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Transnet Delivers on its Africa Strategy

The Transnet SOC Ltd-Diaspora Infrastructure Development Group (DIDG) Consortium today delivered rolling stock to the National Railways of Zimbabwe (NRZ) to strengthen regional integration, trade and the recapitalisation of the Zimbabwean railway programme.

This historical transaction between a South African-Zimbabwean consortium and NRZ, estimated at just over USD400 million, will contribute to the realisation of the north-south corridor programme in the SADC region.

Today's delivery will contribute to the region's plans to perform an uninterrupted intra-trade and efficient railway system cementing Transnet's Africa strategy which will see railway, terminal and ports integration throughout the continent.

To address Zimbabwe's immediate railway capacity shortfalls, the consortium has entered into a six-month lease agreement for the rolling stock; the agreement is renewable on demand.

The delivery of the rolling stock also emphasises the Zimbabwean narrative that, "Zimbabwe is now open for business".

In a watershed moment, his Excellency, the President of the Republic of Zimbabwe, President Emmerson Mnangagwa together with members of his Cabinet witnessed the presence of Transnet's rolling stock targeted for the interim solution that includes the following:

- 7 locomotives
- 151 wagons
- 5 passenger coaches
- 1 Kitchen car
- 1 power car

The intervention of the interim solution agreement will be followed by the main solution contract through the consortium in response to the bid submissions as follows:

- 24 new mainline locomotives
- 10 new locomotive shunters
- 13 NRZ shunters to be refurbished
- 200 general purpose wagons
- 768 NRZ wagons to be refurbished
- 162 new passenger coaches

Transnet's Group Chief Executive Siyabonga Gama said: "The nature of this contract and the relationship with neighbouring and continent-wide rail, ports, and pipeline logistics providers tells a story of how Transnet strives to collaborate and grow its footprint on our African Continent, Middle East and South Asia. This is not only a historical event, but a key economic contribution to the milestones set out for Zimbabwe."

The delivery the new and refurbished rolling stock will be finalised and announced in the near future as the Consortium and Zimbabwe Authorities conclude all the required governance processes and agreements.

The new railway equipment for the mainline solution will be manufactured in South Africa by Transnet through its advanced manufacturing arm. This accomplishment will also reinforce Transnet's transition from its current Market Demand Strategy to Transnet 4.0 strategy.

The main growth thrusts of Transnet 4.0 includes the expansion of the company's manufacturing business , with leading technologies to enhance new and existing products and improve business processes.

Issued on behalf of Transnet SOC Ltd

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About Transnet

Transnet is wholly owned by the Government of the Republic of South Africa. The company is uniquely positioned to provide integrated, seamless transport solutions for its customers in the bulk and manufacturing sectors. This is part of its drive to improve the efficiency and competitiveness of the South African economy.

Transnet has five operating divisions:

Transnet Freight Rail transports bulk and containerised freight along 20 500 kilometres of which 1 500 kilometres comprises heavy haul lines for export coal and export iron ore.

Transnet Advanced Manufacturing, also known as Transnet Engineering manufactures and maintains rolling stock. It consists of eight product-focused business units which provide services ranging from rolling stock refurbishment, conversion and upgrades, to the manufacturing of locomotives, coaches and wagons.

Transnet National Ports Authority is responsible for the safe, efficient and effective functioning of the national ports system, which it manages in a landlord capacity. The National Ports Authority is also a provider of port infrastructure and marine services at all commercial ports in South Africa.

Transnet Port Terminals owns and operates 16 cargo terminal operations situated at seven South African ports. It provides cargo-handling services for the container, bulk, automotive and break-bulk sectors.

Transnet Pipelines transports a range of petroleum products and gas through 3 000 kilometres of underground pipelines, which traverse five provinces, thereby ensuring the security of supply of petroleum products to the inland market, especially Gauteng. Transnet Pipelines is gearing itself for full commissioning of the new Multi-Product Pipeline.

Specialist units:

Transnet Capital Projects manages our largest capital projects;

Transnet Foundation is responsible for executing our Corporate Social Investment initiatives.

Transnet Property manages our property portfolio.