

MEDIA RELEASE

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TRANSNET BRINGS BIMODAL FREIGHT SOLUTIONS THROUGH RAILRUNNER SA PARTNERSHIP

Transnet is excited to announce collaboration with RailRunner South Africa (RRSA). Transnet and RRSA have signed an agreement on a bimodal rail service that will create an end-to-end supply chain solution.

This revolutionary technology will be implemented in Africa for the first time on the Transnet rail network operated by Transnet Freight Rail. A bimodal service will offer customers a complete logistics solution on road and rail. This collaboration puts Transnet at the forefront of ground-breaking technology in the South African and African Rail industries.

Transnet and RRSA intend to form a joint venture whose sole objective is to explore, develop, and execute an integrated rail/road door-to-door solution for the African market. This joint venture will be in the form of a registered entity, in which each of the parties will hold a 50% shareholding. The venture will be constituted in a manner that enables both parties to participate in the making of strategic and day-to-day decisions with regard to all of the joint venture's business.

The Cape (Cape to Gauteng) Corridor has been identified as a pilot route due to the flexibility and need for end-to-end solutions that this domestic market requires. This corridor integrates the long distance rail with the shorter first and last mile road legs that deliver cargo directly to a customer's doorstep.

In addition, a privately owned operating company trading as "RNS" will also explore, develop, and execute an integrated road to rail door to door solution for the African market. The shareholding of this entity will be advised once negotiations relating to this shareholding have been completed. RNS and Transnet's joint venture will compete in the market on an equal footing.

A number of local manufacturing companies, including Transnet Engineering, have been pre-qualified to manufacture the RailRunner bimodal units, and requests for quotations will be issued later this month.

In line with Transnet's Market Demand Strategy (MDS) this bimodal solution will realise Transnet's strategy to get rail friendly traffic off the road and onto rail.

The RailRunner® technology provides a unique logistics solution to South Africa's freight transportation infrastructure and gives the benefits of lower shipping costs for container, trailer, and food transporters. This revolutionary system also has reduced energy consumption which will ultimately reduce the carbon footprint of freight transportation.

This is not only a breakthrough for Transnet and the rail industry, but also for South Africa's domestic freight industry. This bimodal logistics solution will ultimately enhance the economic competitiveness and growth of freight rail transport in South Africa, potentially increase Transnet's market share within the domestic freight environment and further create job opportunities.

RailRunner uses bimodal technology that allows a RailRunner bespoke designed trailer to run over the road as well as rail. The RailRunner trailers and bogies are used to form a bimodal block train which can be connected to a standard locomotive for the terminal to terminal transport leg. RailRunner specialises in design, manufacture and supply of both bogies and bespoke trailers. The standardised containers handled by the RailRunner system can be interchanged between all modes of traditional intermodal transport, i.e. road, rail, and RoRo on ship.

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Issued by Transnet Freight Rail

For further information contact:

Sandile Simelane

Spokesperson: Transnet Freight Rail

Tel: 011- 544 9584

Cell: 083 703 4179

For further information from RailRunner contact:

Mike Daniel

CEO RailRunner South Africa (Pty) Ltd.

Tel: 011-462 0577

Cell: 082 888 4422