Navigating this report

Icons key

Market Demand Strategy (MDS)
- Financial sustainability
- Capacity creation and maintenance
- Market segment competitiveness
- Operational excellence
- Human capital management

Sustainable Developmental Outcomes (SDOs)
- Employment
- Transformation
- Skills development
- Health and safety
- Industrial capability building
- Community development
- Investment leveraged
- Environmental stewardship
- Regional integration

The Capitals
- Financial capital
- Human capital
- Manufactured capital
- Social and relationship capital
- Intellectual capital
- Natural capital

Performance Key
- Improvement on prior year performance
- Decline on prior year performance
- Equivalent performance to prior year

Material clusters
- Build social trust through ethical leadership and corporate citizenship
- Unlock organisational value by attracting talent, fostering innovation and building unity
- Ensure long-term financial stability in a tough economy
- Ensure customer-centricity and build partnerships for sustainable growth
- Promote transformation and growth in the wider South African economy

MDS strategic thrusts
- Agile
- Admired
- Digital
- United
The TFR Legal, Governance, Compliance & Fraud Risk Management Department was recognised as a Top 500 In-house Legal Department in the GC Powerlist Africa Teams 2016 Legal 500 Series.1

Concerted efforts by Freight Rail to identify and transport all available rail cargo resulted in tonnage growth of 2.3% from the prior year, against overall economic growth of 0.7%.

Tonnage growth of 2.3% 165 new locomotives

The ‘general freight’ locomotive fleet modernisation plan for 1,064 new locomotives saw the commissioning of 165 new locomotives (80 Electric and 85 Diesel) into the rail system, resulting in locomotive efficiency improvements.

Employer of Choice accreditation was awarded for the second consecutive year, showing excellent compliance to key Human Capital processes.

A total of 362 sector-specific training interventions were conducted against a target of 290, which is 24.8% higher than projected.

Employer of Choice

The 4.9% growth of general freight evidences the successful implementation of the Road-to-Rail strategy. General Freight commodities contributing to this growth included:

- The Iron Ore and Manganese business responding spectacularly to a recovery in the Export Manganese market by exceeding budget by 81%, resulted in growth of 31% year on year
- The Mineral Mining and Chrome (MMC) business unit grew 6.3% year on year, exceeding projections by 2.1%
- The Container and Automotive business performed well in the Intermodal Wholesale sector, exceeding budget by 11.06% and reflecting growth of 24.3% year on year
- Cross-border rail volumes improved 24% year on year (8 mt 2017 vs 6.4 mt 2016)

The TFR Legal, Governance, Compliance & Fraud Risk Management Department was recognised as a Top 500 In-house Legal Department in the GC Powerlist Africa Teams 2016 Legal 500 Series.1

Top 500

---

1 The GC Powerlist Legal 500 Series is an organisation analysing the capabilities of law firms across the world. The Legal 500, turning its attention to the in-house function, and recognising corporate counsel who are driving the legal business forward. The latest edition is the GC Powerlist Africa, which identifies an array of the most influential and innovative in-house counsel working in the region.
Business overview

Transnet Freight Rail (TFR), Transnet’s largest operating division, is a world-class freight rail company specialising in heavy haul and general freight transportation. With over 27 600 employees throughout the country, the operating division maintains an extensive 20 953 Route Km (30 400 Track Km) rail network across South Africa.

TFR rail infrastructure represents approximately 80% of Africa’s total rail infrastructure and connects with neighbouring sub-Saharan rail networks. The Division has a strong and proud reputation for technological leadership both beyond Africa as well as within Africa – where it is active in ten countries.

TFR is a profitable and sustainable freight railway business, which contributes to the competitiveness of the South African economy. The Division provides rail services to customers in key market segments through six business units:

- Agriculture and Bulk Liquids;
- Coal;
- Containers and Automotive Business;
- Iron Ore and Manganese;
- Steel and Cement; and
- Mineral Mining and Chrome.

TFR’s strategy aims to ensure appropriate positioning of the business in relation to customer requirements and national objectives, with the key objective of moving rail addressable commodities back to rail.
Freight Rail network

Figure 1

Rail Infrastructure
- 30 400 km of track
- 20 953 route km
- Core network: 12 801 route km

Network electrification
- 50kV AC (861 km)
- 25 kV AC (2 309 km)
- 3kV DC (4 935 km)
- Diesel (11 974 km)

Axle loading
- Main lines at 20t/axle
- Ore line at 30t/axle
- Coal line at 26t/axle
These new developments in legislation can be interpreted as having a strategic impact on the way the division performs its functions. TFR will however continue to ensure that the consolidation of the aligned policy positions achieved finds concrete expression and influence in the development of the National Rail Policy White Paper.

TFR will also continue working towards the completion of the mandate, to develop an appropriate framework for economic regulation of railways; of which the process is aligned with the Rail Policy process. Ongoing alignment with the DPE and DOT to mitigate potential risks and contribute to rail policy and regulatory frameworks that balance the interest of Government, the rail industry, rail operators, network owners and customers.

The DoT is also progressing with a Draft Bill on the regulation of transport. The content and substance of the current Draft Bill on the Regulation of Transport Bill - the Single Transport Economic Regulator Bill (STER) contains several challenging components for Transnet. Engagement with the DoT, Department of Public Enterprises (DPE) and other relevant departments and structures to address concerns is ongoing. TFR hopes that the outcome of the engagement will be a practical approach to regulation of the transport sector, which will take into account history, current realities and the long-term competitiveness of the transport system, and in particular the rail sub-sector within the transport system.

Additionally, several policy reviews have been initiated by the DoT. Transnet is actively engaging in all of these processes and as critical transport policies are updated and reviewed, Transnet will advocate for consistency, alignment and policy coherence.

These developments in legislation can be interpreted as having a strategic impact on the way the division performs its functions. TFR will however continue to ensure that the consolidation of the aligned policy positions achieved finds concrete expression and influence in the development of the National Rail Policy White Paper.

TFR will also continue working towards the completion of the mandate, to develop an appropriate framework for economic regulation of railways; of which the process is aligned with the Rail Policy process. Ongoing alignment with the DPE and DOT to mitigate potential risks and contribute to rail policy and regulatory frameworks that balance the interest of Government, the rail industry, rail operators, network owners and customers.

