

CRUSH!

LAC EXCEEDS ONE MILLION LTI-FREE HOURS!



CONGRATULATIONS to all employees of LA Crushers for exceeding the impressive milestone of one million lost-time injury-free hours. In fact to 15 May the company had logged 1,172,495 LTI-free hours. This is a notable achievement and is testament to the immense emphasis that is placed on safe operations at LAC. At LAC we live the belief that every employee has a responsibility to themselves to operate safely, as well as a responsibility to look out for the safety of their colleagues. There is no room on LAC sites for any deviations from stated procedures, and any change to circumstances must be assessed for risks and the outcome discussed with all affected employees. Let's continue to concentrate on the crucial issue of safety and keep focussed on our next target of two million LTI-free hours. We have every faith in everyone in the company's ability to work safely and with commitment to ensure that this next milestone is just one of the many that will be reached and safely passed in the years to come. Well done all!

IN APPRECIATION OF STRIKE SPIRIT.....



Following a strike that persisted for over five weeks and involved some 80% of the LAC workforce, employees finally returned to work from 22 May 2012.

It was a daunting task for the employees who kept the company running during the strike period, and they are to be thanked by all for ensuring that there was a company to return to when the industrial action ceased. LA Crushers is part of a chain of production on most of its sites and failure to produce by ourselves would have resulted in a significant drop in performance by our clients. The domino effect is distinct and damaging and every effort was made to mitigate the consequences of the strike and restrict the harm to relationships with our clients.

Periods of adversity are always a good time to take stock and consolidate and so this proved to be. The temporary workforce with the existing non-striking employees set a high bar and above-average site achievements were not uncommon. Most notably machine availability was vastly improved, time-keeping good and production cycles consistently on target.



Above: Strike-time line-up

And the spirit! That is what I wanted to talk about here. It is impossible to highlight all the achievements (for there were so many), but it is important to recognise that not only did employees go the extra mile, they did so with an inspiringly positive attitude. Contingency plans had ensured that site management, mechanics etc were certified to operate the plant, but



Above: Operations Director Bryan Smith

the enthusiasm with which they climbed into machines for each 12 hour shift was humbling. The introduction of temporary operators and drivers following the defensive lock-out was a logistical nightmare which was addressed with skill and commitment by a dedicated team that ran from pillar to post to ensure that sites had the required personnel. Not even the inexcusable obscenities heaped upon them by the picketers could mar their enthusiasm.

LAC was fortunate to encounter genuine empathy and assistance from its clients, for which we remain grateful. Safety remained paramount throughout the strike and incidents were avoided through site management's commitment to ensuring that not one standard or procedure would be compromised simply because production challenges existed. We can be proud of the professionalism displayed throughout.

And so the company moves forward. LAC of course supports the right of all union members to strike, peacefully, and looks forward to continue forging a future with those returned employees. It is unfortunate that others chose to indulge in harassment and intimidation; and we remain confident that those linked with



Above: Divisional Manager Johan Smith

the disgraceful and inhumane instances of petrol bombing will shortly be apprehended. Counselling is underway to aid in the smooth transition from strike to regular operations as too much was achieved during the strike period to allow negativity a foothold. LA Crushers has an indomitable spirit, as proved by all those who pulled together and showed their commitment to the company's future. We must now build on this as a united company, to the benefit of all stakeholders. Finally, the numerous and varied contributions during the strike period have been noted and will not be forgotten - thank you.

MAGNIFICENT MAGNETITE



Some months are always better than others, but we must tip our hats to the Magnetite site for their extraordinary achievement in May 2012. Despite not having striking employees back at their posts until 22 May, Magnetite managed to move

record tonnages due to their gritty determination to succeed in spite of the challenging circumstances. It is regrettable that due to the exceptionally high costs associated with the strike the company will not realise the profit from their efforts, but we can nonetheless acknowledge the effort and



commitment shown by those Magnetite employees.

We should also take this opportunity to highlight Magnetite's superb safety record.

Despite being a difficult site with significant logistic challenges and often-restricted manoeuvrability, Magnetite has achieved over three years without a lost-time injury. In May 2012 alone over 800,000 tons of material was moved without incident. Congratulations to those who have worked at Magnetite over the past three years and who have made this achievement possible. Attitude is key and with the correct attitude and a true sense of teamwork we can look forward to many more incident-free years on this and all LAC sites.



LONG SERVICE AWARDS

Congratulations and thank you to the following employees for their years of service to LAC:

5 years

- Victor Rahlano (Magnetite)
- William Selepe (Magnetite)
- Lovedale Nziyane (Workshop)
- Praise-God Senyolo (Phosphate)
- Marks Ngobeni (Magnetite)
- Jordan Maphubu (Magnetite)
- Desire Maphosa (Magnetite)
- Richard Maphosa (Magnetite)
- Omega Maaake (Magnetite)
- Petrus Malatji (Magnetite)
- Arnold Nkoane (Foskor MH)
- Prinsloo Msukwini (VOD)
- Esterlen Senyolo (Foskor MH)
- Ishmael Sekgobela (Mining)
- Robert Monyela (Mining)
- Barry Bezuidenhout (PMC MH)
- Phistos Seamedi (Magnetite)
- Samuel Mogale (PUMP BP)
- Daniel Nxumayo (PUMP BP)
- L Ndlovu (Civils)

10 years

- Pieter Ndwambi (PUMP)
- Robert Ndubane (Magnetite)
- Sophy Moiana (HR)
- Eric Pilusa (Foskor MH)

15 years

- Daniel Mathebula (Magnetite)
- Johannes van Vuuren (Workshop)
- Koos Engelbrecht (Safety)



HIV/AIDS AWARENESS AND TESTING Counselling and voluntary testing sessions are held regularly. Please contact Tebogo Nancy Ratopola at HR if you would like to participate in one of these sessions. Please consider getting tested - you know it's the right thing to do!

