team were told that the school's Headmaster was the only trained and appointed teacher at the facility. Other 'teachers' were hired by the parents to assist, and various volunteers also make their own time available to assist and supplement this gallant educational effort.

Stories were recounted of bandits raiding the school in the recent past, forcing children to flee. A sense of normality had only recently returned. The trauma of this incident became all too real when one child refused to come out of the classroom for fear that the team themselves were, in fact, bandits!





Optima

technical info:

- Single coat colour system with a built-in primer
- Colours represented may vary from those depicted on metal swatch
- Approximately 30% Gloss

standard colour range:

- 11 colours

non-standard colours:

- Min order 5-20 MT
- Additional costs will apply
- Lead times cannot be guaranteed due to colour development and raw material availability



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A sense of the desperation of this remote school community flooded the team as they heard that many pupils, some as young as five years old, walk to school through the Kora National Reserve, a vast area that is home to cheetahs, leopards and elephants.

It was with great humility that the team handed lap desks to the school, hoping that this would benefit the learning efforts of this brave little community.

Overwhelmed by the number of people

After a formal word of thanks, the team hit the road again for the penultimate leg of their journey.

Upon their arrival at 11.00 am back in Tseikuru, they were overwhelmed by the number of people that had arrived to receive food aid. Their initial target was to assist 800 families,

but the crowd continued to swell as people arrived from as much as 80km away.

It soon became apparent that an extra 300 families would have to be catered for and the team set to work. Drenched in sweat and fraught with fatigue the team soldiered on, focussed on the mammoth task at hand.

Finally, by 4.30 pm, they began their journey back to Nairobi. The journey was delayed and compounded by the intermittent breakdown of the truck again, and the decision was made to overnight at Mwingi, which they reached at 8.00 pm.

The next morning the team boarded the bus for the final leg home, forever changed, humbled and enriched by their incredible experience.



Image: Wouter van Vliet

MABATI MEDICAL CENTRE LAUNCHED IN MARIAKANI

Blessed by perfect weather and against a backdrop of cheering from local residents of Mariakani, Mabati Rolling Mills opened the Mabati Medical Centre (MMC) on 27 July 2012.



Mr. Richard Etemesi, CEO of Standard Chartered Bank and Mr. Dhiru Shah, a trustee of MRM-European Industrial Bank Trust, at the unveiling of the Mabati Medical Centre.



Bomu Medical CEO, Mrs. Hayati, with some members of her family at the launch of the Mabati Medical Centre.

The Mabati Medical Centre is a welcome and much needed improvement in an area that suffers inadequate health care facilities and extremely high mortality rates, with a doctor-patient ratio of one to 66,000. The facility, which is expected to run at an annual cost of Ksh 10 million, will provide healthcare services to both staff and the local residents.

The facility was constructed at a total cost of Ksh 50 million and is expected to serve well over 40,000 people annually, improving basic health services in the area by providing treatment for common ailments, as well as focusing on reducing child and maternal mortality. It will also provide specialised care and counselling for HIV/AIDS patients.

The launch was graced by guest of honour, Mr. Richard Etemesi, the CEO of Standard Chartered Bank, Kenya. In his address, Mr. Etemesi commended Mabati Rollings Mills for championing initiatives at community levels. He went on to say that partnerships between the private sector and government ensured an inclusive approach and sustainability.

Dr. Manu Chandaria, the Chairman of the Mabati Rolling Mills board, said the company was committed to giving back to the Kenyan community, adding that whereas Mabati Rolling Mills is a profit-making organisation, the company's Corporate Social Responsibility (CSR) projects align it to its core values. "In so doing," Dr. Chandaria stated "we work towards inward enlightening and sustainable outer actions. Taking responsibility for shaping social and ecologic globalisation is a central challenge for executives in both developed and developing countries." Dr. Chandaria urged Kenyan executives to take CSR seriously so that "we can grow our people".

Mr. Dhiru Shah, a trustee of MRM-European Industrial Bank Trust, said that the new facility was an upgrade of the existing Mabati Medical Clinic which he hoped would continue to contribute significantly to the achievement of the Millennium Development Goals (MDGs).

He expressed the hope that more private sector organisations would work together for the betterment of the communities within which they operate.

Mr. Kaushik Shah, Director of Mabati Rolling Mills, commended Mabati Rolling Mills leadership for building on the proud example set by Dr. Manu Chandaria and Mr. Dhiru Shah who "right from inception, have steered Mabati towards great corporate citizenship and a CSR policy to put back into local communities".

Mabati Medical Centre will expand further to provide pre-natal and ante-natal services in the near future, furthering its contribution towards our achievement of Millennium Development Goals 4 and 5. (See inside back cover.)

"Taking responsibility for shaping social and ecologic globalisation is a central challenge for executives in both developed and developing countries."
Dr. Manu Chandaria

KENYAN OLYMPIC TEAM HONOURED IN LONDON

Typically, London weather is cold and the streets are wet with showers. But for the Kenyan Olympics athletes who landed in London on Tuesday, 24 July, London was sunny and dry, adding a special sparkle to the welcome party prepared by The Kenya Society in London, for the 'kings' and 'queens' of the tracks.

The Kenya Society and Royal Overseas League in London co-hosted a garden reception at the Royal Overseas clubhouse in honour of the Kenyan Olympic team. Guests were entertained by the Afrika Jambo band that played popular Swahili songs, bringing a note of sunny African warmth to the cool climes of the United Kingdom.

The event was underwritten by Mabati Rolling Mills and was attended by Dr. Manu Chandaria, Chairman of the Safal Group and Mr. Rajeev Shah, Safal Group representative in London.

Team Kenya was there together with Kenyan officials, including the country's High Commissioner to the Court of St James', Mr. Ephraim Ngare, the Deputy High Commissioner, Madam Yonga and The Minister of Sports, Dr. Paul Otuoma.

Also attending were the Commonwealth Secretary General, Mr. Kamlesh Sharma; the CEO of the Kenyan Olympics Committee, Stephen Soi; and Mr. Sharad Rao, International Panel of Judges for the Olympics.



Paralympics and Olympic athletes who won medals in London this year were awarded vouchers worth Kshs 250,000 for gold medallists, Kshs 150,000 for silver medallists and Kshs 100,000 for bronze medallists, for roofing materials from Mabati Rolling Mills Ltd.

The Chandaria Foundation awarded David Rudisha Kshs 10 million to build a modern track in his hometown of Kilgoris. The track will be known as the Chandaria-Rudisha Running Track and will help nurture upcoming athletes who have the talent but lack such a facility.



Kenyan athletes at the lunch hosted in their honour in London before the 2012 Summer Olympics.



Mr. Rajeev Shah celebrates with the Torch Bearer.



Dr. Manu Chandaria with the Torch Bearer.

