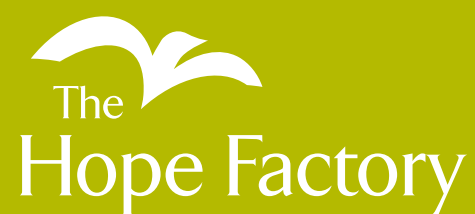




THE HOPE FACTORY TEAM

To invest in The Hope Factory contact: Dzokai Mavengawenyu,
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SAICA Enterprise Development



www.thehopefactory.co.za

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Developing Entrepreneurs and growing businesses



SAICA Enterprise Development

Year End Report 2011



“With the confidence I gained through graduating from The Hope Factory, I know we can achieve our goals and at the same time help other people to experience a better life.”

-Entrepreneur, Unathi Godlo-

a DECADE of **10** *For the year ahead, we remain committed to our vision of guiding, supporting and equipping the grassroots entrepreneur through the survivalist phase of his or her business towards the small business of the future.*



Dear Stakeholders
What a privilege to have walked this road for a decade, providing hope and a sustainable future for many previously disadvantaged South Africans. This year has had many highlights, and it's hard to believe that it has been 10 years since our first learners walked through the doors.

In our continued quest to improve what we do, we started the year with a full impact assessment research study by GreaterCapital, and the findings indeed confirmed that our enterprise development model is working! The Hope Factory is having a positive impact in the Nelson Mandela Bay region; a region stricken with severe poverty and unemployment. Additional insights in the study have helped us to fine tune our approach.

A key strategic focus has been on refining our mentorship for our entrepreneurs. We understand the impact that solid mentoring support has on growing our entrepreneurs' businesses and with our increasing number of entrepreneurs we have employed more experienced mentors to ensure long term sustainability and growth.

The opening of our Hope Hub, The Hope Factory's advanced entrepreneur programme, in close proximity to The Hope Factory in Port Elizabeth has been a major highlight this year.

Fifteen high potential entrepreneurs' lives will be changed and their businesses developed further. We look forward to the positive impact this incubator programme will have.

In keeping with our focus on enterprise development, we have made a strategic decision to close our sales and production unit at the end of this year. This will free up our resources and time to devote to our key strategic areas of creating entrepreneurs and helping them to grow their businesses. For those stakeholders who have helped support us over the last few years in corporate gifts, we sincerely thank you for your support.

For the year ahead, we remain committed to our vision of guiding, supporting and equipping the grassroots entrepreneur through the survivalist phase of his or her business towards the small business of the future. As we refine our model, we are more than ever convinced of the pressing need in South Africa to create and grow small businesses. We pride ourselves in our track record, and know that none of this would be possible without a long term partnership with all our stakeholders for which we are grateful. We look forward to embracing another year of hope.

Liz Zambonini

Liz Zambonini
CEO: The Hope Factory

Marion Pearce

Marion Pearce
Deputy CEO

CREATING BUSINESSES

“The mentoring that we have started with is helping so much to get us to achieve what we are aiming for.”

-Zimbini Zono, potential entrepreneur on the 20 week programme-

EQUIPPING OUR POTENTIAL ENTREPRENEURS

Two intakes participated in our 20 week training programme in life skills, business skills and technical skills, and were supported throughout the process with mentorship advice and guidance. Both intakes for this year have thoroughly enjoyed their experience at The Hope Factory and most are working with their mentors and registering their businesses in order to apply for selection into our Entrepreneur Support programme.

From a practical side, the learners have also been participating in the Junior Achievement Programme. This programme gives the learners the opportunity to take what they have been taught in life and business skills and apply it in the practical day to day running of a business. Four separate ‘companies’ have been created, with each learner taking responsibility for a particular aspect of running the company; from secretarial and admin, finances and HR to general management. This simulation has provided hands on practical experience in a safe environment where learners can build confidence.



Potential entrepreneurs discussing business ideas

LEARNERS ON THE CATWALK

For every learner, the ultimate highlight at the end of the programme is the opportunity to showcase their own fashion creations at the Fashion Show and Graduation Ceremony. The theme for the Intake 17 Graduation and Fashion Show in July was “Seasons of Change”, inspired by all the positive changes happening at The Hope Factory.

Well known Port Elizabeth fashion designer Jason Kieck delivered a short word of encouragement and praise after judging the best dressed male and female and most creative design. Awards were handed out on the day to the top performers in various categories. For many learners it was a journey of self discovery and determination; from starting at The Hope Factory with a lack of self belief, to graduating with a purpose and a dream.

