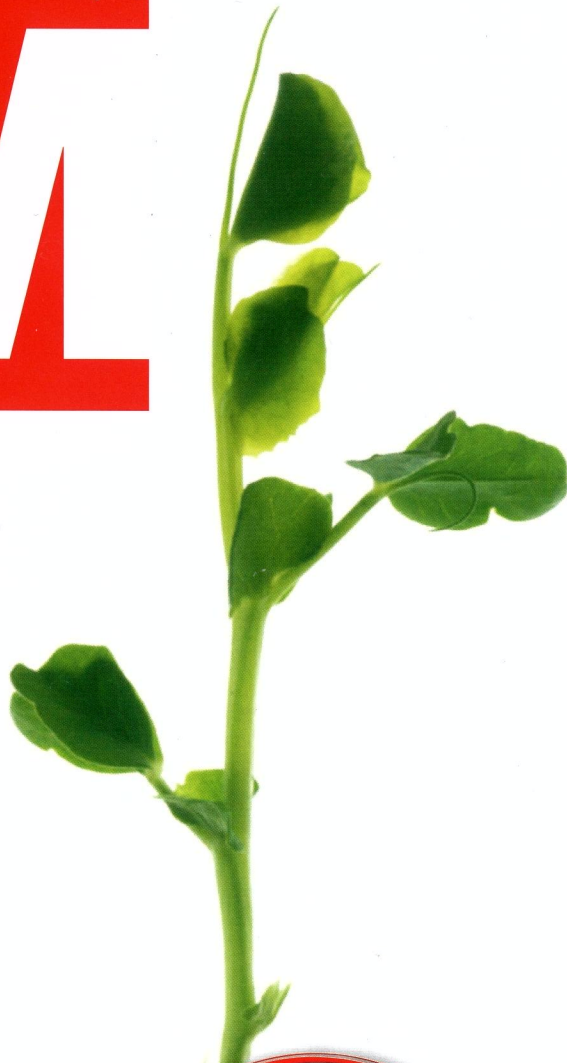


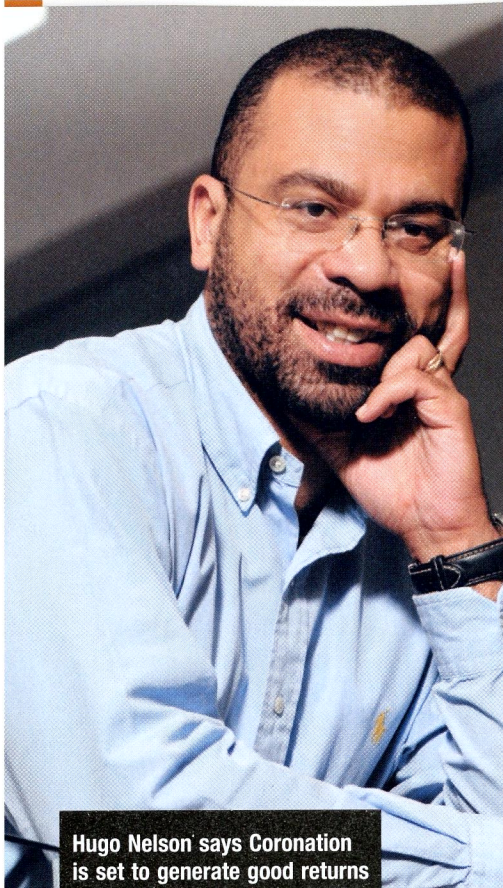
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TOP
COMPANIES
2010

SA's leading review of listed companies



Hugo Nelson says Coronation is set to generate good returns



1 NEDBANK

Total score: 82

Historic score: 34 FM's score: 48

After losing 30% of its share price on the JSE in March 2009, Nedbank remained an undervalued share even as the bank unloaded Visa shares and other noncore tier 1 instruments, reduced its exposure to external risk, strengthened its regulatory capital ratios and announced intentions to move into Africa with cash in hand. In the end, it had to settle for buying the remaining shares in Imperial Bank in August. Impairments still weigh heavily on the banking sector, and Nedbank's price to earnings ratio was the weakest of the Big Four at 9,4.

2 MTN

Total score: 67

Historic score: 11 FM's score: 56

MTN's aggressive strategy in Africa and its appetite for risk under Phuthuma Nhleko have continued to reward investors. The group's performance technically overshadows that of Nedbank, which started off a low base. MTN's impressive returns look set to continue as the group gains exposure as Africa's first global sponsor of the 2010 soccer World Cup and aims to diversify its converged services offering in the burgeoning age of the data bundle.