THE 11 KENYAN MEDAL WINNERS IN THE 2012 OLYMPICS

- 1 Gold Ezekiel Kemboi: Men's 3,000 m steeplechase
- 1 Gold David Rudisha: Men's 800 m
- 2 Silver Sally Kipyego: Women's 10,000 m
- 2 Silver Priscah Jeptoo: Women's Marathon
- 2 Silver Vivian Cheruiyot: Women's 5,000 m
- 2 Bronze Abel Kirui: Men's Marathon
- 3 Bronze Vivian Cheruiyot: Women's 10,000 m
- 3 Bronze Abel Mutai: Men's 3,000 m steeplechase
- 3 Bronze Timothy Kitum: Men's 800 m
- 3 Bronze Thomas Longosiwa: Men's 5,000 m
- 3 Bronze Wilson Kipsang Kiprotich: Men's Marathon

- The Olympics brings together sportsmen and women from all over the world to compete not only for the coveted gold medal, but for their country's glory.
- Kenya first participated at the Olympic Games in 1956, and has sent athletes to compete in every Summer Olympic Games since then (except for the boycotted 1976 and 1980 games).
- Kenyan athletes have won 86 medals in total, all from boxing and athletic events. Of those, 56 medals come from long-distance running events.
- In terms of medals won, the two most recent Summer Olympics (2008 and 2012) have been Kenya's most successful, producing 25 medals between them.

ALAF LIMITED – TANZANIA

Alaf Limited went all out to wow the attendees at the 36th International Trade Fair held in Dar es Salaam, Tanzania in June-July 2012.

Under the theme 'Own a part of Rome in Tanzania', the company launched its prestigious new Romantile profile. It also launched two new exclusive colours for Romantile, Charcoal Grey and Potters Clay.

Inside the pavilion Romantile was displayed with existing ALAF profiles and a complete range of building products.

ALAF was honoured by a visit to the stand by His Excellency the President of Tanzania Dr. Jakaya Mrisho Kikwete and his first lady, as well as thousands of visitors who were thrilled and amazed with the majestic Romantile display.

For its stunning display, ALAF was proud to accept the prize as the winning exhibitor in the Construction Materials category for the third year in a row.

Congratulations to ALAF Limited – lets make it a fourth win next year!



The launch of Romantile.



Mr. Manish Nair (left), Marketing and Sales Manager of ALAF Limited, accepts the award as the winning exhibitor in the Construction Materials category.

ALAF OPENS NEW BRANCHES TO MEET DEMAND

ALAF Limited, based in Dar es Salaam, has branches in Arusha and Mwanza and will open in Mbeya region later this year.

In response to increasing demand for its products, ALAF Limited is expanding its service offering into the Lake Region and Western Tanzania providing much needed steel roofing and allied building products. Earlier this year, it opened a new roll forming operation in Mwanza in the Lake Region, about 1,500 km north of Dar es Salaam.

Presently, Mwanza has two Corrugators and a Versatile roll former, processing ZincAL and Resincot roofing material. By the end of 2012 it will also offer Maxcover and Industrial Trough profiles to meet the full range of customer requirements.

Later this year, ALAF will also be opening a Service Centre in the Mbeya region to cater for the Western region of Tanzania.



Inside the Mwanza Factory.



ALAF Limited – Mwanza Factory, Lake Region.

ALAF CONTRIBUTES TO A HEALTHIER COMMUNITY

The Tanzanian Ministry of Health and Social Welfare is strengthening TB and HIV control services across the country through its National TB and Leprosy Programme (NTLP).

ALAF Limited participated in this campaign by conducting a screening exercise of its staff and their dependents. It was thus able to:

- Establish the magnitude of TB among the staff and their families.
- Treat all staff and their dependants who are diagnosed with TB
- Fulfill Occupational Health and Safety requirements that staff are screened for TB, HIV and Malaria.

The camp, which took place over three days at the ALAF Dispensary in Dar es Salaam, was inaugurated by Mr. Pankaj Kumar, COO, ALAF Limited. Over 600 staff and their dependents were screened; 19 persons displayed signs or symptoms of TB, and six persons were referred for Chest X-rays and further examination.

ALAF has undertaken to expand the initiative with further camps to screen for non-communicable disease like diabetes mellitus, blood pressure and respiratory conditions.

ALAF was also delighted to donate roofing sheets for the new building of a Maternity Ward in Urambo East, Tabara region. This is a joint initiative by ALAF Limited and the Government of Tanzania to combat the high incidence of maternal death in the country.



Screening exercises were conducted on all staff and their dependents.

UGANDA BAATI

WELCOME EXPANSION AS UGANDA BAATI TAKES OVER TORORO STEEL WORKS LIMITED

Interview with Suraj Malhatra (Marketing Manager) of Uganda Baati Ltd.



In January 2012, Uganda Baati Ltd took over the well-known Tororo Steel Works, and the company is now called Uganda Baati Ltd – Tororo.

Uganda Baati is one of the pioneer manufacturers of the well known RHINO and LION BRAND corrugated sheets as well as pre-painted roofing sheets sold under various respected brands including Resincot, Versatile, Romantile, Covermax, Maxcover and the Industrial Trough (IT4/IT5) names.

It manufactures and sells allied roofing accessories for these brands, as well as hollow sections, tubes, plates, rebar, wire rods and other structural steel sections. It has served the nation with the best quality iron sheets for more than four decades. Quality is certified by the Uganda National Bureau of Standards (UNBS).

With strong support from its parent company and head office, Uganda Baati Ltd – Kampala, Tororo has gone from strength to strength to become the fabricator and erector's supplier of choice, and the region's leading roofing solution provider. Currently Uganda Baati Ltd – Tororo employs 47 people, and has production capacity of approximately 7,000 tonnes per year.

When did the service centre come about and what was the objective behind it?

Since 1964, Uganda Baati has been located in Kampala. Our main objective for Tororo is to cater to eastern Uganda, which comprises of 36 districts with vast economic growth, mainly because of its agricultural sector.

It will allow us to make Just in Time deliveries in this area, offering a complete basket of roofing and construction products.

With strong emphasis on service and putting our clients first, we ensure our products are always of the highest quality and delivered right on time. This service drive is behind our expansion into service centres.

How has the market adapted to this new service centre?

The market has adapted very well to this centre. Customers are given prompt and courteous handling at the sales desk and expeditious loading by our logistics and stores department. The entire workforce is at the disposal of the sales supervisors to assist the customer.



New employees have been recruited from the town. What are their thoughts at becoming a part of the Safal Group?

Uganda Baati Ltd – Tororo, respects the universally recognised fundamental human rights of all its employees. We are committed to providing a workplace where all employees are treated with respect and dignity.

Every employee, Executive, Supervisor and Manager, has a duty to help ensure that the climate in the workplace is one of trust and mutual respect.

All employees at production areas are provided with the necessary protective gear and safety equipment. The company does not tolerate any type of work harassment or abusive language amongst employees.

We have seen measurable results from these policies and practises, namely:

- Improved motivation has led to higher performance effectiveness
- We are a preferred employer in the region.
- We are able to recruit the desired talent more easily.

How will this Centre provide upliftment to the people and the neighbouring communities?

We firmly believe that outlets have to be run by indigenous business men and women of the local community. This practical approach ensures employment opportunities at a wider range.