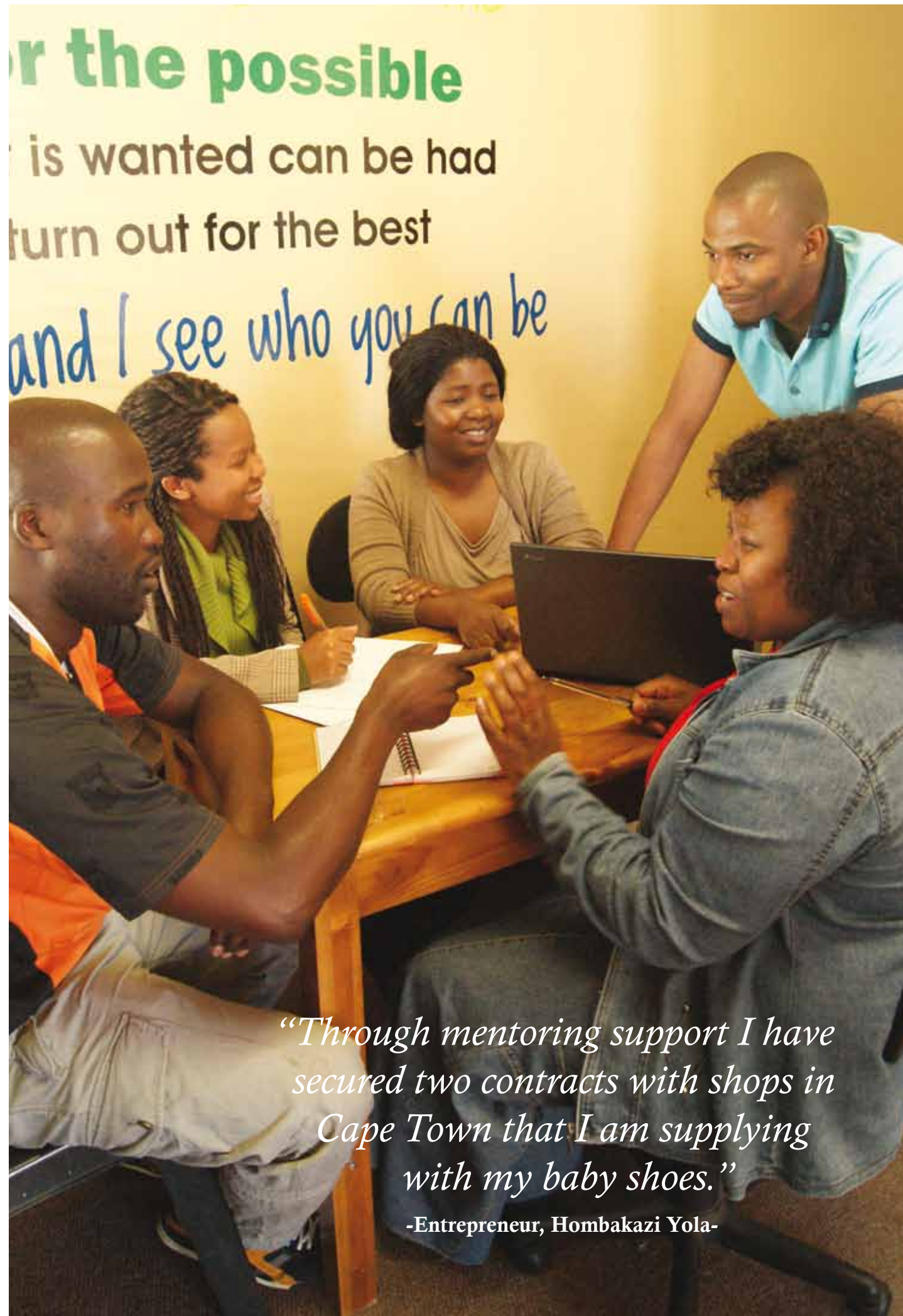


The “Seasons of Change” fashion show

“It has been wonderful to wake up every morning knowing I am coming to The Hope Factory looking forward to new things.”

-Mandla Nhase, potential entrepreneur-





“Through mentoring support I have secured two contracts with shops in Cape Town that I am supplying with my baby shoes.”

-Entrepreneur, Hombakazi Yola-

GROWING BUSINESSES ENTREPRENEUR SUPPORT PROGRAMME

We have had a very exciting 2011 with exponential growth in this area. This has resulted in the appointment of a number of new mentors to assist and support our entrepreneurs as they navigate their way through the journey of growing their businesses.

The entrepreneurs have had many opportunities over this year to network and share ideas with each other. There is a wonderful “can do” attitude emerging and we expect this to translate into bottom line growth of businesses in the future. Aside from networking, the Entrepreneur Days we had this year were an opportunity to award certain entrepreneurs with capital expenditure for their businesses, such as stoves, sewing machines, hair and beauty products, through our investments awards.

Another area of support which experienced considerable success this year was the support in access to markets. This included some entrepreneurs participating in selling their products at Stakeholder Day; others participating in the local HELTASA (Higher Education Learning and Teaching Association of South Africa) conference, hosted by the Nelson Mandela Metropolitan University, and some entrepreneurs exhibiting and selling at the Anything but Painting crafts exhibition at ARTec. Entrepreneurs Luvuyo Zinco (Zinco Clothing) and Craig Alexander (Cool the Guys Designs) had the opportunity to showcase and promote their work at an enthusiastically supported fashion show at the local shopping mall Pier 14.

