

SAHA

Saha International
South Africa
Infrastructure Advisors



We offer specialist advice based on international experience but cognisant of local conditions to ensure a pragmatic solution

Who we are and what we offer

SAHA (Saha International) is a leading specialist advisory practice with seven offices located in Australia, New Zealand and Southern Africa. The practice was first established in 2001 and has now grown to employ more than 100 professional staff. Our website www.sahainternational.com provides a detailed overview of the firm: including its services offerings; its people; contact details; etc.

The remainder of this document provides an overview of material specifically relevant to our clients and potential clients within the Southern African region.

SAHA advisory services are focused on several major sectors:

- Transport
- Electronic Transactions
- Energy (Electricity and Gas)
- Water and Wastewater
- Corporate Finance

The service offerings within these major sectors are extensive, including: market and institutional reform; market design; regulatory advice; strategic and business planning; service delivery; corporate finance; etc. These offerings are detailed further in separate sections below.

Our consultants have extensive experience gained in the private sector, government, and regulatory agencies and from working in many jurisdictions. This experience, developed in both the industry and government environment, means we understand the issues facing private and public organisations, as well as those of the regulators and agencies in these sectors. Such experience provides us an understanding of your perspective.

As we operate as one firm, we are able to nominate the best consultants from our entire team suited to the specific project. We are able to blend the lessons of international experience with a strong understanding of the local conditions, to ensure we offer our clients unique practical solutions.

Ownership and Governance

SAHA is owned through a partnership and each country has a legal company operating as the agent of the partnership. In terms of governance the partnership then effectively operates as a governing board, whilst the firm is managed and operated as though one company with a Chief Executive and Sector Leaders forming the core management team. Partners are also employed within the firm and are deeply involved in

delivering advisory services to our clients. Although separate financial information is typically required within the various jurisdictions we operate, for tax and company reporting purposes, our philosophy is to operate the firm as a cohesive group to ensure the best resources across the firm are applied to any client project.

Specifically in South Africa a separate company entity was founded in 2006 for the region with the establishment of offices in Johannesburg and Cape Town. However, the firm has been successfully operating within the region since the firm was established in 2001. Some of our first projects, and one of our longest standing clients, is based in the Southern African region.

Our South African service offerings are lead by:

- **Michael Pead**
Partner



Energy and Water

(including: electricity, gas, water, wastewater and stormwater)

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- **Neil Frost**
Partner



Transport

Electronic Transactions

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Strength in depth

While our firm was founded as recently as 2001, our senior advisory team has been working together in providing similar services to our clients for close to two decades. This is derived from many of our partners and directors previously having had involvement and experience in a number of multinational management consultancy firms worldwide. Many of our team are drawn from the professional services sector, from large corporates, and from government. We are able to rely on these decades of specialised experience to provide the right solutions - enriching our expanding team located in SAHA offices across the world.

Fresh approach

We work closely with clients to achieve their specific objectives by applying a combination of understanding the theory, applying proven method, and developing unique and innovative approaches to ensure a successful outcome. SAHA is a relatively young organisation, formed by like-minded professionals, who seek to create and offer unique perspectives that set us apart from the approach taken by established larger advisory firms. We offer a powerful combination of industry, government and consulting experience.

Our attributes include being:

- More flexible
- More responsive
- More proactive
- More forthcoming
- More senior staff involvement throughout projects
- More approachable
- Less formal
- Less 'bureaucratic'

Differentiators:

- More senior time
- Industry sector expertise
- Knowledge transfer
- Risk management

Quality Accreditation



SAHA has implemented a companywide Quality Management System (QMS) which meets the requirements of the International Standard ISO 9001:2000. The Quality Management System ensures all our processes from identifying an advisory opportunity to delivering advice to our clients, including our human resource processes, our time recording, accounting systems etc. are followed at the level of the international standard.

Our Service Offerings within the Major Sectors

Electronic Transactions and Transport Service Offerings

Effective Transport Infrastructure is Essential to Sustainable Economic Development

Electronic Transaction Services

Initiation/ Strategic analysis (ITS/IFM/ICT systems)

- Audit of existing systems
- Determining requirements and matching strategic objectives with recommended approach
- Preparation and agreement on realistic implementation strategy
- Compilation of feasibility studies
- Development of Business plans and Business cases

Planning/Commercial advice

- Preparation of user functional specification and tender documents (development of software outsourced to specialised developer)
- Decision support information
- Preparation of Request for Proposals (RFP's) and the evaluation thereof
- Assistance with budget justification
- Risk Plans
- Assist with drafting of recommendations for policies required
- Project management
- International Standards
- Public Private Partnerships (PPP's)