From the current fiscal year we have set up a medical centre at the factory premises which is a branch of our medical trust foundation in Kampala. It has some of the best equipment. Our objectives are:

- To become a source of love and encouragement and care for ailing people in surrounding communities.
- To share knowledge of health and medicine and exchange experiences of the local care givers.
- To enlighten the local community with life saving information, such as HIV prevention, infant care and malaria treatment, especially for new born babies and pregnant mothers.

UGANDA BAATI PARTICIPATES IN CSR ROUND TABLE

Uganda Baati reiterates its commitments to being a responsible corporate citizen.



Image: IICD Goal 18

The Uganda Chapter for Corporate Social Responsibility Initiatives (UCCSRI) organised the 2nd Corporate Social Responsibility (CSR) Round Table meeting on 10 November 2011, at Serena Hotel, Kampala. The meeting brought together over 100 corporate figures and entities noted for their corporate responsibility initiatives.

Under the theme *Expanding the capability of the private sector to address development challenges through Corporate Social Responsibility (CSR): Focus on Millennium Development Goals (MDGs)*, the meeting provided the opportunity for different organisations to discuss how best companies can direct their corporate social responsibility programmes to attain national development.

Uganda Baati was invited by UCCSRI to share their experiences on how to align CSR activities to national and developmental priorities. In her presentation, Ms. Daphne Kakonge, Human Resource Manager, was able to highlight Uganda Baati's CSR development initiatives in line with each of the eight Millennium Development Goals and reiterated Uganda Baati's commitment to being a responsible corporate citizen, in line with the SAFAL Group's values of being fair and caring towards employees, customers, shareholders, the community and the environment.

The outcome of the 2nd CSR Round Table was the 'Uganda Declaration by Business on Development issues'. The declaration is a document outlining the priority commitments by the private sector to join hands with the public sector in pursuit of national development priorities and the Millennium Development Goals.



Mityana School, Uganda



Uganda Baati Hospital

INSTEEL LIMITED – KENYA



Image: isafmedia

INSTEEL LIMITED BECOMES A SIGNATORY TO THE KENYAN NATIONAL ENERGY ACCORD

Insteel Limited is one of 18 companies in Kenya that have signed the National Electricity Efficiency Accord, aimed at helping the nation save up to 8% of its energy costs.

The National Energy Accord in Kenya was developed by the Kenya Association of Manufacturers (KAM), motivated by the success of the KAM Energy Efficiency project.

The KAM Energy Efficiency programme demonstrated that industries can save between 30%–40% of their energy consumption annually, and has already delivered savings of about Ksh 2 billion.

In the longer term, it has the potential to save the country and its businesses over Ksh 7 billion in electricity and over Ksh 5 billion in fuel costs (oil, gas and biomass).

The heavy costs of electricity production

Energy is an integral component of a modern economy, but it exacts heavy financial and environmental costs. A case in point is the Mau Forest rain catchment area in Kenya, which was once a reliable water source.

Rainfall was predictable and supplied the downstream dams and lakes throughout the seasons. Sadly, this valuable natural resource became compromised to the point where water catchment became intermittent and as the supply to the dam and lakes reduced, it had a direct impact on hydro-energy

production and supply, resulting in a drastic rise in energy bills.

Research shows that there is opportunity to cut energy costs by as much as 40% in both domestic and industrial use through simple saving methods and the use of energy-saving equipment. Educating, sensitising and creating awareness around the efficient use of energy is an essential part of this process and Insteel Limited aims to set the benchmark for energy efficiency manufacturing in Kenya.

The accord encourages large industrial energy consumers to voluntarily commit to reduce energy consumption within their operations. In signing the accord, Insteel Limited, along with the participating companies, has undertaken to reduce energy consumption by between 5%–15%.

This has spurred the technical team at Insteel Limited to focus on all matters relating to energy consumption. Monitoring and improvements in terms of methods and processes are constantly explored to ensure a lower energy cost per metric ton produced.

This ground-breaking initiative is critically important as participating firms stand to benefit from reduced energy costs and improved security of supply. This, in turn, will not only benefit the individual firms and economy in general, but also benefit the environment.

SAFAL STEEL – SOUTH AFRICA



The Safal Steel packing and despatch department.

R1bn ALUMINIUM-ZINC COATING PLANT OFFICIALLY OPENED IN SOUTH AFRICA ON 5 MARCH 2012

Cyclone Irina, which hit the coast of Southern Africa in March of 2012, didn't dampen festivities at the official opening ceremony of Safal Steel's new metal coating manufacturing plant in Cato Ridge. The facility represents an investment of more than R1-billion in the local economy by the Safal Group and co-investors.

Elite dignitaries attending the function included the South African Minister of Trade and Industry, Dr. Rob Davies, Shinya Higuchi Managing Director of Nippon Steel, Naoyuki Akimoto Executive Officer of Marubeni Itochu Steel Inc. and Dr. Manu Chandaria, Chairman of the Safal Group. Safal Steel also hosted various project suppliers and valued customers.

Minister Davies, during his address at the opening ceremony, noted the significant investment made not only during the construction phase of the plant, but that it will also make going forward.

The Safal Steel project at the time of construction in 2008, was the third largest project in the province of Kwazulu-Natal, alongside construction of the new King Shaka Airport and the Moses Mabhida Stadium. Full commercial production commenced in 2011.

Safal Steel has the capacity to supply both local and export markets with 150,000 tons of premium aluminium-zinc coated steel coil per annum, of which a significant percentage will be colour coated material produced on the most advanced colour coating line in the world.

The company proudly achieved over 70,000 tons in its first year of production, which ultimately resulted in Safal Steel garnering the prestigious Exporter of the Year Award from the Durban Chamber of Commerce in 2011. Safal Steel produces metal coated coils using a patented Aluminium-Zinc coating technology. The company produces quality products under the brand names ZincAL and COLORPLUS. Products are tested to American, Australian, European and South African international standards.

International stakeholders in the project include Nippon Steel, the European Investment Bank and International Finance Corporation, a member of the World Bank Group. Locally, the Industrial Development Corporation also played a significant role in the project.

Safal Steel would like to extend their sincere thanks to all stakeholders involved for the roles they played in getting Safal Steel operational.



Safal Steel Chief Executive Officer, Mr. Ronnie Graham (left) and the South African Minister of Trade and Industry, Dr. Rob Davies, unveiling the plaque.



Representatives of Nippon Steel and Marubeni Itochi with Mr. Indu Chandaria.



Delegates are briefed about safety before entering and touring the plant.



Delegates are informed about the tests that are conducted in the onsite laboratory.



Members of the Shah and Chandaria families.

SAFAL STEEL TAKES TB EDUCATION TO HEART

Sadly, Tuberculosis is a disease which still affects approximately one-third of the world's population, the continent of Africa being the worst affected.



Image: EC-ECHO-Martin Karimi

Several strains of extremely drug-resistant Tuberculosis (XDR-TB) have emerged over the past decade caused by partial or inconsistent treatment of the disease.