Ongoing developments in the areas of transport economic regulation and rail policy could result in substantive changes for the South African transport industry. The release of the Draft White Paper on National Rail Transport Policy by the Department of Transport (DoT), is imminent. Transnet anticipates a Draft White Paper that balances the interests of all major role-players and stakeholders and also sets the railway sector firmly back on a path to being the backbone of the South African transport system. Expectations are that the new rail policy will dovetail with Transnet’s strategy and that the policy will reinforce greater investment in the rail sector.

Regulatory environment

The DoT is also progressing with a Draft Bill on the regulation of transport. The content and substance of the current Draft Bill on the Regulation of Transport Bill - the Single Transport Economic Regulator Bill (STER) contains several challenging components for Transnet. Engagement with the DoT, Department of Public Enterprises (DPE) and other relevant departments and structures to address concerns is ongoing. TFR hopes that the outcome of the engagement will be a practical approach to regulation of the transport sector, which will take into account history, current realities and the long-term competitiveness of the transport system, and in particular the rail sub-sector within the transport system.

Additionally, several policy reviews have been initiated by the DoT. Transnet is actively engaging in all of these processes and as critical transport policies are updated and reviewed, Transnet will advocate for consistency, alignment and policy coherence.

These developments in legislation can be interpreted as having a strategic impact on the way the division performs its functions. TFR will however continue to ensure that the consolidation of the aligned policy positions achieved finds concrete expression and influence in the development of the National Rail Policy White Paper.

TFR will also continue working towards the completion of the mandate, to develop an appropriate framework for economic regulation of railways, of which the process is aligned with the Rail Policy process. Ongoing alignment with the DPE and DOT to mitigate potential risks and contribute to rail policy and regulatory frameworks that balance the interest of Government, the rail industry, rail operators, network owners and customers.
The 2017 operating context was characterised by a number of challenges, including:

- Low economic growth;
- Reduced manufacturing activity;
- Business closures and plant maintenance shutdowns;
- Low and volatile commodity prices; and
- Adverse weather conditions including flooding and drought, disrupted customers and railway operations, forcing the country to import rather than export of grain, and challenging rail traffic flows.

These factors negatively impacted customer operations and the demand for rail services. TFR responded to challenges in the business environment with agility, focusing on achieving volume growth by stabilising and optimising existing flows and implementing initiatives to target new rail business.

Furthermore, capital investment and maintenance programmes were re-prioritised in accordance with market demand, and a stringent cost management regime was enforced.

Overall, TFR's efforts resulted in total railed tonnages increasing by 2.3% against the prior year. Significantly, General Freight volumes increased by 4.9% despite very low national GDP growth.

The Division's satisfactory performance is attributable to growth in Back-to-Rail volumes, as well as improvements in operational efficiencies.

The strategic advantage of rail lies in the movement of heavy haul, bulk and unitised commodities over long distances, where flow densities provide economies of scale, thereby lowering unit costs. Transporting rail-friendly freight on rail rather than road reduces logistics costs and impacts positively on the road network, while reducing transport sector carbon emissions.
Core initiatives for 2017

**Alignment**
- Closer alignment with customers, Engineering and Port Terminals to ensure optimal availability of resources and volume execution across the supply chain.

**Opportunities**
- Continuation of ‘Road-to-Rail’ initiatives, and the pursuit of opportunities in the fast-moving consumer goods (FMCG) sector.

**Value proposition**
- Focus on key elements of the value proposition, such as smart security measures, distribution hubs, tailored products for FMCG sector, operational excellence, express train, on-time delivery and excellent customer service.

**Relationships**
- The cementing of relationships and agreements with alliance partners and logistics service providers, to support the Road-to-Rail strategy.

**Technologies**
- Piloting of bimodal technologies on Capecor and Natcor, to grow volumes and market share on the corridors.

**Development**
- Developing digital support and marketing tools, as well as logistics skills, to enhance customer value propositions.
## Overview of key performance indicators

<table>
<thead>
<tr>
<th>Key performance area and indicator</th>
<th>Unit of measure</th>
<th>2016 Actual</th>
<th>2017 Target</th>
<th>2017 Actual</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial sustainability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA margin %</td>
<td>%</td>
<td>41.9</td>
<td>52.9</td>
<td>44.1</td>
<td>46.9</td>
</tr>
<tr>
<td>Operating profit margin %</td>
<td>%</td>
<td>12.4</td>
<td>28.4</td>
<td>22.8</td>
<td>21.5</td>
</tr>
<tr>
<td>Gearing %</td>
<td>%</td>
<td>52.9</td>
<td>45.1</td>
<td>54.6</td>
<td>53.4</td>
</tr>
<tr>
<td>Net debt to EBITDA Times</td>
<td>Times</td>
<td>4.6</td>
<td>2.6</td>
<td>4.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Return on average total assets - excluding CWIP %</td>
<td>%</td>
<td>3.3</td>
<td>7.6</td>
<td>5.8</td>
<td>6.7</td>
</tr>
<tr>
<td>Asset turnover – excluding CWIP Times</td>
<td>Times</td>
<td>0.26</td>
<td>0.27</td>
<td>0.27</td>
<td>0.3</td>
</tr>
<tr>
<td>Cash interest cover Times</td>
<td>Times</td>
<td>2.1</td>
<td>3.8</td>
<td>2.7</td>
<td>2.8</td>
</tr>
</tbody>
</table>

| **Capacity creation and maintenance** | | |
| Capital expenditure R million | 22 619 | 13 235 | 15 746 | 14 540 |

| **Operational excellence** | |
| Asset utilisation | |
| General Freight Business | Gtkm/Ntkm | 1.70 | 1.70 | 1.62 | 1.70 |
| Export coal | Gtkm/Ntkm | 1.56 | 1.60 | 1.55 | 1.60 |
| Export iron ore | Gtkm/Ntkm | 1.38 | 1.40 | 1.38 | 1.40 |

| Loco-utilisation | |
| General Freight Business | GTK'000/Loco/month | 5 076 | 5 637 | 5 509 | 5 605 |
| Export coal | GTK'000/Loco/month | 23 566 | 28 228 | 22 983 | 22 388 |
| Export iron ore | GTK'000/Loco/month | 57 997 | 56 815 | 57 809 | 61 322 |

| Cycle time | |
| Export coal | Hours | 63.45 | 56 | 63 | 56 |
| Iron ore | Hours | 90.14 | 76 | 93 | 76 |
| Export manganese | Hours | 169.92 | 156 | 162 | 156 |

| Wagon turnaround time | |
| General Freight Business | | 11.75 | 10.1 | 10.10 | 9.9 |
### Overview of key performance indicators (continued)