3 HCI

Total score: 63

Historic score: 27 FM's score: 36

Though a wildly diversified collection of revenue streams may have been unfashionable in boom times, HCI has proved that diversity can be a real strength during a downturn. It acquired a 70% stake in loss-making textile company Seardel after underwriting a R300m rescue rights issue in late 2008. It believed it could turn the manufacturer around by the close of the 2009 financial year. The recapitalisation bailout seems to be working, but slowly.

4 HIGHVELD STEEL

Total score: 62

Historic score: 30 FM's score: 32

Highveld Steel & Vanadium, after experiencing its best-ever headline earnings rise in any six-month period in 2008, due mainly to significant price increases in both steel and vanadium products, had a sharp drop in revenue and earnings in the year ended December 2009. However, this was tempered by news of restocking and domestic sales volumes 19% higher in the last quarter. Group revenue for 2009 fell 47% from R8bn in 2008 to R4,25bn.

5 WBHO

Total score: 59

Historic score: 15 FM's score: 44

Infrastructure projects in SA for 2010 were a powerful driver and WBHO's earnings growth was phenomenal at the end of 2008. By September 2009 it posted a 27% rise in full-year headline earnings per share and announced its intention to seek expansion opportunities in Africa and the UAE. Full-year headline EPS rose to 1 610,8 cents per share, above its own forecasts. Net profit increased 26% to R963m.

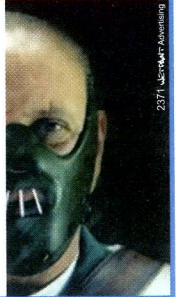
Silence of the Debtors??

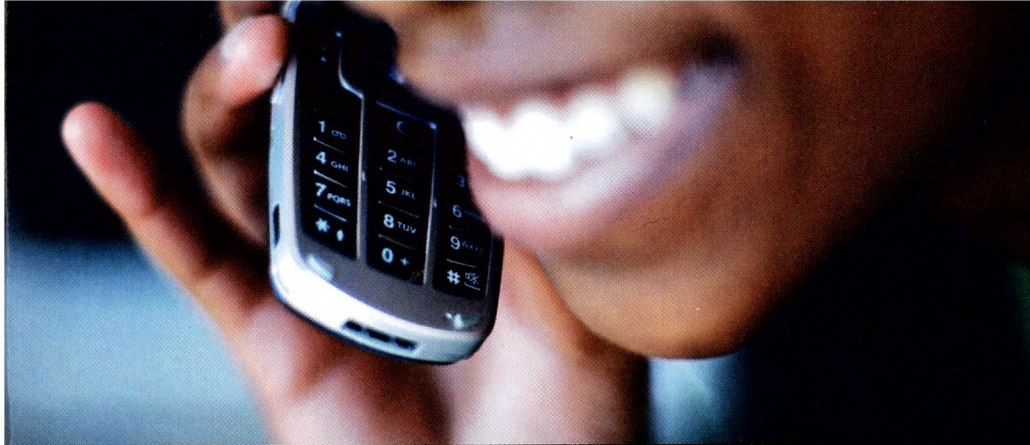
There is nothing more concerning than being unable to get hold of a debtor that owes you a fortune. Too often your 'friendly' client trades 'faces' and wears a completely different mask when it comes time to pay your invoices. Bad debts can easily flay your company's cash flow.



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Altech continues to diversify its income base

6

CORONATION

Total score: 59

Historic score: 8 FM's score: 51

Coronation Fund Managers' profit shot up 210% to R227m in the six months to March 2010, after strong institutional and retail flows, good investment performances and the continued containment of costs. CEO Hugo Nelson said coming off a low base and effective portfolio positioning allowed Coronation to generate good returns from volatility in the rebound of global markets, despite overall costs increasing 46%.

7

ALTECH

Total score: 58

Historic score: 7 FM's score: 51

Hi-tech group Altech looked like it was set to score when it set about developing digital set-top boxes to the DVB-T standard approved by the department of communications, only for the department to review its commitment to the digital switchover. While this obstacle waits to be cleared, Altech forged ahead in other areas as it continues to diversify its income base, increasing its presence in East Africa via an interest in two submarine cables.

