

TRANSNET FREIGHT RAIL SCOOPS COVETED INTERNATIONAL AWARD

1 December 2008

Transnet Freight Rail has won the coveted international "Innovation in Management Accountancy award" at a glittering awards ceremony held at the Grosvenor House Hotel on 27 November 2008 in London.

The company had been short listed by a UK based international organisation, (Chartered Institute of Management Accountants) for the CIMA Financial Management Awards 2008 for 2 prestigious award categories: Finance Team of the year: Public Sector and Innovation in Management Accountancy.

Transnet, the only South African company that was short listed for these 2 awards competed against several international companies including CapGemini and National Australia Group. The nominations were the result of the development of a system for costing railway movements, which has been termed Network Activity Based Costing (NABC).

The nominees in this category needed to highlight the design, implementation and use of a significant innovation to show how management accountants can improve decision making in organisations and help create value. Transnet Freight Rail devised a practical and imaginative activity-based costing model in a fiendishly complex industry. The modeling tool also provided flexibility so that reports could be generated from any perspective at the click of a button.

Luis Gillman, a Senior Manager at Freight Rail who headed the development and implementation of this system says, "We are very excited with the success of the implemented system which has been running successfully over several months and the fact

that South Africa can take the lead in this area of management accounting. The principles of Network Activity Based Costing will have wider applications for all businesses which involve networks including shipping, telecommunications, railway and road transport".

An article covering this break-through in cost accounting has been accepted for publication in a leading international accounting journal: Financial Management.

-ENDS-

Issued by Transnet Freight Rail, Communications and Media Department

For further information contact:

Sandile Simelane
Spokesperson
Transnet Freight Rail
Tel. 011- 544 9584
Cellular 083 703 4179