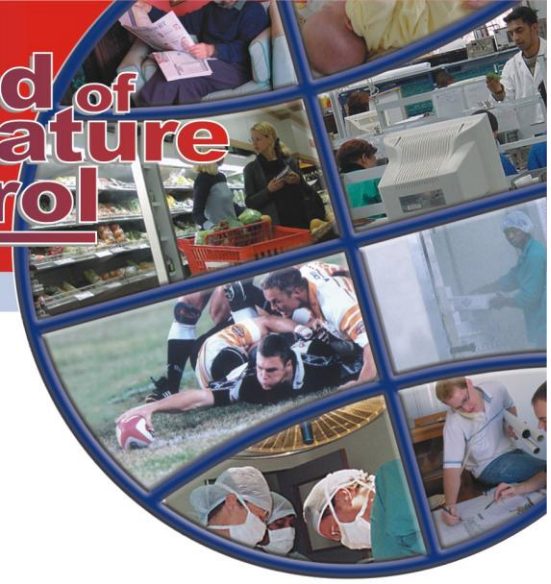


**The World of
Temperature
Control**



BEN BOOYSEN (PTY) LTD

Airconditioning

COMPANY PROFILE

JUNE 2010

Table of Contents

	Page
1. EXECUTIVE SUMMARY	3
2. BACKGROUND	5
3. THE COMPANY	5
4. HUMAN CAPITAL	6
5. PRODUCTS AND SERVICES	6

1 EXECUTIVE SUMMARY

Ben Booyesen (Pty) Ltd has been an industry leader for the past fifty nine years in Pietermaritzburg, KwaZulu Natal, supplying and installing quality air-conditioning for heating and cooling, ventilation and disinfection and the dehumidification of indoor air for thermal comfort in:

- **Low-Rise Residential buildings**, including family houses, duplexes, simplexes, granny flats, estate and retirement homes and small apartment buildings
- **High-Rise Residential buildings**, such as tall dormitories and apartment blocks
- **Recreational**, caravans, mobile homes and boats, night clubs and gyms, etc
- **Commercial buildings**, which are built for commerce, including offices, malls, banking institutions, pharmacies, shopping centres, restaurants, hotels and B&B's, data centres & server rooms, airports, etc.
- **Institutional buildings**, which includes hospitals - operating theatres and neonatal wards, clinics, laboratories, governmental buildings, academic institutions – universities, training centres and schools, churches and places of worship etc.
- **Industrial spaces**, such as warehouses and factories where thermal comfort of workers is desired.

Our headquarters in Pietermaritzburg and our branch in Ballito which is a few minutes from Durban includes, offices, workshop and warehouse space, and acts as the base from where we service clients throughout the province.

Our services

Ben Booyesen is known for:

- its highest level of commitment to service and quality,
- building relationships with all stakeholders based on trust, integrity and delivery, through our fundamental business principles of quality and value for money,
- The installation of small, medium and large air-conditioning, refrigeration and ventilation systems, including completely personalised turnkey solutions for the residential, commercial, agricultural, governmental and industrial sectors,
- Customising contracts according to individual requirements and specific needs.

Our people

As a Group company, Ben Booyesen recognises the paramount importance of caring for our people. We have a permanent staff of more than seventy employees, and are proud to be one of employers who employ the highest number of learners and apprentices in the industry.

Our markets

Agricultural

Ben Booyesen has been involved in numerous agricultural projects, and understands that the critical requirement of the maintenance of the cold-chain in achieving increased profitability,

whether it's for a dairy, pork, poultry, egg processing or fresh produce. We undertake the specific consultation, design and management of the entire project, offering a comprehensive and informed solution.

Retail

We have excellent relationships with some of the country's major retailers as well as other independent groups. We undertake installations at new stores as well as repairs, and realise the necessity of working to tight deadlines. We do whatever the specific job requires, by calling on additional resources, changing schedules, re-planning or working overtime.