<table>
<thead>
<tr>
<th>Key performance area and indicator</th>
<th>Unit of measure</th>
<th>2016 Actual</th>
<th>2017 Target</th>
<th>2017 Actual</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational excellence</strong> (continued)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Density</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northcor</td>
<td>Tonkm/Routekm</td>
<td>1.3</td>
<td>1.3</td>
<td>1.22</td>
<td>1.86</td>
</tr>
<tr>
<td>Capecor</td>
<td>Tonkm/Routekm</td>
<td>3.7</td>
<td>3.2</td>
<td>3.77</td>
<td>5.99</td>
</tr>
<tr>
<td>Southcor</td>
<td>Tonkm/Routekm</td>
<td>3.5</td>
<td>2.7</td>
<td>3.32</td>
<td>5.27</td>
</tr>
<tr>
<td>Natalcor</td>
<td>Tonkm/Routekm</td>
<td>6.2</td>
<td>6.8</td>
<td>6.33</td>
<td>11.1</td>
</tr>
<tr>
<td>RBaycor</td>
<td>Tonkm/Routekm</td>
<td>40.2</td>
<td>42.1</td>
<td>40.36</td>
<td>65.53</td>
</tr>
<tr>
<td>NWestcor</td>
<td>Tonkm/Routekm</td>
<td>4.3</td>
<td>3.8</td>
<td>4.01</td>
<td>5.50</td>
</tr>
<tr>
<td>Eastcor</td>
<td>Tonkm/Routekm</td>
<td>2.8</td>
<td>3.2</td>
<td>3.26</td>
<td>5.01</td>
</tr>
<tr>
<td>NEastcor</td>
<td>Tonkm/Routekm</td>
<td>8.4</td>
<td>8.3</td>
<td>9.72</td>
<td>13.66</td>
</tr>
<tr>
<td>Saldanha</td>
<td>Tonkm/Routekm</td>
<td>61.9</td>
<td>57.8</td>
<td>61.00</td>
<td>83.93</td>
</tr>
<tr>
<td>Sentracor</td>
<td>Tonkm/Routekm</td>
<td>5.0</td>
<td>4.9</td>
<td>3.74</td>
<td>8.64</td>
</tr>
</tbody>
</table>

### Market segment competitiveness

**Volume and revenue growth**

<table>
<thead>
<tr>
<th>Commodity classification</th>
<th>Mt</th>
<th>2016 Actual</th>
<th>2017 Target</th>
<th>2017 Actual</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>- General freight business</td>
<td>84.0</td>
<td>97.0</td>
<td>88.1</td>
<td>98.0</td>
<td></td>
</tr>
<tr>
<td>- Export coal</td>
<td>72.1</td>
<td>75.8</td>
<td>73.8</td>
<td>76.0</td>
<td></td>
</tr>
<tr>
<td>- Export iron ore</td>
<td>58.1</td>
<td>60.0</td>
<td>57.2</td>
<td>60.0</td>
<td></td>
</tr>
<tr>
<td>Total volumes</td>
<td>214.2</td>
<td>232.8</td>
<td>219.1</td>
<td>234.0</td>
<td></td>
</tr>
</tbody>
</table>

**Tariffs**

<table>
<thead>
<tr>
<th>Year-on-year weighted average R/ton change - GFB (%)</th>
<th>%</th>
<th>2016 Actual</th>
<th>2017 Target</th>
<th>2017 Actual</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.83</td>
<td>3.04</td>
<td>1.19</td>
<td>8.51</td>
<td></td>
</tr>
</tbody>
</table>

### Human capital

<table>
<thead>
<tr>
<th>Employment equity</th>
<th>%</th>
<th>2016 Actual</th>
<th>2017 Target</th>
<th>2017 Actual</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training spend</td>
<td>%</td>
<td>1.9</td>
<td>2.5</td>
<td>1.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Employee turnover</td>
<td>%</td>
<td>5.2</td>
<td>5.0</td>
<td>4.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Employee headcount</td>
<td>Permanent</td>
<td>29,002</td>
<td>29,570</td>
<td>27,679</td>
<td>29,223</td>
</tr>
</tbody>
</table>
### Overview of key performance indicators (continued)

<table>
<thead>
<tr>
<th>Key performance area and indicator</th>
<th>Unit of measure</th>
<th>2016 Actual</th>
<th>2017 Target</th>
<th>2017 Actual</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk, safety and health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of risk</td>
<td>% of revenue</td>
<td>5.7</td>
<td>5.5</td>
<td>5.8</td>
<td>5.5</td>
</tr>
<tr>
<td>DIFR</td>
<td>Rate</td>
<td>0.9</td>
<td>1.1</td>
<td>0.8</td>
<td>1.00</td>
</tr>
<tr>
<td>Number of safety incidents</td>
<td>Number</td>
<td>539</td>
<td>334.0</td>
<td>372</td>
<td>294</td>
</tr>
<tr>
<td>(excluding private sidings)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of derailments – Mainline</td>
<td>Number</td>
<td>84</td>
<td>55.0</td>
<td>81</td>
<td>55.0</td>
</tr>
<tr>
<td>Number of derailments – Shunting</td>
<td>Number</td>
<td>171</td>
<td>180</td>
<td>159</td>
<td>158</td>
</tr>
</tbody>
</table>

A total of 219.1mt was railed against a target of 232.8mt during the 2017 financial year – an achievement of 94.1% of targeted volumes and a shortfall of 13.7mt against target. TFR was, however, able to achieve a 5mt increase on prior year volumes.