8

CAPITEC

Total score: 58

Historic score: 15 FM's score: 43

Capitec reported 45% growth in profit to R435m for the year ended February, and has been adding 70 000 clients per month since September 2009. Its client base now stands at more than 2m and CEO Riaan Stassen says an average compound earnings growth since listing of 45% can be maintained. Capitec now operates more than 400 profitable branches (with 50 more planned for 2010) and has more than doubled its funding to R7bn.

9

ARM

Total score: 57

Historic score: 23 FM's score: 34

African Rainbow Minerals' year-on-year revenue to the middle of 2009 fell from R12,6bn to R10,1bn, accompanied by an increase in the cost of goods. This meant a reduction in the miner's bottom line from R4,5bn to R2,9bn. Headline earnings reflect a R1,78bn decline to R454m over the past year, but an increase of R369m over the headline earnings per share of the previous six months. Its financial position remains robust.



African Rainbow Minerals has been affected by the increase in the cost of goods

10

ASSORE

Total score: 57

Historic score: 25 FM's score: 32

Assore reported an 88,7% fall in earnings to R337m in the six months to December 2009, citing difficult market conditions, low prices and a strong rand. It had looked a sure winner in 2008 surrounded by high demand and prices. Assore's fall was partly cushioned by the deferment of the electrical supply crisis and a wait for rail capacity growth. Its 60-40 venture with African Rainbow Minerals had good volumes but lower earnings.

Bad debts 'Raising Hell' with your cash flow?

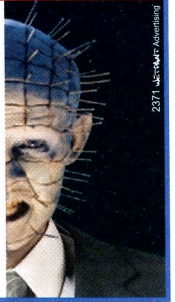
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Marius Heyns says Basil Read plans to be a R10bn turnover global giant by 2013



Sun International's key resorts are showing signs of recovery

11 BASIL READ

Total score: 56

Historic score: 22 FM's score: 34

Despite posting an outstanding set of overall results for the year to December 2009, Basil Read's CEO Marius Heyns says one of its divisions – which already has an order book nearing R1,5bn – may be hived off into a separately listed entity. Its operating profit increased by 33% to US\$408m in 2009, where mining produced some of the group's best margins. Basil Read plans to grow its revenue through both organic and cautious acquisitive expansion, looking to establish itself in Africa through partnerships with local contractors, and also pursuing expansion opportunities in the Middle East and Australia. Heyns says the construction company's goal is to become a R10bn turnover international giant by 2013, using relationships with international partners to bolster its order book, diversify revenue streams and limit exposure to risk.

12 AVENG

Total score: 55

Historic score: 14 FM's score: 41

SA's largest builder rode high on government's plans for 2010, reporting revenues of R33,8bn and headline earnings of R2,1bn in 2009. The World Cup certainly did well by Aveng, and by September 2009 Aveng's order book stood at R31,1bn. Despite delays in the award of public-sector projects, cash-flush Aveng continues to pursue opportunities in its total project pipeline (with a focus on Africa), which remained stable at an enviable R100bn.

14 SUN INTERNATL

Total score: 54

Historic score: 8 FM's score: 46

In September 2009 Sun International stated that its revenue, excluding the newly established operation in Chile, was down 6% on the previous year and that the decline would not be mitigated by 2010's big sporting event. In the remainder of the year to May 2010 the group sounded altogether more bullish, saying several of its key resorts showed signs of recovery, with marginal rises in revenue, and that 2010 was actually helping.

13 BRAIT

Total score: 55

Historic score: 8 FM's score: 47

Brait has about R10,5bn in assets under management, and earlier this year reported diluted headline earnings per share of 173,2c, up 10,5% from last year's 156,6c. In the face of exchange losses attributable earnings grew by 11% to R185,6m – good going when a significant proportion of your assets under management in private equity come in the form of US dollar commitments. However, earnings were affected by the stronger rand.

15 DIMENSION DATA

Total score: 54

Historic score: 13 FM's score: 41

IT investments fell during the recession, and DiData shifted its revenue focus to managed services. The firm succeeded in posting a rise in full-year profit in November 2009 and expects a better 2010 as cost-conscious clients tighten IT infrastructure spend but uphold their spend on IT services. Revenue for the year rose 0,4% to US\$4bn, earnings per ordinary share rose to US7,6c from 7,4c the year before.

Bad debts a Nightmare on 'Main' St?

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