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Transnet Inputs to the Cato Ridge Development Indaba

25 August 2014

20 YEARS OF FREEDOM

The Basic Concept

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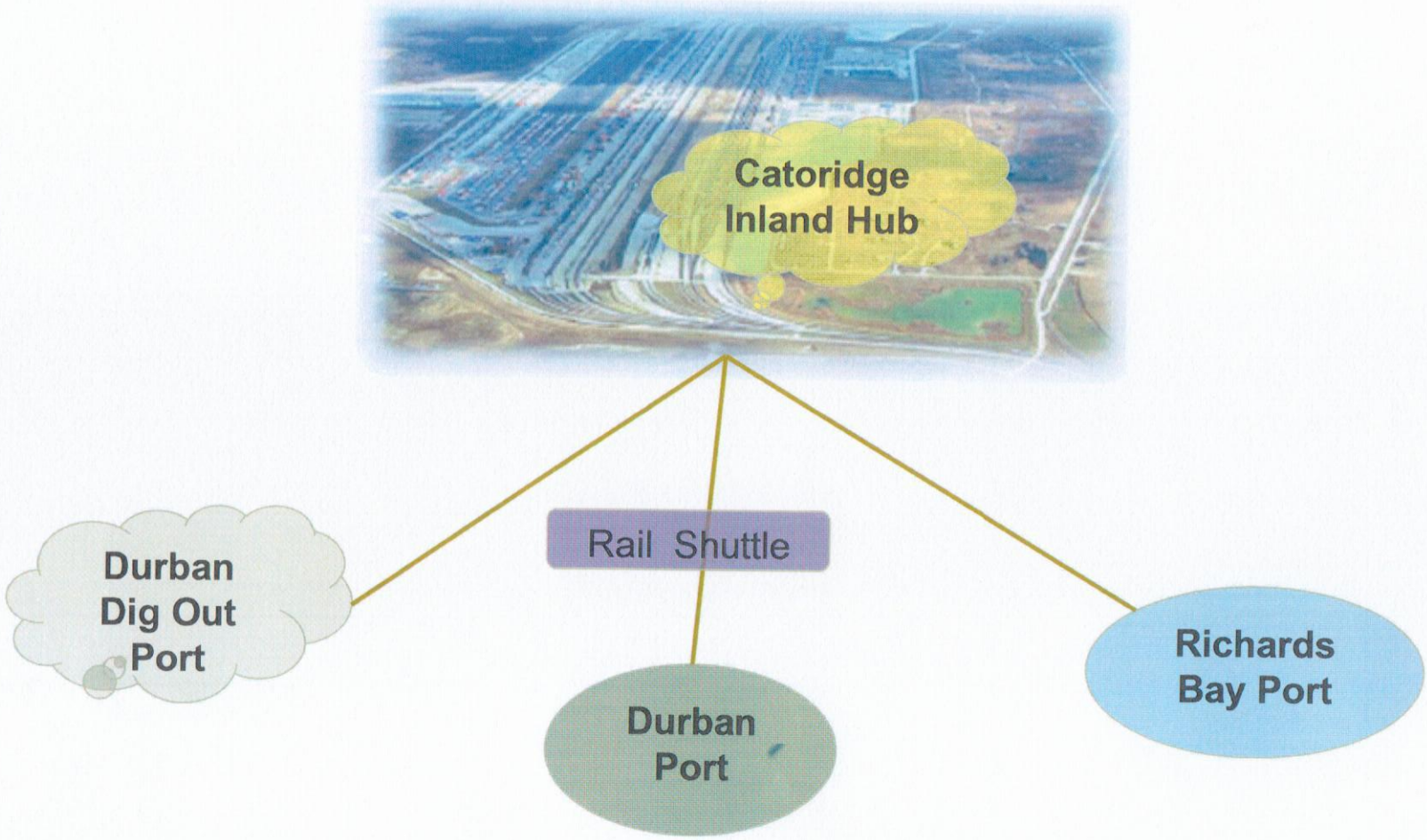
Include Picture/Diagram of the Concept like the one below



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Cato Ridge Inland Hub Benefits

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- Streamline and decongest the logistics for 3 Ports – R/bay, Durban Port and New Dig Out Port
- Reduce pressure on expensive Port infrastructure and technology
- Road to Rail – decongest road, improve road safety, reduce carbon emissions
- Develop larger and well-located distribution and logistics facilities
- Reduce land costs and lease rates for logistic service providers

Cato Ridge Fundamentals

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1. Transnet limited land – develop terminal as catalyst for logistics Hub

2. Create mass by attracting cargo principals and operators

3. Focused Markets

   i. Mining Products
      a) Bulk in bulktainers to R/bay and Durban
      b) Containerisation exports
      c) Blending and beneficiation

   ii. Automotive
      a) Evacuation from Port by rail for storage/distribution
      b) Lack of space in Port to support APDP
      c) OEM's focus on production require efficient logistics and value add services

