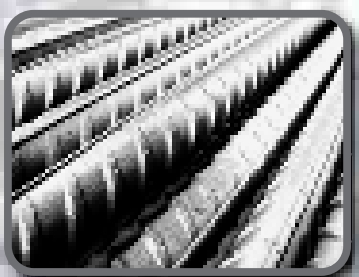


Alert Steel Holdings Limited



Suppliers of Steel, Hardware, Building Material & Plumbing Supplies  
Verskaffers van Staal, Hardeware, Bouwmaterial en Loodgietersware

ANNUAL REPORT

09



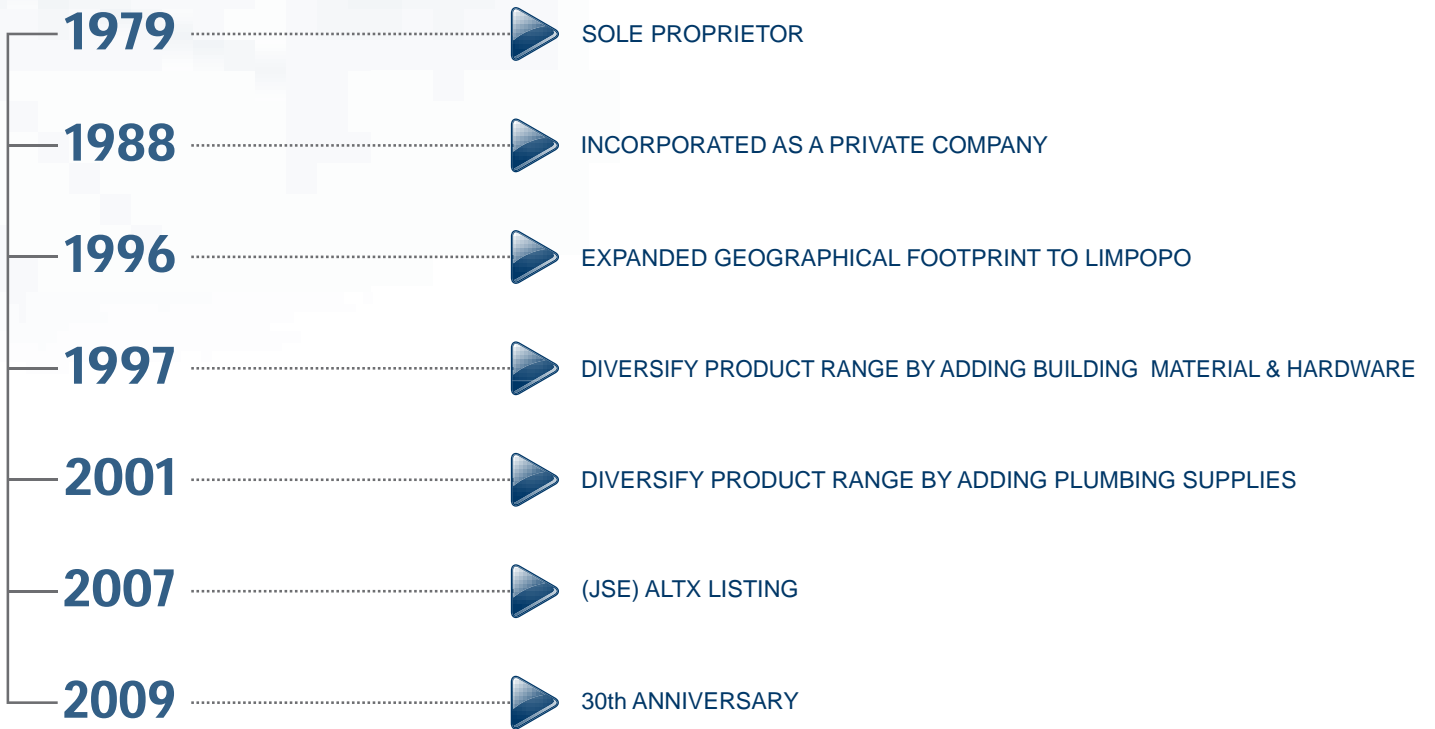
## INDEX

Vision	1
Timeline	2
Footprint	2
Financial Overview	3
Board of Directors	4
Joint Chief Executive Officer and Chairman's Report	5
Corporate Governance Statement	8
Social Responsibility and Human Capital Report	13
Consolidated Annual Financial Statements	14
Shareholders Analysis	55
Shareholders' Diary	56
Share Price Information	56
Notice of Annual General Meeting 2009	57
Form of Proxy	61
Corporate Information	63
Branch Details	64

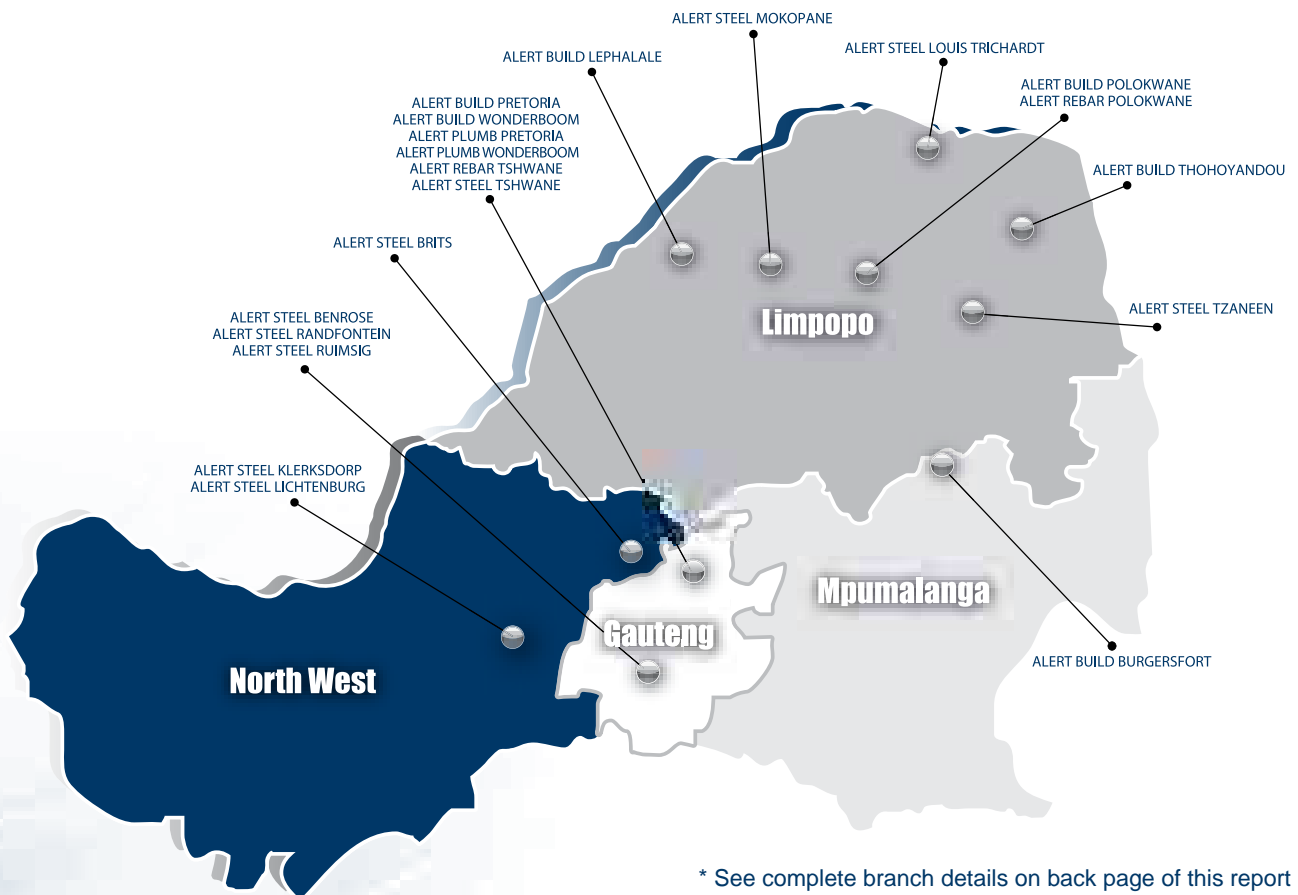
## VISION

Our vision is to maximize the rewards for our stakeholders by becoming the leading supplier in the construction, manufacturing, building and home improvement industry.

## TIMELINE



## FOOTPRINT

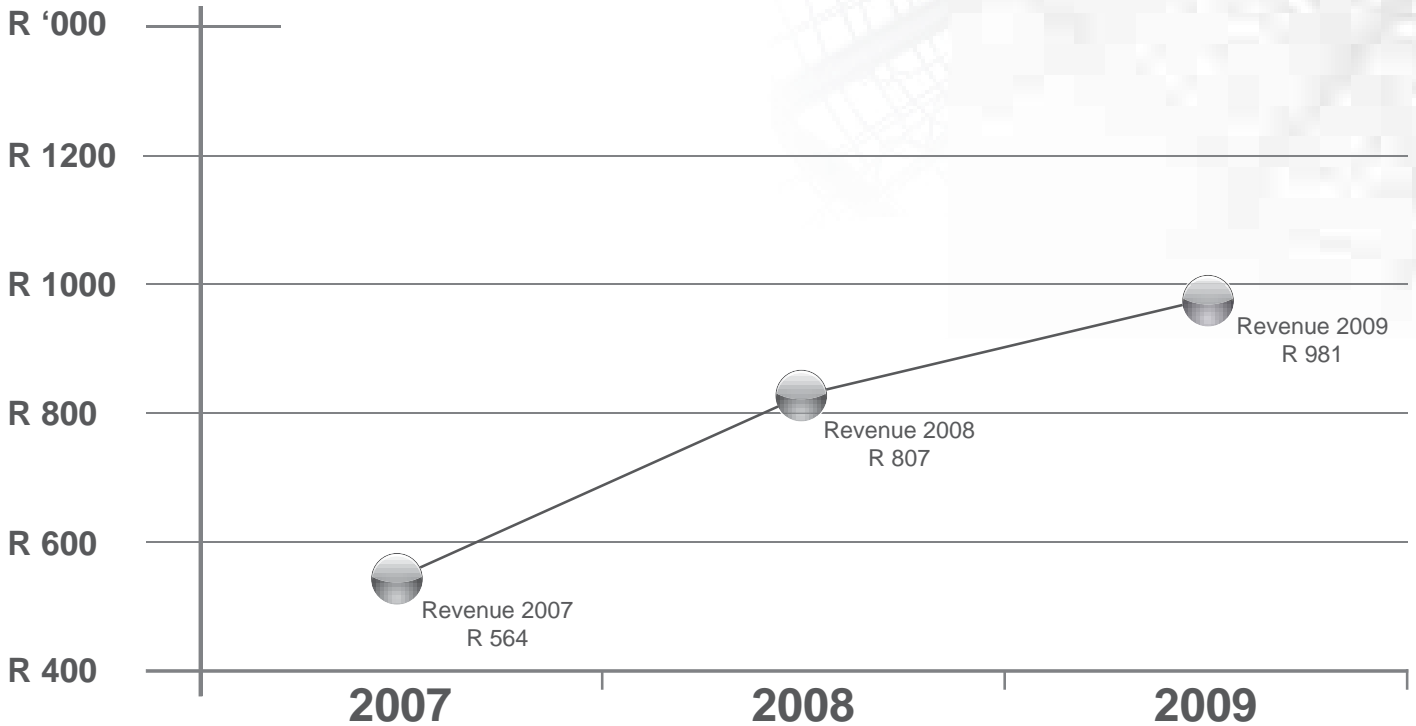


\* See complete branch details on back page of this report



## FINANCIAL OVERVIEW

\* Alert's revenue has grown from an aggregate R 564 million in 2007 to R 981 million in 2009



### Comparative Figures for the 2009 Financial Year

<b>REVENUE</b>	<b>21.6%</b>	↑
<b>EBITDA</b>	<b>65.8%</b>	↓
<b>EARNINGS PER SHARE</b>	<b>91.3%</b>	↓
<b>HEADLINE EARNINGS PER SHARE</b>	<b>94.5%</b>	↓
<b>NET TANGIBLE ASSETS PER SHARE</b>	<b>6.5%</b>	↓
<b>NET ASSET VALUE PER SHARE</b>	<b>1.7%</b>	↓

### BOARD OF DIRECTORS

#### Ethan Dube

(Chairman Independent-Non Executive Director) MSc (Statistics) MVA (Sweden) (50)

Ethan has significant corporate finance and asset management experience for more than 10 years. He worked for Southern Asset Managers for three years as senior analyst and for Standard Chartered and Merchant Bank for two years in their corporate finance department. In 1996 Ethan founded Infinity Asset Management with three other partners and in 1998 he established Vunani Capital Holdings (Pty) Limited, an investment banking company of which he is the current chief executive officer.

#### Owen Jevon

(Independent Non-Executive Director) BSc Eng (55)

Owen is a very successful entrepreneur and business man in his own right. He founded his own construction business, DNO Projects CC, in 1986. Owen has more than 20 years' experience in the building and construction industries.

#### Willie Mentz

(Financial Director) BCom CA (SA) (54)

Willie completed his articles in 1981 at Van Zyl, Scheepers and Bruwer in Pretoria. He then worked for Sasol in Secunda for three years before starting his own audit practice. Willie has been involved with Alert Steel since 1989, originally on a part-time basis and since the significant growth and expansion of the group in 2000 on a full-time basis. Willie's sound knowledge and experience in financial related matters contributes significantly to the success of the group.

#### Wynand Schalekamp

(Managing Director) BCom Marketing (60)

Wynand has always been an entrepreneur and commenced his working career at a desalination plant in Upington of which he became the owner after two years. He was employed by Incedon and Silverton Engineering until 1978 when he joined Iscor in its marketing division, where he worked for 10 years. He started the business conducted by Alert Steel on a part-time basis in 1979 and resigned from Iscor in 1988 to focus on the continued growth and success of the group.

#### Newly Appointed Director

Mr Rynhardt van Rooyen was formally appointed as a board director on 05-11-2009.

#### Rynhardt van Rooyen

(Independent Non-Executive Director) CA (SA) (60)



Rynhardt retired in November 2008 after 32 years service at Sasol. During the last eight years at Sasol he was responsible, inter alia, for the following functions: Group Accounting, Group Taxation, Mergers & Acquisitions, Group Treasury, Group Financing, Sarbannes Oxley and involved in the Sasol (Inzalo) BEE transaction. He currently acts as a director of various companies.



Wynand Schalekamp

Owen Jevon

Ethan Dube

Willie Mentz



## JOINT CHIEF EXECUTIVE OFFICER AND CHAIRMAN'S REPORT

### Performance Overview

The Alert group is a distributor of primary steel, hardware, building material, plumbing and sanitary ware. In addition thereto the group is also a processor of reinforcing steel and certain cold formed products.

The Alert group has increased its trading area during this financial year with 19.3% from 84 067 m<sup>2</sup> to 100 322 m<sup>2</sup>. This includes the acquisition of General Steel and the opening of our latest branch, Wonderboom Build, in Pretoria. Alert has increased its processing facilities through the acquisition of Carlson Machine Manufacturers (Pty) Ltd as a first step towards backward integration.

Although these acquisitions and organic growth took place during the most difficult time in the business history, it contributed to the growth in revenue of 21,6% year on year.

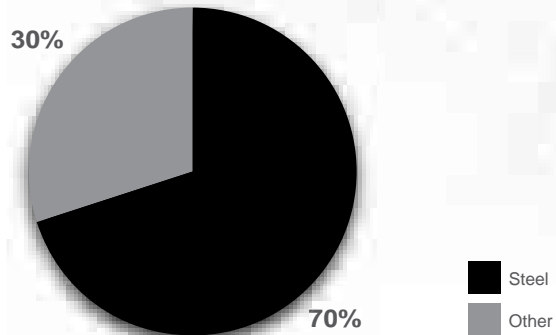
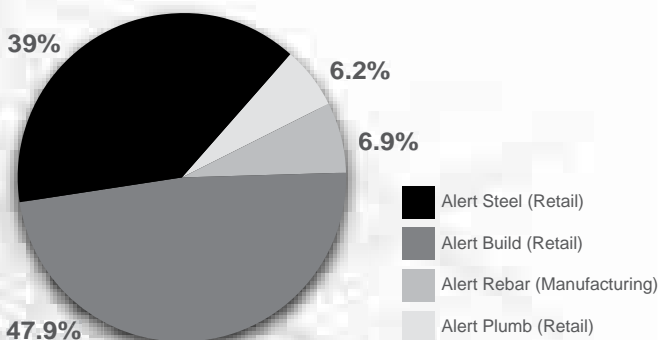
### Our Business Segments

The retail segment consists of three corporate brands, namely:

- Alert Build with 6 outlets trading in steel, building material and hardware. They contributed 47.9% to the group's annual turnover.
- Alert Steel with 11 outlets trading in steel products. This section was responsible for 39 % of the group's annual turnover.
- Alert Plumb consisting of 2 outlets which supplies plumbing products and sanitary ware. They contributed 6.2 % of annual turnover.

