



**public enterprises**

Department:  
Public Enterprises  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

### **DPE DISMISSES ATTEMPTS BY SUSPENDED DENEL DYNAMICS CEO TO DETRACT FROM HIS INTERNAL DISCIPLINARY PROCESS**

**PRETORIA, 27 May 2023** -- The Department of Public Enterprises notes with utter disdain the attempts by the suspended Denel Dynamics division CEO Mr Sello Ntsihlele to obfuscate and drag Minister Pravin Gordhan and the department into his ongoing internal disciplinary process.

This is yet another example of an employee of a state-owned enterprise (SOE) which was gutted by corruption and state-capture, when facing disciplinary action, makes unfounded allegations against others. This practice is disingenuous in the extreme.

The disciplinary process is a prerogative of the Denel board which must do its work and see it to its logical conclusion without interference or any other attempt to deflect attention from the real issues that pertain to stabilizing Denel.

Any allegations by Mr Ntsihlele against Minister Gordhan and the department in this matter are rejected with contempt they deserve. The disciplinary process will continue as determined by the board, consistent with the governance imperatives of Denel.

Denel is considered a strategic national security and industrial asset, which has led the Department to implement a series of actions to strengthen the SOE, improve its strategic focus, and ensure that it has the human resource capabilities to implement its turnaround plan.

In 2022/23 Denel submitted a turnaround plan with a realistic business case and strategic objectives. In his October 2022 Medium-Term Budget Policy Statement, the Minister of Finance announced a recapitalisation of R3.4bn for Denel to support the restoration of Denel's Strategic and Sovereign capabilities.

The recapitalisation allows Denel to fully implement its turnaround plan to ensure support to the Department of Defence (DOD) and specifically the SANDF in order to secure our country's strategic defence and security of supply of defence capabilities.

The Board has also initiated the process to appoint the Group CEO and CFO which have been vacant for over two years. Denel's order book is robust, at R18.37 billion for 2023/24, while planned total sales are projected to be R2.08 billion, compared with R1.08 billion in the 2022/23 financial year.

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