Drug resistant TB is an extremely difficult and costly condition to treat over an extended period of time. Prevention is therefore, better than cure. Safal Steel took TB education to heart during the month of March 2012, in which National TB day is celebrated in South Africa.

Safal Steel's Clinic, managed by Dianne Smith, in conjunction with Botha's Hill Chest Clinic based in the Valley of 1000 Hills, are dedicated in the fight against TB. The clinic offers a free service for testing and treatment of the disease.

The company continuously releases extensive educational TB information in their newsletter, which is circulated among management, staff and clients.



ETHIOPIAN STEEL



Mr. George Arodi, Mr. Raushan Kumar, Ethiopian staff members and guests take part in the ceremony to officially launch the Gondor Service Centre.



The first roll-forming of corrugated sheeting being produced.



The official cutting of the ribbon.



The official opening of the Gondor Service Centre.



A CASE STUDY: TURNING A DISTRIBUTION CHALLENGE INTO A BUSINESS OPPORTUNITY

Located in the Horn of Africa, Ethiopia is home to 85 million people, making it the second-most populous nation on the African continent.

Ethiopian Steel PLC was established in 1997 and for 14 years (until last year), its sole operation was in Addis Ababa – the company was unable to unlock the further potential of the market.

The reason for this is that Ethiopian Steel is not Ethiopian owned and therefore, unlike locally-owned companies, is prevented by law from opening retail outlets outside its core production unit.

Out of these challenges arose the unique concept of Service Centres and Showrooms.

Service Centres are small production facilities situated in market nodes outside the logistical reach of the main production base in Addis Ababa. They produce for the market within immediate reach of their operation.

To increase local market awareness and offtake, **Showrooms** are located in high visibility cities and construction nodes. As Ethiopian Steel cannot 'sell' from these outlets, orders from the Showrooms are fed back to the closest Service Centre for

manufacture and speedy delivery. The company also provides a delivery service to customers through appointed service providers.

A **Field Sales Team** is attached to each Showroom, to sell into surrounding construction areas. The team of trained artisans (*fundis*) has experience in roofing and can also take roof measurements if required.

The company plans to extend this service to include the drawing of roof-plans using an AutoCad facility located in the Showrooms.

One service centre and three showrooms are now open. Keeping its main plant in Addis, Ethiopian Steel recently opened a Service Centre in Gondar and three more are planned for key regional states in Ethiopia.

The first Showroom opened in November 2011 in Megenagna, near the Addis City centre. Two more Showrooms were opened in Adama and Lebu in Addis Ababa in 2012.



Mr. George Arodi oversees the cutting of the ribbon at the Lebu Showroom inauguration.



Preparations for an Ethiopian Coffee Ceremony at the Lebu Showroom inauguration

THE WAY FORWARD

The Showrooms are playing a key role in the company's sale of value added products, as virtually the entire sale is of colour-coated material, plus limited quantities of thicker gauge, unpainted products.

The company posted a sale of 400,000 million Birr (US\$22,200) from the Adama Showroom in June 2012, with the same figure from Lebu, in the first month of opening in July.

By mid-August 2012, sales through the Lebu Showroom had hit US\$100,000 surpassing Megenagna which had registered US\$92,000 during the same period.

Ethiopian Steel PLC will launch four additional Showrooms in the near future, and has firm plans to cover the whole of the Ethiopian market by 2012, through the Service Centres, Showrooms, Distributors and Field Sales Teams.

Congratulations to Team Ethiopia for their innovation and great determination to turn a challenge into an opportunity.

SAFINTRA ZAMBIA

The Zambia International Trade Fair is held annually in Ndola to showcase a wide variety of goods which service the greater region. The 48th Trade Fair was held on 27–29 June 2012 to coincide with Unity Day and Heroes Day, which are both public holidays.



Safintra Zambia Ltd, Kitwe branch, showcased an exhibition highlighting the Concealed Fix Saflok 700 System which is used extensively for commercial and retail buildings as well as industrial structures.

Mobile mills enable Saflok® roof cladding to be rolled onsite in continuous lengths of up to 120 meters.

Safintra also chose this show to launch the new Lifestyle product, used extensively in residential applications. The product consists of a basecoat of steel, coated with selected fine-grain coloured stone granules, which is then glazed and cured with a pure acrylic glazing to give the product lustre, UV protection and superior weather-resistance, even in severe conditions.

The stand also featured other Safintra brands sold in the region: Versatile, Trimflute, Zentile and Dumuzas. There were an estimated 3,000 visitors to the show, including visitors from



the SADC and Comesa communities. There is no doubt that the stand was a great hit and will establish the Safintra name in the region as a supplier of highly sought-after roofing products.

Zambia plays an important role in the economy of Africa. It is at the centre of the Southern African Development Community (SADC) and is the headquarters of the Common Market for Eastern and Southern Africa (COMESA). Between the two economic groupings, they cover Southern and Eastern and part of Central and North Africa.

Ndola, in the north east of Zambia, is the headquarters and also the largest commercial and industrial city of the Copperbelt Province.



SAFINTRA MALAWI

LAUNCH OF LIFESTILE & COLORZAS

On Friday, 25 May 2012, the President of Malawi, Her Excellency Mrs. Joyce Banda, attended the country's 24th International Trade Fair held at the Chichiri Trade Fair Ground in Blantyre, Malawi.

Safintra Malawi was privileged to host the President of Malawi at its Pavilion, where she inaugurated the company's Lifestyle and ColorZAS range of roofing products with a traditional ribbon cutting ceremony, much to the delight of Safintra Roofing staff and onlookers.



QUANTITY SURVEYORS HOSTED BY SAFINTRA



Safintra Malawi leapt at the opportunity to introduce ZincAL technology and the Safintra range of roofing products to the Malawi chapter of the Africa Association of Quantity Surveyors.

The Annual Conference, held in Mangochi from 21–23 March 2012, was themed "Sustainable construction cost management" and attracted a wide range of professionals including architects, quantity surveyors and engineers from Nigeria, Ghana, Kenya, South Africa, Namibia, Zambia and Malawi.

The event was also used as a platform to impart knowledge to upcoming quantity surveyors and was an ideal forum for our products to be presented, particularly the innovative Lifestyle, Romantile and Versatile roofing brands which are unique to Safintra.

Image: Elvert Barnes

MALAWI GETS THE 'SHOW ON THE ROAD'



Safintra Malawi decided to get the proverbial 'show on the road' on Saturday, 16 June 2012, when the company unveiled their road show van, which will be used for brand promotions countrywide.

The initiative was launched with a traditional ribbon cutting ceremony attended by major roofing distributors, the Malawian press and the Safintra team.

Safintra product distributors and retailers were delighted to be invited to make suggestions on how Safintra could add additional 'wow' to the show, to maximise its impact.

The promotional show will build wide awareness for Safintra and its products, with special emphasis on the corrugated product lines (Safintra Mkango-Plus, Lion Malata and ColorZAS).

Safintra Malawi Marketing Manager, Jayanta Chakravarty, explains: "The show will raise the profile of the company and its brands in the market place. It will also stimulate demand, and differentiate our products from our competitors by offering them tangible value for money."

