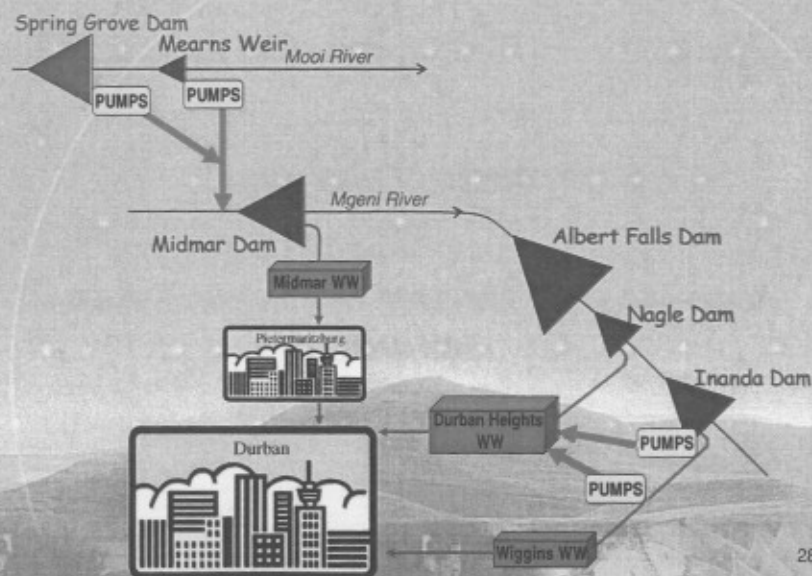


MMTS-2: Project Highlights

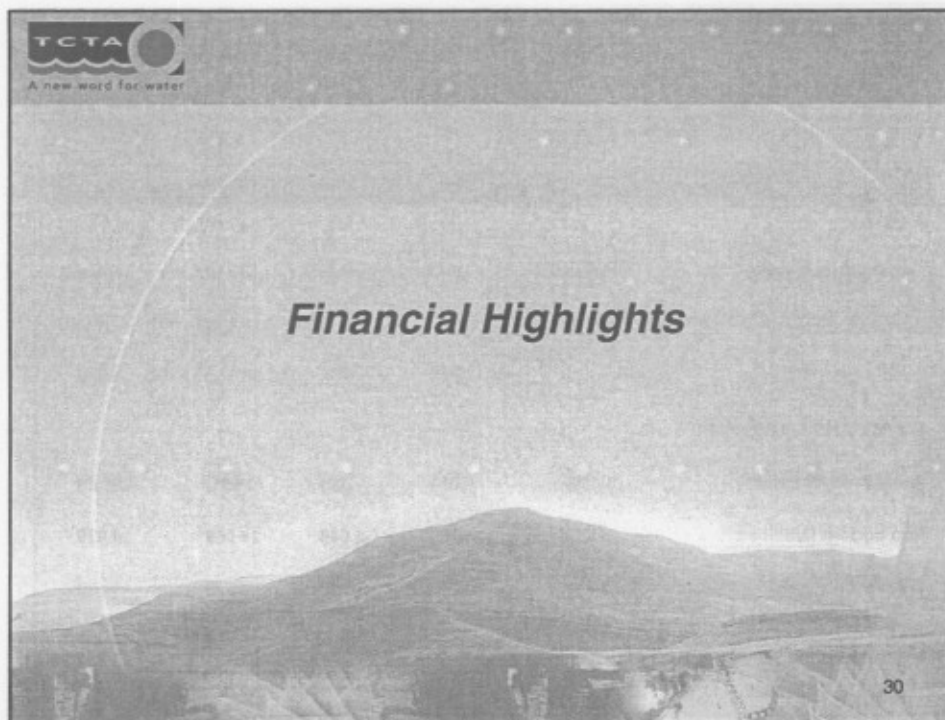
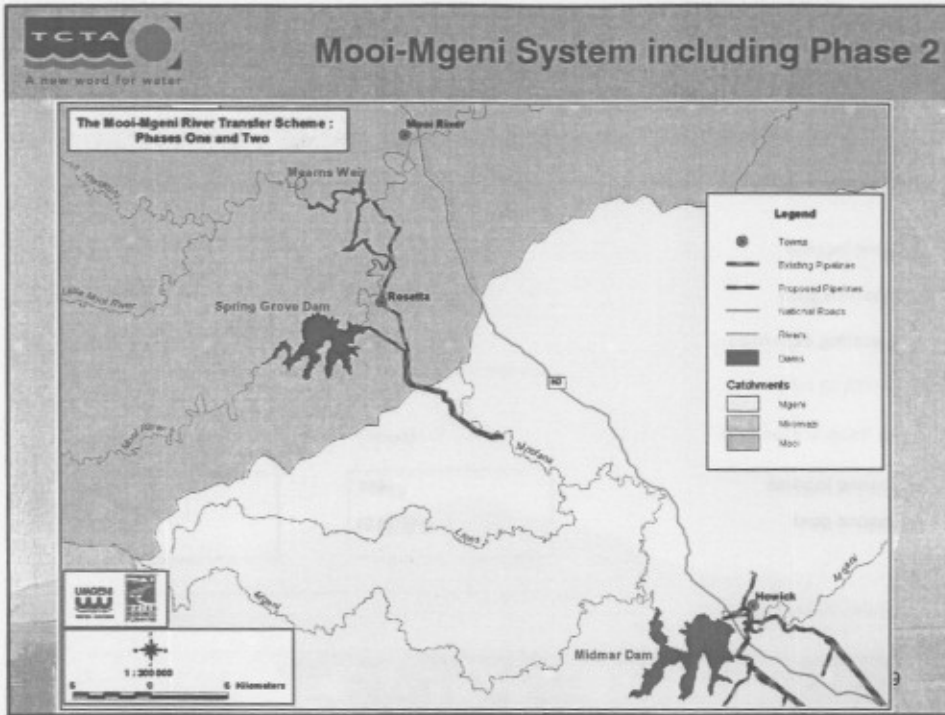
- Received mandate to fund and implement the Phase 2 of the Mooi-Mgeni Transfer Scheme on 27 November 2007
- Project involves the construction of dam in the Mooi River including a water conveyance system to transfer the water into the Mgeni-River catchment
- Due diligence review commenced
- Construction scheduled to commence in early 2010
- Water delivery scheduled to commence by mid 2012
- Project to be funded off-balance sheet
- Projected cost at completion is R1.7 billion