Specialised Applications

- Transponder Smart card applications / technology
- Payment systems (mobile and conventional)
- ITS
- IFMS
- Bank Payment Systems
- Mobile banking services
- Near Field Communications (NFC) Information, Communication and Technology (ICT) Systems
- GPS tracking, GPRS communication, passenger counting, electronic ticketing, advertising and fleet management.
- Designing and managing spatial databases
- Managing and implementing spatial data analysis together with creating final mapping requirements in a variety of formats

Service Delivery Solutions

- Management and overseeing implementation of systems
- Ensure interoperability for multiple applications
- Information Management
- Review of systems
- Business Optimisation
- Organisational Development
- Solutions in Change Management
- Data manipulation, database design and queries, spatial analysis and mapping
- Information Systems Plans

Transport Services

Market and Institutional Reform

To design, develop and implement industry reform including:

- Competition policy*
- Access and pricing issues*
- Tariff structure design*
- Regulatory advice*
- Market structure*
- Contractual frameworks*

With respect to developing countries, developing and implementing governance, legislative and policy frameworks for governments;

Change management and governance, inclusive of organisational development, stakeholder management, workshop facilitation, training as well as project and risk management

Strategic Analysis

Identification and analysis of emerging issues that impact transport policies to enable the development of strategies based on:

- Industry reviews and restructuring*
- Competition analysis*
- Benchmarking*
- Strategic and business planning*
- Demand forecasting and impact assessment*
- Market analysis and assessment*

Corporate Finance

Financial-based advice in relation to:

- PPPs and financing structures*
- Asset and business valuations*
- Finance modelling*
- Investment appraisal*
- Mergers and acquisitions*
- Analysis of key value and cost drivers*

Service Delivery

Advice on the design and implementation of various service delivery models of third party involvement in funding, management and delivery through:

- Performance measurement*
- Service delivery models*
- Project governance*
- Outsourcing*
- Asset lifecycle costing*
- Contract design and negotiation*
- Funding and payment models*
- Service procurement arrangements*

Operational Strategy

- Economics
- Econometric modelling
- Feasibility Studies
- Wider Economic Benefits

Some Electronic Transactions and Transport Projects Completed

BRT Rea Vaya Interim Fare Collection Process

SAHA has been appointed by the Johannesburg Road Agency (JRA) to provide strategic advisory and consulting services for the Integrated Fare Management (IFM) system for Johannesburg Rea Vaya Bus Rapid Transit (BRT) system. Due to delivery in the procurement process of the IFM system, SAHA was requested to assist with the development of an interim paper based ticketing system.

Western Cape Department of Transport and Public Works – IFM/ITS

Detailed design, source and implementation of an Integrated Fare Management (IFM) and Intelligent Transport System (ITS) for Public Transport in Western Cape Province.

Taxi Council Establishment – Organisational Development

In 2007 the DTPW appointed SAHA to evaluate the Western Cape Provincial Taxi Council (WCPT – Minibus) and Western Cape Provincial Metered-Taxi Council (WCPM-TC) office bearers' remuneration packages as well as the financial prudence of the Council (in accordance with PFMA). The Minibus Taxi Council project included the establishment of section 21 company which will guide operations of Council. The Metered-Taxi Council project included the drafting of a report on the administrative and management arrangements of the WCPM-TC operational entity in order to confirm its sound governance as required by the PFMA.

Gautrans - Detailed Design of IFM and ITS for PT in Gauteng Province

Developed IFM/ITS Master Plan. Assisted with the tender process. Designed level 3 Back Office. Designed level 4 Back Office.

Western Cape Department of Transport and Public Works (WCDTPW)

The organisational development and micro structure development of the entire Finance Department Offices and Regional Offices.

Establishment of the TransLink Transport Authority in South East Queensland

SAHA was appointed strategic advisor to TransLink regarding the Queensland Government's intention to establish a Transit Authority. The objective of the consultancy was to provide advice on the establishment of a statutory authority for the purpose of coordinating public transport services in South East Queensland.

Key Performance Indicators for Wellington Trolley Buses

The only remaining trolley bus operation in Australasia serves Wellington, New Zealand. The existing contract for the operation of the trolley buses by NZ Bus Ltd expired in early 2007. The Regional Council commissioned SAHA to help in the development of the new contract and, in particular, to advise on the appropriate Key Performance Indicators (KPIs). The KPIs addressed service reliability and efficiency measures and were developed in consultation with the Regional Council and NZ Bus Ltd. Provision was also made in the contract for the refurbishment of the 20 year old trolley bus fleet.

Economic Evaluation of Sydney's Port Botany Expansion

In 2006, Sydney Ports Corporation commissioned SAHA to undertake an economic evaluation of the proposed berth expansion at Port Botany. The evaluation was undertaken in accordance with NSW Treasury guidelines for capital works projects. Given the significant increase in container traffic forecast through the port over the next 10-20 years, the evaluation compared the project with a situation of increasing wharf and landside congestion which would occur in the absence of the project. The project's benefits were identified as the avoidance of congestion costs and the avoidance of additional land transport costs associated with containers throughput being diverted to other interstate ports.