The manufacturing segment, responsible for 6.9% of the group's annual turnover, consist of:

- Alert Rebar with 2 outlets that process reinforcing steel for the construction industry.
- One outlet with processing facilities for cold forming of roof sheeting and lipped channel for the building sector.



Steel contributes 70% to Alert's revenue.

### Review Of South Africa's Steel Market 2008/2009

2008 was an extraordinary and unusual year for the entire industry.

The following occurrences impacted on this reporting period:

- Eskom announced a 25% cutback in power supply during February 2008.
- Arcelor Mittal undertook abnormal maintenance programs during the first half of 2008. This caused the industry to lose major production capacity during a period of high demand for steel from infrastructural development projects, e.g. Gautrain and 2010 soccer stadiums.
- The above caused an immediate shortage locally. Some of the biggest steel suppliers placed their customers on an allocation system where orders were only partially supplied.
- International prices increased rapidly due to the increased demand globally, specifically from China and India.
- Within a period of eight months (from January 2008 until August 2008), the market experienced price increases around 100% and Alert as most other merchants, increased its stock holding accordingly to take advantage of the increasing steel prices.
- By August 2008, Arcelor Mittal caught up on production, Eskom blackouts were abandoned and most merchants had stock levels of between sixteen to twenty weeks.
- During September 2008 the world economic crisis turned every normal process and business decision around. Within two months Arcelor Mittal announced price cuts, on an average of 21 %. This was followed by monthly cuts in steel prices and at the end of May 2009 the market took a 65 % reduction in price. What was considered to be an advantage in the first half of the year turned out to be a disadvantage in the second half of the year.

## JOINT CHIEF EXECUTIVE OFFICER AND CHAIRMAN'S REPORT - continued

### Review Of South Africa's Steel Market 2008/2009 - continued

• Merchants experienced excess stock levels. The market virtually disappeared in September 2008, resulting in high losses being experienced in stock values. Margins were under severe pressure as merchants tried to get rid of stock as soon as possible. Subsequently the steel market has returned to normality. Stockholding is back to an average of 8 weeks and Arcelor Mittal increased the steel prices in July and August 2009 again. This restored some confidence in the market.

### Review Of The Building And Plumbing Material Markets

Our market is focused on the middle and upper LSM (disposable household income bracket). When disaster struck the economy in September 2008, banks increased their lending criteria and financial support to individuals was drastically reduced.

This part of the market declined overnight by almost 40 %, mainly due to the following factors:

- A notable decrease in disposable household income largely because the banking sector retreated from the market.
- The residential market showed very little activity during the last three quarters of the year. Many housing developments were postponed by developers.
- The mining sector came to a virtual stand still in the last quarter of 2008 which continued for the remaining part of the reporting period, resulting in the negative growth of many of Alert's branches which are situated in traditional mining areas.
- Furthermore, the construction industry was also delaying projects in the hope that material prices might decrease further.

### The Financial Impact On Our Results

- Cost had to be reduced. Instead of retrenching people, we rationalized our salary structure to consist of a basic salary plus commission. This resulted in an average salary reduction of almost 10 % since March 2009.
- Increased finance cost of almost 183 %. This was due to various abnormal factors experienced during the reporting period as discussed above. Main contributors were cost of stockholding as well as the dramatic increase in debtors.

- Bad debt increased to 1.6 % of revenue.
- Gross profit decreased to 21.5 %.
- Profit after tax attributable to ordinary shareholders dropped with 91.5 % to R4,377 million.
- Headline earnings per share is down 94,5 % to 1.14 cents per share.

### Alert And The Future Ahead Of Us

Although it is generally expected that the world economic disaster has reached its lowest point, we do not anticipate a dramatic recovery in the market during the next financial year.

We expect a recovery in the residential and DIY market due to the lower interest rates and the fact that financial institutions are more lenient in their lending criteria. It is unfortunately too soon to predict whether this will be sustainable. We are not anticipating substantial profit growth before the second half of the new financial year.

In order to ensure the sustainability of our business, we are focusing on the following aspects during the coming months:

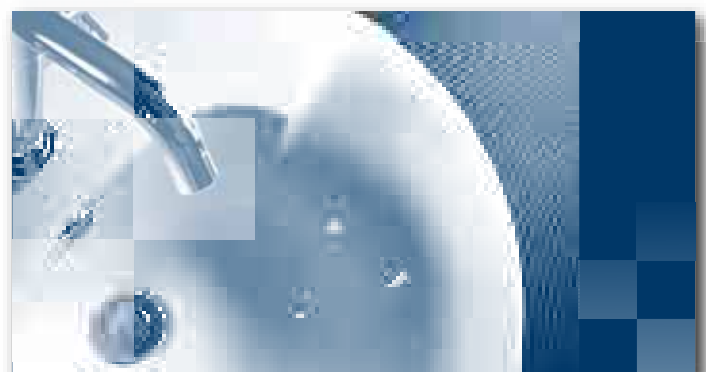
- To decrease running costs further. This includes stricter debtor control and reduced stock levels to a 6 week level.
- To reconsider the continuation of unprofitable branches, and cutting all excess labour costs.
- To increase the revenue and profitability of the group through backwards integration.
- To use our integrated IT system to manage prices, stock and expenses in different branches.
- To focus on the growth of DIY and cash purchases in the business by the implementation of various loyalty cards. We anticipate that this market will contribute more than the current 25 % to our revenue.
- To increase our market share of government infrastructural spending and various forced government spending initiatives over the next three years. Although we anticipate the cancellation of several of these projects, Alert will be able to increase its market share significantly.
- Alert will continue to grow organically. Various expansion projects have been identified and once this is completed a wider range of products and services will be offered to the market.

*"Given the extraordinary circumstances experienced during this trading period, we are of the opinion that Alert's performance is acceptable"*

## JOINT CHIEF EXECUTIVE OFFICER AND CHAIRMAN'S REPORT - continued

### Alert And The Future Ahead Of Us - continued

- Alert is continuously investigating new acquisition opportunities that will enhance our existing business footprint in the market.
- Alert's new head quarters will be occupied as from the end of October 2009 and the additional 12000 m<sup>2</sup> of warehousing facility will enable us to make use of import opportunities and offer the market better service levels.
- Alert is continuously considering geographic growth including options in neighbouring countries.
- Although Alert has during the past financial year succeeded to reduce its steel component in the business from  $\pm 77\%$  to  $\pm 70\%$ , it remains the main revenue contributor in the business. The extreme volatility in the steel markets has therefore impacted heavily on our margins. For this reason we are focusing on diversification. Organic growth is therefore aimed at building and hardware sectors.



### Transformation

In terms of our self rating, Alert is a level 8 contributor on the Generic Broad Based Black Economic Empowerment Scorecard. We recognize the challenges which we face in this regard. Our strategy to improve our score is aimed at all criteria levels.

### Note Of Appreciation

The directors of Alert Steel Holdings Limited are convinced that the economic climate and conditions will improve towards the end of the first quarter of 2010. We are also convinced that our well established infrastructure will enable us to accommodate strong growth.

***We are proud of our company and recognize the valued contribution of each and every stakeholder in our group.***

**Wynand Schalekamp**  
Chief Executive Officer

**Ethan Dube**  
Chairman of the Board

# CORPORATE GOVERNANCE STATEMENT

## Overview

The board of directors remains dedicated to perform all business within the group with the highest levels of integrity, accountability and transparency.

In the light of the recently released Code of Governance Principles for South Africa (Kings III), the board has given their commitment and undertaking to implement the required changes as soon as possible.

The board continually strives to review and improve existing board and board committee practices to ensure continual good corporate governance and compliance with the JSE Listing Requirements and the requirements of the Corporate Laws Amendment Act 24 of 2006 (CLAA).

The JSE Listings Requirements require that listed companies report on the extent to which they comply with the principles incorporated in King II. Other than the required changes to the composition of the audit and risk committee, the board, to the best of its knowledge and belief, is of the opinion that throughout the accounting period under review, the company has applied the principles of King II.

The company's designated adviser has further reviewed Alert's compliance with the Listing Requirements of the JSE and are satisfied that Alert has complied in all material aspects.

## Board of Directors

The board consists of two independent non-executive and two executive members and is chaired by Mr Ethan Dube, who is an independent non-executive director. Board meetings are also attended by a representative of the company's designated adviser as required by the JSE Listings Requirements.

The chairman provides leadership and guidance to the board and has the necessary experience and skill to enhance independent thinking. Mr Dube represents the board to shareholders.

Mr Wynand Schalekamp, chief executive officer of Alert and Mr Willie Mentz, chief financial officer, accept full responsibility for the sound and efficient operation of the business as well as the implementation of all strategies and policies adopted by the board.

The non-executive directors do not provide any professional services to the group and do not enjoy any benefits from the company for their service as directors, apart from director's fees, potential capital gains and dividends which are disclosed on page 43 of this annual report.

The members of the board come from diverse backgrounds. Their collective experience enables them to provide sound advice in the best interests of the group. There is a clear division of responsibilities at board level which ensures a balance of power and authority, so that no one individual has unfettered powers of decision-making.

Biographical details of each director are set out in page 4 of this annual report.

The duties of the board, in terms of its board charter, are as follows:

- formulate the strategy and provide direction to the group to ensure and enhance future growth;
- implement acquisition strategy and policy;
- approval of developments and significant matters relating to finance;
- monitor and measure the company's performance;
- provide opinions and advice regarding all group, financial, investment and risk management controls;
- provide input with regard to succession planning;
- ensure sustainable leadership;
- advise on best practices, standards and corporate governance for the business;
- appoint the chief executive officer;
- ensure that the company complies with relevant laws, regulations and codes of business practice;
- ensure that the company communicates with shareholders and relevant stakeholders openly and promptly;
- identify and monitor relevant non-financial matters;
- identify and regularly monitor key risk areas and key performance indicators of the business;
- establish formal and transparent procedures for appointment to the board, as well as a formal orientation programme for incoming directors;
- regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management; and
- assess the performance of the board on a regular basis.

*"We pledge to be trustworthy"*



## CORPORATE GOVERNANCE STATEMENT - continued

The following functions are reserved for decision making by the board of directors:

### Financial

- The adoption of any significant change or departure in the accounting policies and practices of the company;
- The raising of incremental borrowing facilities.
- The approval of strategies, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans;
- The approval of the annual financial statements, the approval of the interim report, the valuation of unlisted investments, the declaration of dividends and the forfeiture of unclaimed dividends; and
- The recommendation to shareholders of any increase, reduction or alteration to the share capital of the company and the allotment, issue or other disposal of shares of the company (except for shares allotted under any share incentive scheme).

### Statutory and administrative

- Recommend amendments to the Memorandum or Articles of the company;
- The appointment, removal or replacement of the external auditor of the company;
- The frequency of board meetings;
- The convening of general meetings of shareholders of the company;
- The approval of proxy forms for annual and general meetings of shareholders of the company;
- The prosecution, defence or settlement of legal or arbitration proceedings, where material and other than in the ordinary course of business;
- The appointment of responsible persons as may be required in terms of any Act in South Africa or elsewhere in respect of the company;
- The approval of the rules and amendments to pension and provident funds having a material effect on the liabilities of the company towards those funds;
- The granting of general signing authorities pursuant to the articles of association of Alert;
- The appointment, removal or replacement of the company secretary;
- The variation of the rights attaching to shares where such powers are vested in the directors; and
- The formulation and amendment of the company's code of conduct.

### Regulatory

- The approval of terms and conditions of any right issues, public offers, capital issues or issues of convertible securities including share or convertible securities issued for acquisitions;
- The approval and authority to issue circulars to shareholders;
- The approval of and authority to issue prospectuses, listing particulars, rights offers and takeover or merger documents;
- Recommending to shareholders that they approve any ordinary or special resolutions in respect of the company;
- Recommending that the shareholders take a particular course of action proposed by the company; and
- Any decision to list the company's shares on any stock exchange or to terminate any such listing.

### Manpower

- Appointments to and removals from the board, including the appointment of the chairman, chief executive officer, executive directors and non-executive directors and the approval of nominations of alternate directors (if any);
- The appointment, terms of reference and changes in the composition of all board committees;
- Any increase in directors' fees;
- The approval of any share incentive or general bonus scheme, the rules applicable to any such schemes and any amendment to such rules, subject to the JSE Listings Requirements, for submission to shareholders, if applicable; and
- The formulation of recommended policies in relation to equal opportunity employment, black economic empowerment, environment, health, safety and HIV / AIDS in the workplace.

## Board Processes

### Board appointments

In terms of the approved appointments to the board policy, all board members are required to assist with the identification and nomination of potential board candidates. The board will from time to time assess the skills of the board to ensure that it consists of the required competency levels to be efficient and to provide strategic guidance to the group.

Should the assessment indicate a lack of competency in a certain area, the board will consider the appointment of a director to fulfil this need.



# CORPORATE GOVERNANCE STATEMENT - continued

Messrs Schalekamp and Mentz have service contracts which expire on 30 November 2009 and 31 October 2009 respectively, whereafter it will continue for an indefinite period and terminated on three calendar months notice by either party. The directors are on a continual basis invited to identify and nominate potential candidates who will provide a valuable contribution to the business and to the board.

### Changes to the board of directors

Mr Rynhardt van Rooyen was appointed by the board on 05-11-2009 as an independent non-executive director. This appointment was done to ensure compliance with the Corporate Laws Amendment Act 24 of 2006 (CLAA). The efficiency and competence of the board will be enhanced by Mr van Rooyen's sound financial knowledge and acumen. He will also act as a member of the audit & risk committee. (His CV is on page 4 of this report)

### Share dealings

The Security Services Act and the JSE Listings Requirements regulate transactions by directors and the company secretary in securities issued by the company.

The board has approved a trading in securities policy which regulates trading in securities by directors and the company secretary. No trading in securities is allowed by directors unless formal clearance has been received from the financial director. In the case of trading by the financial director, clearance must be given by the chairman of the board.

Details of all share dealings in the company's shares by directors and the company secretary are disclosed at each board meeting.

Directors of the company and its major subsidiaries, the group company secretary, senior managers in the group, their associates or members or immediate family are not allowed to deal directly or indirectly, at any time, in the securities of the company on the basis of unpublished price-sensitive information regarding the company's business or affairs.

These individuals are made aware of restricted or closed periods for dealings and the provision of insider trading legislation.

### Conflicts of interest

In terms of the approved conflicts of interest policy, directors are obliged to provide the company secretary annually with a declaration of interest form listing the nature and extent of interests, directorships, direct or indirect shareholding in other companies, membership of specific entities and family connections.

In addition, should the company be entering into a contract, which is of significance in relation to the business, with a third party in which a director has a material interest, albeit directly or indirectly, such an interest must be disclosed, verbally or in writing, at or before the meeting of directors at which the question of confirming or entering into the contracts is first taken into consideration.

Directors are obliged to excuse themselves from discussions or decisions in which they have a conflicting interest.

### Self-evaluation

Although the board has not formally conducted a self evaluation, they are continually reviewing processes in various areas, including its performance and strategic planning, board composition, relationship with management and other stakeholders, as well as succession planning. Areas requiring improvement have been identified, and are receiving attention.





## CORPORATE GOVERNANCE STATEMENT - continued

### Company Secretary

Mrs Monika Pretorius is the company secretary of the group. She attends all meetings of the board and the audit and risk committee.

Mrs Pretorius is responsible for ensuring that board procedures and all relevant regulations are fully observed. She provides guidance to the directors on their duties and obligations as directors in terms of legislation, regulation and best practice.

The duties and responsibilities of the company secretary are set out in Section 238G of the Companies Act. The board has appropriately empowered the company secretary to fulfil these duties. Where necessary, the company secretary will involve the designated adviser and other experts in this regard.

All directors have access to the advice and services of the company secretary. All directors are entitled to obtain independent professional advice regarding the company's affairs at the expense of the company.

### Board Committees

The board currently has one committee, namely:



#### The audit & risk committee

In compliance with the CLAA and the JSE Listings Requirements, this committee comprises Messrs R van Rooyen and O Jevon, both independent non-executive directors.