"This concept is a first for the Malawian building sector and we believe it will propel the company forward."

THE DAY OF THE AFRICAN CHILD COMMEMORATED

The 'Day of the African Child' on the 28 June, has been recognised internationally since it was initiated in 1991 by the Organization of African Unity.

For many children living in poor villages across Africa, there is little resemblance to the childhoods experienced in Europe, America and affluent cities. Large numbers of children have little or no chance for education, a fact that traps them in the cycle of poverty, with little or no hope of improving their lives.

In 2012, Safintra Malawi stepped up to the plate and vowed to make a difference. The Safintra Roadshow and management teams devoted a day to the pupils of Chikuli in the southern region of Malawi, and handed over 100 lap desks to the students of Dzunga Primary School.

The occasion was graced with the presence of guest of honour Mr. C. Chavula, MP, Blantyre District Commissioner C.N. Makanga and of course the Dzunga Primary School Headmaster, Mr. Wilfred Mazanga. But the special guests of honour were really the pupils of Dzunga Primary and other schools which would be benefitting from this donation to help them with their education and a chance at a better life!



Lap desks were presented to Blantyre District Commissioner Mr. Makanga (left) and the Headmaster of Dzunga Primary School Mr. Mazanga (right) by Safintra Malawi representatives.

SAFINTRA

THE NAME FOR WORLD CLASS ROOFING AND STEEL

Safintra roll-forms steel roofing sheets in a wide variety of profiles which fulfill the most innovative design demands and challenging structural requirements.



Celebrating 21 years of service excellence

From small but exciting beginnings in 1991, Safintra Roofing and Steel has steadily flourished and now has 6 roll forming operations across the country. It is now also a part of the Safal Group, the largest steel roofing company in Africa with 20 roofing operations in 10 countries.

The company has built its reputation on three pillars: Innovation, Service and Integrity. A decade ago, we changed the face of concealed fix roofing systems in Southern Africa with the launch of SAFLOK 700. Millions of square meters later, the respected Saflok name now includes a 410 profile launched this year. And our prestigious pierced-fix roofing brands include Versatile, a tile-profiled sheet unique to Safintra.

All Safintra products are available with a range of standard and bespoke flashings, channels and accessories to provide a total roofing solution. Free technical advice is provided to clients nationwide.

Pretoria, Nelspruit, Johannesburg, Cape Town, Durban, Port Elizabeth, www.safintra.co.za
Mozambique, Malawi, Zambia, Tanzania, Kenya, Angola, Uganda, Rwanda and Ethiopia. www.safalgroup.com



Safintra is part of the Safal Group, the largest steel roofing company in Africa.

SAFLOK 700
concealed fix roofing

SAFLOK 410
concealed fix roofing

Trimflute

WIDEDEK

VERSATILE

INDUSTRIAL 7

TUFDEK

classicorr
corrugated

SAFINTRA
COLD FORMED CHANNELS

METSEC

SAFINTRA SOUTH AFRICA



Celebrating 21 years of service excellence

Safintra Roofing South Africa celebrates its milestone 21st birthday this year. Safintra South Africa was formed in 1991 to export roof sheeting and coil to sub-Saharan Africa and in 1995 became part of the Safal Group of companies. Six branches serve the needs of clients in all key markets countrywide.

In 2003 the company changed the face of concealed fix roofing systems in Southern Africa with the launch of its revolutionary concealed fix system called SAFLOK 700, which remains the flagship product of the company for large-scale projects.

2012 saw the launch of the company's latest offering in the concealed fix roofing market, SAFLOK 410, which is suitable for use in high-wind coastal applications. It also relaunched Versatile, a profile unique to Safintra Roofing, with the prestigious look of traditional roof tiles, but with the 'green credentials' of steel roofing i.e. lightweight, thermally efficient, 100% recyclable and cost effective.

Safintra South Africa's edge in the roofing industry is not limited to its quality service and renowned brands. It has also

built lasting professional relationships with its clientele. The company has been involved in numerous corporate social responsibility initiatives over the years and is a proud sponsor in the training of professionals in the field of Heritage Architecture.

Safintra South Africa is proud to celebrate this milestone as a company and to look back on the difference it has made in the lives of the many in the various corporate social responsibilities it has sponsored over the years.

With the focus on green design it is inevitable that steel roofing will become the material of choice, given its green credentials.

Safintra is ready to innovate and meet the needs of its customers in every way

SAFINTRA SA SHINES AT WORLD ARCHITECTURE DAY EXHIBITION



Safintra South Africa is one of the country's leading suppliers of world-class steel roofing and accessories. In 2011 the company launched a uniquely creative new marketing campaign celebrating the achievements of the architectural industry in South Africa.

The campaign recognises the profession which sets the benchmark in creativity and innovation in the use of steel roofing, and features the creative teams behind these spectacular spaces. The result was a series of advertisements

celebrating 'Great South African Architecture' showcasing the buildings, the professional teams and of course, Safintra products.

Images from the campaign were used in an architecture exhibition themed 'Architecture/Landscape/Interior', which took place in June 2012, in celebration of World Architecture Day. The campaign was also featured in leading South African print media and driven electronically on the company's website <http://safintrarroofing.wordpress.com>

SAFINTRA SOUTH AFRICA EMBRACES THE DIGITAL AGE



Safintra South Africa started their national weblog in January 2011 as a regional concern in the province of Kwazulu-Natal. The weblog grew in popularity at such an astounding rate that the company took the online tool to a national level, with a corporate Facebook page, as well as a Twitter account.



With almost 300 articles published to date, the weblog has garnered in excess of 35,000 page-views since its inception, with regular global audiences as far afield as Scandinavia and India making it a true global platform. This online marketing tool showcases fine examples of the innovative use of roof sheeting in both national and international projects.

It was used extensively to drive the company's 'Great South African Architecture' marketing campaign. It also serves as a platform to showcase the work of architecture students and up-and-coming architecture firms.

Sally Stromnes, Marketing Manager, Safintra South Africa, said: "There is no doubt that the way forward in terms of marketing is digital, in all its forms. We are proud of this pioneering initiative that sets us apart from our competitors.

"We aim to provide relevant and informative material which can be used in a practical manner by our target market."

Wordpress Weblog
<http://safintraroofting.wordpress.com>



SAFLOK 410 LAUNCHED TO GREAT ACCLAIM

Safintra Roofing and Steel South Africa launched the new Saflok 410 concealed fix profile in Cape Town on 2nd February 2012.

Saflok 410 is the latest addition to the Saflok family of concealed fix roofing systems, only available from Safintra. The Saflok range now includes the well-established Saflok 700 (a sheet with 700mm effective cover) and the new 410mm cover width sheet.

Saflok 410 was designed in South Africa specifically for the country's challenging coastal conditions where strong wind and rain push roofing performance to the limits. Saflok 410 is one of the strongest vertical clipping concealed fix systems on the South African market.