Efforts to improve efficiency, such as an 85% compliance to Integrated Train Plans, have contributed to operational performance improvements. Freight Rail has performed resiliently in spite of several challenges experienced during the year. These included several customer mines and plant closures as well as tippler breakdowns and other operational incidents.

The target for export coal (target: 75.8) was not met due to low commodity prices, although growth of 2.4% was recorded at 73.8 mt (2016: 72.1 mt). The Coal business unit was also negatively impacted by service execution challenges, locomotive issues, mine breakdowns, stockpile challenges, and community unrest.

Iron ore volume performance was marginally below target at 57.2 mt vs the target of 60 mt (2016: 58.1). Performance was negatively impacted by an extended iron ore channel maintenance shutdown, key customers experiencing production problems and tippler challenges. Iron ore tonnage performance had an adverse impact on the efficiency of locomotives and cycle times.
With a target of 234 million tons for the 2018 financial year, Freight Rail intends to continue growing volumes by:

- Increased focus on Customer Order Management.
- Improvement of the wagon management processes and planning efficiency.
- Better understanding of the customer experience, which will reduce train cancellations by customers significantly.
- Continuation and improvement of the Channel Management operations philosophy through greater integration with other Transnet Operating Divisions.

From an operational perspective, continued focus will be placed on the establishment of Joint Operations Committees (JOCs) to further stimulate regional volume growth. The JOC structures have been set up with all players in the supply chain, such as the various national rail operators, terminal operators, ports, etc. The success of this approach has been most evident on the Maputo corridor, where lessons learned are being applied to other corridors.
## Financial performance review for the 2017 financial year

<table>
<thead>
<tr>
<th>Salient features</th>
<th>Year ended 31 March 2017 R million</th>
<th>Year ended 31 March 2016 R million</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>39 114</td>
<td>36 952</td>
<td>5,8</td>
</tr>
<tr>
<td>- General freight</td>
<td>20 834</td>
<td>19 403</td>
<td>7,4</td>
</tr>
<tr>
<td>- Export coal</td>
<td>11 430</td>
<td>10 757</td>
<td>6,3</td>
</tr>
<tr>
<td>- Export iron ore</td>
<td>5 838</td>
<td>5 616</td>
<td>4,0</td>
</tr>
<tr>
<td>- Other</td>
<td>1 012</td>
<td>1 176</td>
<td>(14,0)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(21 851)</td>
<td>(21 484)</td>
<td>(0,2)</td>
</tr>
<tr>
<td>- Energy costs</td>
<td>(4 599)</td>
<td>(4 336)</td>
<td>6,1</td>
</tr>
<tr>
<td>- Maintenance</td>
<td>(2 473)</td>
<td>(1 595)</td>
<td>55,0</td>
</tr>
<tr>
<td>- Materials</td>
<td>(596)</td>
<td>(795)</td>
<td>(25,0)</td>
</tr>
<tr>
<td>- Personnel costs</td>
<td>(11 497)</td>
<td>(11 769)</td>
<td>(2,3)</td>
</tr>
<tr>
<td>- Other costs</td>
<td>(2 686)</td>
<td>(2 999)</td>
<td>(10,1)</td>
</tr>
<tr>
<td>Profit from operations before depreciation, derecognition, amortisation and items listed below (EBITDA)</td>
<td>17 263</td>
<td>15 468</td>
<td>11,6</td>
</tr>
<tr>
<td>Depreciation, derecognition and amortisation</td>
<td>(8 728)</td>
<td>(10 874)</td>
<td>(19,7)</td>
</tr>
<tr>
<td>Profit from operations before items listed below</td>
<td>8 535</td>
<td>4 594</td>
<td>85,8</td>
</tr>
<tr>
<td>Impairments and fair value adjustments</td>
<td>(1 298)</td>
<td>(768)</td>
<td>69,0</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>5 712</td>
<td>(4 163)</td>
<td>37,2</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1 525</td>
<td>(337)</td>
<td>552,5</td>
</tr>
<tr>
<td>Total assets (excluding CWIP)</td>
<td>R million 148 548</td>
<td>145 771</td>
<td>1,9</td>
</tr>
</tbody>
</table>

### Profitability measures

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>%</th>
<th>times</th>
<th>R million</th>
<th>R million</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin¹</td>
<td>44,1</td>
<td>41,9</td>
<td></td>
<td>2,2</td>
<td></td>
</tr>
<tr>
<td>Operating margin²</td>
<td>21,8</td>
<td>12,4</td>
<td></td>
<td>9,4</td>
<td></td>
</tr>
<tr>
<td>Return on average total assets (excluding CWIP)³</td>
<td>5,8</td>
<td>3,3</td>
<td>2,8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset turnover (excluding CWIP)⁴</td>
<td>0,27</td>
<td>0,26</td>
<td>3,8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital investments⁵</td>
<td>15 746</td>
<td>22 619</td>
<td>(30,4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalised maintenance expenditure</td>
<td>6 232</td>
<td>7 097</td>
<td>(12,2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Employees

<table>
<thead>
<tr>
<th></th>
<th>number</th>
<th>R million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees (permanent)</td>
<td>27 679</td>
<td>1,41</td>
</tr>
<tr>
<td>Revenue per employee</td>
<td>29 062</td>
<td>127</td>
</tr>
</tbody>
</table>

¹ EBITDA expressed as a percentage of revenue.

² Profit from operations before impairment of assets, fair value adjustments, net finance costs and taxation expressed as a percentage of revenue.

³ Profit from operations before impairment of assets, fair value adjustments, net finance costs and taxation expressed as a percentage of average total assets excluding capital work in progress.

⁴ Revenue divided by average total assets excluding capital work in progress.

⁵ Actual capital expenditure (replacement + expansion) excluding borrowing costs and including capitalised finance leases.