Residential

Ben Booyesen has a dedicated team that specialises in residential installations, combining their technical expertise with an understanding of the need for punctuality, spotless work and keeping the customer informed of progress.

Manufacturing

Ben Booyesen has extensive experience with various manufacturing sectors, including engineering, timber, aluminium, footwear, packaging, automotive components, and tools. We work closely and creatively with the client to ensure a focused answer for all cooling and heating requirements, and constantly embrace new technology to stay tuned to the industry's developments.

Government

We are a ZNT contractor, approved to conduct work for the government with a level 5 CIDB registration, and have undertaken a number of projects for government departments and hospitals. Management of the air-conditioning plant at Natalia in Pietermaritzburg has been outsourced to Ben Booyesen, with a dedicated team based there for installations, servicing and maintenance of equipment.

Property development

We have extensive relationships with those working on property development projects, such as architects, consulting engineers, building contractors and quantity surveyors. We work with the development team to ensure a shared vision that results in harmonious and effective solutions.

Our quality

Ben Booyesen is committed to our promise: ***Leadership Through Service.***

2 BACKGROUND

2.1 HISTORY

Ben Booyesen has been trading using different legal entities since April 1951. The company was started by Mr Ben Booyesen. This company has been a family business until 1 July 2005. Mr Steve Reddy currently holds the majority stake in the company with directors holding the remaining shares.

2.2 GROWTH

Ben Booyesen has grown organically over its 59 years at an annualised compound rate of approximately 16%. Over the last six years the company has grown at an average of 14%.

3 THE COMPANY

3.2 Operational Structure

The sister company, BOOYSENS REFRIGERATION, deals with all refrigeration products and sales.

The AIRCON business is separated into two specific divisions, namely contracting and retail. The contracting division focuses on the installation and revamping of large air-conditioning installations. The retail division focuses on the sale of air-conditioning units, mostly to the domestic market and small to medium sized commercial operations, and the Service and Repair (S&R) of both large and small air-conditioning applications. The company also has over 130 maintenance contracts in place with business and industry in Kwazulu Natal, ensuring efficient and problem free operation of the equipment.

3.1 Locations

- The company Head Office is based at 199 Boom Street, Pietermaritzburg.
- The contact details as follows:
www.benbooyesen.co.za
info@benbooyesen.co.za
Tel : 0861 424 911 or 033 342 4911
- The company trades out of two branches, Pietermaritzburg and Ballito.

- The Pietermaritzburg Branch has a sub branch at Natalia.
- The headquarters in Pietermaritzburg comprises over 1200m² of office, workshop and warehouse space.
- The company undertakes contracts and provides ongoing maintenance and service to its customers throughout the province, from Newcastle and Manguzi in the North to Port Elizabeth in the South.

3.2 Broad Based Black Economic Empowerment (BBBEE)

- The company is a LEVEL 3 contributor (110%).

4 HUMAN CAPITAL

The Aircon company has a large skilled staff base. It employs 75 people of which 80% are technically orientated. The company has a strong combination of management, both technical and financial skills.

Directors of Ben Booyesen:

- ❑ **Steve Reddy** (36) – Finance and Managing Director. He is a qualified chartered accountant.
- ❑ **Paul Monet** (44) – Air-conditioning Technical Director. He is an engineer by profession and has over 15 years related experience.
- ❑ **Claude Nathoo** (34) – Service, Repairs and Maintenance Director. Is a qualified technician and has 10 years experience.
- ❑ **Julius Neizel** (48) – Airconditioning Contracts Projects Director. Is a qualified technician and has 20 years experience.
- ❑ **Brian Lewis** (36) – Non executive Director who has interests in the service industry.

The company employs an additional 10 qualified air-conditioning and refrigeration technicians. The company is highly committed to training and has 30 apprentices and 15 learners in the employ.