This is a new area of growth for us and we look forward to expanding this service offering next year.



From top to bottom: Our new Business Mentors; models at the Pier 14 fashion show; The Hope Hub Senior Executive, Nomaxabiso Klaas with entrepreneur Craig Alexander

STAKEHOLDER APPRECIATION DAY 5 OCTOBER 2011

Stakeholder Day is a big event in The Hope Factory calendar. It gives our stakeholders the opportunity to experience The Hope Factory first hand, as well as a celebration of thanks to our stakeholders for their valuable contribution in partnering with us to bring about positive change in our country.



The choir outside The Hope Hub



Several Hope Hub entrepreneurs with The Hope Factory Board members, Ernest Carelse (Chairman) and Carmen Dewey



Entrepreneur, Sipho Ntlangu of Kehase



Liz Zambonini, CEO The Hope Factory



Models wearing designs from Kehase

The day commenced with joyful songs from our Hope Factory choir, representing more than 60 learners from a previous training group. This was followed by a tour of our new Hope Hub, which consists of approximately 750m² of converted building space as part of our advanced entrepreneur programme. Hope Hub Senior Executive, Nomaxabiso Klaas explained how The Hub would provide manufacturing and office space as shared resources to support the entrepreneurs.

Back at The Hope Factory premises, stakeholder's enjoyed the stories from three inspiring entrepreneurs, sharing their experience and expressing their appreciation for the difference that The Hope Factory has made to their lives. This was followed by an informative speech by The Hope Factory CEO, Liz Zambonini.

The fashion show was a great success and showcased some amazing design talent of a few of our entrepreneurs, causing a stir amongst the audience! It was a colourful display that made us proud. A final word of thanks by Ernest Carelse, Chairman of The Hope Factory Board wrapped up the proceedings. During lunch, stakeholders were given a tour of the premises and had the opportunity to buy products from several entrepreneurs. All in all, a day to remember.



Entrepreneur, Luvuyo Zinco of Zinco Designs with models



Entrepreneur, Mziyanda Matikina selling a necklace to Anthea Steyn of Barone, Budge and Dominick



The Hope Factory corporate gifts on display



Stakeholders mingling in The Hope Hub

THE HOPE HUB

"I am honoured to be a Hope Hub member. It will help me a lot to grow my business and take it to another level, because everything that I will be needing for my business to grow will be accessible and the rent is affordable."

-Entrepreneur, Nomakula Qengwa-

The newly renovated building in Swartkops Street, North End, Port Elizabeth, is the business operating space for fifteen of The Hope Factory high potential entrepreneurs. The Hope Hub was completed in early October this year and will become the engine room of our business incubator efforts. The entrepreneurs are thrilled by these new developments and the opportunities and resources that The Hope Hub will provide to take their businesses to the next level.

Nomaxabiso Klaas, Senior Executive of The Hub says: "The Hub is a concept outside of the box in South Africa. It is a pilot project aimed at providing opportunities and resources to grow the fifteen businesses owned by the selected entrepreneurs. It has a good mix of men and women and more than 65% of the entrepreneurs are under 25 years of age."



The Hope Hub building; planning The Hope Hub



An elated Nomaxabiso Klaas, Senior Executive of The Hope Hub and Rob Davies, Project Consultant standing under newly erected signage.

THANKS TO OUR INVESTORS

In our final reflection on 2011, we take this opportunity to thank all our stakeholders, especially our generous investors for your continued support in helping us fulfil our vision of creating, developing, equipping and supporting entrepreneurs. We look forward to another year ahead together.



Marion Pearce, Deputy CEO of The Hope Factory with Lindiwe Pantshwa of Siemens IT Solutions and Services South Africa



Jessica Cilliers, Manager: Investor Relations and Dzakai Mavengawenyu, ED Manager of The Hope Factory presenting to Kyocera MITA South Africa



Presenting to Remkor Technologies



Thank you presentation to United National Breweries (SA)



Thank you presentation to Karin Strydom of Avnet Kopp



Thank you presentation to Raffaele La Monica of Remkor Technologies



Lindiwe Pantshwa of Siemens IT Solutions and Services South Africa



Fawn Jopson of Coastland Sales



Michelle Wood of Kyocera MITA South Africa

126

*Graduates from the
entrepreneur development
programme*

41

*Members of staff dedicated to
developing entrepreneurs*

2011 *hope* a DECADE of 10
at a glance

76%

*Sustainability
of graduates*

1

*The Hope Hub, our business
incubator programme*

928

*Total graduates in
the last 10 years*

22

*Capex Investment
Entrepreneur Awards*

FUTURE OUTLOOK 2012

Our focus in 2012 will be to further
create and develop entrepreneurs and
grow their businesses.

*Clem Sunter said recently “Instead of calling for
5 million new jobs by 2020, we should rather
call for 1 million new businesses.”*

We look forward to doing our
part here at The Hope Factory
to help achieve this goal.