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Mooi-Mgeni System



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Income Statement as at 31 March 2008

	2008 R'Million	2007 R'Million
Revenue	2 088	1 951
Other Income	1	0
Royalties paid	(302)	(264)
Operating expenses	(190)	(236)
Operating surplus	1 597	1 451
Net finance costs	(1 759)	(1 565)
Finance income	451	455
Finance cost	(2 210)	(2 020)
Net deficit for the year	(162)	(114)

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Balance Sheet as at 31 March 2008

	<i>LHWP</i> 2008 R'million	<i>BWP</i> 2008 R'million	<i>VRESAP</i> 2008 R'million	<i>TOTAL</i> 2008 R'million	<i>TOTAL</i> 2007 R'million
ASSETS					
Non-current assets	16 280	1 128	2 269	19 677	18 256
Current assets	1 254	7	15	1 276	846
Total Assets	17 534	1 135	2 284	20 953	19 102
EQUITY AND LIABILITIES					
Reserves and deficit	(3 456)	(53)	(42)	(3 551)	(3 369)
Non current liabilities	18 959	961	2 046	21 966	19 979
Current liabilities	2 031	227	280	2 538	2 492
Total equity and liabilities	17 534	1 135	2 284	20 953	19 102

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3 Year Funding Requirements per Project

<i>Financial Year</i>	<i>LHWP</i>	<i>BWP</i>	<i>VRESAP</i>	<i>TOTAL</i>
	R'million	R'million	R'million	R'million
2008/09	1 578	65	529	2 172
2009/10	1 674	51	(131)	1 594
2010/11	309	41	(195)	155
Total	3 561	157	203	3 921