5 PRODUCTS AND SERVICES

5.1 Nature of Business

Ben Booyesen has an extremely strong brand in KZN and is a well-known company in the industry. Ben Booyesen is one of the larger players in the Heating, Ventilation and Air-conditioning and Refrigeration (HVACR) Industry in South Africa and has exposure in the following major segments:

- Air-conditioning Contracting – the installation and revamping of large air-conditioning installations (i.e. central plant systems, ducted package systems) in industrial, commercial and retail buildings.
- Ventilation Contracting – the installation of ventilation systems in industrial, commercial and retail buildings.
- Maintenance – the scheduled Service and Maintenance of both air-conditioning and refrigeration equipment. This segment of the industry is growing rapidly with the Facility Management Industry
- Retail – the sale of Room Air-conditioners and Split units to the domestic and medium to small commercial operations, including the service and repairs of these units.

5.2 CONTRACTING DIVISION

The Air-conditioning contracting division offers turnkey solutions. Attached is **Schedule A** highlighting some of the recent projects.

5.3 RETAIL - SALES AND SERVICE DIVISIONS

Our product support

- Ben Booyesen has a 24-hour back-up and support system for our products. We offer a comprehensive programme of support for air-conditioning and refrigeration plant to ensure the smooth operation of equipment. Our spares store and supply chain are well maintained to ensure that downtime is kept to a minimum,
- The company has over 25 bakkies in its fleet, 90% of these are 2008 models on a 3-year lease with full service and maintenance plans.
- The Aircon Service Division has more than 130 service contracts in place (with an annual value of R 5.4m) including Hulamin (Pty) Ltd and Natalia Building – see annexure B for a sample of the larger clients in contract.

Outsourcing

- Certain clients, including blue-chips companies and the Provincial Government, choose to outsource non-core activities such as the maintenance of their air-conditioning and refrigeration plants.
- In these instances, we are responsible for servicing, maintaining and repairing their equipment, often reducing the cost of repairs through systematic and comprehensive maintenance programmes.

- Ben Booyesen then assigns full time staff to this client, who work directly from the client's premises.
- Clients liaise directly with the Ben Booyesen team, receiving regular progress reports.
- Such clients include Hulamin Ltd and Department of Health – Natalia Building.

Steve Reddy

Managing Director

stevereddy@benbooyesen.co.za

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Annexure A – List of Projects

CONTRACTING DIVISION PROJECT LIST			
CLIENT	PROJECT LOCATION	DESCRIPTION	CONTRACT VALUE
COMPLETED PROJECTS			
SQUARE PEG PROPERTIES	Old Joshua Doore centre	Complete Aircon and Ventilation installation to new office block	6,300,000.00
GRINAKEER LTA	Virgin Active Gateway	Complete Aircon and Ventilation installation to new gym	2,800,000.00
TBP BUILDING AND CIVILS	PMB Mediclinic	Aircon and Ventilation installation to hospital	2,300,000.00
G LIVERIO & SONS	Quayside Apartments – Point Road	Complete Aircon and Ventilation installation to apartment block	2,200,000.00
KANTEY AND TEMPLER	South African Petroleum Refinery	Complete Aircon and Ventilation installation to new office block	2,000,000.00
SUNSET BEACH TRADING	Northcrest Spar	Complete Aircon and Ventilation installation to SPAR	1,200,000.00
VIRGIN ACTIVE	Virgin Active Bluff	Complete Aircon and Ventilation installation to new gym	1,200,000.00
XDSL TRADING 97 (PTY) LTD	Anglocoal Hospital	Complete Aircon and Ventilation installation to hospital	1,200,000.00
ARMSTRONG CONSTRUCTION	SSI Offices - Victoria Country Estates	Complete Aircon and Ventilation installation to new office block	1,100,000.00
SPAR KWA-ZULU NATAL	Pilani Spar	Complete Aircon and Ventilation installation to SPAR	900,000.00
EDILCON CONSTRUCTION	BSI offices in Meyerton	Complete Aircon and Ventilation installation to new office block	900,000.00
GRINAKEER LTA	Stay Easy Hotel	Complete Aircon and Ventilation installation to hotel - chiller system	4,000,000.00
NETCARE MANAGEMENT	St Augustines Hospital	Aircon and Ventilation installation to hospital	2,000,000.00
WORK IN PROGRESS			
GVK SIYA ZAMA	Colonial Building	Complete Aircon and Ventilation installation to new office block	5,600,000.00
Umgeni Water - Spoormaker	Umgeni Water Laboratories	Complete Aircon and Ventilation installation - chiller system	4'600'000.00
SIYAXHASANA CONSTRUCTION	SARS offices - Goelela Border Post	Complete Aircon and Ventilation installation to new office block	3,400,000.00
GEARWISE PROPERTIES	Ballito Mall - woolworths	Complete Aircon and Ventilation installation to new retail shop	2'600'000.00
RAPID BUILDERS & CONTRACTORS CC	King George Hospital	Aircon and Ventilation installation to hospital	1,600,000.00
Gonal Construction	Midlands Medical – wards and doctors rooms	Aircon and Ventilation installation to hospital	1,500,000.00
CRYSTAL LAGOON	Dept. of Agric - Cedera	Complete Aircon and Ventilation installation	1,200,000.00

