

TRANSNET, SUN INTERNATIONAL KICK-START PSP DRIVE WITH THE BLUE TRAIN

Transnet on Tuesday concluded an innovative partnership with Africa's largest tourism, leisure and gaming group Sun International, as the state-owned freight and logistics company accelerates its drive to include the private sector in its operations.

Transnet chose Sun International as the winning bidder to develop and implement a marketing strategy for The Blue Train, following an open and competitive bidding process in which it considered proposals from leading hotel and tourism operators.

Transnet retained The Blue Train as the only passenger service within its business in line with its commitment to the Train's iconic status. The company transferred all its passenger services to the Passenger Rail Agency of South Africa, a state-owned company under the Department of Transport between 2006 and 2008.

To adapt to growing competition, Transnet has decided to reposition the six-star luxury hotel on wheels at the centre of the global tourism market. In April this year, Transnet invited bidders to submit proposals to partner in developing and piloting a marketing strategy for The Blue Train for an initial period of up to eighteen (18) months.

Ultimately, the goal is to use the resultant strategy to support a business case to recapitalise The Blue Train, which may include building new state-of-the-art train sets. This may be done in partnership with private sector investors and operators who would contribute funding and the required skills to run an enterprise of this nature. This year, Transnet allocated The Blue Train two brand new electric locomotives. The current train set is almost 40 years old and has become too expensive to maintain and operate.

The major objective of the partnership is to exploit the global appeal of The Blue Train to enhance Sun International and South Africa Inc.'s tourism offering.

Speaking at the signing ceremony at The Blue Train lounge in Pretoria, Transnet acting Group Chief Executive, Mr Siyabonga Gama said: "Given the magnitude of The Blue Train's impact on the marketability of South African tourism globally, this partnership could extend beyond tourism into hospitality, entertainment and skills development in the industry."

"This agreement allows us to drive one of the key aspects of the Market Demand Strategy (MDS) which is ensuring that we use our assets to advance and encourage private sector participation, while advancing meaningful black participation in key sectors of our economy.

This process is anchored in our mandate from the Department of Public Enterprises to ensure that private sector participation is an integral part of our MDS.

"We searched for a suitable partner with relevant experience and expertise to manage and grow The Blue Train. Our view is that Sun International, as a major player in the tourism and hospitality industry is best placed to articulate our branding vision."

Graeme Stephens, CE of Sun International, said: "We are looking forward to working with Transnet on The Blue Train, certainly one of the most widely recognised tourism icons globally. We have more than

three decades of international marketing expertise in the luxury tourism market and a very strong international brand, both of which will be brought to bear in this exciting partnership with Transnet for both short and long term benefits.”

The award-winning Blue Train, which offers six-star accommodation, fine dining and personalised service, is a unique way of exploring Southern Africa’s landscapes and landmarks on rail. The Blue Train has been synonymous with luxury rail travel and tourism since 1946 and enjoys an international reputation as one of the world’s true luxury, heritage rail experiences.

Issued on behalf of Transnet acting Group Chief Executive, Mr Siyabonga Gama.

By: Mboniso Sigonyela, Spokesman.

011 308 2458/083 463 7701

mboniso.sigonyela@transnet.net

For further queries, contact Viwe Tlaleane

011 308 2384/083 979 0707

viwe.tlaleane@transnet.net

Sun International

Michael Farr

071 4401112

michael.farr@suninternational.com

About The Blue Train

The Blue Train is Transnet’s premier passenger train owned by South Africa’s freight and logistics company Transnet.

The luxury hotel on wheels is synonymous with ultimate luxury travel, offering five-star accommodation, fine dining and personalised butler service.

It offers passengers a unique way of traversing Southern Africa’s magnificent landscapes and landmarks on rail.

For over 65 years, the multi-award-winning Blue Train is regarded internationally as one of the world’s unsurpassed luxury rail experiences.

About Transnet

Transnet is a 100% state-owned entity and is the custodian of South Africa’s freight transport and logistics network. It has five operating divisions:

- **Transnet Freight Rail** the rail freight division;
- **Transnet National Ports Authority** the ports landlord and marine services division;
- **Transnet Port Terminals** port operating division;

- **Transnet Pipelines** the petroleum and gas pipelines operator;
- **Transnet Engineering** the engineering, manufacturing and maintenance division.

Mr Siyabonga Gama is the acting Group Chief Executive.

About Sun International

The Sun International brand has a proud legacy in the gaming, hospitality and entertainment sector. Its superior hotels and resorts portfolio makes it a recognised premium brand. Sun International is Africa's largest tourism, leisure and gaming group with interest in 27 resorts, luxury hotels and casinos across 10 countries. This includes 15 operations in South Africa, two in Zambia, two in Lesotho, one in Botswana, one in Nigeria, one in Swaziland and one in Namibia.