The chief executive officer and the financial director attend audit committee meetings by invitation and meetings are also attended by a representative of the company's designated adviser as required in terms of the JSE Listings Requirements.

#### Attendance of meetings

Director	Board		Audit & Risk Committee	
	+	✓	+	✓
Mr Ethan Dube	3	3	2	2
Mr Wynand Schalekamp	3	3		
Mr Willie Mentz	3	3		
Mr Owen Jevon	3	3	2	2
Mr Rynhardt van Rooyen	Appointed on 05-11-2009. No meetings attended for reporting period.			

 Number of meetings  
 Attendance

The primary role of the audit and risk committee is to ensure the integrity of the financial reporting, the audit process and that a sound risk management and internal control system is maintained. In pursuing these objectives the audit committee oversees relations with the external auditors and reviews the effectiveness of the internal audit function.

Although the board has delegated certain audit and financial functions to the audit committee, it remains accountable and responsible for the performance and affairs of the company. The audit and risk committee functions in terms of approved terms of reference which were reviewed and amended during the past financial year in order to comply with the requirements of the CLAA.

The minutes of the audit and risk committee meetings are made available to the board.

The chairman of the audit and risk committee reports to the board at each board meeting.

The board has determined that the audit and risk committee has complied with its terms and reference during the year under review.

The audit committee confirms that it has carried out its functions in terms of the CLAA and the JSE Listings Requirements by:

- Confirming the nomination of RSM Betty & Dickson (Tshwane) and specifically Mr Paul den Boer in his capacity as the leading partner, as the group's registered auditors and being satisfied that they are independent of the company.
- Approving the terms of engagement and fees to be paid to RSM Betty & Dickson (Tshwane).
- Determining the nature and extent of any non-audit services which the external auditors may provide to the company.
- Satisfying itself of the appropriateness of the expertise and experience of the company's financial director, Mr WW Mentz.

# CORPORATE GOVERNANCE STATEMENT - continued

## Stakeholder Communication

Alert acknowledges the importance of pro-active engagement with all its stakeholders. The company strives to foster sound relationships with the investment community as a whole. Timeous and relevant information is provided to investors regarding the financial performance of the company.

The company's website provides general information about the group including up-to-date financial reports.

The board encourages shareholders to attend general and annual general meetings where they are given the opportunity to put forward questions to the board.

## Going Concern Statement

The directors are satisfied that the group has adequate resources to continue operating for the next 12 months and into the foreseeable future.

The annual financial statements set out in this annual report have been prepared in accordance with International Financial Reporting Standards. They are based on appropriate accounting policies that have been consistently applied. Having reviewed the company's financial projections, the directors believe that the group will continue as a going concern in the year ahead.

## Ethics

The company's code of conduct requires all directors and employees to act with honesty and integrity and to maintain the highest ethical standards. The code deals with compliance with laws and regulations, conflicts of interest, relationships with customers and suppliers, remuneration outside employment and confidentiality.

*"We pledge to be trustworthy"*



## SOCIAL RESPONSIBILITY AND HUMAN CAPITAL REPORT

It was Henry Ford who said: "Coming together is a beginning. Keeping together is progress. Working together is success"

This quote might be more applicable to our daily lives today than when these words were spoken by the entrepreneur Ford himself and is more so true for the human capital at Alert.

In the past year we have seen people joining us (our numbers have increased by 37%), people developing themselves and bringing about progress (50% of bursars had positive results) and we have also seen our people working together as a team to reach ultimate success.

### HR Systems

Alert has seen the successful implementation of a performance management system throughout the group that measures and redirects performance to desired results. Within the past year the implementation of a new organisational structure was achieved by streamlining functions allowing more focus to the various spheres of operations.

Through our HR re-engineering programme the Alert HR handbook, has seen the light. The handbook includes all HR policies and processes and match up to international best practices.

### Health & Safety

Health and safety remains our first priority in the workplace as was displayed in the recommitment of our staff in signing of updated Alert Health & Safety policy. Regular safety audits are conducted and a zero tolerance approach is adopted when it comes to non-compliance to safety issues.

### Employment Equity

On the employment equity side Alert has focused intensively on obtaining the best candidates according to the strategic needs of the company and has seen an 80 % increase in the placement of people from the designated groups.

### HIV /Aids

As with the rest of the continent (and the world) Alert is also unfortunately affected by the HIV/AIDS pandemic.

We have wherever possible assisted employees and their families with issues relating to the disease in the form of counselling and emotional support. An official HIV/AIDS desensitising-, information- and preventative programme will be implemented throughout the group in the coming year.

### Mentorship Program

A biographical analysis of the workforce of the company was done and it was identified that there is a huge gap in terms of age between management and junior staff. In order to bridge the gap between the levels, and ensuring the best knowledge, skills and attitudes are kept within the company; Alert has developed a mentorship policy that will be implemented in 2010. Alert has realised the need for young, competent and skilled workers to take the company beyond 2010.

By implementing best international HR practices within our company we believe we ensure that the best suitable people join our team, we empower them to ensure progress and ultimately our team works together to achieve success.

### Environmental Impact

Alert identified few environmental risks through our current business activities but remains committed to conserving the environment for our future generations. The main risks that Alert's activities contribute towards are noise and air pollution through fume emissions of its fleet of vehicles. To minimise this Alert strives to keep to the national standards for noise levels as well as ensuring that its vehicles are in mint condition as well as using environmentally friendly diesel.

*"Coming together is a beginning. Keeping together is progress. Working together is success" (Henry Ford)*





## CONSOLIDATED FINANCIAL STATEMENTS

The reports and statements set out below comprise the financial statements presented to the shareholders:

Independent Auditor's Report	15
Audit Committee Report	16
Declaration of Company Secretary	16
Directors' Responsibilities and Approval	17
Directors' Report	18
Balance Sheet	20
Income Statement	21
Statement of Changes in Equity	22
Cash Flow Statement	23
Accounting Policies	24
Notes to the Financial Statements	31
Segmental Report	47

## Independent Auditors Report

### To the shareholders of Alert Steel Holdings Ltd and its subsidiaries

We have audited the accompanying annual financial statements of Alert Steel Holdings Limited and its subsidiaries, which comprise the director's report, balance sheet at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 16 to 54

### Director's responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with international financial reporting standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards, and in the manner required by the Companies Act of South Africa.



**RSM BETTY & DICKSON (Tshwane)**  
Registered Auditors

Pretoria

Per: Paul den Boer  
Registered Auditor  
Chartered Accountant (S.A.)  
Partner

Suite 1, 267 Waterkloof Road  
Brooklyn  
28 September 2009

## Audit and Risk Committee Report

The Corporate Laws Amendment Act 24 of 2006 came into effect on 14 December 2007 ("CLAA"), in compliance with the CLAA, an audit committee was appointed by the board of directors, this committee comprises of Mr Owen Jevon (Chairman) and Mr Ethan Dube.

During the financial year, in addition to the duties set out in the audit committee's terms of reference (a summary is provided on page 11 of the corporate governance statement), the audit committee carried out its functions as follows:

- nominated the appointment of RSM Betty & Dickson (Tshwane) ("RSM Betty") as the registered independent auditor after satisfying itself through enquiry that RSM Betty is independent as defined in terms of the CLAA;
- determined the fees to be paid to RSM Betty and its terms of engagement;
- ensured that the appointment of RSM Betty complied with the CLAA and any other legislation relating to the appointment of auditors;
- approved a non-audit services policy which determines the nature and extent of any non-audit services which RSM Betty may provide to the company.

The audit committee has satisfied itself through enquiry that RSM Betty & Dickson (Tshwane) and Mr Paul den Boer, the designated auditor, are independent of the company.

The audit committee recommended the financial statements for the year ended 30 June 2009 for approval to the board. The board has subsequently approved the financial statements which will be tabled for approval at the forthcoming annual general meeting.



**OV Jevon**  
Chairman of the Audit Committee

28 September 2009

## Declaration of Company Secretary

The company secretary certifies that the company has lodged with the registrar of companies all such returns as are required of a public company, in terms of the Companies Act, as amended, and that all such returns are, to the best of my knowledge and belief, correct and up to date.

**Monika Pretorius**  
Company Secretary

28 September 2009

## Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the group financial statements and related financial information included in this report. It is their responsibility to ensure that the group financial statements fairly present the state of affairs of the group as at 30 June 2009 and the results of its operations and cash flows for the 12 months then ended, in conformity with international financial reporting standards (IFRS). The external auditors are engaged to express an independent opinion on the group financial statements.

The group financial statements are prepared in accordance with international financial reporting standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group.

While operating risk cannot be fully eliminated, the group endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the group financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 30 June 2010 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The group financial statements set out on pages to follow which have been prepared on the going concern basis, were approved by the Board of directors at Pretoria and were signed on its behalf by:



E Dube



OV Jevon



WF Schalekamp



WW Mentz

28 September 2009



## Directors' Report

The directors submit their report for the year ended 30 June 2009.

### 1. Review of activities

#### Main business and operations

The group is a retailer of prime steel, building materials, hardware and plumbing products to the construction industry, as well as the processing of rebar steel and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Corporate governance

The corporate governance report is contained on pages 8 to 12 of this report.

### 3. Non-current assets

Details of major changes in the nature of the non-current assets of the group during the year were as follows:

To satisfy internal growth requirements vehicles and plant and equipment of R8,166,463 and R10,720,182 were acquired during the year. Vehicles were mainly financed through installment sale agreements.

Land and buildings were constructed to the value of R49,890,875 during the year. This was done because of growth constraints experienced at the existing distribution centre and head office of the group in East Lynne, Pretoria. Investment properties to the value of R5,991,156 were acquired for future expansion of the group's footprint.

### 4. Post balance sheet events

The 1,714,285 shares for the "Steel Giant" acquisition will be issued after year end. (Refer note 28)

The new Alert head office and distribution centre will be opening its doors during November 2009.

The directors are not aware of any other matter or circumstance arising since the end of the financial year.

### 5. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the group during the year under review.

(2008: 1,714,285 shares were issued during the year in terms of a partial payment for the acquisition of the Steel Giant business.)

### Shareholder spread

In terms of the JSE Listing Requirements, Alert Steel Holdings Limited complies with the minimum shareholder spread requirements, with 38.58% (2008: 23.73%) of ordinary shares held by the public at 30 June 2009. Details of the company's shareholder spread are recorded on page 55.

### Material shareholders

WF & JC Familie Trust	57,69%
Capital Africa Steel (Pty) Ltd	25,27%
The Alert Share Incentive Scheme	2,99%

### Directors' interest in shares

	2009	2008
WF Schalekamp	146,703,882	166,203,882
WW Mentz	1,065,135	2,065,135
E Dube (Non executive)	-	17,500,000
OV Jevon (Non executive)	450,000	450,000
	148,219,017	186,219,017

There were no changes in the directors' interest up to the date of this report.

Mr WW Mentz holds 65,135 beneficial direct shares of the company.

The staff of the designated advisors of Alert Steel held 153,125 (2008: 2,128,019) shares in the ordinary share capital of the company.

### 6. Dividends

Having regard to the profits attained for the year ended 30 June 2008, the board has reconsidered the company's dividend policy and has resolved to declare the company's maiden dividend to shareholders of 3.0 cents per share for the year ended 30 June 2008. The dividend was paid on 24 November 2008.

### 7. Directors

Name	Capacity
E Dube	Non-Executive Director (Chairman)
OV Jevon	Non-Executive Director
WF Schalekamp	Managing Director
WW Mentz	Financial Director

In terms of the company's articles of association, OV Jevon retired at the annual general meeting and, being eligible, offers himself for re-election.

## Directors' Report (continued)

### 8. Directors' interest in contracts

Mr WF Schalekamp, a director of the company, is also the director of Schallies Beleggings (Pty) Ltd. The company has an operating lease agreement with Schallies Beleggings (Pty) Ltd. The lease period ends on 31 October 2011. The company has a 5 year renewal option.

### 9. Secretary

The secretary of the group is Monika Pretorius of:

Business Address	12 Gompou Street East Lynne, 0186
Postal Address	PO Box 29607 Sunnyside, 0132

### 10. Interest in subsidiaries

Details of the group's investment in subsidiaries are set out in note 6.

### 11. Auditors

RSM Betty and Dickson (Tshwane) will continue in office in accordance with section 270(2) of the Companies Act.

### 12. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 13. Borrowing limitations

In terms of the Articles of Association of the group, the directors may exercise all the powers of the group to borrow money, as they consider appropriate.

### 14. Special resolutions

It was resolved that:

- The company may repurchase its own shares subject to JSE listing requirements.
- The annual general meeting must be held a maximum of fifteen months apart and not more than nine months after the financial year end.





## Balance Sheet

Figures in Rand	Note(s)	2009 R	2008 R
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	3	5,991,156	-
Property, plant and equipment	4	134,486,293	51,716,348
Goodwill	5	54,665,036	48,593,590
Other financial assets		204,137	709,311
Deferred tax	9	3,073,553	1,972,396
		<b>198,420,175</b>	<b>102,991,645</b>
<b>Current assets</b>			
Inventories	10	152,621,875	194,498,727
Loans to joint ventures	8	13,937,898	9,857,035
Current tax receivable		3,641,175	-
Trade and other receivables	11	142,148,940	129,284,725
Cash and cash equivalents	12	9,488,303	7,367,516
		<b>321,838,191</b>	<b>341,008,003</b>
<b>Total assets</b>		<b>520,258,366</b>	<b>443,999,648</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	125,211,424	125,211,424
Reserves	14	2,365,713	2,365,713
Retained income		63,472,753	66,724,850
		<b>191,049,890</b>	<b>194,301,987</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other financial liabilities	15	63,978,128	11,581,756
Deferred tax	9	628,860	-
		<b>64,606,988</b>	<b>11,581,756</b>
<b>Current liabilities</b>			
Loans from joint ventures	8	3,260,038	1,484,704
Other financial liabilities	15	20,207,554	24,278,118
Current tax payable		665,254	17,977,059
Trade and other payables	17	111,866,791	102,483,125
Provisions	16	457,423	1,737,079
Bank overdraft	12	128,144,428	90,155,820
		<b>264,601,488</b>	<b>238,115,905</b>
<b>Total liabilities</b>		<b>329,208,476</b>	<b>249,697,661</b>
<b>Total equity and liabilities</b>		<b>520,258,366</b>	<b>443,999,648</b>
		<b>cents</b>	<b>cents</b>
Number of shares in issue		246,714,285	246,714,285
Number of shares including share based payment shares		248,428,570	248,428,570
Fully diluted number of shares in issue (a)		256,028,570	256,028,570
Net asset value per share (cents)		76.9	78.2
Net tangible asset value per share (cents)		54.9	58.7



## Income statement

Figures in Rand	Note(s)	2009 R	2008 R
Revenue	19	981,325,313	807,094,650
Cost of sales	20	(770,218,311)	(587,493,811)
<b>Gross profit</b>		<b>211,107,002</b>	<b>219,600,839</b>
Other income		10,845,680	6,095,688
Operating expenses		(201,700,105)	(148,671,578)
<b>Operating profit</b>	22	<b>20,252,577</b>	<b>77,024,949</b>
Investment revenue		2,424,601	2,842,900
Bargain price purchase on acquisitions		1,523,375	-
Finance costs	21	(18,518,113)	(6,897,979)
<b>Profit before taxation</b>		<b>5,682,440</b>	<b>72,969,870</b>
Taxation	18	(1,505,108)	(21,535,459)
<b>Profit for the year</b>		<b>4,177,332</b>	<b>51,434,411</b>
<b>Attributable to:</b>			
Ordinary share holders		4,377,332	51,434,411
Minority interest		(200,000)	-
		<b>cents</b>	<b>cents</b>
Weighted average shares in issue on which earnings are based		248,428,570	247,846,183
Fully diluted weighted average shares in issue on which earnings are based (a)		256,028,570	255,446,183
Earnings per share (cents)	23	1.8	20.8
Headline earnings per share (cents)	24	1.1	20.8
Fully diluted earnings per share (cents)	23	1.5	20.0
Fully diluted headline earnings per share (cents)	24	0.9	20.0

### Note(s)

(a) Included in the number of shares in issue, are 1,714,285 unissued shares which will be issued in terms of the "Steel Giant" transaction.

## Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Acquisition SBP reserve	Retained income	Total attributable to equity holders of the group / company	Minority interest	Total equity
<b>Balance at 01 July 2007</b>	<b>24,500</b>	<b>122,879,201</b>	<b>122,903,701</b>	-	<b>15,290,439</b>	<b>138,194,140</b>	-	<b>138,194,140</b>
<b>Changes in equity:</b>								
Profit for the year	-	-	-	-	51,434,411	51,434,411	-	51,434,411
Issue of shares	171	2,365,542	2,365,713	(2,365,713)	-	-	-	-
Acquisition share based payment	-	-	-	4,731,426	-	4,731,426	-	4,731,426
Issue costs written off	-	(57,990)	(57,990)	-	-	(57,990)	-	(57,990)
Total changes	171	2,307,552	2,307,723	2,365,713	51,434,411	56,107,847	-	56,107,847
<b>Balance at 01 July 2008</b>	<b>24,671</b>	<b>125,186,753</b>	<b>125,211,424</b>	<b>2,365,713</b>	<b>66,724,850</b>	<b>194,301,987</b>	-	<b>194,301,987</b>
<b>Changes in equity:</b>								
Acquisition share premium	-	-	-	-	-	-	200,000	200,000
Net income (expenses) recognised directly in equity	-	-	-	-	-	-	200,000	200,000
Profit for the year	-	-	-	-	4,377,332	4,377,332	(200,000)	4,177,332
Total recognised income and expenses for the year	-	-	-	-	4,377,332	4,377,332	-	4,377,332
Dividends	-	-	-	-	(7,629,429)	(7,629,429)	-	(7,629,429)
Total changes	-	-	-	-	(3,252,097)	(3,252,097)	-	(3,252,097)
<b>Balance at 30 June 2009</b>	<b>24,671</b>	<b>125,186,753</b>	<b>125,211,424</b>	<b>2,365,713</b>	<b>63,472,753</b>	<b>191,049,890</b>	-	<b>191,049,890</b>

Note(s)

13

13

13

14

## Cash Flow Statement

Figures in Rand	Note(s)	2009 R	2008 R
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	26	70,217,569	(70,323,267)
Interest income		2,424,601	2,842,900
Finance costs		(18,518,113)	(6,897,979)
Tax paid	27	(22,198,644)	(12,615,371)
<b>Net cash from operating activities</b>		<b>31,925,413</b>	<b>(86,993,717)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(76,831,316)	(16,334,632)
Sale of property, plant and equipment	4	1,638,294	211,000
Purchase of investment property	3	(4,085,560)	-
Acquisition of businesses	28	(25,548,384)	(3,347,475)
Net movement in loans from joint ventures		(2,305,529)	(6,669,233)
Net movement on other financial assets		505,174	(481,311)
<b>Net cash from investing activities</b>		<b>(106,627,321)</b>	<b>(26,621,651)</b>
<b>Cash flows from financing activities</b>			
Share issue costs	13	-	(57,990)
Net movement in other financial liabilities		46,263,516	9,592,009
Movement in loans to directors, managers and employees		-	195,758
Contribution by minority share holders		200,000	-
Dividends paid		(7,629,429)	-
<b>Net cash from financing activities</b>		<b>38,834,087</b>	<b>9,729,777</b>
<b>Total cash movement for the year</b>		<b>(35,867,821)</b>	<b>(103,885,591)</b>
Cash at the beginning of the year		(82,788,304)	21,097,287
<b>Total overdraft at end of the year</b>	12	<b>(118,656,125)</b>	<b>(82,788,304)</b>

## Accounting Policies

### 1. Presentation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgments

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

##### Trade receivables

The group assesses its trade receivables for impairment at each balance sheet date. In determining whether an impairment loss should be recorded in the income statement, the group makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on an individual basis.

##### Allowance for slow moving, damaged or obsolete stock

An allowance was made to write stock down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items.

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16.

##### Contingent provisions on business combinations

Contingencies recognised in the current year required estimates and judgments (refer to note 28 on acquisition of business combinations).

### Taxation

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

#### 1.2 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

##### Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property – land	Indefinite
Property – buildings	50 years

#### 1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the group; and
- the cost of the item can be measured reliably.



## Accounting Policies (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Item	Average useful life
Buildings	50 years
Plant and machinery	3 – 6 years
Furniture and fixtures	3 – 6 years
Motor vehicles	8 – 10 years
Office equipment	2 – 9 years
IT equipment	3 years
Leasehold improvements	10 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.4 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the group's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill is carried at cost less any accumulated impairment.

The excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

### 1.5 Financial instruments

#### Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. For financial instruments which are not at fair value through profit or loss, classification is re-assessed on an annual basis.

#### Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

Regular way purchases of financial assets are accounted for at settlement date.

#### Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### Impairment of financial assets

At each balance sheet date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

## Accounting Policies (continued)

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available for sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

### Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries and joint ventures and are recognised initially at fair value plus direct transaction costs.

Loans from group companies are classified as loans and receivables.

### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other income in the income statement.

Trade and other receivables are classified as loans and receivables.

### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

## 1.6 Tax

### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).



## Accounting Policies (continued)

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

### 1.7 Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

### 1.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.9 Impairment of assets

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

## Accounting Policies (continued)

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the units.

The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.10 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

### 1.11 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

### 1.12 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## Accounting Policies (continued)

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. Interest is recognised, in profit or loss, using the effective interest rate method.

### 1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.15 Basis of consolidation

The group consists of the consolidated financial position and the operating results and cash flow information of Alert Steel Holdings Limited (the company), its subsidiaries and its interest in joint ventures.

## Subsidiaries

Subsidiaries are entities controlled by the group. Control exists where the group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities generally accompanying an interest of more than one half of the voting rights. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Subsidiaries are never excluded from consolidation. If a subsidiary is acquired but control is expected to be temporary because the intention is that the subsidiary will be sold within 12 months from acquisition, the acquired subsidiary is still consolidated but is accounted for as a disposal group or a discontinued operation. The results of subsidiaries are included for the period during which the group exercises control over the subsidiary. The purchase method of accounting is used to account for the acquisition of subsidiaries of the group.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company;
- plus any costs directly attributable to the purchase of the subsidiary.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. On adjustment to the cost of a business combination, contingent or future events are included in the combination if the adjustment is probable and can be measured reliably.

If a subsidiary uses accounting policies other than those adopted in these consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

## Joint ventures

Joint ventures are contractual agreements whereby the group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. These joint ventures may take the form of jointly controlled operations such as construction contracts, jointly controlled assets, jointly controlled partnerships or companies.



## Accounting Policies (continued)

Joint ventures are accounted for by means of the proportionate consolidation method whereby the group's share of the assets, liabilities, income, expenses and cash flows of joint ventures are included on a line by line basis in the consolidated financial statements. The results of joint ventures are included for the period during which the group exercises joint control over the joint venture. If a joint venture uses accounting policies other than those adopted in these consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Where the group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the group interest in the joint venture, except where unrealised losses provide evidence of an impairment of the assets.

### 1.16 Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the group, directly or indirectly, including all executive and non-executive directors.

Related party transactions are those where a transfer of resources or obligations between related parties occurs, regardless of whether or not a price is charged.

## Notes to the Financial Statements

### 2. New standards and interpretations

Refer appendix A

### 3. Investment property

	2009 R			2008 R		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	5,991,156	-	5,991,156	-	-	-

#### Reconciliation of investment property – 2009

	Opening balance	Additions	Additions through business combinations	Total
Investment property	-	4,085,560	1,905,595	5,991,156

#### Pledged as security

Carrying value of assets pledged as security:

Erf 1889 Ellisras extention 16 (7 Stamvrug crescent)

As per bond registered over the property

Erf 1908 Ellisras extention (10 Kransberg street)

As per bond registered over the property

#### Details of properties

##### Erf 1889 Ellisras extention 16 (7 Stamvrug crescent)

- Purchase price

- Capitalised expenditure

##### Erf 1908 Ellisras extention (10 Kransberg street)

- Purchase price

- Capitalised expenditure

##### Erf 868 Wolmaransstad

- Purchase price

##### Erf 424 (Portion 560 & 182) - Klerksdorp

50% held through Terracotta Concepts (Pty) Ltd

- Purchase price

	2009 R	2008 R
Erf 1889 Ellisras extention 16 (7 Stamvrug crescent)	1,736,915	-
Erf 1908 Ellisras extention (10 Kransberg street)	1,798,645	-
<b>Erf 1889 Ellisras extention 16 (7 Stamvrug crescent)</b>	<b>1,500,000</b>	<b>-</b>
- Capitalised expenditure	236,915	-
	<b>1,736,915</b>	<b>-</b>
<b>Erf 1908 Ellisras extention (10 Kransberg street)</b>	<b>1,635,500</b>	<b>-</b>
- Capitalised expenditure	163,145	-
	<b>1,798,645</b>	<b>-</b>
<b>Erf 868 Wolmaransstad</b>	<b>550,000</b>	<b>-</b>
<b>Erf 424 (Portion 560 &amp; 182) - Klerksdorp</b>	<b>1,905,596</b>	<b>-</b>

## Notes to the Financial Statements (continued)

## 4. Property, plant and equipment

	2009 R			2008 R		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	18,307,119	-	18,307,119	12,440,803	-	12,440,803
Buildings	60,675,500	(261,632)	60,413,868	4,984,626	(81,366)	4,903,260
Plant and machinery	18,571,255	(3,412,531)	15,158,724	4,450,991	(1,686,773)	2,764,218
Furniture and fixtures	5,856,752	(977,172)	4,879,580	1,626,040	(438,643)	1,187,397
Motor vehicles	46,137,956	(14,746,689)	31,391,267	38,308,551	(11,021,565)	27,286,986
Office equipment	6,138,658	(4,273,053)	1,865,605	5,258,560	(3,739,879)	1,518,681
IT equipment	5,000,761	(2,657,777)	2,342,984	3,059,255	(1,444,252)	1,615,003
Leasehold improvements	1,667,216	(1,540,070)	127,146	1,502,270	(1,502,270)	-
	<b>162,355,217</b>	<b>(27,868,924)</b>	<b>134,486,293</b>	<b>71,631,096</b>	<b>(19,914,748)</b>	<b>51,716,348</b>

## Reconciliation of property, plant and equipment – 2009

	Opening balance	Additions	Additions through business combinations	Disposals	Transfers	Depreciation	Total
Land	12,440,803	266,316	5,600,000	-	-	-	18,307,119
Buildings	4,903,260	49,890,874	5,800,000	-	-	(180,266)	60,413,868
Plant and machinery	2,764,218	10,720,183	3,691,192	(291,110)	-	(1,725,759)	15,158,724
Furniture and fixtures	1,187,397	4,435,113	6,990	(19,015)	(191,821)	(539,084)	4,879,580
Motor vehicles	27,286,986	8,166,463	911,961	(1,252,939)	-	(3,721,204)	31,391,267
Office equipment	1,518,681	656,622	34,541	(1,867)	191,821	(534,193)	1,865,605
IT equipment	1,615,003	1,964,006	35,997	(58,507)	-	(1,213,515)	2,342,984
Leasehold improvements	-	-	164,946	-	-	(37,800)	127,146
	<b>51,716,348</b>	<b>76,099,577</b>	<b>16,245,627</b>	<b>(1,623,438)</b>	<b>-</b>	<b>(7,951,821)</b>	<b>134,486,293</b>

## Reconciliation of property, plant and equipment – 2008

	Opening balance	Additions	Additions through business combinations	Disposals	Depreciation	Total
Land	980,697	1,147,221	10,312,885	-	-	12,440,803
Buildings	4,556,252	410,053	18,321	-	(81,366)	4,903,260
Plant and machinery	1,699,664	1,393,219	65,894	-	(394,559)	2,764,218
Furniture and fixtures	366,871	931,351	44,704	-	(155,529)	1,187,397
Motor vehicles	16,599,839	10,551,369	3,586,055	(293,294)	(3,156,983)	27,286,986
Office equipment	1,790,489	326,728	-	-	(598,536)	1,518,681
IT equipment	550,279	1,574,691	81,019	-	(590,986)	1,615,003
Leasehold improvements	361,060	-	-	-	(361,060)	-
	<b>26,905,151</b>	<b>16,334,632</b>	<b>14,108,878</b>	<b>(293,294)</b>	<b>(5,339,019)</b>	<b>51,716,348</b>

## Notes to the Financial Statements (continued)

	2009 R	2008 R
<b>Pledged as security</b>		
Carrying value of assets pledged as security:		
Land and buildings	62,773,836	-
Subject to other financial liabilities		
Motor vehicles	22,252,687	21,177,290
Subject to installment sale agreements		
Plant and equipment	6,782,116	2,088,727
Subject to installment sale agreements		
Furniture and fittings	1,861,538	787,146
Subject to installment sale agreements		
<b>Details of properties</b>		
<b>Erf 2515 Louis Trichardt, extension ZAR</b>		
50% held through Dual Intake Investments 24 (Pty) Ltd		
- Purchase price	230,696	230,696
- Additions since purchase or valuation	487,937	487,937
	<b>718,633</b>	<b>718,633</b>
<b>Portions 2 &amp; 3 of Erf 12 situated at 271/273 Maggs Street, Waltloo, Gauteng</b>		
50% held through Alert Steel Reinforcing (Pty) Ltd		
- Purchase price	750,000	750,000
- Additions since purchase or valuation	4,050,000	4,050,000
- Capitalised expenditure	18,313	18,313
	<b>4,818,313</b>	<b>4,818,313</b>
<b>Erf 227 East Lynne, Pretoria</b>		
- Purchase price	10,312,886	10,312,886
- Additions since purchase or valuation	49,757,171	18,321
- Capitalised expenditure	1,881,616	1,138,104
	<b>61,951,673</b>	<b>11,469,311</b>
<b>Erf 408 &amp; Erf 409 Rosslyn Ext 2</b>		
- Purchase price	<b>6,600,000</b>	-
<b>Erf 6 Elcedes</b>		
- Purchase price	<b>4,894,000</b>	-

## Notes to the Financial Statements (continued)

## 5. Goodwill

	2009 R			2008 R		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Goodwill	54,665,036	-	54,665,036	48,593,590	-	48,593,590

## Reconciliation of goodwill - 2009

	Opening balance	Additions through business combinations	Total
Goodwill	48,593,590	6,071,446	54,665,036

## Reconciliation of goodwill – 2008

	Opening balance	Additions through business combinations	Total
Goodwill	41,662,049	6,931,541	48,593,590

Goodwill additions relate to the 100% acquisition of the business of General Steel (Pty) Ltd on 01/08/2008. (Refer note 28)

2008: Goodwill additions relate to the 100% acquisition of the Steel Giant (Pty) Ltd business on 01/09/2007. (Refer note 28)

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of a cash-generating unit is determined based on the value-in-use. These calculations use cash flow projections based on financial budgets for the following year, as was approved by management. Cash flows for future years beyond the following year are extrapolated using an estimated growth rate of 10%. A discount rate of 16.50% was used, which reflects the pre-tax weighted average cost of capital.

Key assumptions used on value-in use calculations include budgeted retail revenue streams. Such results are based on historical results adjusted for anticipated future growth. These assumptions are a reflection of management's past experience in the market in which these units operate.

Based on the above assumptions, management's calculations of recoverable amounts were greater than the carrying amounts. Management believes that any reasonable possible change in any of its key assumptions would not cause the aggregate carrying amounts to exceed aggregate recoverable amounts.

## 6. Investments in subsidiaries

Name of company	Held by	%	%	Carrying	Carrying
		Holding 2009	Holding 2008	amount 2009	amount 2008
Alert Steel (Pty) Ltd	Alert Steel Holdings Limited	100.00%	100.00%	80,021,426	80,021,426
Alert Steel Brits (Pty) Ltd	Alert Steel Holdings Limited	100.00%	100.00%	5,370,000	5,370,000
Alert Steel Tshwane (Pty) Ltd	Alert Steel Holdings Limited	100.00%	100.00%	4,440,000	4,440,000
Alert Steel Hazyview (Pty) Ltd	Alert Steel Holdings Limited	51.00%	51.00%	51	51
Alert Steel Corporate Services (Pty) Ltd	Alert Steel Holdings Limited	100.00%	100.00%	100	100
Carlson Machine Manufacturers (Pty) Ltd	Alert Steel Holdings Limited	80.00%	-	80	-
Anchor Park Investments 114 (Pty) Ltd	Alert Steel Corporate Services (Pty) Ltd	80.00%	-	80	-
Born Free Investments 661 (Pty) Ltd	Alert Steel Corporate Services (Pty) Ltd	100.00%	-	100	-
Aquarella Investments 454 (Pty) Ltd	Alert Steel Corporate Services (Pty) Ltd	100.00%	100.00%	100	100
Xebura Investments (Pty) Ltd	Alert Steel Corporate Services (Pty) Ltd	100.00%	-	100	-
Arrow Creek Investments 117 (Pty) Ltd	Alert Steel Corporate Services (Pty) Ltd	100.00%	-	100	-
Alert Rebar (Pty) Ltd	Alert Steel Holdings Limited	100.00%	-	100	-
				<b>89,832,237</b>	<b>89,831,677</b>

The carrying amounts of subsidiaries are shown net of impairment losses.