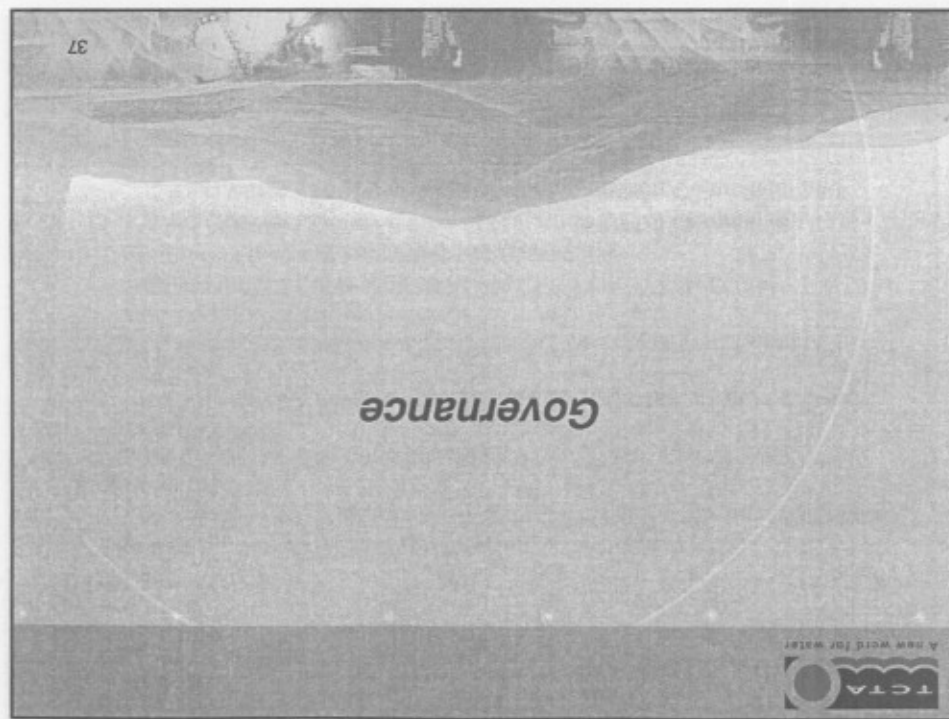
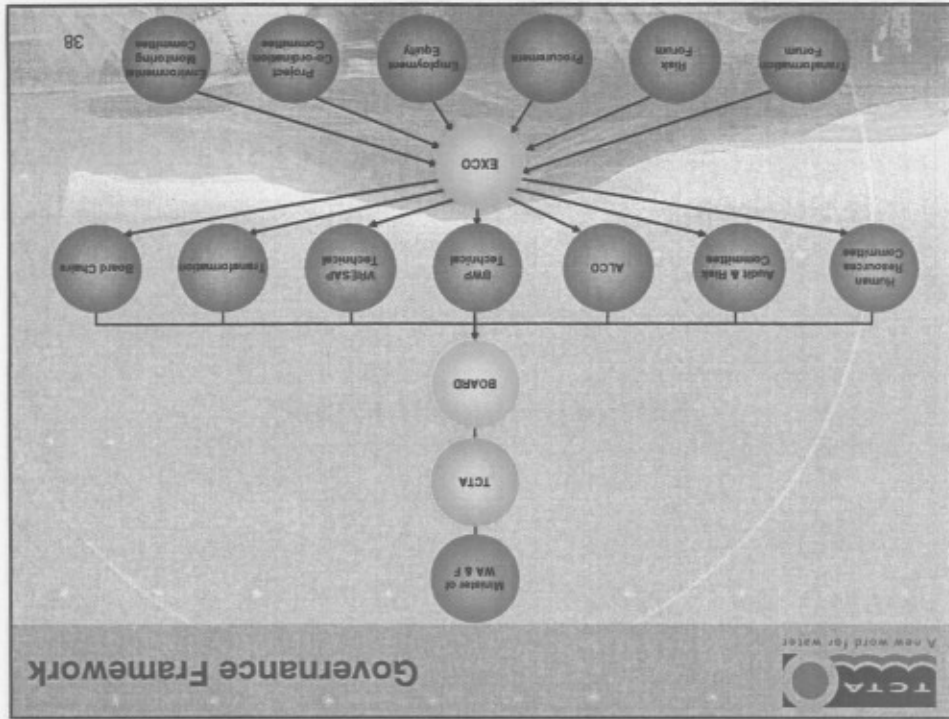


Going concern

- TCTA's tariffing methodology seeks to provide a stable planning platform for the future by smoothing the tariff over the period of repayment which is significantly less than the project life and results in end user affordability.
- The income agreements allow for a CPI adjusted increase on an annual basis as well as automatic triggers for changes in base assumptions
- TCTA will thus show a deficit, after interest, in the first number of years after completion of an infrastructure project.
- However, when matched to the income stream, underwritten by government guarantees, both explicit (LHWP) and implicit (BWP and VRESAP), and the useful life of the projects, it is clear that the debt will be repaid over the planned repayment period and that the organization is a going concern.
- Long-term government support, supports long-term solvency.