WAGE AGREEMENT

The following wage agreement has been signed:

- Annual wage increases: Band 1 - 12%
- Band 2 - 12%
- Band 3 - 9%
- Band 4 - 8%
- Band 5 - 7%
- Band 6 - 6%.



Amongst other provisions, the shift allowance has increased to R45 per afternoon or night shift. Housing allowance remains at R750 per month. Long service awards will increase to R325 per month after five years of service. Medical aid contributions will increase to R350 if the contributions are deducted and paid by the company.

The implementation date of the agreement is 01 April 2012, with back pay to be paid at the end of June and July 2012.

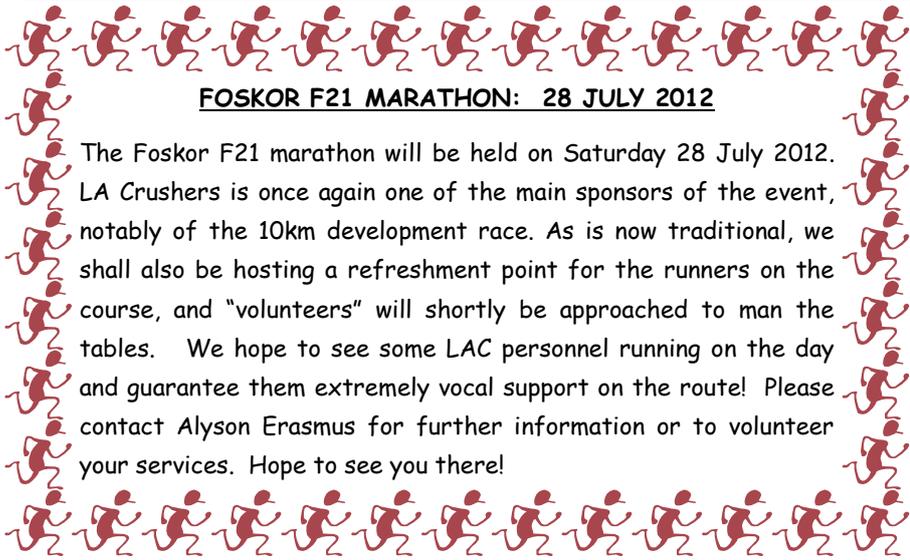
“A Fool may be known by 6 things: anger without cause; speech without profit; change without progress; inquiry without object; putting trust in a stranger and mistaking foes for friends”.
Arabian Proverb



WELCOME!

To the following employees who have recently joined LAC:

- | | |
|-------------------|--------------|
| MW Mashailane | C Nyathi |
| MM Mashabela | B Malepe |
| MN Seokangwe | CK Ndubane |
| R Mutambirwa | PG Potgieter |
| BFH van der Merwe | A Prinsloo |



FOSKOR F21 MARATHON: 28 JULY 2012

The Foskor F21 marathon will be held on Saturday 28 July 2012. LA Crushers is once again one of the main sponsors of the event, notably of the 10km development race. As is now traditional, we shall also be hosting a refreshment point for the runners on the course, and “volunteers” will shortly be approached to man the tables. We hope to see some LAC personnel running on the day and guarantee them extremely vocal support on the route! Please contact Alyson Erasmus for further information or to volunteer your services. Hope to see you there!

CONGRATULATIONS!

We are delighted to report that many of our colleagues have been blessed with babies over the past few months. Congratulations to Harris Malepe, Kedibone Mahumane, Roy Mzimba, Petrus Malatji, Sydney Malatji, Yankee Seemela and Cynthia Shikwambane on the recent births of their children. We wish you countless years of joy.



IN SYMPATHY:

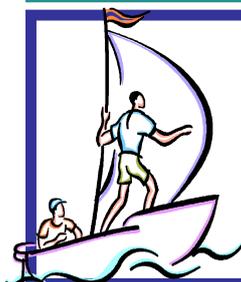


We are sad to report the passing of one of our own, Mr Neville Leukes, who worked at the PUMP Batch Plant. We extend our condolences to his family, friends and former colleagues.

In addition, we would like to extend the company’s condolences to the following employees who have lost family members:

- ◆ Roy Mzimba, who had two sisters pass away;
- ◆ Jan Hendrik van Niekerk, whose mother passed away;
- ◆ Paul Monyela, whose sister passed away;
- ◆ Rodgers Seemela, whose brother passed away;
- ◆ Johnson Mabokwane, whose newborn daughter passed away;
- ◆ George Lewele, whose brother passed away.

Our thoughts are with you all.



“The pessimist complains about the wind, the optimist expects it to change and the realist adjusts the sails” WA Ward

Saturday 16 June 2012 is a public holiday for Youth Day.

Some advice if you want to regain your youth: Cut off his allowance.