## Notes to the Financial Statements (continued)

### 7. Investment in joint ventures

Name of company	Held by	Carrying amount 2009	Carrying amount 2008	Profit / (Losses) 2009	Profit / (Losses) 2008
Alert Steel Polokwane (Pty) Ltd	Alert Steel Holdings Limited	20,299,000	19,900,000	224,928	4,451,594
Alert Steel Reinforcing (Pty) Ltd	Alert Steel Holdings Limited	4,800,050	4,800,050	1,075,369	2,649,371
Dual Intake Investments 24 (Pty) Ltd	Alert Steel Polokwane (Pty) Ltd	100	100	58,660	46,400
Terracotta Concepts (Pty) Ltd	Alert Steel Corporate Services (Pty) Ltd	1,698,993	-	(4,929)	-
		<b>26,798,143</b>	<b>24,700,150</b>	<b>1,354,028</b>	<b>7,147,365</b>

The percentage holding in all joint ventures is 50%.

The carrying amounts of joint ventures are shown net of impairment losses.

	2009 R	2008 R
<b>Summary of groups interest in joint venture</b>		
Summary of the company's interests in the joint venture.		
Non-current assets	9,959,101	7,864,128
Current assets	59,472,055	63,113,355
Non-current liabilities	(716,845)	(364,803)
Current liabilities	(40,281,633)	(45,226,819)
Revenue	219,835,544	167,285,838
Profit after taxation	1,354,028	7,147,365

### 8. Loans to (from) joint ventures

#### Joint ventures

Alert Steel Polokwane (Pty) Ltd - Treasury loan <i>Unsecured, bears interest at the prime lending rate. Repayable on demand.</i>	13,837,089	9,857,035
Alert Steel Reinforcing (Pty) Ltd - Treasury loan <i>Unsecured, bears interest at the prime lending rate. Repayable on demand.</i>	(3,190,839)	(1,484,704)
Alert Steel Polokwane (Pty) Ltd <i>Unsecured, interest free and repayable on demand.</i>	(69,199)	-
Terracotta Concepts (Pty) Ltd <i>Unsecured, interest free and repayable on demand.</i>	100,809	-
	<b>10,677,860</b>	<b>8,372,331</b>

All loans are unsecured and non interest bearing, except for the treasury loans that bears interest at the prime interest lending rate (2008: 10,30%p.a.) The equity loan has no repayment term. Other loans are repayable on demand.

Loans have no fixed terms of repayment and are therefore not past due. As at 30 June 2009, there were no loans impaired and provided for.

No credit rating of loans has been performed.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The company does not hold any collateral as security.

Current assets	13,937,898	9,857,035
Current liabilities	(3,260,038)	(1,484,704)
	<b>10,677,860</b>	<b>8,372,331</b>

## Notes to the Financial Statements (continued)

	2009 R	2008 R
<b>9. Deferred tax</b>		
<b>Deferred tax asset</b>		
Accelerated capital allowances for tax purposes	(5,417,945)	(2,472,170)
Tax losses available for set off against future taxable income	5,525,013	-
Temporary differences on provisions and accruals	2,337,625	4,444,566
	<b>2,444,693</b>	<b>1,972,396</b>
<b>Reconciliation of deferred tax asset (liability)</b>		
At beginning of the year	1,972,396	(712,190)
Reduction due to rate change	-	23,393
Increase (decrease) in tax losses available for set off against future taxable income	5,525,013	-
Originating temporary difference on tangible fixed assets	(2,945,775)	(819,108)
Originating temporary differences on provisions and accruals	(2,106,941)	3,480,301
	<b>2,444,693</b>	<b>1,972,396</b>
<b>10. Inventories</b>		
Work in progress	2,124,923	-
Merchandise	149,949,474	194,307,251
Consumables	547,478	191,476
	<b>152,621,875</b>	<b>194,498,727</b>
Inventories are subject to a general notarial bond for the overdraft facilities. (Refer note 12)		
<b>11. Trade and other receivables</b>		
Trade receivables	120,338,073	107,908,016
Deposits	226,624	305,878
VAT	8,576,490	675,353
Other receivables	13,007,753	20,395,478
	<b>142,148,940</b>	<b>129,284,725</b>
<b>Trade receivables pledged as security</b>		
Trade receivables were pledged as security for overdraft facilities.		
<b>Credit quality of trade receivables</b>		
Neither past due nor impaired	56,425,699	63,446,280
Past due and nor impaired	63,896,108	44,461,736
Past due and impaired	66,664	7,975,536
	<b>120,388,471</b>	<b>115,883,552</b>
<b>Fair value of trade and other receivables</b>		
<b>Trade receivables past due but not impaired</b>		
Trade receivables, which are less than 1 month past due, are not considered to be impaired. At 30 June 2009, R63,896,108 (2008: R44,461,736) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	36,006,661	27,362,556
2 months past due	11,398,225	11,308,003
3 months past due	16,491,222	5,791,177

## Notes to the Financial Statements (continued)

### Trade receivables impaired

As of 30 June 2009, trade receivables of (R15,492,484) (2008: (R4,846,113)) were impaired and provided for.

The amount of the provision was (R66,664) as of 30 June 2009 (2008: (R7,975,536)).

	2009 R	2008 R
The ageing of these trade receivables are as follows:		
3 to 6 months	1,447,068	2,427,571
Over 6 months	14,112,080	10,394,078
<b>Reconciliation of provision for impairment of trade receivables</b>		
Opening balance	(7,975,536)	(3,257,416)
Provision for impairment	(7,584,377)	(9,615,579)
Amounts written off as uncollectable	15,493,249	4,897,459
	<b>(66,664)</b>	<b>(7,975,536)</b>

### 12. Bank overdraft, cash and cash equivalents

Bank overdraft, cash and cash equivalents consist of:

Cash on hand	388,296	229,404
Bank balances	8,973,168	7,138,112
Other cash and cash equivalents	126,839	-
Bank overdraft	(128,144,428)	(90,155,820)
	<b>(118,656,125)</b>	<b>(82,788,304)</b>
Current assets	9,488,303	7,367,516
Current liabilities	(128,144,428)	(90,155,820)
	<b>(118,656,125)</b>	<b>(82,788,304)</b>

Overdraft facilities	(134,189,710)	(118,000,000)
Guarantees	(943,832)	(884,213)

Secured By:

General notarial bonds over inventories	10,500,000	12,000,000
Cession of trade receivables	120,338,073	115,883,552

Cession of Lombard Insurance group policy held by Nedbank Limited.

Nedbank holds unlimited suretyships for credit facilities granted to the company, supplied by:

The managing director, Mr WF Schalekamp, in his personal capacity and through related companies and a trust issued guarantees for the overdraft facilities of the group.

There is no material difference between the fair value of cash and cash equivalents and their book value.

## Notes to the Financial Statements (continued)

	2009 R	2008 R
<b>13. Share capital</b>		
<b>Authorised</b>		
500,000,000 ordinary shares of 0.01cents each	50,000	50,000
<b>Reconciliation of number of shares issued:</b>		
Reported as at 01 July 2008	246,714,285	245,000,000
Issue of shares – ordinary shares	-	1,714,285
	<b>246,714,285</b>	<b>246,714,285</b>
Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.		
<b>Issued</b>		
Ordinary shares	24,671	24,671
Share premium	125,186,753	125,186,753
	<b>125,211,424</b>	<b>125,211,424</b>
<b>14. Acquisition SBP reserve</b>		
The remaining purchase consideration for the "Steel Giant" acquisition is payable 7 days after the June 2009 profits have been determined for the cash-generating unit. Payment is by way of issue of 1,714,285 Alert Steel Holdings Limited shares. The purchase consideration may be reduced, depending upon the level of profits achieved, by the Steel Giant business cash-generating unit, for the years ending June 2008 and June 2009.		
The share based payment was provided for of 1,714,285 shares at R1,38 each.		
"Steel Giant" acquisition share based payment	2,365,713	4,731,426
Issue of shares	-	(2,365,713)
	<b>2,365,713</b>	<b>2,365,713</b>
<b>15. Other financial liabilities</b>		
<b>Held at amortised cost</b>		
Nedbank Limited	6,753,279	-
<i>Bears interest at the prime lending rate plus 1.81% and less 0.75%. Secured over land &amp; buildings and investment property. Repayable over an average of 15 years.</i>		
Imperial Bank	47,737,274	-
<i>Secured over land &amp; buildings. Bears interest at prime until 1 Aug 2009, thereafter fixed at 11.26%. Repayment to start on 1 Aug 2009. Repayable over 10 years.</i>		
Operating lease liability	54,159	79,627
Carlson Machine Builders CC	3,273,698	-
<i>Deed of sale payable on acquisition. Bears interest at 10% per annum. Repayable in three even installments over three years. First installment payable on 1 August 2009.</i>		
Other financial liabilities	21,695	11,287,942
Deed of sale payable ("Steel Giant" acquisition)	-	2,965,993
<i>Cash portion of acquisition. (Refer note 28)</i>		
Installment sale agreements	26,345,577	21,526,312
<i>Liabilities under installment sale agreements at an average interest rate of Prime less 0.75% per annum repayable in monthly installments of R1,177,238</i>		
	<b>84,185,682</b>	<b>35,859,874</b>
<b>Non-current liabilities</b>		
At amortised cost	63,978,128	11,581,756
<b>Current liabilities</b>		
At amortised cost	20,207,554	24,278,167
	<b>84,185,682</b>	<b>35,859,874</b>

## Notes to the Financial Statements (continued)

## 16. Provisions

## Reconciliation of provisions - 2009

	Opening balance	Additions	Utilised during the year	Total
Other provisions	1,737,079	457,423	(1,737,079)	457,423

## Reconciliation of provisions – 2008

	Opening balance	Additions	Utilised during the year	Total
Other provisions	432,077	1,737,079	(432,077)	1,737,079

## 17. Trade and other payables

	2009 R	2008 R
Trade payables	103,176,654	92,734,585
VAT	6,480	-
Other payables	8,683,657	9,748,539
	<b>111,866,791</b>	<b>102,483,124</b>

## 18. Taxation

## Major components of the tax expense

## Current

Local income tax - current period	482,720	24,220,092
STC	762,943	-
	<b>1,245,663</b>	<b>24,220,092</b>

## Deferred

Originating and reversing temporary differences	259,445	(2,684,633)
	<b>1,505,108</b>	<b>21,535,459</b>

## Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00%	28.00%
Tax loss not used	5.57%	1.39%
Prior year taxation over provided	(12.65)%	-
Non taxable income	(7.86)%	-
Special tax on companies	13.43%	-
Change in tax rate	-	(0.03)%
Disallowable charges	-	0.15%
	<b>26.49%</b>	<b>29.51%</b>

## 19. Revenue

Sale of goods	977,252,299	805,183,399
Rental Income	87,200	119,429
Interest received (trading)	3,985,814	1,791,822
	<b>981,325,313</b>	<b>807,094,650</b>

## Notes to the Financial Statements (continued)

	2009 R	2008 R
<b>20. Cost of sales</b>		
<b>Sale of goods</b>		
Cost of goods sold	770,218,311	587,493,811
<b>21. Finance costs</b>		
Bank	14,578,928	3,854,607
Installment sale agreements	3,439,123	2,169,260
Other interest paid	500,062	874,112
	<b>18,518,113</b>	<b>6,897,979</b>
<b>22. Operating profit</b>		
Operating profit for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises - contractual amounts	13,116,932	8,026,512
Motor vehicles - contractual amounts	119,325	2,766,339
Equipment - contractual amounts	1,975,086	1,650,718
	<b>15,211,343</b>	<b>12,443,569</b>
Profit (loss) on sale of property, plant and equipment	14,856	(81,360)
Depreciation on property, plant and equipment	7,951,821	5,339,019
Employee costs	112,377,416	74,688,134
<b>23. Earnings and fully diluted earnings per share</b>		
The calculation of earnings per ordinary share is based on earnings of R4,377,332 (2008: R51,434,411) and a weighted average number of shares of 248,428,570 (2008: 247,846,183). The weighted average number of shares is calculated after taking into account the effect of 7,600,000 (2008: 7,600,000) treasury shares held by the Alert Steel Share Incentive Scheme Trust against the issued share capital.		
The calculation of fully diluted earnings per ordinary share is based on fully diluted earnings of R3,711,334 (2008: R51,005,878) and a weighted average number of shares in issue of 256,028,570 (2008: 255,446,183), after taking into account the effect of the possible issue of 7,600,000 (2008: 7,600,000) ordinary shares in the future.		
<b>Dilutive effect on ordinary shares</b>		
The Alert Steel Share Incentive Scheme Trust	7,600,000	7,600,000
<b>Reconciliation between earnings and fully diluted earnings</b>		
Attributable earnings per income statement	4,377,332	51,434,411
- Interest adjustment	(665,998)	(428,533)
	<b>3,711,334</b>	<b>51,005,878</b>

## Notes to the Financial Statements (continued)

### 24. Headline earnings and fully diluted headline earnings per share

The calculation of headline earnings per ordinary share is based on headline earnings of R2,843,261 (2008: R51,492,990) and a weighted average number of shares of 248,428,570 (2008: 247,846,183). The weighted average number of shares is calculated after taking into account the effect of setting off 7,600,000 (2008: 7,600,000) treasury shares held by the Alert Steel Share Incentive Scheme Trust against the issued share capital.

The calculation of fully diluted headline earnings per ordinary share is based on fully diluted headline earnings of R2,177,263 (2008: R51,064,457) and a weighted average number of shares in issue of 256,028,570 (2008: 255,446,183), after taking into account the effect of possible issue of 7,600,000 (2008: 7,600,000) ordinary shares in the future.

	2009 R	2008 R
Attributable earnings per income statement	4,377,332	51,434,411
- (Profit) / loss on disposal of tangible assets	(10,696)	58,579
- (Gains) / losses arising from the adjustment to the fair value of fixed assets – bargain price add back	(1,523,375)	-
Headline earnings	2,843,261	51,492,990
- Interest adjustment	(665,998)	(428,533)
	<b>2,177,263</b>	<b>51,064,457</b>

### 25. Auditors' remuneration

Fees	755,380	690,002
Adjustment for previous year	(5,000)	-
	<b>750,380</b>	<b>690,002</b>

### 26. Cash generated from (used in) operations

Profit before taxation	5,682,440	72,969,870
<b>Adjustments for:</b>		
Depreciation and amortisation	7,951,821	5,339,019
(Profit) loss on sale of assets	(14,856)	82,293
Interest received	(2,424,601)	(2,842,900)
Finance costs	18,518,113	6,897,979
Movements in provisions	(1,279,656)	1,305,002
Leases straight lined	-	2,147
Reversal of bargain price acquisition	(1,523,375)	-
<b>Changes in working capital:</b>		
Inventories	48,870,485	(101,745,379)
Trade and other receivables	796,277	(40,914,300)
Trade and other payables	(6,359,079)	(11,416,998)
	<b>70,217,569</b>	<b>(70,323,267)</b>

### 27. Tax paid

Balance at beginning of the year	(17,977,060)	(6,372,338)
Current tax for the year recognised in income statement	(1,245,663)	(24,220,092)
Balance at end of the year	(2,975,921)	17,977,059
	<b>(22,198,644)</b>	<b>(12,615,371)</b>

## Notes to the Financial Statements (continued)

	2009 R	2008 R
<b>28. Acquisition of businesses</b>		
<b>Fair value of assets acquired</b>		
Property, plant and equipment	16,245,627	14,108,880
Investment property	1,905,595	-
Inventories	6,993,633	11,743,248
Trade and other receivables	13,660,492	16,678,204
Trade and other payables	(15,748,062)	(39,936,796)
Current liabilities	-	(1,446,175)
Borrowings	(2,056,649)	-
Cash	-	2,286,749
<b>Net assets acquired</b>	<b>21,000,636</b>	<b>3,434,110</b>
Goodwill recognised	6,071,732	6,931,541
Surplus recognised in profits	(1,523,375)	-
	<b>25,548,993</b>	<b>10,365,651</b>
<b>Consideration paid</b>		
Cash	(25,548,993)	(5,634,224)
Share issue portion	-	(4,731,427)
	<b>(25,548,993)</b>	<b>(10,365,651)</b>
<b>Net cash outflow on acquisition</b>		
Cash consideration paid	(25,548,993)	(5,634,224)
Cash acquired	-	2,286,749
	<b>(25,548,993)</b>	<b>(3,347,475)</b>

Acquisition of 100% of the business of General Steel (Pty) Ltd on 1 August 2008. The operations of Alert and General Steel are similar and the acquisition will enhance the geographical footprint of the Alert group.

