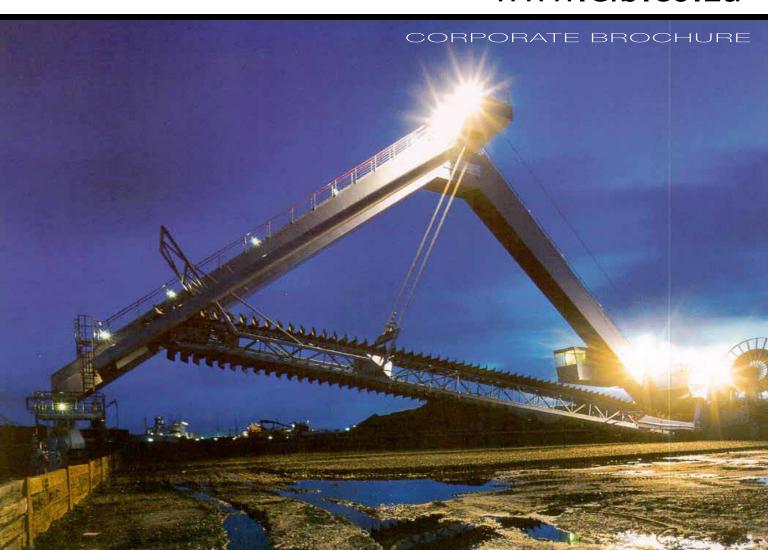


## ELBGROUP: ENGINEERINGSERVICES

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is short for Edward L Bateman, the man who founded the company in 1903 having moved to South Africa from the United States. Originally Bateman was selling mining equipment produced by Allis-Chalmers, well known for its tractors but sadly no longer in operation. Bateman was joined by his son Glen in 1925, establishing a family dynasty that grew the firm into a thriving mining support company with offices all over the world.

In 2002, the company brought in an international consortium and a restructuring took place which created the present day group structure under which ELB became an investment holding company owning 85 percent of ELB Engineering Limited (ELB Engineering Group) with the remaining 15 percent owned by the ELB Educational Trust established as the Group's BEE partner promoting the education of historically disadvantaged South Africans, specifically in engineering disciplines. Today ELB Engineering Services offers a full spectrum of engineered solutions to the mining, industrial and power sectors. Though its policy is to use locally designed and manufactured products wherever possible it prides itself on giving its clients access to the best of world class technological expertise, backed up by a centre of excellence based in Germany.

The South African economy depends heavily on its natural resources, and over the coming decade mining is bound to grow in importance with the increase in world demand for the minerals in which it is so rich. The sector needs reliable and capable partners to operate with maximum efficiency, points out the CEO of ELB Engineering Services Dr Stephen Meijers. Already a household name in southern Africa it has made a policy of associating itself with the most trusted names in the field of mining. These include FAM Materials Handling of Germany, Cyclonaire, Cemtec, Claudius Peters, Thor and the Seram Group. "The ability to double-brand benefits everyone, as it allows for us to be a much larger one stop shop than ELB can be on its own. It allows us to be a world class innovative solutions provider." Meijers says. As an example, the FAM linkup allows ELB to offer turnkey packages, from run of mine 'tip to ship' loading including all conveyor options, to stockyard equipment and simulation modelling.

In 2009 ELB entered into an alliance with PBA Projects of Cape Town, a builder and supplier of modular process plants in the gold, chrome and coal sectors. Since the partnership's formation in December 2008 it has undertaken in excess of R300 million of work. The joint venture named EPE landed its first EPCM (engineering, procurement, construction and maintenance) contract with Coal of Africa (CoAL) for Mooiplaats, CoAL's initial thermal coal project in South Africa. The Mooiplaats colliery plans to ramp production up to 2.4 million tonnes by 2013, and based on the work it did for Mooiplaats, EPE was awarded an additional contract at one of CoAL's coking coal projects in Limpopo, where it is undertaking the full EPCM contract in addition to supplying the modular process plant. The follow up business was obtained based on ELB's ability to fast track a cost effective solution for this client.



As Meijers puts it: "We are successful because of our ability to deliver a good product!"

South Africa's mining industry cannot afford to stand still. The country will continue to rely on coal for many years to provide it with its energy needs. Nevertheless the entire sector was affected when investors became hesitant following the global banking crisis. ELB Engineering Services however performed well throughout this period of uncertainty, thanks to its unique ability to put together solutions from a wide range of resources and also through having its interests spread both sectorally and geographically.

One of the most important projects in which it has become involved outside of South African has been the Terminal de Carvão de Matola (TCM) at Maputo, capital of Mozambique. TCM is owned and operated by Grindrod. Investment in Maputo and Matola Ports rose to \$ 225 million over the last eight years and cargo handled has increased from 5 million tons in 2003 to predicted volumes of 12.6 million tons for 2011.

ELB Engineering Services was commissioned in 2009 to reinstate, refurbish, upgrade and construct from scratch many parts of the terminal. In the initial project the main challenges were the reinstatement of the centre conveyor line and the combination bucket wheel stacker-reclaimer, says Meijers. "The Matola project was complicated by the fact there were minimal drawings and basic data available.

The terminal had suffered from civil war, change of ownership, loss and damage to key equipment and floods, including the loss in a storm during the 1980s of a ship loader. In any case, the terminal was originally designed for iron ore in the 1960s, but later switched to magnetite and coal."

Aside from its partnership philosophy that gives it a very powerful intellectual property base to work off, Meijers gives two other reasons for ELB's ability to win contracts. Firstly, the company is not rigid in its approach to contracting and can put together a contractual and commercial scheme suited to the specific project. Secondly, as Meijers puts it, "We are successful because we add value to the client's investment at a commercially and financially acceptable rate. Basically we do good engineering and project management," he says.

ELB is very well placed in the bulk materials

handling field, he adds. It has technology partnerships to handle fine powders, and make the best use of pneumatic technology. It has double branded itself with world class technologies and it has the expertise to put together the best arrangement to please the client. Over the history of the group, ELB has built a strong network of relationships with small independent engineering and consulting organisations whose knowhow it can tap into rapidly. Meijers believes ELB is in the right space. It is focused on materials handling, and thus its fate is not determined by that of any one specific commodity. "If the demand is not there today, it will be there in the future and we are creating the capacity to meet that demand," www.elb.co.za



