
TRANSNET
South Africa's
custodian of rail,
ports and pipelines

Transnet is the South African national logistics infrastructure custodian, providing a port, rail and pipeline system that:

Assists in lowering the cost of doing business in South Africa;

Enables economic growth; and

Ensures security of supply by providing appropriate infrastructure in a cost-effective and efficient manner, within acceptable benchmarks.

Through its 6 operating divisions - Engineering, Freight Rail, Port Terminals, National Ports Authority, Pipelines and Property, Transnet delivers an integrated bulk freight transportation system.

1. engineering	2. freight rail	3. port terminals
4. national ports authority	5. pipeline	6. property

TRANSNET AT A GLANCE

50 015
employees, providing cargo handling services to a wide range of customers

1 610
locomotives

61 444
wagons operating

30 400km
railway track (general freight & two heavy haul lines)

8
commercial ports

2 798km
coastline

16
port terminals operating across 7 South African ports (excl. Mossel Bay)

3 800km
of pipelines securing the supply of petroleum products to the hinterland

132
engineering depots & 11 engineering yards manufacturing, maintaining, converting, repairing and upgrading rolling stock, equipment and machines

R29.1bn
investment property portfolio over and above operational properties

The company's performance year-to-date has been below expectations as a result of a number of factors hindering operations.

The organisation is implementing its Growth and Renewal Strategy, which aims to reposition the business, focus on key commodity segments and bring in partners where this makes sense for the business.

GROUP EXCO

Portia Derby
Group Chief Executive

Sayeeda Khan
Chief Audit Executive

Jabulani Mdaki
CE: Transnet Port Terminals

Sizakele Mzimela
CE: Transnet Freight Rail

Pepi Silinga
CE: Transnet National Ports Authority

Kapei Phahlamohlaka
CE: Transnet Property

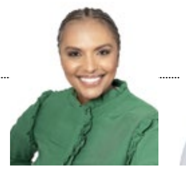
Michelle Phillips
CE: Transnet Pipelines

Rob Mills
CE: Transnet Engineering

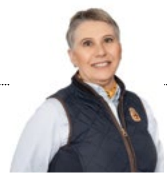
Nonkululeko Dlamini
Group Chief Financial Officer

Vuledzani Nemukula
Chief Procurement Officer

Itumeleng Matsheka
Chief of People and Learning



Yolisa Kani
Chief Business Development Officer



Sandra Coetzee
Chief Legal Officer

Andrew Shaw
Chief Strategy and Planning Officer

Hema Chetty
Chief Digital Officer

Andre Pillay
Group Treasurer

Pandelani Munyai
Chief Information Officer

OUR VALUE PROPOSITION

Value for the economy

- Cut down on the total costs of logistics as a proportion of transportable gross domestic product (GDP).
- Maximise the contribution of rail transportation to the overall national transportation task in order to facilitate and quicken the process of mode transfer.
- Utilise the resources of the private sector to assist in the delivery of both infrastructure and operational services.
- Integrate the South African economy with economies in both the region and the rest of the world.
- Enhance the positive social and economic effects of any and all interventions that are undertaken toward the fulfilment of these goals.
- Ensure continued expansion of commercial activities and financial viability.

Value for financial partners

- A strong balance sheet and the ability to generate cash flow to support further investment for continued financial stability.
- A strong ESG record through both targeted investment in ESG projects and ensuring sustainable socio-economic and environmental outcomes of our commercial activities.
- Exceptional expertise in our core sectors of rail, ports and pipelines, with strong growth potential in regional markets across all modes.
- A funding strategy based on the strategic priorities of our segmental Growth and Renewal Strategy.
- A business model that promotes strategic value for large burgeoning markets by reducing the cost of regional logistics infrastructure and ensuring a secure product supply.
- A reliable and credible borrower which issues debt on the strength of its financial position without government guarantees.

Value for domestic and regional customers

- Strive to continue delivering customer volumes that are both reliable and predictable.
- Innovations in business centered on the customer.
- Full value chain service propositions.
- Product and service configurations that are customized to each market segment.
- Integrated cross-operating divisional customer support, spanning the whole logistical value chain and the lifecycle of requirements.
- Digital transformation across the entire value chain.

Value for suppliers and service providers

- An ethical and transparent procurement process.
- Fair and equitable tender processes.
- Fair, transparent and efficient contract management.
- A proactive and collaborative approach to local supplier development.

Value for our shareholder

- The Growth and Renewal Strategy will contribute to broad industrial development within South Africa's key commodity segments, thereby supporting post-COVID economic growth.
- Sustained financial returns and broad socioeconomic value.
- Regulatory compliance, accountable business practices, ethical leadership and responsible corporate citizenship.
- Investment priorities closely aligned with Government's infrastructure programme

OPERATING DIVISION OVERVIEW

freight rail

Operates and maintains one of the top 10 freight railroads in the world and the largest in Africa. A rail network with 31 400 track kilometers carries a variety of bulk general freight commodities as well as containerised freight, including export coal, iron ore and manganese.

Operates the famed, award-winning, luxury Blue Train.

Rail corridor throughout South Africa

□ 23 465
△ 2 254
◎ 25 719
68% 32% 2,5%

R37,8bn

engineering

Core competencies in the areas of research, design, testing, manufacture, remanufacturing, assembly, and maintenance of railway rolling stock, including but not limited to locomotives, freight wagons, passenger coaches and port equipment.

We are an independent OEM in Africa that specialises in the production of wagons.