Acquisition of 50% of the shares in Terracotta Concepts (Pty) Ltd on 25 September 2008. Terracotta Concepts owns a property in Klerksdorp, earmarked for future expansion of the Klerksdorp branch.

Acquisition of 100% of the business of Carlson Machine Builders CC on 1 August 2008. The acquisition was done to bring value add to the group's procurement.

**2008** : Acquisition of 100% of the business of Steel Giant (Pty) Ltd

The purchase consideration consists of two payments of R3,000,000 in cash and two share issues of 1,714,285 shares each in the ultimate holding company.

Fair value of cash payments were present valued using the cash flow method and an interest rate equal to the prime bank overdraft rate less 2%. A market rate equal to the closing price of the shares of Alert Steel Holdings Limited on the 31 August 2007 of 138 cents were used to value share to be issued for the acquisition.

The second cash payment with a fair value of R2,965,993 was outstanding on year end 2008.

The remaining purchase consideration is payable 7 days after the June 2009 profits have been determined for the cash-generating unit. Payment is by way of issue of 1,714,285 Alert Steel Holdings Limited shares, at an issue price of 175 cents per share. The purchase consideration may be reduced, depending upon the level of profits achieved, by the Steel Giant business cash-generating unit, for the years ending June 2008 and June 2009.



## Notes to the Financial Statements (continued)

### 29. Directors' emoluments

#### Executive

2009	Remuneration	Bonus	Travel allowance	Total
WF Schalekamp	1,024,335	-	201,600	1,225,935
WW Mentz	770,405	-	134,400	904,805
	<b>1,794,740</b>	<b>-</b>	<b>336,000</b>	<b>2,130,740</b>

2008	Remuneration	Bonus	Travel allowance	Total
WF Schalekamp	937,800	-	180,000	1,117,800
WW Mentz	692,160	70,000	120,000	882,160
	<b>1,629,960</b>	<b>70,000</b>	<b>300,000</b>	<b>1,999,960</b>

#### Non-executive

2009	Remuneration	Total
E Dube	100,000	100,000
OV Jevon	100,000	100,000
	<b>200,000</b>	<b>200,000</b>

2008	Remuneration	Total
E Dube	100,000	100,000
OV Jevon	100,000	100,000
	<b>200,000</b>	<b>200,000</b>

	2009 R	2008 R
<b>30. Share incentive scheme</b>		
	<b>shares</b>	<b>shares</b>
<b>Movement in share incentive scheme shares</b>		
Opening balance (Shares)	10,300	1,036,400
Resignations	1,209,086	898,900
Purchase offers made and accepted on 27 June 2008 @ R0.97 per share	-	(1,925,000)
<b>Un-allocated scheme shares (shares)</b>	<b>1,219,386</b>	<b>10,300</b>

A Share incentive scheme exists to provide employees of the group the opportunity to acquire shares in the capital of the group and to give such employees the incentive to advance the interest of the group for the ultimate benefit of all stakeholders in the group. The maximum ordinary shares so held may not exceed 20% of the ordinary share capital of the company.

### 31. Commitments

#### Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	11,450,781	8,139,203
- in second to fifth year inclusive	32,224,801	30,087,968
- later than five years	44,271,600	60,988,999
	<b>87,947,182</b>	<b>99,216,170</b>

## Notes to the Financial Statements (continued)

	2009 R	2008 R
<b>32. Contingencies</b>		
<b>Tax consequences of undistributed reserves</b>		
STC on remaining reserves	11,943,327	12,071,605

### 33. Related parties

#### Relationships

Subsidiaries	Refer to note 6
Joint ventures	Refer to note 7
Entities controlled by directors	Schallies Beleggings (Pty) Ltd Paul Kruger 390 Beleggings (Pty) Ltd Gondwana Marketing (Pty) Ltd Buffelskom Boerdery (Pty) Ltd
Share incentive scheme	The Alert Steel Share Incentive Scheme Trust
Directors	WF Schalekamp WW Mentz E Dube OV Jevon

#### Related party transactions

	2009 R	2008 R
<b>Rent paid to (received from) related parties</b>		
Schallies Beleggings (Pty) Ltd	2,457,216	2,275,200
Paul Kruger 390 Beleggings (Pty) Ltd	362,520	362,520
Buffelskom Boerdery (Pty) Ltd	(199,884)	(410,137)
Gondwana Marketing (Pty) Ltd	(839,523)	(296,875)

### 34. Change in estimate

#### Provision for unrealised profit in inventory and obsolete stock

The group has changed the estimate of unrealised profits in inventory and obsolete stock during the financial year to bring the provision more in line with current market trends.

The impact on profit after taxation is R 4,088,209.

### 35. Risk management

#### Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

#### Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

#### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due. The company ensures it has sufficient cash on demand or access to facilities to meet expected operational expenses for the next 12 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.



## Notes to the Financial Statements (continued)

### At 30 June 2009

	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	(9,093,616)	(40,404,146)	(67,693,698)
Minimum lease repayments	(13,592,844)	(15,816,054)	-
Trade and other payables	(111,866,791)	-	-
Bank overdraft	(128,144,428)	-	-

### At 30 June 2008

	Less than 1 year	Between 1 and 5 years	Over 5 years
Minimum lease repayments	(11,490,467)	(12,902,475)	-
Trade and other payables	(102,483,124)	-	-
Bank overdraft	(90,155,820)	-	-

### Interest rate risk

Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents, bank overdrafts, loan and receivable and payable. The interest applicable to these financial instruments is on a floating basis in line with those currently available in the market.

At 30 June 2009, if interest rates on rand-denominated borrowings had been 1% higher with all other variables held constant, post-tax profit for the year would have been decreased by R524,378 (2008: R482,985).

### Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis and utilisation of credit limits is regularly monitored. Credit insurance is purchased when deemed appropriate.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified, based on the historical trends, adjusted for current economic conditions.

### 36. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

#### 2009

	Loans and receivables	Cash and cash equivalents	Total
Loans to joint ventures	13,937,898	-	13,937,898
Trade and other receivables	142,148,940	-	142,148,940
Cash and cash equivalents	-	9,488,303	9,488,303
Other financial assets	204,137	-	204,137
Current tax receivable	3,641,175	-	3,641,175
	<b>159,932,150</b>	<b>9,488,303</b>	<b>169,420,453</b>

## Notes to the Financial Statements (continued)

### 2008

	Loans and receivables	Cash and cash equivalents	Total
Loans to joint ventures	9,857,035	-	9,857,035
Trade and other receivables	129,284,725	-	129,284,725
Cash and cash equivalents	-	7,367,516	7,367,516
Other financial assets	709,311	-	709,311
	<b>139,851,071</b>	<b>7,367,516</b>	<b>147,218,587</b>

### 37. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

### 2009

	Financial liabilities at amortised cost	Cash and cash equivalents	Total
Loans from joint ventures	(3,260,038)	-	(3,260,038)
Other financial liabilities	(84,185,682)	-	(84,185,682)
Trade and other payables	(111,866,791)	-	(111,866,791)
Bank overdraft	-	(128,144,428)	(128,144,428)
Current tax payable	(665,254)	-	(665,254)
	<b>(199,977,765)</b>	<b>(128,144,428)</b>	<b>(328,122,193)</b>

### 2008

	Financial liabilities at amortised cost	Cash and cash equivalents	Total
Loans from joint ventures	(1,484,704)	-	(1,484,704)
Other financial liabilities	(35,859,923)	-	(35,859,923)
Trade and other payables	(102,483,124)	-	(102,483,124)
Bank overdraft	-	(90,155,820)	(90,155,820)
Current tax payable	(17,977,059)	-	(17,977,059)
	<b>(157,804,810)</b>	<b>(90,155,820)</b>	<b>(247,960,630)</b>

### 38. Comparative figures

Some comparative figures under "Note 11 Trade and other receivables" have been changed for better presentation.

- The "90 days" and "120 days" figures on the aging of past due not impaired trade receivables has been restated to show as one figure under "3 months past due"
- The aging for trade receivables impaired have been added.



## Segmental Report

### SEGMENTAL FIGURES

2009

	Reinforcing manufacturing	Retail	Total
Revenue external	67,550,313	908,531,058	976,081,371
Revenue internal	5,243,943	-	5,243,943
	<b>72,794,256</b>	<b>908,531,058</b>	<b>981,325,314</b>
Operating profit	2,142,112	18,110,465	20,252,577
Bargain price on acquisitions	-	1,523,375	1,523,375
Net finance cost	(160,184)	(15,933,328)	(16,093,512)
Profit before taxation	1,981,928	3,700,512	5,682,440
Taxation expense	(554,940)	(950,168)	(1,505,108)
<b>Reportable segment profit</b>	<b>1,426,988</b>	<b>2,750,344</b>	<b>4,177,332</b>

2008

Revenue external	53,446,583	753,648,067	807,094,650
Revenue internal	4,200,202	-	4,200,202
	<b>57,646,785</b>	<b>753,648,067</b>	<b>811,294,852</b>
Operating profit	5,657,757	71,367,192	77,024,949
Net finance cost	(198,722)	(3,856,357)	(4,055,079)
Profit before taxation	5,459,035	67,510,835	72,969,870
Taxation expense	(1,528,530)	(20,006,929)	(21,535,459)
<b>Reportable segment profit</b>	<b>3,930,505</b>	<b>47,503,906</b>	<b>51,434,411</b>

### BALANCE SHEET

2009

Reportable segment assets (1)	31,938,625	397,522,620	429,461,245
Reportable segment liabilities (2)	23,000,961	173,508,935	196,509,896

2008

Reportable segment assets (1)	26,890,737	349,318,374	376,209,111
Reportable segment liabilities (2)	12,099,617	127,980,461	140,080,078

### OTHER INFORMATION

2009

Capital expenditure	144,921	75,954,651	76,099,572
Depreciation & amortisation	199,571	7,752,250	7,951,821

2008

Capital expenditure	40,460	16,000,880	16,041,340
Depreciation & amortisation	26,014	5,313,005	5,339,019



## Notes to the Segmental Report

	2009 R	2008 R
<b>(1) RECONCILIATION OF SEGMENTAL ASSETS</b>		
Total assets	520,258,366	443,999,648
Other assets - Goodwill	(54,665,036)	(48,593,590)
- Investment property	(5,991,156)	-
- Deferred taxation	(3,073,553)	(1,972,396)
- Current taxation	(3,641,175)	-
- Loans receivable	(13,937,898)	(9,857,035)
- Cash and cash equivalents	(9,488,303)	(7,367,516)
<b>Segmental assets</b>	<b>429,461,245</b>	<b>376,209,111</b>
<b>(2) RECONCILIATION OF SEGMENTAL LIABILITIES</b>		
Current liabilities	264,601,488	238,115,905
Bank overdrafts	(128,144,428)	(90,155,820)
Current taxation liabilities	(665,254)	(17,977,059)
Loans payable	(3,260,038)	(1,484,704)
Non-current liabilities	63,978,128	11,581,756
<b>Segmental liabilities</b>	<b>196,509,896</b>	<b>140,080,078</b>



## Appendix A - New Standards and Interpretations

### IAS 1 (Revised) presentation of financial statements

The main revisions to IAS 1 (AC 101):

- Require the presentation of non-owner changes in equity either in a single statement of comprehensive income or in an income statement and statement of comprehensive income.
- Require the presentation of a balance sheet at the beginning of the earliest comparative period whenever a retrospective adjustment is made. This requirement includes related notes.
- Require the disclosure of income tax and reclassification adjustments relating to each component of other comprehensive income. The disclosures may be presented on the face of the statement of comprehensive income or in the notes.
- Allow dividend presentations to be made either in the statement of changes in equity or in the notes only.
- Have changed the titles to some of the financial statement components, where the 'balance sheet' becomes the 'statement of financial position' and the 'cash flow statement' becomes the 'statement of cash flows.' These new titles will be used in International Financial Reporting Standards, but are not mandatory for use in financial statements.

The effective date of the standard is for years beginning on or after 01 January 2009.

The company expects to adopt the standard for the first time in the 2010 financial statements.

It is unlikely that the standard will have a material impact on the company's financial statements.

### IAS 23 (Revised) borrowing costs

The revision requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs has been removed.

The effective date of the standard is for years beginning on or after 01 January 2009.

The company expects to adopt the standard for the first time in the 2010 financial statements.

It is unlikely that the standard will have a material impact on the company's financial statements.

### IFRS 8 Operating segments

IFRS 8 (AC 145) replaces IAS 14 (AC 115) Segment reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

The effective date of the standard is for years beginning on or after 01 January 2009.

The company expects to adopt the standard for the first time in the 2010 financial statements.

It is unlikely that the standard will have a material impact on the group's financial statements.

### IFRS 2 Amendment: IFRS 2 – share-based payment: vesting conditions and cancellations

The amendment clarifies that vesting conditions are only performance conditions or service conditions. All other conditions are non-vesting conditions. Non-vesting conditions are accounted for in the same manner as market conditions. It further clarifies that if either party can choose not to satisfy a non-vesting condition, then the arrangement is treated as a cancellation upon non fulfillment of that condition.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### May 2008 annual improvements to IFRS's: amendments to IFRS 7 financial instruments: disclosures

The amendment relates to changes in the implementation guidance of the standard. 'Total interest income' was removed as a component of finance costs from paragraph IG13. This was to remove inconsistency with the requirement of IAS 1 (AC 101) presentation of financial statements which precludes the offsetting of income and expenses.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### May 2008 annual improvements to IFRS's: amendments to IAS 1 presentation of financial statements

The amendment is to clarify that financial instruments classified as held for trading in accordance with IAS 39 (AC 133) financial instruments: recognition and measurement are not always required to be presented as current assets/liabilities.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

## Appendix A (continued)

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 8 accounting policies changes in accounting estimates and errors**

The amendment clarified that implementation guidance related to any standard is only mandatory when it is identified as an integral part of the standard.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 10 events after the reporting period**

The amendment clarified that if dividends are declared (appropriately authorised and no longer at the discretion of the entity) after the reporting period but before the financial statements are authorised for issue, the dividends may not be recognised as a liability as no obligation exists at the reporting date. Thus clarifying that in such cases a liability cannot be raised even if there is a constructive obligation.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 16 property, plant and equipment**

The term 'net selling price' has been replaced with 'fair value less cost to sell' in the definition of recoverable amount.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 16 property, plant and equipment**

The amendment requires entities that routinely sell items of property, plant and equipment that they have previously held for rental to others, to transfer such assets to inventories at their carrying amount when they cease to be rented and are held for sale. The proceeds from the sale

of such assets should be recognised as revenue in accordance with IAS 18 (AC 111) revenue. IFRS 5 (AC 142) Non-current assets held for sale and discontinued operations does not apply in these situations.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 7 statement of cash flows**

Cash payments to manufacture or acquire property, plant and equipment that entities routinely sell and which they have previously held for rentals to others, and cash receipts from rental and sale of such assets are to be included within operating activities.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 18 revenue**

With regards to financial service fees, the term 'direct costs' have been replaced with 'transaction costs' as defined in IAS 39 (AC 133) financial instruments: recognition and measurement. This was in order to remove the inconsistency for costs incurred in originating financial assets and liabilities that should be deferred and recognised as an adjustment to the underlying effective interest rate.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 19 employee benefits**

With regards to curtailments and negative past service costs clarification has been made that:

- When a plan amendment reduces benefits, the effect of the reduction for future service is a curtailment and the effect of any reduction for past service is a negative past service cost;
- Negative past service cost arises when a change in the benefits attributable to past service results in a reduction in the present value of the defined benefit obligation; and



## Appendix A (continued)

- A curtailment may arise from a reduction in the extent to which future salary increases are linked to the benefits payable for past service.

The definition of 'return on plan assets' has also been amended to require the deduction of plan administration costs only to the extent that such costs have not been reflected in the actuarial assumptions used to measure the defined benefit obligation.

