



Background

- 1945 - Founded as Efune Bros
- 1990 - R13 million turnover
 - SA only
- 1997 - Management buy-out
 - R120 million turnover
 - SA only



Good afternoon, ladies and gentleman

I thought, to help you put into context the importance for OroAfrica of AngloGold coming on board at this time, I should begin by taking you briefly through some of the other landmarks in our 55-year history. We were founded as Efune Brothers, in Johannesburg, in 1945. A family business at that time, Efune Brothers was essentially a manufacturer of cast jewellery - in particular, diamond rings. When I joined the company as an employee in 1990, turnover was around R13 million. We manufactured only in South Africa, only for the local market

Seven years later, when I led a management buy-out of the company - and we changed our name to OroAfrica, meaning "Gold of Africa" – turnover had grown to R120 million a year. But, we were still manufacturing only in South Africa for the South African market.

Mission Statement

To build a global jewellery (manufacturer and distributor) group, targeted at the mass market of the major gold consuming countries



We knew where we had to go next. And our Mission Statement put it quite succinctly:

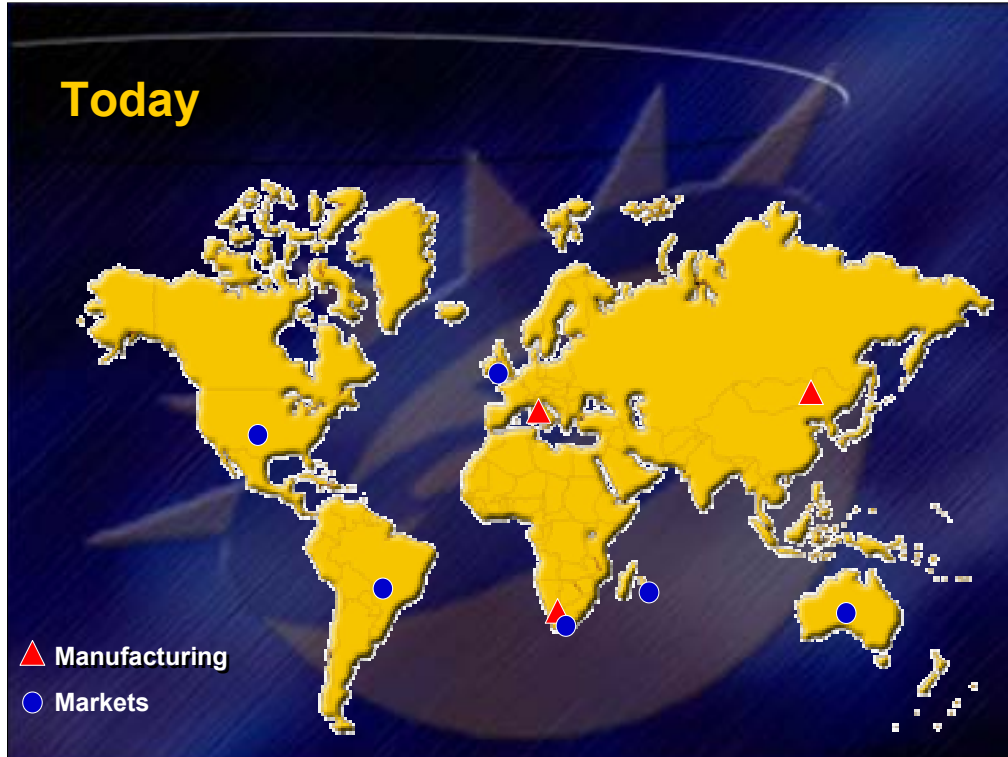
- growth globally;
- in manufacturing and distribution;
- targeting the mass market in the major gold consuming countries.

1998 Strategic Partnerships & Alliances

- Global Capital take 25 per cent stake
- JV with Filk Spa
- Distribution deals : Fope, Ronco, Piero Milano



A big job, and while we knew we had a wealth of local management, jewellery design and manufacturing talent from which to draw - a distinctly South African niche, if you like - we recognized that we needed to forge strategic partnerships and alliances, locally and internationally. 1998 was a momentous year. To get into the export market, we needed to build a new manufacturing facility. We chose Cape Town, and funded this venture from the proceeds of the sale of 25 per cent of OroAfrica to Global Capital. We then entered a joint venture with Filk Spa of Vicenza, Italy, the world's largest, most technologically advanced manufacturer of gold chain. In Filk, we recognized the skills and experience needed to produce highly competitive products for world markets; they recognized in us, the youth and energy needed to make a big impact in the market relative to our resource base. From 1998, we have signed numerous distribution deals with some of the world's leading jewellery brands. For example: Fope, Ronco and Piero Milano. When you join us for lunch shortly, you will have an opportunity to see some of this merchandise, together with some of OroAfrica's own pieces.



Today, in a timeframe just over two years, we have manufacturing links in three countries – South Africa, of course; Italy, through our association with Filk; and China. And we sell our products in South Africa, South America, the USA, the UK, Australia and Mauritius.

Today/continued

- R300 million turnover
- Gold consumption of 6 tons p/a
- Largest SA manufacturer, exporter
- Distribution dominance in SA
- Training SA talent



Our turnover has grown to R300 million. We consume some 6 tons of gold a year. We are now South Africa's largest manufacturer and exporter of jewellery. We also have a dominant position locally in respect of product distribution. Here at home, we have recruited and trained scores of talented young South Africans to produce unique, yet commercially viable jewellery in a state-of -the-art, high-tech environment at our Cape Town factory.

Looking ahead

Manufacturing

- First ever, mass market jewellery brand
- More manufacturing links

Distribution

- More world markets
- e-commerce

Turnover

- R1-billion in the next five years



Where to from here? At a philosophical level, OroAfrica wants to work with all of the players in the jewellery value chain in order to better serve consumers, while re-acquainting them with gold's innate aesthetic and other qualities. At a practical level, in terms of manufacturing, we want to develop the first ever, mass market jewellery brand. We want to expand our manufacturing links internationally and as far as distribution is concerned, we want to develop our existing infrastructure to reach more world markets. We know that e-commerce is a major vehicle, and more about that in a moment. We're aiming for a turnover of R1 billion within the next five years.

Why AngloGold?

- Largest gold producer
- Leader in gold market development
- Global ambitions
- Pro-partnership
- Goal congruency
- E-commerce



From OroAfrica's perspective, why AngloGold? Why now? AngloGold, from its South African base, is the world's largest gold producer and has taken the lead amongst its peers in helping to develop markets globally for its product. It has signalled very clearly – most recently through its ambitious GoldAvenue e-commerce joint venture with JP Morgan and PAMP - its willingness to partner players further down the industry value chain. From our South African base, we are an enthusiastic and significant beneficiary of AngloGold's product – gold; we too are pursuing global ambitions and have similarly proved our keenness to work with others to develop markets internationally for our product. The goal congruency between AngloGold and OroAfrica is striking. GoldAvenue particularly, we believe, has tremendous potential for OroAfrica's e-commerce ambitions I mentioned just now. We have a track record of finding the right partners to take us to the next stage of our ambitions; we believe we've done it again in choosing AngloGold.