The Saflok 410 launch event, held at Spier Estate in the Cape Province, hosted 120 architects, plus contractors and industry

players and, of course, the media. After a very windy start to the day, the elegant evening event was blessed with perfect weather, a cause for much mirth from the Port Elizabeth guests who had bucketed in that morning on a famous Cape Guster!

With the theme 'Saflok 410 locks down your roof', the event highlighted the benefits and proven performance of the new generation narrow concealed fix roofing system. Saflok 410 rolling was then demonstrated on the mobile mill, parked at the venue like a giant billboard, only much more fun with its gleaming rollers and branded livery!

The guests left with a full bag of reference material on all the profiles produced by Safintra.



SAFLOK REACHES INTO SOUTHERN AFRICAN MARKETS

Guests were very interested to learn that Safintra is well represented in the SADC and Eastern Africa, with over 20 Safintra operations spanning the region.

This has already unlocked an opportunity in Malawi, and more are coming through from Mozambique.

The Gateway Mall Project in Lilongwe, the capital city of Malawi, is a new \$42 million mall development comprising about 17,500m² of gross lettable area. The mall will cater to

both local and regional customers and will be anchored by both South African and local retail players.

The land was acquired from the Government of Malawi on a 99-year lease. The site is sufficiently large to include the potential for a 7,000m² extension of the mall and also has sufficient space for a 150 room hotel project to be implemented at a later stage. Construction of the mall began in 2010 with completion planned for early 2013.

Great South African Architecture

New Jerusalem Children's Home, Midrand, Gauteng



Photography by Dennis Gulchard

World Class Brands + Professional Relationships



TUFDEK^{IBR}



4^{d+a}
four
design +
architecture



TUFDEK^{IBR} by 4 D+A Architects

Sean Wall: "Who says IBR needs to be boring? The key to great design is to use tried and tested brands, such as Safintra's TUFDEK^{IBR}, in innovative and pioneering ways. Steel is renowned for its green credentials and hence was a natural choice for us to use in this project - Africa's first eco-friendly children's home."

TUFDEK^{IBR} is a tried and tested pierced-fix sheet with a bold appearance and a high strength to weight ratio, making it ideal for roof and wall cladding.

Since its introduction to the South African market in 1958, it has become the most popular sheet profile used in commercial and industrial applications. Its deep broad flute provides excellent water drainage performance and the angular trapezoidal profile, with a cover width of 686mm, provides excellent load and span characteristics consistent with economy.

This versatile profile can be factory cranked and bulbosed to a wide range of radii, and is available from Safintra in most gauges, in both aluminium-zinc coated steel and in aluminium.

Safintra Roofing has branches in Johannesburg, Cape Town, Durban, Port Elizabeth, White River and Polokwane. It has affiliated operations in Mozambique, Malawi, Zambia, Angola, Uganda, Tanzania, Kenya, Rwanda, Djibouti and Ethiopia.

Saflok 700, Saflok 410, Versatlok, Wideadek and Trimflute are registered profiles and trademarks of Safintra.

safintra.co.za

SAFINTRA
world class roofing & steel
SOUTH AFRICA

NEW JERUSALEM CHILDREN'S HOME – CARING FOR CHILDREN AND THE ENVIRONMENT



On 23 March 2012, history was made with the opening of Africa's first eco-friendly children's home, the New Jerusalem Children's Home in Gauteng, South Africa.

The home was started by two sisters, Anna and Phina Mojapelo, who opened up their own homes to vulnerable children in their local community and today, shelter over 80 children at a time.

Safintra South Africa was fortunate enough to become involved early enough in the project to be able to donate roof sheeting to this worthy cause.

The 'green' element of this development made it a first for Africa. The most striking feature of the project was the use of shipping containers sporting elevated cantilever roofs, featuring Safintra's product. The cantilever roofs are more than just a design feature, they also allow for natural air flow.

The green credentials of steel were critically important to the architects, as Mia Anfield explains: "We set out to design a 'green' environmentally friendly home, which not only would house the children in a safe, comfortable environment, but would also teach them about recycling and preserving the earth."

"Steel is 100% recyclable, thermally efficient and light-weight – and state of the art coating systems such as aluminium-zinc ensure a durable product, all of which are critical measures of sustainability."

The architecture also incorporates solar heating – a sustainable energy source – to heat the water in the house.

There are plans for a further two houses, an administration building and a chapel. New Jerusalem Children's Home can count on Safintra Roofing's support going forward.



SAFINTRA ANGOLA



O painel sanduíche que fabricamos em Angola é constituído por duas chapas perfiladas e pré-lacadas com espessura de 0,40mm cada, e com injeção de espuma de poliuretano entre as mesmas. Também podemos, em alternativa, colocar em vez de chapa na face interior, filme plástico com textura em relevo.

As espessuras dos painéis que fabricamos são de 3cms e de 5cms. A vantagem da utilização dos painéis sanduíche com espuma de poliuretano é a sua elevada rigidez e resistência nas suas mais diversas aplicações.

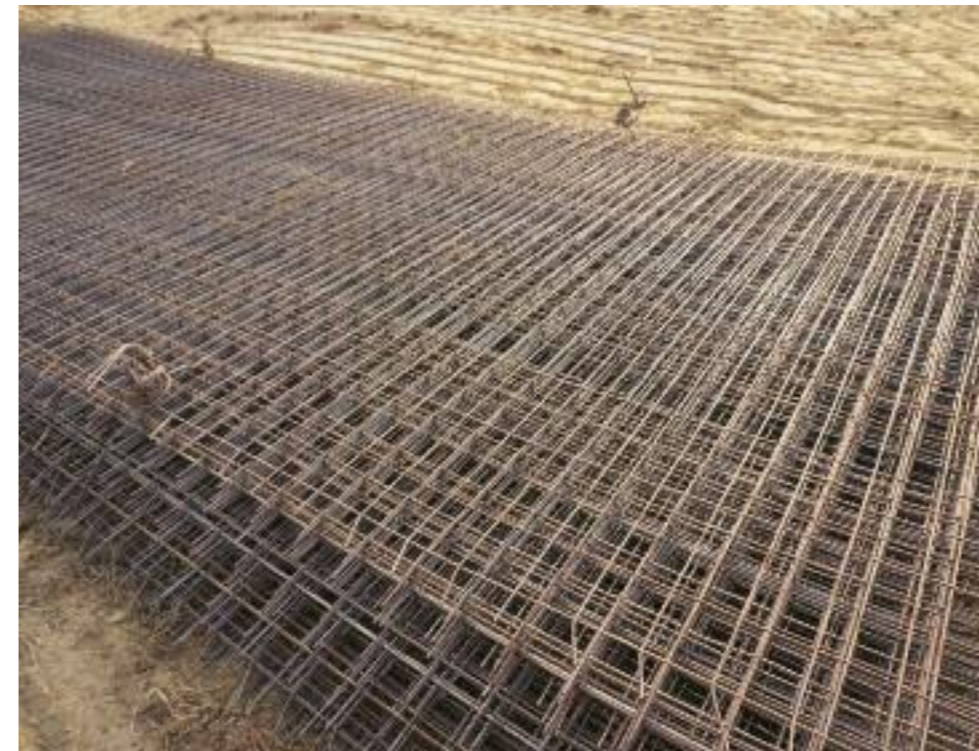
Estes painéis, também frequentemente chamados de "painéis de isolamento", são frequentemente utilizados na construção de câmaras de frio (paredes e cobertura), tendo portanto uma função estrutural, ou serem usados para revestimento interno e/ou externo de paredes de edifícios.