Overall conclusion:

TCTA is highly solvent over the long-term with no risk
of being unable to service and repay debt
TCTA is a going concern

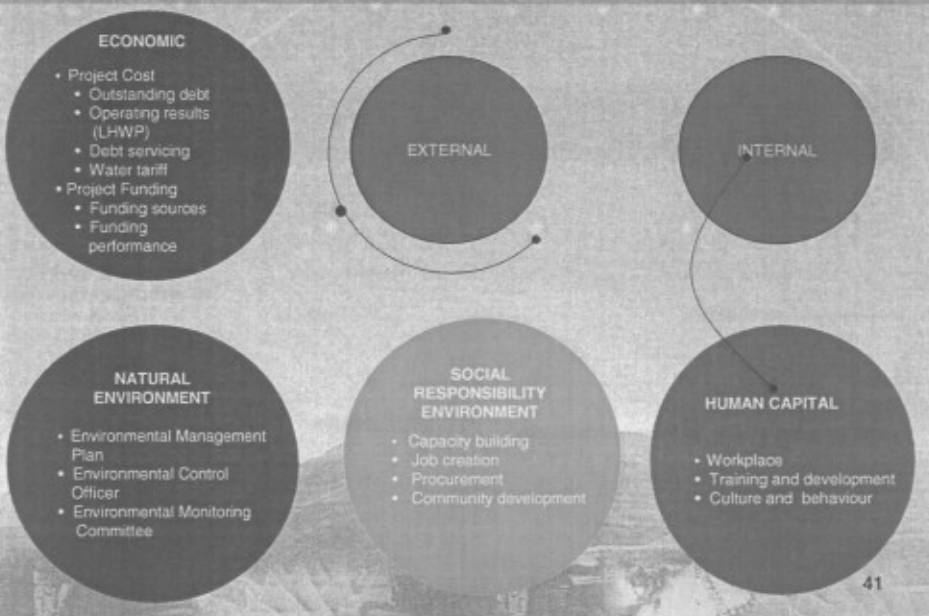


▪ Highlights

- Resignation of CEO, M J Van Rensburg on 31 January 2008
- Chairperson of the Board, Late Advocate M Gantsho passed away on 28 January 2008
- Chairperson of HR Committee, Late Ms TM Sithole passed away on 11 February 2008
- New Chairperson of the Board, Dr S Khoza, appointed on 14 February 2008
- Appointment of L Mthembu as Acting CEO on a six month contract from 1 February 2008 to 31 July 2008
- Appointment of J Claassens as Acting CEO from 01 July 2008
- New Board Members appointed 15 August 2008
 - Mr J Geenen serves on the ALCO & Audit & Risk Committee
 - Mr GN White serves on the HR & Transformation Committee and ALCO
 - Ms M Mosidi serves on the Technical Committee

Sustainability Report

Sustainability report



Empowerment – Job creation

Job Creation to Date	BWP	VRESAP
Total person days	1.16 million	0.84 million
Local person days	0.65 million	0.56 million
HDI	96 %	93 %
Numbers of local jobs 31 March 2008	365	1 315



Social Empowerment - Training

<i>Training to Date</i>	<i>BWP</i>	<i>VRESAP</i>
Contractors: Local person days	10 207	1 178
Number of local people	1 914	715 + 6 emerging contractors in the Woman in Construction programme
TCTA: Advance training in basic construction skills	87 graduates	93 %

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Social Empowerment – TCTA indirect spend on contracts

<i>BE and BEE Procurement</i>	<i>BWP</i>	<i>VRESAP</i>
Contractor cumulative spend:		
BE and BEE	R 226 million	R 295 million
Local Enterprises	R 45 million	R 26 million
SMME	R 67 million	R 197 million
All targets set by TCTA exceeded		Contractors on track to meet final targets set by TCTA

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Procurement at organisational level

TCTA's direct procurement spend for the Financial Year to March 2008 was R923 million, of which R875 million is BEE spend classified on a narrow basis

<i>Procurement</i>	<i>%</i>	<i>Rand Value</i>
Black companies	6 %	R 57 million
Black empowered companies	93 %	R 812 million
Black influenced companies	1 %	R 6 million

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EE statistics at organisational level

EE statistics at the end of the Financial Year to March 2008:

<i>EE Statistics</i>	
Black staff	64 %
Black staff in management positions	47 %
Black women in management positions	29 %

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Thank you

Questions

TCTA

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