The 2017 financial year was characterised by lower than anticipated economic growth, with an annual GDP rate of 0,3% recorded. Furthermore, lower commodity prices in the first two quarters of the year negatively impacted mining operations’ activities and the resultant demand for rail services.
Performance commentary

Financial sustainability

- Revenue for the period under review increased by 5.9% to R39 114 million (2016: R36 952 million). This is mainly attributable to the 2.3% increase in volumes, complemented by a slight increase in the average R/ton [R174.95 in 2017 compared to R168.74 in the prior year]. The average increase in R/ton at 3.7% was lower than the average CPI (averaged 6.49% over the reporting period).
- Net operating expenses increased marginally to R21 851 million (2016: R21 484 million) despite some operating expenses, such as personnel costs and electricity, increasing above inflation.
- EBITDA margin increased by 2.2% to 44.1% (2016: 41.9%) whilst operating margins increased significantly by 9.4% to 21.8% (2016: 12.4%). The improvement in margins is attributable to an increase in revenue while year-on-year operating costs were contained, as well as to a reduction in the depreciation charge following the review of the useful life of TFR assets.
- Financial gearing remains high at 54.6% (2016: 52.9%). The minimal change in this metric when compared to the prior year is attributable to little or no movement in borrowings at the back of an 11.3% reduction in reserves.
- Asset turnover remains flat at 0.27 times (2016: 0.26 times), due to revenue increasing proportionally to the increase in the asset base, resulting in an insignificant change in this asset productivity measure.
- Return on total average assets (ROTA) increased to 6.1% (2016: 3.3%). Improved ROTA performance is attributable to an increase in operating profit offsetting the impact of an increase in the asset base.
- As a result of a slight reduction in total long-term borrowings to R70 871 million (2016: R71 134 million) and an increase of 11.6% in EBITDA to R17 263 million (2016: R15 468 million), the net debt to EBITDA ratio improved to 4.1 times (2016: 4.6 times).
- Cash interest cover increased to 2.7 times (2016: 2.1 times). The improved performance of this ratio was mainly due to an increase in cash generated from operations after working capital changes, offsetting the impact of a 30% increase in finance costs.
- Revenue per employee increased by 12% to R1,41 million (2016: R1,26 million). The improvement of this measure was mainly attributable to the year-on-year revenue increase of 5.9% and a decrease in headcount from 29 092 in the prior year to 27 679 for the year under review.
Transnet SOC Ltd proposes installing a third iron ore tippler (Tippler 3) at the Port of Saldanha. In a tippler, open bulk freight rail wagons are unloaded by rotation. The two iron ore tipplers currently in operation in the Port of Saldanha are approaching the end of their design life spans. A back-up tippler is therefore required to allow for major overhaul of the two existing tipplers. This project forms part of Transnet’s efforts to stay competitive in the international market for iron ore exports out of the Port of Saldanha, which forms the tail end of their Sishen – Saldanha iron ore railway.

• Exploring new business development and back-to-rail initiatives to improve volume performance.
• Ongoing implementation of cost containment initiatives (both capital and operational costs), given the persistently tough economic conditions.
• Improving operational efficiency and consistency.
• Optimising yield through commodity mix.
• Continuing to exploit revenue diversification opportunities through value-added services (clearing last mile, warehousing), optimisation of property portfolio, telecoms infrastructure surplus capacity and advertising.

Looking ahead

2018

- Exploring new business development and back-to-rail initiatives to improve volume performance.
- Ongoing implementation of cost containment initiatives (both capital and operational costs), given the persistently tough economic conditions.
- Improving operational efficiency and consistency.
- Optimising yield through commodity mix.
- Continuing to exploit revenue diversification opportunities through value-added services (clearing last mile, warehousing), optimisation of property portfolio, telecoms infrastructure surplus capacity and advertising.

Capacity creation and maintenance

TFR invested a total of R15 746 million in the year under review against the original budget of R13 235 million. The investment budget was overspent by R2 502 million.

The main reasons for overspend are:
- Work done on New locomotive programmes cost R957 million more than the anticipated budget.
- Rolling stock upgrades and maintenance were over the originally approved budget by R1 625 million.

Export iron ore

Total investment for the export iron ore corridor for the year ended 31 March 2017 amounted to R25 million. The negative expenditure is a result of a credit refund TFR received from Eskom for Lewensaar substation works.

- Programme work that is in progress or completion includes Tippler 31 work that has been delayed, pending a revised submission.

Export coal

The total investment in infrastructure and rolling stock for the year ended March 2017, amounted to R422 million.

- The export coal line expansion to 81 mtpa was 86% complete at the end of March 2017. The Transnet portion of the project is on target for completion in the third quarter of 2017. The Eskom portion will be completed in 2020. The coal line is the main channel for coal export, and it runs from the mines in Mpumalanga through the Overvaal tunnel all the way to the Port of Richards Bay Coal Terminal. Plans are in place to increase rail capacity to 81 mtpa in the near future, and thereafter to 97.5 mtpa in the medium to long term. The appropriate timing of this investment will be determined by the outcome of demand validation.

The coal programme comprises the following key projects:
- Export coal expansion to 81 mtpa: To date R2.7 billion has been invested towards expanding capacity on the export coal line. For the period ending 31 March 2017, R145 million has been invested towards upgrading yards, lines, and electrical equipment.

- Waterberg upgrade Stage II: Investment is intended to grow capacity to 6 mtpa through incremental upgrades of the existing rail networks and yards, by means of additional loops, maintaining the existing axle loads, electrical upgrades, and improved train control systems. Final engineering design and execution is currently underway.

General freight

Total investment in general freight for the year ending 31 March 2017 amounted to R15,3 million. General freight volumes are expected to grow steadily in the next year. Growth is expected to be driven by new business development initiatives, and an increase in thetractive effort through the acquisition of new rolling stock (Locomotives and wagons), as well as interventions to maintain, upgrade and renew the rolling stock fleet and infrastructure.
Transnet concluded locomotive acquisition contracts in 2014, acquiring approximately 1,219 new locomotives for the general freight business.

- R6.0 billion was spent on locomotive contracts in the reporting period, with spend since inception amounting to R27.6 billion.

The composition of the 1,064 diesel and electric locomotives for the General Freight Business (GFB) to date, is as follows:

- 359 Class 22E electric locomotives; 80 locomotives have been accepted into operations.
- 233 Class 44 diesel locomotives; 117 locomotives have been accepted into operations.
- 232 Class 45 diesel locomotives; two locomotives have been delivered.
- 240 Class 23E electric locomotives; 13 car bodies delivered in Bayhead on the assembly line.