A linha de produção de painel sanduíche é uma linha que integra tecnologia mecânica avançada, química, eléctrica, hidráulica e pneumática.

É composta por um desbobinador hidráulico, máquina perfiladora, sistema de formação de espuma de poliuretano, sistema de correia dupla, dispositivo de corte automático, sistema de controle eléctrico e sistema hidráulico.

O poliuretano é um material sólido obtido de forma artificial com uma textura e aparência entre a cortiça e o poliestireno expandido (esferovite).

A espuma de poliuretano rígida, graças ao seu elevado poder como isolante térmico tem uma vasta aplicação no campo da refrigeração desde os grandes armazéns de frio, os supermercados e também nos camiões frigoríficos.



A malhasol ou malha electrossoldada é constituída por arames de aço dispostos paralelamente em duas direcções ortogonais (que forma um ângulo recto) sendo os pontos de contacto entre eles soldados por um processo de soldadura eléctrica por resistência (soldadura por pontos) em máquina automática de controle electrónico.

A matéria prima para o fabrico das malhas é o arame obtido por laminagem a frio, ou eventualmente por trefilagem a partir do fio laminado a quente produzido em siderurgia.

O fio-máquina utilizado pela Gainvest, S.A. (Safintra Angola) tem o diâmetro de 5,5mm e é depois esticado até um diâmetro de 4,5mm. Estamos a produzir malha em rolos de 50 metros e em painéis de 6mts. por 2,40mts.

A malhasol tem diversas aplicações, entre elas destacamos os pavimentos térreos, as lajes maciças e aligeiradas, paredes de edifícios, piscinas, túneis, muros, depósitos, silos, etc.

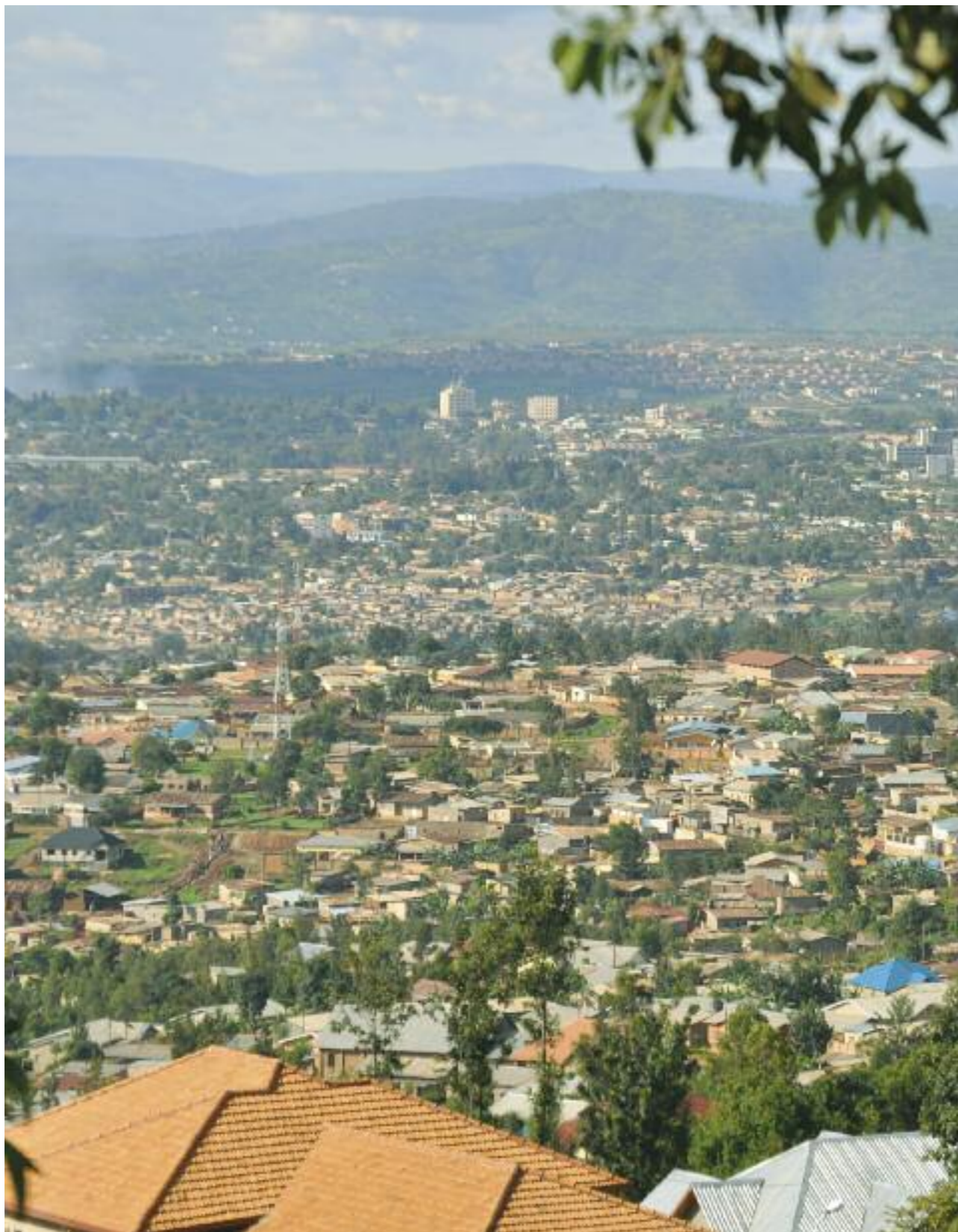
São diversas as vantagens na aplicação da malhasol, tais como a economia no transporte, facilidade de armazenagem, redução do tempo de execução, redução de sobras e o não requerer uma mão de obra com muita especialização.

A máquina que adquirimos na Europa é fabricada pela EVG, uma empresa que começou a desenvolver, desenhar e fabricar máquinas para a produção de malhasol em 1949.

O nome EVG é sinónimo de qualidade e eficiência, razão pela qual o Grupo Safal resolveu, para a primeira fábrica de malhasol do Grupo, escolher a máquina fabricada pela EVG.

SAFINTRA RWANDA

A success story – Rwanda converts to Versatile roofing



Rwanda is known as 'the land of a thousand hills and a million smiles'. It is a landlocked country with a population of 11 million people and current GDP per capita of \$562 per annum. The economy is largely driven by agriculture, tourism and mining and the main node of economic activity is in Kigali City.

When Safintra Roofing opened in Rwanda in 2008, Kigali was the obvious geographic focal point for operations, with roll-formers for Versatile, Maxcover and Covermax.

