Transnet is a custodian of ports, rail and pipelines.

**Rail**
- Owns & Operates 20,500 km track, including 1,500 km dedicated heavy haul
- Supports TFR with rolling stock maintenance

**Ports**
- Is landlord to 8 commercial Ports around the South African coastline
- 16 cargo terminal operations across South African Ports

**Pipelines**
- 3,800 km of pipeline capacity for petroleum and gas products

**Specialist Units**
- Transnet Capital Projects
- Transnet Property
- Transnet Foundation
Port and Rail network

Port Infrastructure
- 8 commercial ports
- Complementary grouping into west, central and eastern region
- Older ports reaching capacity
- Potential for growth at newer ports
  - 18 container berths
  - 5 automotive terminals
  - 27 dry bulk berths
  - 37 break bulk berths
  - 16 liquid bulk berths

Rail Infrastructure
- 20,953 route km
- Core network: 12,801 route km
- Network Electrification:
  - 50kV AC (861 km)
  - 25 kV AC (2309 km)
  - 3kV DC (4935 km)
  - Diesel (11,974 km)
- Axle loading:
  - Main lines at 22t / axle
  - Coal & ore lines 30t / axle (coal line operated at 26 t / axle)
TRANSNET OFFERS DIVERSIFIED PORT SERVICES IN SOUTH AFRICA AND CAN SUPPORT REGIONAL NEEDS THROUGH WORKING JOINTLY

<table>
<thead>
<tr>
<th>Commodities</th>
<th>Saldanha</th>
<th>Cape Town</th>
<th>Port Elizabeth</th>
<th>Ngqura</th>
<th>East London</th>
<th>Durban</th>
<th>Richards Bay</th>
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<tbody>
<tr>
<td>Containers</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Break bulk</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
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<td>✗</td>
</tr>
<tr>
<td>Bulk</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Cars</td>
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<tr>
<td>Liquid bulk</td>
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<td></td>
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</tr>
</tbody>
</table>

* footprint, (×) joint venture

Source: Transnet Port Terminals
**Pipeline Infrastructure**

**Crude Oil Pipeline**
- Length: 580 km
- Design cap = 6.8 Blpa
- Current cap = 5.2 Blpa

**Refined Fuels Pipeline**
- Length: 725 km + ±1000km network
- Design cap = 3.5 Blpa
- Current cap = 4.3 Blpa

**Aviation Turbine Fuel Pipeline**
- Length: 94 km
- Design cap = 1.2 Blpa
- Current cap = 1.1 Blpa

**Methane-rich Gas Pipeline**
- Length: ±570km
- Design cap = 23m GJ pa
- Current cap = 17m GJ pa

**Source:** Transnet Pipelines
Summary of capital investment

Seven-year capital investment (R billion)

2006: 6,6
2007: 11,7
2008: 15,8
2009: 19,4
2010: 18,4
2011: 21,5
2012: 22,3

+3.7%

Capital investment by operating segment

- Rail and other: 65%
- Ports: 20%
- Pipeline: 15%

Capital investment by commodity

- Expansion R11,6 billion
- Maintenance R10,7 billion

- Coal: 46%
- Ore: 8%
- GFB: 12%
- Containers: 8%
- Bulk: 20%
- Break-bulk: 3%
- Piped products: 1%
- Other*: 2%

* Other includes investments in non-commodity specific assets such as tugs and dredgers which support all commodities.
MDS will enable growth in key commodities and will position South Africa globally as:

...a key thermal coal exporter

...an increasingly important 4th largest supplier of iron ore to China

...the leading manganese exporter globally

...the leading logistics hub for sub-Saharan Africa

...a globally recognised benchmark for container and heavy haul operations
MDS will position South Africa as the integrated hub into sub-Saharan Africa

**South Africa’s commitment**

“As regional leaders, we carry a particular responsibility to serve as champions in driving industrial and infrastructure development both at the regional and continental levels.”

– President Jacob Zuma, June 13, 2011

**Regional integration potential**

<table>
<thead>
<tr>
<th>Region</th>
<th>% intra-regional trade of total trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>12</td>
</tr>
<tr>
<td>America</td>
<td>67</td>
</tr>
<tr>
<td>Europe</td>
<td>79</td>
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<tr>
<td>Asia</td>
<td>87</td>
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</tbody>
</table>

**Transnet’s Africa strategy initiatives in progress**

**Rail**
- Export of wagons, locomotives and rail maintenance services
- Growth of the Maputo & other Corridors
- Increase logistics collaboration with African countries

**Ports**
- Promote SA as a regional trans-shipment hub (Port of Ngqura)

**Pipelines**
- Technical advisory and training

**Other**
- Provision of advisory services
- Develop the North-South corridor
- Position SA as a skills development hub for the rest of Africa
These mineral resources require transport solutions and equipment...

Relatively under-explored and under-exploited with South Africa being the exception

Route to market is the key issue for all commodities and beneficiated product. Precious metals, PGM and copper can survive on road.

Bulk commodities such as iron ore, coal and manganese can generally only be economically moved by rail

(1) Major known mineral resources
Source: Standard Bank, Raw Materials Group
*Investments in Gas, Crude and Product Pipelines are increasing in Africa*

**Pipeline Construction in 2011 and beyond**

### Table 2

<table>
<thead>
<tr>
<th>Area</th>
<th>4-10 in.</th>
<th>12-20 in.</th>
<th>22-30 in.</th>
<th>30+ in.</th>
<th>Total</th>
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<td>2,039</td>
<td>5,574</td>
<td>26,897</td>
<td>35,120</td>
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<tr>
<td><strong>Total gas</strong></td>
<td>610</td>
<td>2,039</td>
<td>5,574</td>
<td>26,897</td>
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<td><strong>PRODUCT PIPELINES</strong></td>
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<td>Africa</td>
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<td>—</td>
<td>112</td>
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<td><strong>Total product</strong></td>
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<tr>
<td>Product</td>
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<td>3,486</td>
<td>—</td>
<td>112</td>
<td>4,450</td>
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<td><strong>Total</strong></td>
<td>836</td>
<td>5,796</td>
<td>6,929</td>
<td>33,756</td>
<td>47,317</td>
</tr>
</tbody>
</table>

*Projects under way at the start of or set to begin in 2011 and be completed in 2012 or later. Includes some probable major projects whose installation will begin in 2012 or later.*

*Regions east of the Ural Mountains and south of the Caucasus Mountains, excluding the Middle East. *Regions west of the Ural Mountains and north of the Caucasus Mountains.

Source: OGJ, Feb 2011
CAPACITY IN AFRICAN PORTS ARE STILL LAGGING –
DBSA AND TRANSNET CAN WORK JOINTLY TO UNDERSTAND NEEDS

Major Sub-Saharan African ports

* As per 5-yr plan until 2011
** Announced capacity expansion until 2015

Source: Dynamar; press search; Mauritius Shipping and Port Conference Presentation 2008; UN Comtrade Data; www.ports.co.za; DP World website
Transnet can assist in building institutional capacity in the region in the following areas:

**Supply of Locomotives, wagons and coaches**
- Needs analysis
- Feasibility studies jointly with DTI, DBSA
- Manufacturing of locomotives

**Technical Advisory**
- Market analysis
- Port and Rail planning
- Operational diagnostics and performance improvement
- Port IT systems (GCOS)
- Port Operations

**Maintenance of Port and Rail equipment**
- Provision of training
- Working with local railways or local companies

**Training**
- Port Operations training (Cranes, RTG’s)
- Maritime training (Pilots, Tug Masters)
Thank you and questions