The term "fall due" in the definition of "short term employee benefits" has been replaced with "due to be settled"

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 23 borrowing costs (as revised in 2007)**

The description of specific components of borrowing costs has been replaced with a reference to the guidance in IAS 39 (AC 133) financial instruments: recognition and measurement on effective interest rate.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 27 consolidated and separate financial statements**

The amendment requires that investments in subsidiaries, jointly controlled entities and associates accounted for in accordance with IAS 39 (AC 133) financial instruments: recognition and measurement in the parent's separate financial statements should continue to be measured in accordance with IAS 39 (AC 133) when classified as held for sale (or included in a disposal group classified as held for sale), and not in accordance with IFRS 5 (AC 142) non-current assets held for sale and discontinued operations.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IFRS 7 financial instruments: disclosures; IAS 32 financial instruments: presentation; IAS 28 investments in associates and IAS 31 interests in joint ventures**

The amendment adjusted the disclosure requirements of investments in associates and interests in joint ventures which have been designated as at fair value through profit or loss or are classified as held for trading. The amendment provides that only certain specific disclosure requirements of IAS 28 (AC 110) investments in associates and IAS 31 (AC 119) interests in joint ventures are required together with the disclosures of IFRS 7 (AC 144) financial instruments: disclosures; IAS 32 (AC 125) financial instruments: presentation.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 28 investments in associates**

The amendment clarifies that because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested separately for impairment. Instead the entire carrying amount of the investment is tested for impairment. Any resulting impairment loss is not allocated to any of the assets, including goodwill, that make up the carrying amount of the investment. Therefore any reversal of an impairment loss is reversed to the extent that the recoverable amount of the investment increases. This applies to the full impairment loss, because the impairment was not allocated to goodwill.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 34 interim financial reporting**

The amendment clarifies that the requirement to present information on earnings per share in interim financial reports applies only to entities within the scope of IAS 33 (AC 104) earnings per share.

The effective date of the amendment is for years beginning on or after 01 January 2009.

It is unlikely that the amendment will have a material impact on the group's financial statements.



## Appendix A (continued)

### **May 2008 annual improvements to IFRS's: amendments to IAS 36 impairment of assets**

The company expects to adopt the amendment for the first time in the 2010 financial statements.

The amendment requires disclosures of estimates used to determine the recoverable amount of cash-generating units containing goodwill or intangible assets with indefinite useful lives. Specifically, the following disclosures are required when discounted cash flows are used to estimate fair value less costs to sell:

- The period over which management has projected cash flows;
- The growth rate used to extrapolate cash flow projections; and
- The discount rate(s) applied to the cash flow projections.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 38 intangible assets**

The amendments clarify the circumstances in which an entity can recognise a prepayment asset for advertising or promotional expenditure. Recognition of an asset would be permitted up to the point at which the entity has the right to access the goods purchased or up to the point of receipt of services.

In addition, wording perceived as prohibiting the use of the unit of production method if it results in a lower amount of accumulated amortisation than under the straight line method has been removed.

Entities may use the unit of production method when the resulting amortisation charge reflects the expected pattern of consumption of the expected future economic benefits embodied in an intangible asset.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 39 financial instruments: recognition and measurement**

IAS 39 (AC 133) prohibits the classification of financial instruments into or out of the fair value through profit or loss category after initial recognition. The amendments set

out a number of changes in circumstances that are not considered to be reclassifications for this purpose.

The amendments have also removed references to the designation of hedging instruments at the segment level.

The amendments further clarify that the revised effective interest rate calculated when fair value hedge accounting ceases, in accordance with paragraph 92 IAS 39 (AC 133) should be used for the remeasurement of the hedged item when paragraph AG8 of IAS 39 (AC 133) is applicable.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IAS 40 investment property and IAS 16 property, plant and equipment**

Property being constructed for use as investment property is now classified as investment property and not property, plant and equipment (as previously required). Even if the entity accounts for investment property at fair value, such property may be measured at cost until the earlier of date fair value is determinable or construction is complete.

Some terminology in the standard has been amended to be consistent with other standards and Interpretations.

In determining the carrying amount of investment property held under a lease and accounted for using the fair value model, the amendment clarified that any lease liability should be added back to the valuation to arrive at the carrying amount, rather than the fair value of the investment property.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### **IAS 18 Revenue: consequential amendments**

Dividends paid out of pre-acquisition profits are no longer deducted from the cost of the investment.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.



## Appendix A (continued)

### IAS 21 The effects of changes in foreign exchange rates: consequential amendments

A dividend paid out of pre-acquisition profits is no longer considered to be part of a disposal of an interest in a foreign operation.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### IAS 36 Impairment of assets: consequential amendments

Under certain circumstances, a dividend received from a subsidiary, associate or joint venture could be an indicator of impairment. This occurs when:

- Carrying amount of investment in separate financial statements is greater than carrying amount of investee's net assets including goodwill in consolidated financial statements or
- Dividend exceeds total comprehensive income of investee in period dividend is declared.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### IFRS 3 (Revised) business combinations

The revisions to IFRS 3 (AC 140) business combinations require:

- Acquisition costs to be expensed.
- Non-controlling interest to either be calculated at fair value or at their proportionate share of the net identifiable assets of the acquirement.
- Contingent consideration to be included in the cost of the business combination without further adjustment to goodwill, apart from measurement period adjustments.
- All previous interests in the acquiree to be remeasured to fair value at acquisition date when control is achieved in stages, and for the fair value adjustments to be recognised in profit or loss.
- Goodwill to be measured as the difference between the acquisition date fair value of consideration paid, non-controlling interest and fair value of previous shareholding and the fair value of the net identifiable assets of the acquiree.
- The acquirer to reassess, at acquisition date, the classification of the net identifiable assets of the acquiree, except for leases and insurance contracts.
- Contingent liabilities of the acquiree to only be included in the net identifiable assets when there is a present obligation with respect to the contingent liability.

The effective date of the standard is for years beginning on or after 01 July 2009.

The company expects to adopt the standard for the first time in the 2010 financial statements.

It is unlikely that the standard will have a material impact on the group's financial statements.

### IAS 27 (Amended) consolidated and separate financial statements

The revisions require:

- Losses of the subsidiary to be allocated to non-controlling interest, even if they result in the non-controlling interest being a debit balance.
- Changes in level of control without loss of control to be accounted for as equity transactions, without any gain or loss being recognised or any remeasurement of goodwill.
- When there is a change in the level of control without losing control, the group is prohibited from making reclassification adjustments.
- When control is lost, the net identifiable assets of the subsidiary as well as non-controlling interest and goodwill are to be derecognised. Any remaining investment is remeasured to fair value at the date on which control is lost, and a gain or loss on loss of control is recognised in profit or loss.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### IAS 7 Statement of cash flows: consequential amendments due to IAS 27 (amended) consolidated and separate financial statements

Cash flows arising from changes in level of control, where control is not lost, are equity transactions and are therefore accounted for as cash flows from financing transactions.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### IAS 28 Investments in associates: consequential amendments due to IAS 27 (amended) consolidated and separate financial statements

When an investment in an associate is reduced but significant influence is retained, a proportionate share of other comprehensive income must be reclassified to profit or loss.

## Appendix A (continued)

The effective date of the amendment is for years beginning on or after 01 July 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **IAS 31 Interests in joint ventures: consequential amendments due to IAS 27 (amended) consolidated and separate financial statements**

When an interest in a joint venture is reduced but joint control is retained, a proportionate share of other comprehensive income must be reclassified to profit or loss.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements. It is unlikely that the amendment will have a material impact on the group's financial statements.

### **IAS 12 Income taxes – consequential amendments due to IAS 27 (amended) consolidated and separate financial statements**

The amendment is as a result of amendments to IAS 27 (AC 132) Consolidate and Separate Financial Statements. The amendment refers to situations where a subsidiary, on acquisition date, did not recognise a deferred tax asset in relation to deductible temporary differences, because, for example, there may not have been sufficient future taxable profits against which to utilise the deductible temporary differences. If the deferred tax asset subsequently becomes recognisable, the amendment now requires that the deferred tax asset should be recognised against goodwill (and profit or loss to the extent that it exceeds goodwill), only if it results from information in the measurement period about circumstances that existed at acquisition date. No adjustment may be made to goodwill for information outside of the measurement period.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **May 2008 annual improvements to IFRS's: amendments to IFRS 5 non-current assets held for sale and discontinued operations**

The amendment clarifies that assets and liabilities of a subsidiary should be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

### **Amendment to IAS 39 and IFRS 7: reclassification of financial assets**

The amendment permits an entity to reclassify certain financial assets out of the fair value through profit or loss category if certain stringent conditions are met. It also permits an entity to transfer from the available for sale category to loans and receivables under certain circumstances. Additional disclosures are required in the event of any of these reclassifications.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The company expects to adopt the amendment for the first time in the 2010 financial statements.



## SHAREHOLDERS ANALYSIS

Alert Steel Holdings Limited : Shareholder Analysis Tables

Register Date : 26 June 2009

Issued Share Capital : 254,314,285

SHAREHOLDER SPREAD	No. of Shareholders	%	No. of Shares	%
1 - 1,000 shares	259	14.66	154,247	0.06
1,001 - 10,000 shares	972	55.01	4,513,033	1.78
10,001 - 100,000 shares	481	27.22	15,467,542	6.08
100,001 - 1,000,000 shares	51	2.89	13,898,125	5.46
1,000,001 shares and over	4	0.23	220,281,338	86.62
	<b>1,767</b>	<b>100</b>	<b>254,314,285</b>	<b>100</b>

DISTRIBUTION OF SHAREHOLDERS	No. of Shareholders	%	No. of Shares	%
Brokers	1	0.06	1,861	0.00
Close Corporation	41	2.32	1,670,962	0.66
Endowment Fund	1	0.06	20,000	0.01
Individual	1,554	87.95	22,259,886	8.75
Mutual Fund	1	0.06	1,790	0.00
Nominees and Trusts	107	6.06	151,456,522	59.55
Other Corporation	18	1.02	107,701	0.04
Private Company	40	2.26	70,664,143	27.79
Public Company	3	0.17	531,420	0.21
Share Trust	1	0.06	7,600,000	2.99
	<b>1,767</b>	<b>100</b>	<b>254,314,285</b>	<b>100</b>

PUBLIC / NON - PUBLIC SHAREHOLDERS	No. of Shareholders	%	No. of Shares	%
<b>Non - Public Shareholders</b>	<b>8</b>	<b>0.45</b>	<b>156,315,492</b>	<b>61.47</b>
Directors and Associates	7	0.40	148,715,492	58.48
Share Trusts	1	0.06	7,600,000	2.99
<b>Public Shareholders</b>	<b>1,759</b>	<b>99.55</b>	<b>97,998,793</b>	<b>38.53</b>
	<b>1,767</b>	<b>100</b>	<b>254,314,285</b>	<b>100</b>

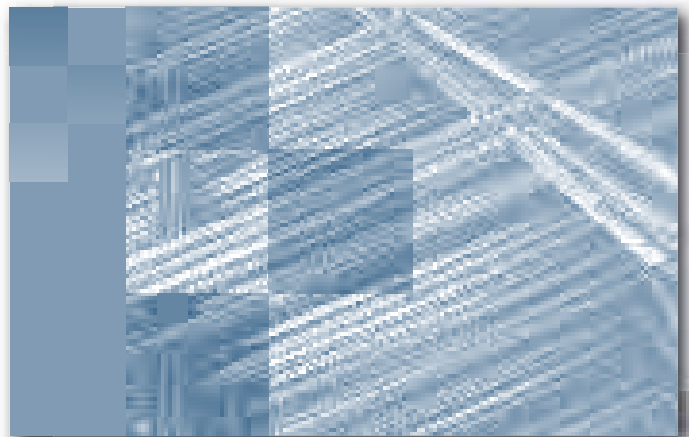
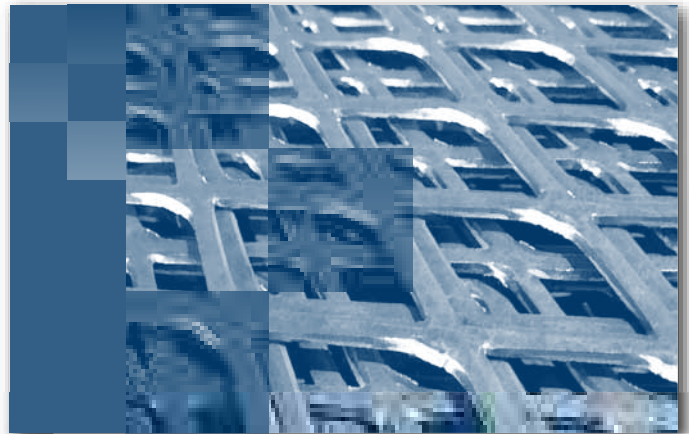
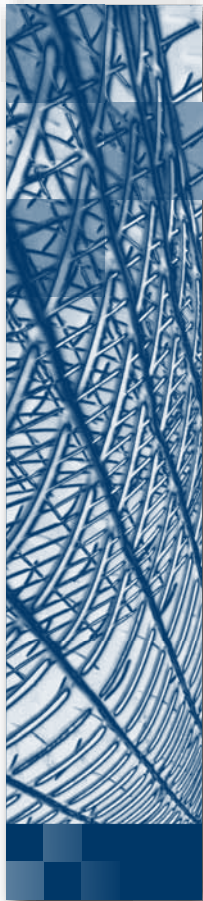
BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE	No. of Shares	%
WF & JC Family Trust	146,703,882	57.69
Capital Africa Steel (Pty) Ltd	64,263,171	25.27
The Alert Share Incentive Scheme	7,600,000	2.99

## SHAREHOLDERS' DIARY

Financial Year-end	30-06-2009
Announcement of Audited Financial Results	29-09-2009
Annual General Meeting	15-01-2010
Announcement of Interim Financial Results as on 31-12-2009	31-03-2010

## SHARE PRICE INFORMATION

Closing Price (cents)	42
High for the period (cents)	120
Low for the period (cents)	42
Volume of shares traded during the period	11,973,846
Value of shares traded during the period	10,985,859





# NOTICE OF ANNUAL GENERAL MEETING 2009

## Alert Steel Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2003/005144/06)

JSE code: AET ISIN: ZAE000092847

("Alert" or "the Company")

## Notice to shareholders

Notice is hereby given that the 3rd annual general meeting of the company's shareholders will be held in the boardroom of the company at 12 Gompou Street, East Lynne on 15-01-2010 at 11:00 to consider and, if deemed fit, to pass with or without modification, the following resolutions:

## Ordinary Resolutions

1. To receive, consider and adopt the annual financial statements for the financial year ended 30 June 2009, including the directors' report and the report of the auditors therein.
2. To re-elect Mr Owen Jevon who retires in accordance with the articles of association and being eligible, offers himself for re-election as a director (CV on page 4)
3. To confirm the appointment of Mr Rynhardt van Rooyen as an independent non- executive director with effect from 05-11-2009 (CV on page 4)
4. To resolve that RSM Betty & Dickson (Tshwane) be re-appointed as independent auditors of the company and that Mr Paul den Boer be recorded the lead partner and individual registered auditor who will undertake the audit of the company, until the next annual general meeting.
5. To resolve that the remuneration paid to the executive directors for the year ended 30 June 2009 as detailed on page 43 of the annual financial statements, be approved.
6. To resolve that the remuneration paid to the non-executive directors for the year ended 30 June 2009 as detailed on page 43 of the annual financial statements, be approved.
7. To resolve that the authority placing the authorised and unissued ordinary share capital of the company be renewed and that they be under the control of the directors of the company, subject to the Listing Requirements of the JSE Limited (JSE) and the provisions of section 221 & 222 of the Companies Act 61 of 1973 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine and that such authority to remain in force until the next annual general meeting of the company.
8. To resolve that the general authority given to the directors of the company to allot and issue ordinary shares for cash, pursuant to the articles of association of the company and subject to the Companies Act 61 of 1973 as amended and the Listings Requirements of the JSE, be and is hereby renewed, on the following basis:
  - that the shares must of a class already in issue;
  - the shares may only be issued or sold, as the case may be, to public shareholders as defined in the Listings Requirements of the JSE, and not to related parties;
  - that the shares may not in any one financial year in the aggregate exceed 50% of the company's issued shares of that class, the number that may be issued or sold, as the case may be, being determined in accordance with the relevant-paragraph of the Listings Requirements of the JSE;
  - that the maximum discount at which such shares may be issued or sold, as the case may be, is 10% of the weighted average traded price of such shares on the JSE over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares;
  - that such authorisation be valid only until the next annual general meeting or for 15 months from the date of this resolution, whichever is the earlier date;

## NOTICE OF ANNUAL GENERAL MEETING 2009 - continued

- that this authority include any options /convertible securities that are convertible into an existing class of equity securities.
- that an announcement giving full details, including the impact on net asset value, net tangible asset value, earnings and headline earnings per share, be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of securities in issue prior to the issue.

### Note to ordinary resolution 8

In terms of the Listings Requirements of the JSE, the approval of 75% majority of the votes cast in favour of resolution number 8 by all shareholders present or represented by proxy (excluding the Designated Adviser and the controlling shareholders together with their associates) is required to approve this resolution.