Transnet Freight Rail and Transnet Engineering have embarked on a programme to build 100 new SCL automotive wagons in line with expected growth demand. All wagons have been built and received by Transnet Freight Rail, resulting in a capital investment of R167 million for the 2017 financial year.

Looking ahead

- Implement approved capital programmes to sustain and create capacity – Coal 81 mt expansion and Overvaal tunnel doubling, Manganese expansion programme; New 1064 Locomotive Programme.
- Refine and implement wagon build programme in accordance with customer demand.
- Commission and deploy new locomotives according to plan.
- Implement infrastructure maintenance plan to assure volumes on identified corridors.
Efforts by Transnet Freight Rail to identify and transport all available rail cargo resulted in total TFR tonnage growth of 2.3% to 219.1 mt (2016: 214.2 mt), despite low economic growth. General Freight commodities contributing to this growth included:

- The Iron Ore and Manganese business responding well to a recovery in the export manganese market, exceeding budget by 81% (2017 Budget: 6.10 mt and 2017 Actual: 11.02 mt) which resulted in growth of 31% against prior year (2016: 8.4 mt and 2017: 11.02 mt).
- The Mineral Mining and Chrome business unit achieved good growth in mineral mining commodities, reflecting growth of 6.3% against prior year, exceeding the projection by 2.1%.
- The Container and Automotive business performed well in the Intermodal Wholesale sector, exceeding budget by 11.06% and reflecting growth of 23.4% year-on-year.
- Subdued economic conditions in the Automotive sector resulted in below-target performance in railing vehicles, despite the implementation of new profile automotive wagons, increased security and express trains.
- The opening of a Steel Hub at Isando late in the financial year is contributing to increased railage of finished steel products in South Africa and neighbouring countries.
- The development of bi-modal technologies is progressing, the next phase being the manufacture of prototypes for testing.
- Digital support tools such as Transnet Rail Online (a portal to assist customers to interact with TFR directly) have been developed and are being piloted for launch to enhance customer value propositions.
- TFR is progressing with initiatives to facilitate regional integration. These efforts contributed to a 24% growth in regional rail traffic to 8.0 mt (2016: 6.4 mt). Performance exceeded expectation by 5.9% (Target 2017: 7.5 mt), attributable to an integrated operational model centered on Joint Operations Centres (JOCs). The JOCs provide a single point for cross-border planning and execution – to drive improved operational efficiency and productivity. The JOCs are essential to the coordinated planning of operational execution of trains and ports, as well as terminal operations. TFR has strengthened relationships with cross-border railway administrations, logistics service providers, and customers through the JOCs, which resulted in improved volume growth. Transnet Freight Rail contributes to the corridor approach for Maputo2, North/South3, and East/West4 corridors, and fulfills a central role in the JOCs situated in Zimbabwe, Mozambique, and Botswana.

Looking ahead

- The newly established Postmasburg common user facility (CUF), which provides loading capability and rail access to junior and emerging iron ore miners began operating in January 2017, and the first train from Masburg via the Saldanha export iron ore channel departed on 15 March 2017. The CUF will enable the loading of up to 2mt of iron ore per annum in the next financial year.
- Developing and implementing marketing strategies, pricing and contracting models to grow identified customers in the General Freight Business segment.
- Continued development of bi-modal technologies.
- Roll-out of digital support tools, marketing tools, and logistics skills to enhance customer value propositions – with a specific focus on container growth.
- Implementing new operating models for terminals and repositioning identified terminals by awarding Terminal Operator Licences.
- Deploying new car wagons to automotive flows and pursuing opportunities with car manufacturers.
- Collaboration with Eskom to increase coal volumes from mines to power stations.
- Continue implementing and building on integrated planning, maintenance and safety plans through JOCs with neighbouring countries.

---

2 South Africa, Swaziland, Mozambique.
3 South Africa, Zimbabwe, Zambia, Democratic Republic of Congo, Tanzania.
4 South Africa, Namibia, Botswana, Lesotho.
Transnet Freight Rail’s (TFRs) permanent employee headcount as at 31 March 2017 was 27 679 (target: 29 570). The headcount was lower than budgeted largely due to natural attrition and lower levels of recruitment in cost-saving measures.

The target for employment equity was exceeded. Black employees represented 87% of the total employee base (target: 84%).

Female employees represented 28.3% of the total employee base (target: 40%).

People with disabilities represented 2.6% of the total employee base (target: 3%).

New recruitment, when budget allows, will continue to address targets for female and disabled employees.

### Human capital

Transnet Freight Rail's (TFRs) permanent employee headcount

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29 092</td>
<td>29 570</td>
<td>27 679</td>
</tr>
</tbody>
</table>

Variance 4.9% ↓

**Key**
- ↑ Improvement on prior year performance
- ↓ Decline on prior year performance
- = Equivalent performance to prior year
- 🟩 Target achieved
- 🟢 Target partially achieved
- 🟠 Target not achieved
In the year under review, Freight Rail continued to implement the findings of the 2015 Culture Charter Scoring survey. TFR achieved the highest Culture (80.6%) and Engagement (83.2%) scores of all Transnet divisions. Freight Rail focused on strengthening the Rewards & Recognition Programme and embedding inspirational leadership initiatives.

The Dignity & Respect Programme was also enhanced. This mainly involved implementing Diversity Dialogue sessions across the country, to further enhance the iBelong culture. More than 3 000 employees have participated in Diversity sessions thus far, and the implementation of this programme will continue to be prioritised in the coming financial year.

Training in TFR was delivered in accordance with the cost-saving directive at the Division, resulting in 1.9% training spend against a target of 2.5% of personnel cost. Training undertaken focused on critical and essential operating programmes.