Cato Ridge Fundamentals continued

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iii. Agriculture Products
   a) Agri-processing
   b) Fruit processing
   c) Live Stock processing

iv. Containerisation
   a) Decongestion of road and port
   b) Import & Export
   c) Empty Container Parks
      – Cleaning and repairs

v. Warehousing

iv. Light and heavy Manufacturing Industry

4. Social Considerations
   – Housing, Hospitals, Schools, etc

Land Ownership

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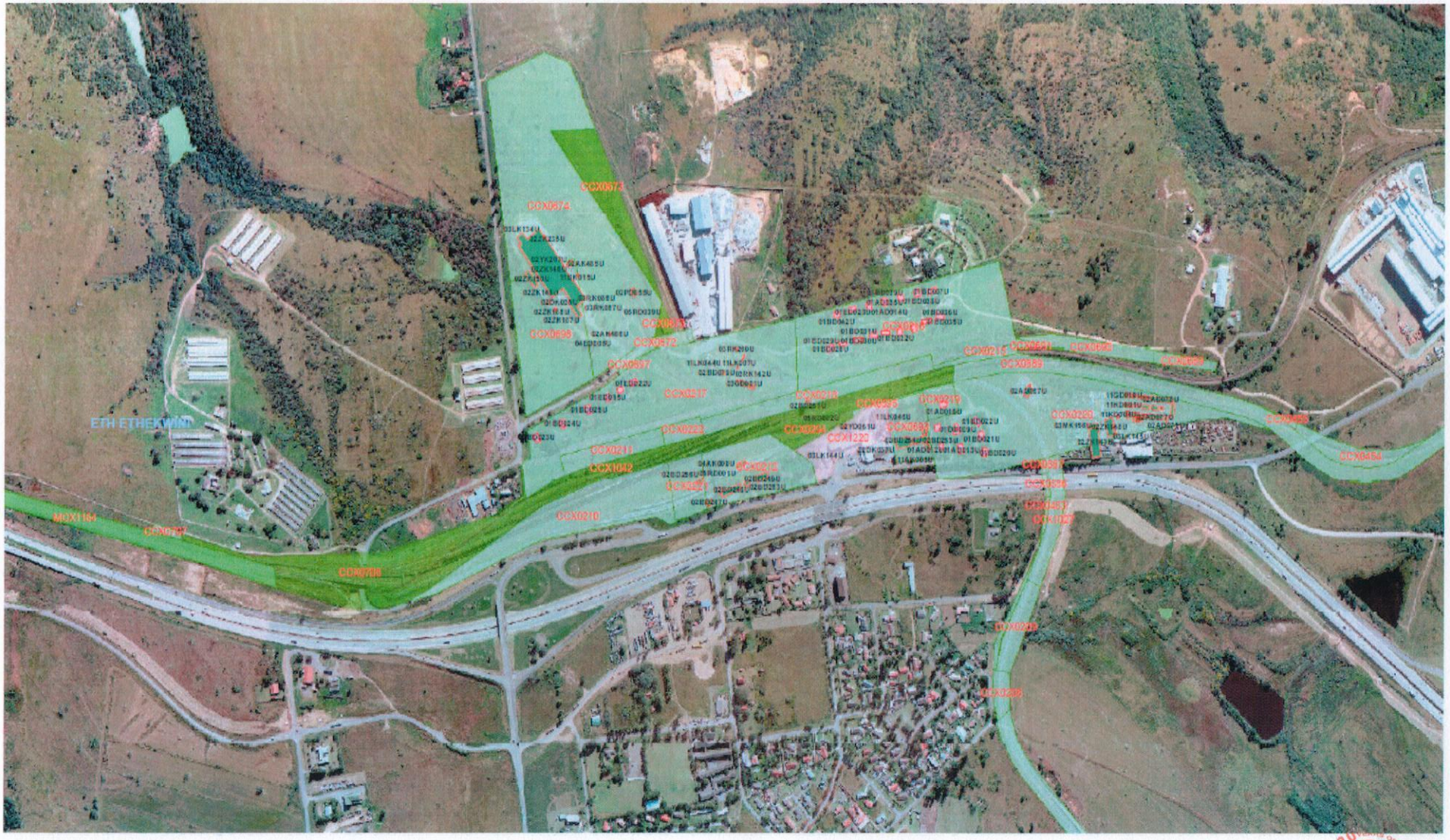

Proposed Layout of Cato Ridge Terminal

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Rail and Yard Capacity

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Rail capacity is a factor to be taken into account in conjunction with industry

- The Cato Ridge marshalling yard
  - 180 000 TEU's as is,
  - Through efficiency increase to 250 000 TEU's.
  - Industry demand required for capacity creation.
- The Natcor line
  - 2 to 3 yrs. - adequate capacity for shuttle to the coast but decreases with demand for long distance trains
  - By 2017 - shuttle capacity is bottleneck for the Cato Ridge terminal supply chain. This can be addressed by:
    - Upgrading and using the old Pinetown line for the shuttle service at a high capex and opex cost, not feasible topography and residential area
    - Building of the new freight bypass line approx. R30bil – 10yrs
    - Feasibility exercise required as to industry demand.
    - Option Metro services onto this line freeing the mainline for freight only.

Project Plan to FEL -3 and 4 stages

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Activity	Time Lines
1. Conceptual design FEL 1 and 2	Complete
2. Appointment of Engineers	September 2014
3. Engineering Studies	October 2014
• Terminal Layout design	
• Site Surveys	
• Geotech studies	
• Project costing	
3. Development Environmental Management	November 2014
4.Business Case	January 2015
5. Investment Committee Submission	February 2015
6. Contractor Appointment	May 2015
7. Terminal construction	July 2015

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Thank you