



2016

Moving forward with

TRENCON & BLACK JILLS JV

Marc Granger
Chief Executive Officer
Thursday, 2 June 2016



Our mandate from PRASA

- Foster rail as preferred mode of commuter transport for all South Africans
- Build new, reliable, safe trains for SA's 2.3 million daily rail commuters
- Revitalise SA railway industry
- Build R1 billion factory site
- Create jobs
- Develop skills
- Achieve >65% local content
- Promote black economic empowerment
- Support communities



Tender/adjudication process

- Tenderers scored on:
 - 70% price
 - 30% economic development/BBEEE level and subcontracting
 - track record
 - Construction Industry Development Board (CIDB) levels of 8 to 9
 - technical competence score
 - minimum of 60 out of 80 points
- Seven entities considered in the final round



Contract to construct manufacturing facility in Dunnottar, Ekurhuleni

- Joint venture
 - 70%: Trencon Construction (Pty) Ltd, construction company
 - 30%: Black Jills Engineering, engineering and project management
- Reflection of Gibela's commitment to transformation
- Part of Gibela's mandate to empower local companies, and South Africa citizens



Trencon Construction (Pty) Ltd

- Leading civil & building contractors in SA
- Founded in 1995
- Largest, fully black-owned construction company
- Level 2 B-BBEE contributor
 - more than $\frac{3}{4}$ staff are previously disadvantaged
- CIDB ratings of 9GB & 9CE



Black Jills

- Level 1 BEE contributor
- Black, youth woman owned company
- Registered with Eskom as an Energy Saving Company
- Member of SESSA and South African Facilities Management Association
- Engineers are members of Engineering Council of South Africa
- Role of Black Jills:
 - environmental management
 - quality assurance
 - safety and health
 - assist with construction management



The factory

Supplier park:

- centre of train manufacturing excellence
- 78ha site
- R1 billion investment
- maximum capacity end 2019:
 - two cars per day
- 1 500 workers employed on site

Manufacturing buildings
• 31 500m²

Training centre:
• 4 000m²
• to train 19 500 people

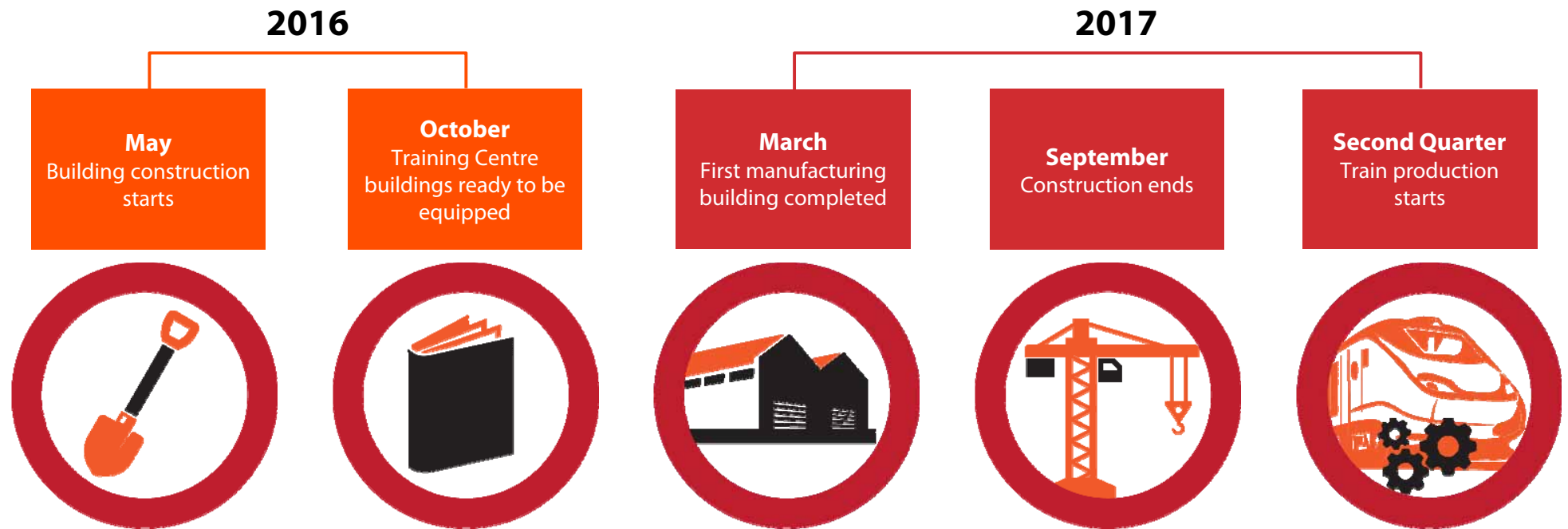
Testing centre:
• static test buildings
• 1.2 km test track