Versatile was an immediate opportunity as clay tiles were already widely used on expensive homes. The aspirational appeal of tile was well established, so much so that there were four existing tile roll-forming operations producing unbranded tile-profiled sheets to capitalise on the opportunity.

Armed with the insight that the current product manufacturers offered undifferentiated, unbranded products with long lead times and poor service levels, a strategy was designed:

- **Branding:** Safintra had to offer a branded tile sheet that consumers could demand by name.
- **Investing in consumer awareness:** Through mass media, build rapid awareness of a brand which would offer guaranteed quality and excellent customer service.
- **Creating a competitive edge:** Seek high profile users of the Safintra Versatile brand who would act as brand ambassadors.
- **Service:** Do it better, faster and with more customer focus.

The main market for roofing is the individual homeowner. Roofing material is a substantial investment and quality assurance is therefore very important. Safintra Rwanda built a Versatile advertising campaign around this strategy – with the tag line: *Its Different. Demand the Difference.*

Success timeline

- *October 2008*
Safintra Roofing commences commercial production in

Kigali, Rwanda, with the production of the first roll-formed sheets. The company starts with three sales representatives, all of whom are new to the steel industry.

- *November 2008 – January 2009*
 - The Sales team began direct marketing by undertaking site visits and meeting contractors.
 - The company launched an advertising campaign – on a very limited budget – utilising newspaper strip ads and street-pole ads on city roundabouts.
 - The company had very close contact with customers to ensure they were happy with the product and the service, and used the feedback as referrals.

By mid-2009, in every area of the city there were at least two to three houses roofed with Versatile. The company also received a very encouraging response from the upcountry market. The popularity and acceptance of Versatile was zooming up!

Launch of Versatile Matt

In August 2009, Safintra Rwanda introduced Versatile in a matt finish to the Kigali Market. This was another resounding success. Matt Versatile was sold at a premium of 15% to normal (gloss) Versatile. It caught the fancy of the market and its popularity started increasing daily. In the few months to year end, the company had sold almost 26,000m².

To support the Matt Versatile introduction, advertising was slightly adapted to increase the Prestige appeal, with the strap line: *Every roof is unique like your Signature. Create your own.* By the end of 2010, Versatile Matt finish sales were 50% of total Versatile sales. And the trend continues into 2012.

Versatile goes from strength to strength

Versatile's popularity has also expanded beyond the individual house owner segment and now the roofs of churches, commercial buildings and hotels are also being adorned by Versatile! Well done to the team – a success story we should all seek to emulate.

ROOFING AFRICA

Safal Group launches its e-commerce portal in Kenya and South Africa



Personal choice guides our products and it is that component that we strive to bring to the online shopping experience.

Safal Group prides itself on being on the digital forefront in the way it conducts its business, and the creation of the online store, Roofing Africa, was a natural progression in this regard.

This e-commerce portal is available to contractors, builders and end-users, and allows users to actively browse and purchase from the full range of Safintra's roofing products and accessories. Currently, the portal serves three branches in South Africa (Johannesburg, Cape Town and Durban), as well as three areas in Kenya (Mombasa, Nairobi and Kismu).

Mithun Kamath, E-commerce Officer, explains: "Roofing Africa would like to continue to grow Safintra Roofing's most loved and trusted brands. We believe that it is critically important to

have the proverbial 'one stop shop' online where our clients can find the very best profiles, accessories, technical support and service to match their needs.

"Personal choice guides our products and it is that component that we strive to bring to the online shopping experience. We realised that there is no 'one-size-fits-all' solution when it comes to development and construction of a roof, which is why Roofing Africa is determined to deliver an experience ensuring the right solution for individual needs."

Clients are encouraged to submit plans for an accurate quote. When a customer accesses the site, available products can be filtered by selecting one of the categories – Roofing, Polyclosures, Flashings & Accessories. After making the selection from a wide variety, the shopping basket will confirm the purchases made; payment can be made via a secured payment portal and direct electronic funds transfer (EFT), allowing customers the security of inserting their details and checking out, with great ease.

Customers are instructed upon confirmation of payment that their order has been received, with an estimated lead time and when collection must be made.

Clients are kept up to date with their order of purchase via email as well as telephonically.

Ordering a new roof is now just a mouse click away!



STEEL & SUSTAINABILITY

Sustainability is about more than energy use or carbon dioxide emissions during manufacture – it also includes an assessment of how the product is used during its life, and how it is treated at the end of its life. This is a life-cycle approach.

The benefits of steel are evident through every stage of its life-cycle.



According to the United Nations, 180,000 people are moving to urban cities each day. By 2030, there will be a need for 40% more housing and basic infrastructure services than existed in 2005. Nowhere are the effects of population more visible than in the cities and urban fringes of African cities and towns.

Steel is uniquely placed to help communities across Africa meet these challenges in a sustainable, responsible manner.

As a residential construction material, steel is an inherently adaptable material.

Steel building solutions can effectively respond to housing demands with durable, low cost, pre-fabricated solutions that are quick to build and require little maintenance.

During the 'use' stage of its life, steel can help improve energy efficiency and improve comfort. Steel roofs can incorporate panels and systems to reduce energy and water usage by harvesting solar power and rainwater.

Steel's functionality also makes it suitable for a variety of climates. In order to combat the high temperatures of African summers for example, Aluminium-Zinc (AZ) or pre-painted steel finishes are designed to reflect heat, resulting in cooler homes and ultimately energy savings for the consumer. And during the winter period a well-insulated steel roof system retains heat within the structure to provide instant comfort.

At the end of its life, steel can be recycled, reducing the amount of virgin material required for each ton produced.

Safal Group is committed to finding steel solutions today for a better world tomorrow.

STEEL ROOFING IS **100%**

Steel is 100% recyclable. Over 40% of the world's ferrous resource is recycled.

Safal Steel South Africa is a founding member of the Green Building Council of South Africa.



Here are some fascinating facts about the *World of Difference* you could make by recycling!

- To make one tonne of paper it takes on average 24 trees.
- It takes 70% less energy to recycle paper than it does to make paper from scratch using raw materials.
- Recycled paper is better for air quality, producing 73% less pollution than paper made from scratch from raw materials.
- You could power a computer for 25 minutes with the energy saved from recycling one glass bottle.
- You could light a room with a 60-watt light for three hours, using the energy saved from recycling one plastic bottle.
- You could power a television for three hours by recycling one tin can.
- Nearly 80% of the average car can be reused and recycled.
- Nearly 60% of all the rubbish that ends up in household dustbins could have been recycled.
- Around 50% of waste in the average dustbin could have been put in a compost heap instead.
- The average dustbin contains the yearly energy potential to power a television set for 5,000 hours.





THE EIGHT MILLENIUM DEVELOPMENT GOALS (THE UNITED NATIONS DEVELOPMENT PROGRAMME)



Our roots in Africa are unshakably planted in our commitment to our family of over 3,500 employees, the communities in which we live, and to nurturing the environment which will sustain current and future generations.



safalgroup.com
safintra.com



In all its processes and practices, through its products and people, in its values and its ethics, the Safal Group continually strives to

MAKE A WORLD OF DIFFERENCE