Bloemfontein
Durban
Germiston
Koedoespoort
Salt River
Uitenhage

□ 8 442
△ 95
◎ 8 537
73% 27% 1,9%

R8,9bn

national ports authority

Transnet is the ports landlord responsible for the secure, productive and economic functioning of the national ports system, and supervises, controls, and administers the system on behalf of the state.

Maintains port infrastructure, regulates land use inside the port, assists with the navigation of vessels within the port limits and along the entire South African coastline, and offers services linked to maritime activities.

Cape Town
East London
Ngqura
Richards Bay
Durban
Mossel Bay
Port Elizabeth
Saldanha

□ 3 883
△ 10
◎ 3 893
62% 38% 1,5%

R12,5bn

port terminals

Operates 16 terminals with 68 berths across seven ports along the South African coastline.

Enables the efficient flow of imports, exports and transshipments through its cargo terminals, ensuring year-round economic connectivity with regional and international trade partners.

Provides cargo-handling services to a wide spectrum of customers (e.g. shipping lines, freight forwarders and

Cape Town
East London
Ngqura
Richards Bay
Durban
Port Elizabeth
Saldanha

□ 7 596
△ 1 381
◎ 8 977
68% 32% 1,6%

R14,5bn

pipeline

Transnet is the largest operator of multi-product pipelines in southern Africa, transporting liquid petroleum and methane-rich gas through a network of 3 800 km of pipeline infrastructure.

Transnet transports more than 70% of all refined products destined for the inland market, thereby guaranteeing the uninterrupted supply of goods to that sector of the economy.

Durban
Johannesburg

□ 612
△ 13
◎ 625
62% 38% 2,1%

R5,3bn

property

Transnet manages total assets of R7,5 billion, including a portfolio of commercial and residential properties, comprising offices, warehouses and retail buildings, and vacant land.

Transnet provides specialised real estate services to our Operating Divisions and Corporate Centre, with competencies in strategic asset management as well as property development and management.

Durban
Johannesburg

□ 641
△ 25
◎ 666
53% 47% 3,2%

R5,7bn

□ Permanent △ Fixed-term contract ◎ Total headcount

*Data as per 31 March 2022

INVESTING IN OUR MAJOR VALUE CHAINS

Through its Growth and Renewal strategy Transnet aims to bring in investments from industry partners from major commodity sectors we serve.

These sectors contribute for 80% of Transnet's revenue and include:

- Automotive
- Containers
- Coal
- Chrome and Magnetite
- Iron Ore
- Manganese
- Fuel and Energy
- Agriculture

INVESTING IN THE MINING SECTOR

The mining sector is core to South Africa's economy, it accounts for just over 60% of total exports, employs more than 450 000 people and is the economic anchor of many communities around the country.

To Transnet's revenue, it contributes 61% and it is key to demonstrate that we are enabling the growth and the development of mining sector as it is directly dependent on logistics and trade.

01.

Open up new opportunities for junior miners in the sector, with the Port of Ngqura being set to become a world-class bulk manganese export terminal.

Partner-driven development of a new world-class bulk export solution at the Port of Ngqura will see growth of the export terminal and complementary rail infrastructure.

02.

Improve the coal value chain for South African coal exporters, so that they can benefit from economies of scale and more reliable and efficient logistics transport services

Coal operations capacity to expand from 77mtpa to 81mtpa.

03.

Improve efficiencies in the supply chain and lower chrome and magnetite export costs

Expand Richards Bay Port capacity to 26mtpa, and Maputo Port to over 11mtpa.

BUSINESS DIVISION CONTACTS

FREIGHT RAIL		
Mr Russell Baatjies Managing Executive: Capecor.	083 324 9722	russell.baatjies@transnet.net
Mrs Thozama Mokoena Managing Executive: NorthEastcor.	083 727 4799	thozama.mokoena@transnet.net
Mr Rudzani Ligege Managing Executive: Containercor.	083 407 1178	rudzani.ligege@transnet.net
Mr Mashudu Makatu Managing Executive: Central Corridor.	083 258 2113	mashudu.makatu@transnet.net
Mr Ali Motala Managing Executive: Northcor.	083 283 3647	ali.motala@transnet.net
Mr Theo Johnson Managing Executive: Orecor.	083 389 3624	theo.johnson@transnet.net
NATIONAL PORTS AUTHORITY		
Mr Moshe Motlohi Managing Executive: Eastern Region.	083 288 8908	moshe.motlohi@transnet.net
Mr Siyabulela Mhlaluka Managing Executive: Central Region	083 282 9790	siyabulela.mhlaluka@transnet.net
Advocate Phyllis Difeto Managing Executive: Western Region	083 281 0483	phyllis.difeto@transnet.net
PORT TERMINALS		
Mr Kwazi Mabaso Managing Executive: Richards Bay	083 823 8711	kwazi.mabaso@transnet.net
Mr Earle Peters Managing Executive: Durban	083 462 1079	earle.peters@transnet.net
Ms Wandisa Vazi Managing Executive: Eastern Cape Terminals	071 889 8429	wandisa.vazi@transnet.net
Ms Andiswa Dlanga Managing Executive: Western Cape Terminals	083 368 9779	andiswa.dlanga@transnet.net

CORPORATE CONTACTS

Tel: +27 11 308 3000
Email: enquiries@transnet.net

Physical Address
138 Eloff Street
Braamfontein
JOHANNESBURG
2000

Group Business Development
Fadzai Nyamasve
fadzai.nyamasve@transnet.net
066 587 2337
+27 11 351 9001

National Ports Authority
+27 11 351 9001

Port Terminals
+27 31 308 8300

Freight Rail
+27 11 774 4944

Engineering
+27 12 391 1301

Pipelines
+27 31 361 1300

Property
+ 27 11 308 3000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