Annexure B – List of service contracts

AIRCONDITIONING SERVICE CONTRACTS	
CUSTOMER' NAME	CUSTOMER' NAME
ABSA (local branches)	PARKLANE SPAR
ALUMINIUM FOIL CONVERTERS	PERSONIFICATION INVESTMENT (ADVOCATE CHAMBERS)
ASSMANG	PRESSURE DIE CASTINGS
BARLOWORLD ARMSTRONG	PRICEWATERHOUSE COOPERS
BSI (PTY) LTD	PSG KONSULT FINANCIAL PLANNING (PTY) LTD
DEPARTMENT OF HEALTH - NATALIA BUILDING	RANDLES INCORPORATED
DICK WHITTINGTON SHOES	RISK TRANS INSURANCE
DR.JACKPERSADH & PARTNERS	S A RETAIL PROPERTIES (P'nP HAYFIELDS MALL)
DYSTAR BOEHME AFRICA	SAPPI FOREST - CASCADES
GARDEN CITY MOTORS	SAPPI FOREST - TWEEDIE
GOLDEN HORSE HOTEL	SHUTER & SHOOTER
HAYFIELDS PHARMACY	SMG PIETERMARITZBURG
HYUNDAI	SOMTA TOOLS
HULAMIN (PTY) LTD	SQUARE PEG / CAPITAL TOWERS BUILDING
INDIZA AIRPORT	STANDARD BANK - HAYFIELDS
INTERPAK	STANDARD BANK - HOWICK
JONATHAN SPAR	STANDARD BANK - KRANSKOP
JUDGE RON MC CLAREN RENTALS CC	STANDARD BANK - MANDINI
KPMG ACCOUNTANTS	STANDARD BANK - MOOI RIVER
KWAZULU NATAL LAW SOCIETY	STANDARD BANK - PARKLANE
LESLIE SMITH LAWYERS	STANDARD BANK - WARTBURG
MILADYS	STANDARD BANK (GREYTOWN)
M.R. WOOLLAM & ASSOCIATES	STANDARD BANK (UMZIMKULU)
MANLINE	STANDARD BANK (UNDERBERG)
MARWICK, GOULD & CO	STANDARD BANK- HILTON
MC CARTHY TOYOTA	STATE INFORMATION TECHNOLOGY AGENCY
MC DONALDS RESTAURANT	STOWELL & CO
McCARTHY LANDROVER	TALA GAME RESERVE
MOFFATT OPTICAL	TIGER MILLING
MSUNDUZI MUNICIPALITY	TIMPEN BUILDING
MUTUAL & FEDERAL	UNIVERSITY OF KWAZULU NATAL
NABUILD t/a FEDERATED TIMBERS	VENN NEMETH & HART
NATAL AGRICULTURAL UNION	ZININGI PROPERTIES
NATAL MUSEUM	
NUTEC	