Scope of work

- Central complex of two buildings
 - offices
 - canteen
 - infirmary
- Five manufacturing buildings
 - car body shell workshop
 - fitting & warehousing facility
 - coupling & testing workshop
 - filming workshop
 - training facility
- Utility buildings for operational purposes
 - gate house
 - waste & recycling facility
 - 11Kv sub-station
 - pump station
 - two compressed air buildings
 - water test track
 - chemical store

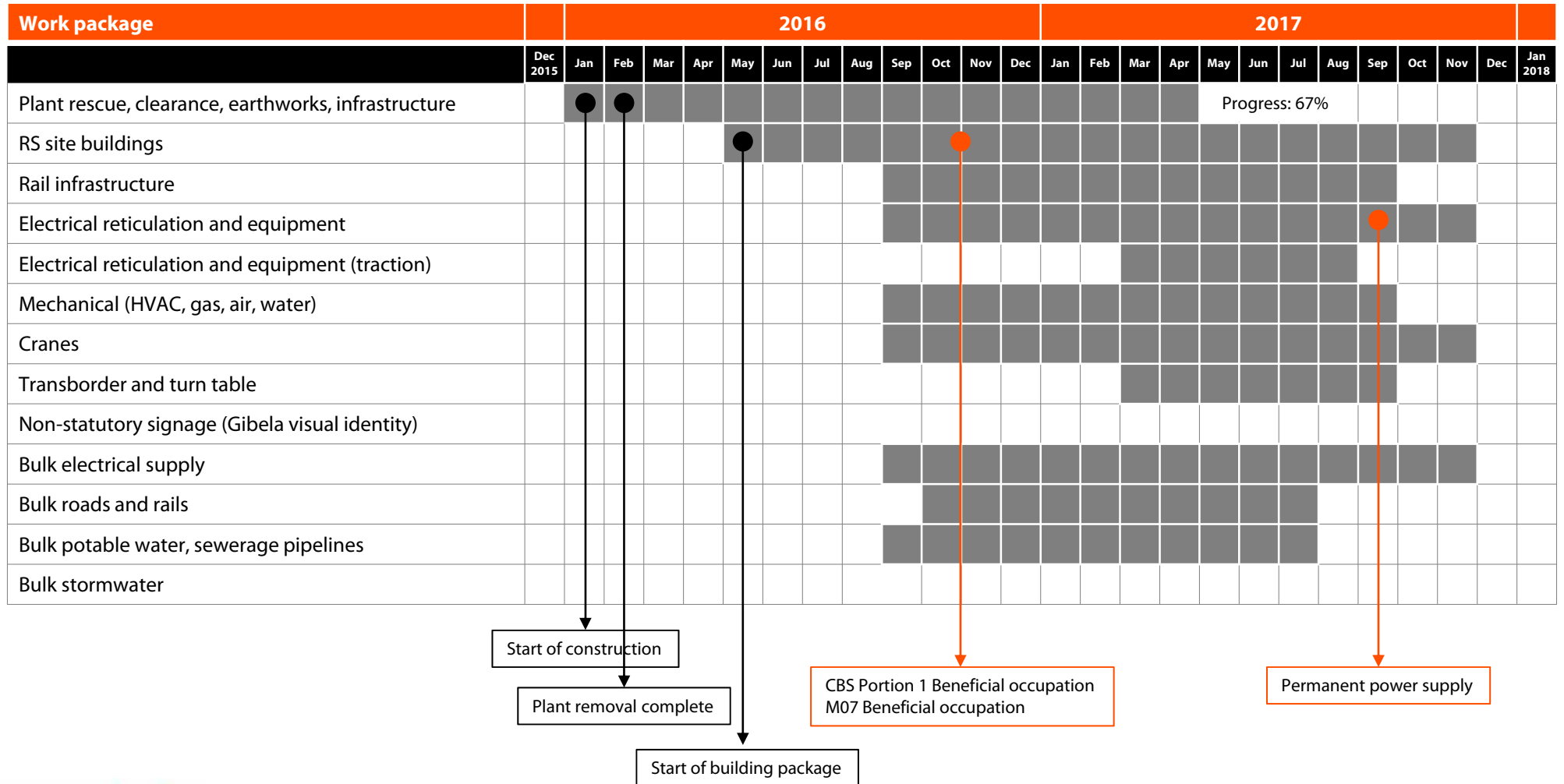


Key construction milestones



Construction milestones

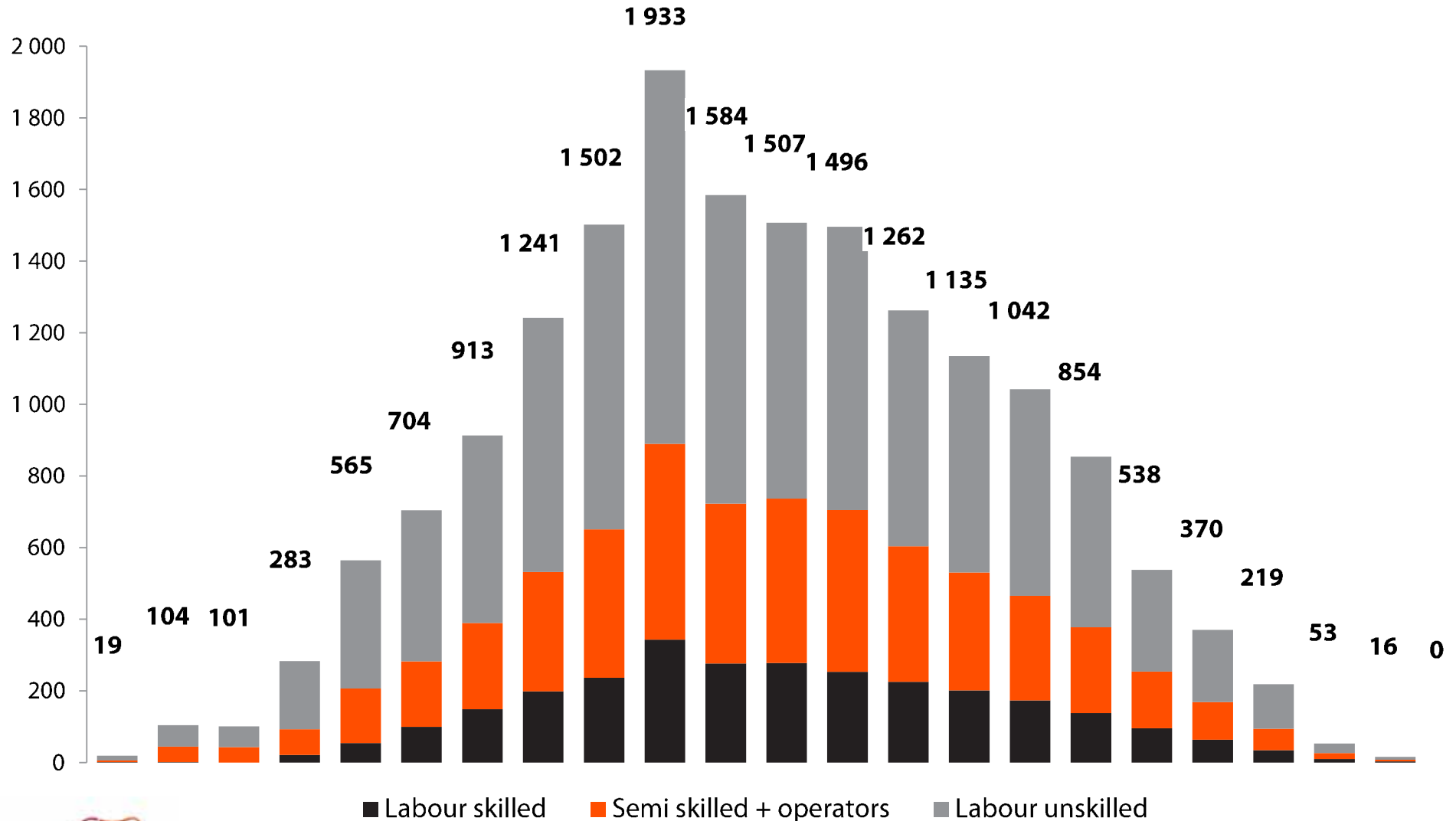
Overall construction programme will last approximately 18 months



Note: Main construction Milestones for P0+1+2: black dot = complete, orange dot = planned.



Jobs during the construction period



Trencon/Black Jills JV

Economic Development commitments

1. Recruitment:

- Dedicated community liaison officer
 - assist in recruiting unskilled, semi-skilled and skilled labour from surrounding communities
 - engage with Department of Labour and Gibela Labour Centres
- Employ HDSAs to address historical employment imbalance

2. Development and growth of SMMEs

- Developing smaller entities who can benefit from mentorship, training and guidance

3. Socio-economic development

- Providing communities with resources to improve quality of life



Let construction begin



Special thanks

To the Executive Mayor of Ekurhuleni and the EMM Executive Committee and officials for their ongoing support of the project

"This project means that Ekurhuleni is no longer the historic leader in manufacturing – it affirms us as the future leader and puts us at the cutting edge of technology."





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