- A total of 362 sector-specific training interventions were conducted against a target of 290, which is 24.8% higher than projected.
- A total of 146 employees graduated from the Rail Operations Management programmes (certificates, diplomas, and degrees) offered by the Glasgow Caledonian University in collaboration with the University of Johannesburg.
- A total of 1 650 learners were sponsored on the Rail Cadet programme and 40 learners enrolled for the MMC and Coal Learnership programmes.
- The implementation of training in support of strategy included:
  - Customer Awareness Training with 4 616 participants;
  - Lean Six Sigma 1 786, O2E 486, and
  - Rubber-Wheels Training 620 (professional drivers and others).
- Thirty-nine high potential employees qualified for Higher Certificates in Management training as part of the Rising Stars programme.
- A total of 54 managers (middle, senior, and executive) in key and top talent clusters completed the Chief Executive Talent Nurturing Programme to ensure a sustainable pool of leaders.
- The School of Rail initiated and launched the Rail Occurrence Investigation Programme (ROIP) in partnership with the University of Pretoria on 23 March 2017.
- The School of Rail ushered in a state-of-the-art online learning assessment tool for critical skills grades.
- The School of Rail received 2016 Team of the Year runner-up award (second position) from the Institute for People Management (IPM) at the Excellence Award Ceremony.
Health and safety

A 10% improvement for all safety incidents was recorded in the 2017 financial year, during which key recommendations were implemented to embed a sustainable safety culture through:

- Supervisory training, coaching and development for safety-critical and safety related grades.
- Implementation of the Human Factor (HF) standard (SANS 3000-4)\(^7\).
- The division further embedded its safety culture through the implementation of Roadmap to Safety (R2S)\(^8\) interventions, including:
  - Competence management: training for supervisors, simulation training for train crews and Train Control Officers (TCOs), ongoing on-the-job training for train drivers, introduction of Continuous Professional Learning (CPL).
  - Rail hazard management: completion of risk assessments, implementation of the Annual Safety Improvement Plan (ASIP).
  - Process control: fault management, SAP asset configuration, SAP planning and supervision and compliance process improvement.
  - Occurrence investigation process: continuation of train accident prevention training for investigators and development of training modules with the University of Pretoria.
- The implementation of OHSAS 18001\(^9\) in Containers and Automotive and Coal business units for certification, to support the Integrated Management System.
- Roll-out of effective Safety Rewards and Recognition programme.

Looking ahead

- Embed Productivity 2020 programmes for improved productivity, utilisation and efficiency.
- Develop and implement an operational performance framework to drive productive operational behaviour.
- Implement the Time and Attendance system.
- Develop skills and leadership capabilities through the following:
  - Apprentice Programme;
  - Rail Operations Management Programme;
  - Customer Service Training programmes; and
  - Coaching and Mentorship Programme.
- Promote the development of skills and competencies in the infrastructure environment through Engineer-in-Training, Technician-in-Training and Engineering empowerment programmes.

\(^7\) SANS 3000-4 is the South African National Standard for Human factors management which focuses on ensuring an ergonomically designed workplace, with tools and equipment matched to human anthropometric, physiological and biomechanical dimensions. This part of SANS 3000 uses the term HF and focuses on the management of the following human aspects to ensure safe railway operations: a) human factors in design, b) physical environmental factors, and c) organizational and psychological factors. The purpose of HF management is to reduce occurrences attributable to human error, by optimizing human capital, and by mitigating the risks associated with HF in the workplace to acceptable levels.

\(^8\) This intervention views safety management in an integrated manner to ensure a Safe railway operation. A key objective of the programme is to demonstrate that a change in attitude towards safety requirements can penetrate the entire organisation by a growing, sustainable safety mind-set.

\(^9\) Occupational health and safety management systems
Effective Enterprise Risk Management (ERM) plays a critical role in ensuring the successful transformation of Transnet into a focused, high-performance Rail, Port and Pipelines Business.

### Freight Rail’s top 5 risks and key mitigating activities

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Mitigating actions</th>
</tr>
</thead>
</table>
| **1. Financial sustainability risk:** Inability to generate sufficient cash to fund the Capital Programme and meet financial obligations | • Ensure benefits are tracked and realised from the diversified revenue initiatives  
• Evaluate obsolete inventory for disposal and design - implement new controls to mitigate risks in Inventory Recording Processes  
• Drive the Rehabilitation and Construction (RME) function’s return to profitability  
• Ongoing reviews of procurement files to identify “cover quoting” as part of the approved Fraud Risk Management Plan (FRM)  
• Risk testing of TFR Budget Projects, including identifying all Budget Risks. Identify action items and track the implementation of mitigating initiatives. |
| **2. Volumes risk:** Inability to achieve TFR volume targets | • Utilise the Crew Management System (CMS) across Business Units and Channels and quarterly performance tracking of System utilisation at Operations Forums  
• Perform quarterly do-ability analysis according to the IBDP process  
• Procure and implement the Long Term Planning Tool encapsulating Scheduling and Service Design to improve planning and scheduling  
• Formulate and execute a Maintenance Plan including OPEX, COPEX and sustaining CAPEX to ensure volume achievement in strategic areas  
• Implement refining phases of Channel operations philosophy to improve end-to-end flows of freight, and develop operating model alternatives to address performance deviations |
| **3. ICT risk:** Inability to Support MDS Volume Growth with existing ICT Information Assets | • Update versions of company software and perform intrusion tests to prevent a breach of Security Systems that could compromise the confidentiality, integrity or availability of Information Systems and data.  
• Embed best practice Architecture requirements into ICT Process, quality Gate Reviews and enforce relevant Architecture quality gates and adherence to Standards  
• Adopt the Control Objectives for Information and related Technologies (COBIT) Framework |
| **4. Capital program risk:** Inability to execute the entire Capital Program with R120,8 billion for the period starting 2017/18 - budget for the seven-year MDS period reduced, due to economic downturn | • Establish Technology Management (TM) laboratories to acquire SANAS Accreditation  
• Develop and implement Technology Management to define Quality Assurance Processes for Perway material  
• Confirm the (revised) deployment plan and determine the auxiliaries and peripherals of the 1064 locomotives to avoid recalling of locomotives once released  
• Ensure the Budget is approved for Operational Readiness and Change Management  
• Conduct the Financial Interim Report (FIR) for all deferred Projects |
| **5. Market growth risk:** Inability to sustain and attract volumes | • Broaden Commodity Report and Market Research Studies subscriptions  
• Develop a Business case for an increased Research budget, to allow for commissioning of Market Research Studies  
• Implement the audited Integrated Business Demand Planning (IBDP) process to review the Demand File on a quarterly basis |
Opportunities

