

Subject: Fwd: R12 BN CLUB LOAN INTEREST RATE RISK
From: "Phetolo Ramosebudi Transnet Corporate JHB"
<Phetolo.Ramosebudi@transnet.net>
Date: 2015/12/02, 12:50 PM
To: "ericw@regiments.co.za" <ericw@regiments.co.za>

Regards
Phetolo

Begin forwarded message:

From: "Phetolo Ramosebudi Transnet Corporate JHB"
<Phetolo.Ramosebudi@transnet.net>
Date: 02 December 2015 at 12:49:51 SAST
To: "Garry Pita Transnet Corporate JHB" <Garry.Pita@transnet.net>
Cc: "Danie Smit Transnet JHB" <Danie.Smit@transnet.net>
Subject: Re: R12 BN CLUB LOAN INTEREST RATE RISK

Hi Garry

I guess this is true if the Club loan is the only transaction Tnet is doing for the entire MDS period. Amid the volatile economic environment ahead of us, with higher inflationary environment, it is important to manage the interest rate expectations going forward to create that certainty in Tnet interest expense for the management of the CIC.

It is therefore prudent in an high inflation environment and volatile exchange rate to fixed most of the commitment for the same reasons. This will help us to reduce the number of variables to manage the declining EBidta levels.

I am sorry that you received a conflicting message from Danie who didn't consult with me on this.

As the Head of Treasury I am concern with exchange rate and inflation expectations and it is prudent to mange this risk appropriately.

A proper submission is on the way for approval.

Regards
Phetolo

On 02 Dec 2015, at 10:46, Garry Pita Transnet Corporate JHB
<Garry.Pita@transnet.net> wrote:

Thanks Danie

It is well written and I understand the logic.

Phetolo, are you in agreement that we don't enter into the swaps?

Regards
Garry

Sent from my iPad

On 02 Dec 2015, at 10:39 AM, Danie Smit Transnet JHB
<Danie.Smit@transnet.net> wrote:

Hi Garry and Phetolo,

My humble opinion on the interest rate risk exposure of the Club Loan.

Kind regards

Danie

<R12 BN CLUB LOAN INTEREST RATE RISK.docx>

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