### Special Resolutions

1. To resolve that the company hereby approves, as a general authority contemplated in terms of the Companies Act 61 of 1973 as amended ("Act") the repurchase of shares from time to time, either by the company itself or by its subsidiaries, of the company's issued shares, upon such terms and conditions and in such amounts as the directors of the company may from time to time decide, subject however to the provisions of the Act and the following conditions set out in the Listings Requirements of the JSE Limited ("JSE"):

- that the company and its subsidiaries are enabled by their articles of association to repurchase such shares;
- that the repurchase of shares be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
- that the company and its subsidiaries are authorised by its members in terms of a special resolution taken at general meetings, to make such general repurchases, such authorisation being valid only until the next annual general meeting or for 15 months from the date of this special resolution, whichever is the earlier date;
- that an announcement be made giving such details as may be required in terms of the Listings Requirements of the JSE when the company has cumulatively repurchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of shares and for each 3% in aggregate of the initial number of that class acquired thereafter;
- at any one time the company may only appoint one agent to effect any repurchase on the company's behalf;
- the repurchase of shares may not affect compliance with the shareholders spread requirements as laid down by the JSE;
- the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 20% of the company's issued share capital and a maximum of 10% in aggregate of the company's issued share capital that may be repurchased in terms of the Act, by the subsidiaries of the company, at the time this authority is given;
- the repurchase of shares may not be made at a price greater than 10% above the weighted average of the market value of the shares as determined over the five business days immediately preceding the date on which the transaction is effected;
- the company may not enter the market to proceed with any repurchase of shares until the company's Designated Adviser has confirmed the adequacy of the company's working capital for the purpose of undertaking a repurchase of shares, in writing, to the JSE;
- repurchases may not be made by the company and/or its subsidiaries during a prohibited period as defined by the Listings Requirements of the JSE unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

## NOTICE OF ANNUAL GENERAL MEETING 2009 - continued

**The reason for and effect of this special resolution** is to grant the company and its subsidiaries a general authority to repurchase the company's shares by way of open market transactions on the JSE, subject to the Companies Act 61 of 1973 as amended and the Listings Requirements of the JSE.

In accordance with the Listings Requirements of the JSE, the directors record that at the present time the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate.

In terms of the Listings Requirements of the JSE, the following disclosures are required with reference to the repurchase of the company's shares as set out in the special resolution above.

### **Working capital statement**

The directors are of the opinion that, after considering the effect of the maximum repurchase permitted for a period of 12 months after the date of this notice of annual general meeting:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the group will be in excess of the liabilities of the company and the group, recognised and measured in accordance with the accounting policies used in the latest annual financial statements;
- the share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
- the working capital resources of the company and the group will be adequate for ordinary business purposes.

### **Litigation statement**

The directors of the company, whose names are given on page 4 of this annual report, are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had, in the 12 months preceding the date of this notice of annual general meeting, a material affect on the group's financial position.

### **Directors' responsibility statement**

The directors, whose names are given on pages 4 of this annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by the JSE Limited.

### **Material changes**

Other than the facts and developments reported on in this annual report, there have been no material changes in the affairs or the financial or trading position of the group since the company's financial year end and the signature date of this annual report. The following further disclosures required in terms of the Listings Requirements of the JSE are set out in accordance with the reference pages in the annual report of which this notice forms part:

- Directors and management (Refer to page 4)
- Major shareholders of the company (Refer to page 55)
- Directors' interests in the company's shares (Refer to page 18)
- Share capital (Refer to pages 38)



## NOTICE OF ANNUAL GENERAL MEETING 2009 - continued

### Voting & Attendance

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll, every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

In terms of the JSE Listings Requirements, any shares held by the company's share incentive scheme may not be taken into account in determining the results of voting on ordinary resolution number 8/or the special resolution.

### Proxies

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and on a poll, to vote in his/her stead.

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the annual general meeting in person. Forms of proxy must be completed and received by the transfer secretaries, by no later than 11h00 on 12-01-2010. Registered certificated shareholders and dematerialised shareholders with own-name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy/(ies) should such member wish to do so.

Dematerialised shareholders, other than with own-name registrations, must inform their CSDP or broker of their intention to attend the annual general meeting and obtain the necessary Letter of Representation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

By order of the board

M Pretorius  
Company Secretary  
10-12-2009

### Registered Address

12 Gompou Street  
East Lynne,  
Pretoria, 0186  
P.O. Box 29607  
Sunnyside, 0132



## FORM OF PROXY

### Alert Steel Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2003/005144/06)

JSE code: AET ISIN: ZAE000092847

("Alert" or "the Company")

FOR USE BY CERTIFICATED SHAREHOLDERS, SHAREHOLDERS WHO HAVE DEMATERIALIZED THEIR SHARE CERTIFICATES AND HAVE ELECTED "OWN NAME" REGISTRATION THROUGH A CENTRAL SECURITIES DEPOSITORY PARTICIPANT ("CSDP") OR BROKER, AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 15-01-2010 AT 11h00.

If you are a shareholder entitled to attend and vote at the abovementioned annual general meeting you can appoint a proxy to attend, vote and speak in your stead. A proxy need not be a shareholder of the company.

If you are a shareholder and have dematerialised your shares through a CSDP or broker, and have not selected own name registration in the sub-register maintained by a CSDP, you must not complete this form of proxy but must instruct your CSDP or broker to issue you with the necessary Letter of Representation to attend the annual general meeting, or if you do not wish to attend, you may provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into with your CSDP or broker.

I/We (Name in block letters) \_\_\_\_\_

of (Address in block letters) \_\_\_\_\_

**Being a member/members of Alert Steel Holdings Limited and entitled to vote, hereby appoint**

1. \_\_\_\_\_ or failing him/her \_\_\_\_\_

2. \_\_\_\_\_ or failing him/her \_\_\_\_\_

**3. the chairman of the meeting**

as my/our proxy to act for me/us at the annual general meeting, to be held at offices of the company at 12 Gompou Street, East Lynne on 15-01-2010 at 11h00 and at any adjournment thereof, as follows:

	Number Of Alert Steel Holdings Limited Shares (one vote per ordinary share)		
	In favour	Against	Abstain
<b>Ordinary resolutions</b>			
1. Adoption of annual financial statements			
2. Re-election of Mr Owen Jevon as director			
3. Election of Mr Rynhardt van Rooyen as director			
4. Re-appointment of RSM Betty & Dickson (Tshwane) as independent auditors			
5. Approval of directors remuneration for the past financial year			
6. Approval of the fees of the non-executive directors			
7. Placing of the unissued share capital under the control of the directors			
8. Renewal of the general authority to issue shares for cash			
<b>Special Resolution</b>			
1. Renewal of the general authority to repurchase shares			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2009/2010

Signature of member \_\_\_\_\_

Assisted by (if applicable) \_\_\_\_\_

## FORM OF PROXY INSTRUCTIONS

1. On a poll a shareholder is entitled to one vote for each share held.
2. Forms of proxy must be lodged at, posted to or faxed to Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown 2107), to reach the company by no later than 11h00 on 12-01-2010.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholders' choice in the space/s provided, with or without deleting the words "the chairman of the annual general meeting". Any such deletion must be individually initialed by the shareholder, failing which they will not have been validly affected. The person present at the annual general meeting whose name appears first on the form of proxy and has not been deleted shall be entitled to act as proxy to the exclusion of the persons whose names follow.
4. Any alterations or corrections to this form of proxy have to be initialled by the relevant signatory (ies).
5. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder (s) of the company) to attend, speak and vote (either on a poll or by show of hands) in place of that shareholder at the annual general meeting.
6. Voting instructions for each of the resolutions must be completed by filling the number of votes (one per ordinary share) under the "In Favour", "Against" or "Abstain" headings on the form of proxy. If no instructions are filled in on the form of proxy, the chairman of the annual general meeting, if the chairman is the authorised proxy, or any other proxy shall be authorised to vote in favour of, against or abstain from voting as he/she deems fit.
7. A shareholder or his/her proxy is entitled but not obliged to vote in respect of all the ordinary shares held by the shareholder. The total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of shares held by the shareholder.
8. Documentary evidence establishing the authority of a person signing this form must be attached to this form of proxy unless previously recorded by the transfer secretaries of the company or waived by the chairman of the annual general meeting.
9. This form of proxy is to be completed only by those shareholders who either still hold shares in a certificated form, or whose shares are recorded in their "own name" in electronic form in the sub-register.
10. Shareholders whose dematerialised shares are held in the name of a nominee and wish to attend the annual general meeting must contact their Central Securities Depository Participant ("CSDP") or broker who will furnish them with the necessary letter of authority to attend the annual general meeting. Alternatively, they have to instruct their CSDP or broker as to how they wish to vote. This has to be done in terms of the agreement between the shareholder and the CSDP or the broker.
11. Shareholders who wish to attend and vote at the meeting must ensure that their Letter of Representation from their CSDP or broker reach the transfer secretaries not later than 11h00 on 12-01-2010.
12. The completion and lodging of this form of proxy does not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person to the exclusion of any proxy appointed by the shareholder.
13. The chairman of the annual general meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he shall not accept a proxy unless he is satisfied as to the manner in which a shareholder wishes to vote.

**Transfer secretaries' office**

Computershare Investor Services (Pty) Ltd  
70 Marshall Street, Johannesburg, 2001  
(PO Box 61051, Marshalltown 2107)



## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

W F Schalekamp  
W W Mentz

### NON - EXECUTIVE DIRECTORS

E Dube  
O V Jevon  
R van Rooyen

### COMPANY SECRETARY AND REGISTERED OFFICE

Monika Pretorius  
12 Gompou Street  
East Lynne  
0186  
(PO Box 29607, Sunnyside, 0132)

### DESIGNATED ADVISER

Vunani Corporate Finance  
(Registration number 1999/024433/07)  
Athol Ridge Office Park  
151 Katherine Street  
Sandown, 2031

### TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited  
(Registration number 2004/003647/07)  
Ground Floor  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

### AUDITORS

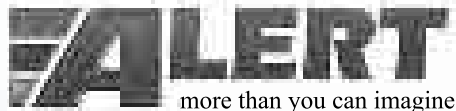
RSM Betty & Dickson (Tshwane)  
(Practice number 901520A )  
Suite 1, 267 Waterkloof Road  
Brooklyn, 0181  
(Private Bag X22, Brooklyn Square, 0075)

### ATTORNEYS

Fluxmans Inc.  
(Registration number 2000/024775/21)  
11 Biermann Avenue  
Rosebank, 2196  
(Private Bag X14, Saxonwold, 2196)

### CORPORATE BANKERS

Nedbank Limited  
(Registration number 1951/000009/06)  
Nedbank Corporate  
1st Floor F Block Nedbank Sandton  
135 Rivonia Road, Sandown, 2196  
PO Box 1144, Johannesburg, 2000 SA



### Alert Steel Holdings Limited

(Incorporated in the Republic of South Africa)  
(Registration number 2003/005144/06)  
(JSE code: AET ISIN: ZAE000092847)  
("Alert" or "the Company")



## BRANCH DETAILS

## ALERT BUILD BRANCHES

**ALERT BUILD BURGERSFORT**

Dirk Winterbach Street,  
Section 8, Leeuvallei,  
Burgersfort  
Tel: (013) 231 7187  
Fax: (013) 231 8362  
P.O. Box 390,  
Burgersfort, 1150

**ALERT BUILD LEPHALALE**

Joe Slovo Drive,  
Onverwacht, Lephalale,  
Tel: (014) 763 6016  
Fax: (014) 763 6020  
P.O. Box 6768,  
Onverwacht, 0557

**ALERT BUILD POLOKWANE**

C/o Nikkel & Kobalt Street,  
Superbia, 0699  
Tel: (015) 292 2043 / 4  
Fax: (015) 292 2051  
P.O. Box 55930,  
Polokwane, 0700

**ALERT BUILD PRETORIA**

12 Gompou Street,  
East Lynne, 0186  
Tel: (012) 800 0000  
Fax: (012) 800 0009  
P.O. Box 29607,  
Sunnyside, 0132

**ALERT BUILD THOHOYANDOU**

Stand No. 3,  
Industrial Area, Shayandima  
Tel: (015) 964 3513 / 1940  
Fax: (015) 964 1703  
P.O. Box 906,  
Shayandima, 0945

**ALERT BUILD WONDERBOOM**

C/o Lavender Road,  
Tillie van Wyk Street &  
Chervil Avenue,  
Annlin West  
Tel: (012) 543 6600  
Fax: (012) 543 6633  
P.O. Box 15480,  
Sinoville, 0129

**ALERT BUILD****WOLMARANSSTAD (Franchise)**

32 Broadbent Street,  
Wolmaransstad, 2630  
Tel: (018) 596 1420  
Fax: (018) 596 1450  
P.O. Box 403,  
Wolmaransstad, 2630

## ALERT STEEL BRANCHES

**ALERT STEEL BENROSE**

162 Main Reef Road,  
Benrose  
Tel: (011) 614 6625  
Fax: (011) 614 9112  
P.O. Box 27193,  
Benrose, 2011

**ALERT STEEL BRITS**

21 Van Deventer Street,  
Brits, 0250  
Tel: (012) 252 0773 / 4  
Fax: (012) 252 0775  
P.O. Box 4403,  
Brits, 0250

**ALERT STEEL KLERKSDORP**

3 Benji Oliphant Street,  
Uraniaville, Klerksdorp  
Tel: (018) 469 1985  
Fax: (018) 469 1981  
P.O. Box 14647,  
Flamwood Walk,  
Klerksdorp, 2535

**ALERT STEEL LICHTENBURG**

6 Gerrit Maritz Street,  
Lichtenburg  
Tel: (018) 632 5034  
Fax: (018) 632 1219  
P.O. Box 1179,  
Lichtenburg, 2740

**ALERT STEEL****LOUIS TRICHARDT**

1 Industria Street,  
Louis Trichardt, 0920  
Tel: (015) 516 5737 / 8  
Fax: (015) 516 1549  
P.O. Box 1157,  
Louis Trichardt, 0920

**ALERT STEEL MOKOPANE**

33 Sussex Street,  
Mokopane, 0600  
Tel: (015) 491 8984 / 5 / 6  
Fax: (015) 491 6082 / 2367  
P.O. Box 4406,  
Mokopane, 0600

**ALERT STEEL RANDFONTEIN**

8 Volvo Street, Aureus  
Tel: (011) 412 2037 / 2025  
Fax: (011) 412 2113  
P.O. Box 75,  
Randfontein, 1760

**ALERT STEEL RUIMSIG**

C/o Hendrik Potgieter,  
& Vd Kloof, Ruimsig  
Tel: (011) 958 0552  
Fax: (011) 958 0564  
P.O. Box 1385,  
Ruimsig, 1732

**ALERT STEEL TSHWANE**

Shop 13, Lenchen Centre,  
C/o Jakaranda & Lenchen Ave,  
Hennospark, Centurion  
Tel: (012) 653 5607 / 8  
Fax: (012) 653 0332 / 5608  
P.O. Box 11555,  
Wierda Park South, 0057

**ALERT STEEL TZANEEN**

18 Koedoe Street,  
Industrial Area  
Tel: (015) 307 6612 / 910  
Fax: (015) 307 6618  
P.O. Box 187,  
Tzaneen, 0850

## ALERT PLUMB BRANCHES

**ALERT PLUMB PRETORIA**

19 Gompou Street,  
East Lynne  
Tel: (012) 800 1035 / 6  
Fax: (012) 800 1887  
P.O. Box 29607,  
Sunnyside, 0132

**ALERT PLUMB WONDERBOOM**

C/o Lavender Road,  
Tillie van Wyk Street &  
Chervil Avenue,  
Annlin West  
Tel: (012) 543 6688  
Fax: (012) 543 6677  
P.O. Box 15480,  
Sinoville, 0129

## ALERT REBAR BRANCHES

**ALERT REBAR TSHWANE**

271 Maggs Street, Waitloo,  
Pretoria  
Tel: (012) 803 7864  
Fax: (012) 803 5852  
P.O. Box 15102,  
Lynn East, 0039

**ALERT REBAR POLOKWANE**

21 Kobalt Street,  
Nirvana, Polokwane  
Tel: (015) 292 0111  
Fax: (015) 292 0067  
P.O. Box 55404,  
Polokwane, 0700

## ALERT HUB BRANCHES

**ALERT HUB**

C/o Engelbrecht & Lanham  
Street, East Lynne  
Tel: (012) 800 0000  
P.O. Box 29607  
Sunnyside, 0132



[www.alertsteel.co.za](http://www.alertsteel.co.za)

012 800 0000