- TFR will be investigating strategic options for growing volumes in the fruit industry and fast-moving consumer goods and consumer goods markets.
- Attract customers by refining value propositions, implementing operating models and consolidation hubs and value propositions.
- Implement a single view monitoring system for all yards and customer sidings.
- Create greater capacity for container volume growth by developing the Kings Rest rail stacking yard and linking it to the port by road.
- With respect to regional integration, TFR is developing business cases for the development and approval of proposals for training facilities in Zambia and Maputo.
# Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIP</td>
<td>Annual Safety Improvement Plan</td>
</tr>
<tr>
<td>CAPEX</td>
<td>Capital expenditure</td>
</tr>
<tr>
<td>CMS</td>
<td>Crew Management System</td>
</tr>
<tr>
<td>COBIT</td>
<td>Control Objectives for Information and related Technologies</td>
</tr>
<tr>
<td>COPEX</td>
<td>Operational expenditure which is capitalised</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CPL</td>
<td>Continuous Professional Learning</td>
</tr>
<tr>
<td>CUF</td>
<td>Common user facility</td>
</tr>
<tr>
<td>CWIP</td>
<td>Capital work in progress</td>
</tr>
<tr>
<td>DPE</td>
<td>Department of Public Enterprises</td>
</tr>
<tr>
<td>DIFR</td>
<td>Disabling injury frequency rate</td>
</tr>
<tr>
<td>DOT</td>
<td>Department of Transport</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, taxation, depreciation and amortisation</td>
</tr>
<tr>
<td>ERM</td>
<td>Enterprise Risk Management</td>
</tr>
<tr>
<td>FIR</td>
<td>Financial Interim Report</td>
</tr>
<tr>
<td>FMCG</td>
<td>Fast-moving consumer goods</td>
</tr>
<tr>
<td>FRM</td>
<td>Fraud Risk Management</td>
</tr>
<tr>
<td>GC</td>
<td>General Counsel</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>GFB</td>
<td>General Freight Business</td>
</tr>
<tr>
<td>GTK/Gtkm</td>
<td>Gross ton kilometer</td>
</tr>
<tr>
<td>HF</td>
<td>Human Factor</td>
</tr>
<tr>
<td>IBDP</td>
<td>Integrated Business Demand Planning</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IPM</td>
<td>Institute for People Management</td>
</tr>
<tr>
<td>JOOC</td>
<td>Joint Operations Centre</td>
</tr>
<tr>
<td>MDS</td>
<td>Market Demand Strategy</td>
</tr>
<tr>
<td>MMC</td>
<td>Mineral Mining and Chrome</td>
</tr>
<tr>
<td>mt</td>
<td>Million tons</td>
</tr>
<tr>
<td>mtpa</td>
<td>Million tons per annum</td>
</tr>
<tr>
<td>Ntkm</td>
<td>Net ton kilometer</td>
</tr>
<tr>
<td>OPEX</td>
<td>Operational expenditure</td>
</tr>
<tr>
<td>POW</td>
<td>Performance of Wagons</td>
</tr>
<tr>
<td>RBCT</td>
<td>Richards Bay Coal Terminal</td>
</tr>
<tr>
<td>RME</td>
<td>Rehabilitation, Maintenance and Emergency services</td>
</tr>
<tr>
<td>ROIP</td>
<td>Rail Occurrence Investigation Programme</td>
</tr>
<tr>
<td>ROTA</td>
<td>Return on total average assets</td>
</tr>
<tr>
<td>SANAS</td>
<td>South African National Accreditation System</td>
</tr>
<tr>
<td>SANS</td>
<td>South African National Standard</td>
</tr>
<tr>
<td>STER</td>
<td>Single Transport Economic Regulator</td>
</tr>
<tr>
<td>TCO</td>
<td>Train Control Officers</td>
</tr>
<tr>
<td>TFR</td>
<td>Transnet Freight Rail</td>
</tr>
<tr>
<td>TM</td>
<td>Technology Management</td>
</tr>
</tbody>
</table>
CORPORATE INFORMATION

Transnet SOC Ltd
47th Floor, Carlton Centre
150 Commissioner Street
Johannesburg
2001

Incorporated in the Republic of South Africa.
Registration number 1990/000900/30

Executive directors
SI Gama (Group Chief Executive)
GJ Pita (Chief Financial Officer)

Independent non-executive directors
LC Mabaso (Chairperson), Y Forbes, GJ Mahlalela, PEB Mathekga,
ZA Nagdee, VM Nkonyane, SD Shane, BG Stagman

Group Company Secretary
NE Khumalo
47th Floor, Carlton Centre
150 Commissioner Street
Johannesburg
2001

P O Box 72501
Parkview
2122
South Africa

Auditors
SizweNtsalubaGobodo Inc.
20 Morris Street East
Woodmead
Johannesburg
2191

The Internal Audit function has been outsourced to
SekelaXabiso (Pty) Ltd, Nkonki Inc. and KPMG Services (Pty) Ltd

SekelaXabiso (Pty) Ltd
1st Floor, Building 22B
The Woodlands Office Park
20 Woodlands Drive
Woodmead
Johannesburg

Nkonki Inc.
3 Simba Road
Sunninghill
Johannesburg

KPMG Services (Pty) Ltd
85 Empire Road
Parktown
Johannesburg

REPORTING FORMATS

Available in print format and full HTML report

Available online in PDF format

The 2017 Integrated Report is the Company’s primary report to all stakeholders.

The 2017 Annual Financial Statements include reports of the directors and independent auditors.

The 2017 Sustainability Report documents Transnet’s sustainability performance in greater detail.

FORWARD-LOOKING INFORMATION

All references to forward-looking information and targets in the 2017 reports are extracted from the 2018 Transnet Corporate Plan approved by the Board of Directors.


FEEDBACK ON THIS REPORT

We welcome feedback on our Freight Rail Operating Division Report to ensure that we continue to disclose information that is pertinent to all our stakeholders.