Gautrain

Detailed design of IFM and ITS. High Level Overview and Technical advice to Gautrain on the interoperability of the banking system with IFM/ITS solution.

City of Cape Town

Financing, provision implementation, maintenance and operation of a Kerbside Parking Management System for various selected areas within the metropolitan, including Back Office Service and a Kerbside Parking Operation Service. Provision of professional overview services for System Management and integrated ticketing for ITS Projects. Appointed to provide strategic advisory and consulting services for the IFM system for Johannesburg Rea Vaya BRT system. Due to delivery in the procurement process of the IFM system; SAHA was requested to assist with the development of an interim paper based ticketing system

Organisational support with the Western Cape Metered Taxi Council/Co-operative (Public Transport Restructuring).

In depth study as to the duties and responsibilities of the Executive, the Council and the office management of the Western Cape metered Taxi Council and their mutual relationship with the Western Cape Department of Transport and Public Works.

National Department of Transport

Detailed Design of IFM specification and guidelines for 'smartbus'. Technical assistance in the implementation of the Taxi Recapitalisation Programme (TRP)

Energy Service Offerings

SAHA's knowledge of the energy environment and expertise enables us to offer you unique, pragmatic solutions.

Electricity

Market Reform	<ul style="list-style-type: none"> Electricity market designs Service standards Efficient electricity tariff structures Ringfencing and privatisation options Common access issues Regulatory investment tests Revenue and price cap reviews Regulatory strategy Renewable energy
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Strategic Analysis	<ul style="list-style-type: none"> Value chain analysis of electricity sector Trading portfolio optimisation Electricity and renewable energy price path projections Demand forecasting Risk management and quantification Security of supply including DSM Regulation scenarios Full retail competition
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Corporate Finance	<ul style="list-style-type: none"> Valuation methodologies Discounted Cash Flow analysis CAPM and WACC theory and analysis Debt and financing options Financial account standard
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Gas

Market Reform	<ul style="list-style-type: none"> Gas market rules Privatisation Regulated gas tariff design Price determination reviews Transmission pipelines access arrangements Customer service standards for contestable and non-contestable segments Regulatory strategy
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Strategic Analysis	<ul style="list-style-type: none"> Contract review Security of supply Regulatory scenarios Demand and supply forecasting Gas pipeline cost evaluation Gas netback scenarios Full retail competition Risk allowances
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Corporate Finance	<ul style="list-style-type: none"> Optimised deprival valuation DCF analysis CAPM and WACC theory and analysis
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Service Delivery	<ul style="list-style-type: none"> Scheduling and nomination procedures Operator agreements Service unbundling Reconciliation
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Please see next page for some Energy Projects Completed

Some Energy Projects Completed

NamPower – KUDU Power Station

Advisor to NamPower in developing the Kudu power station in Namibia - The project involves establishing a power station fuelled from a dedicated gas field (to be developed in tandem). SAHA is also responsible for developing the commercial terms of the gas sales and power purchasing contracts.

Auckland Energy Consumer Trust – Bid advisor for purchase of United Networks and Natural Gas Corporation

Provided independent advice to the AECT on whether to approve its wholly owned gas and electricity distribution business (Vector Limited) bidding for United Networks Limited and Natural Gas Corporation.

EDI Holdings tariff harmonisation

SAHA was commissioned by the EDI Holdings Company to complete a workstream that provided a tariff harmonisation strategy for the future REDs. This involved all the core steps in developing tariffs, including: development of a tariff allocation model and a tariff harmonisation strategy.

NamPower, Namibia, 10-Year electricity strategy

A project was conducted under the sponsorship of the Minister of Mines and Energy to undertake a ten year electricity sector planning project for the Namibian Electricity Sector. SAHA's role was to evaluate various reform options for the electricity sector in Namibia, including strategies to assist Namibia's goal of encouraging IPP's. The project culminated in a three day workshop, including modelling of demand forecasts and supply plans and organised workshops nationally

Victoria State Government - Review of commercial viability of advanced technology coal fired generation projects

The Victorian State Government established a fund under the Energy Technology Innovation Strategy (ETIS) programme for developing a large scale coal plant to demonstrate clean coal technologies in the Latrobe Valley. SAHA International assisted in reviewing the various proposals, evaluating their commercial viability and providing its recommendations to senior Ministry officers.

ACCC - Assessing market benefits for transmission interconnectors

Assessed the economic benefits, regulatory asset value, and components of the building blocks of revenue requirements for the Murraylink electricity transmission line for the Australian Competition and Consumer Commission (ACCC).

Nigerian Government, Nigeria vesting contract

Provided the Nigerian Government with vesting contract design between state generators and state retailers; Transmission Use of System and Connections agreements; recommended tariff principles and controls as well as developed a Regulatory Procedures Manual.

Commercial advisor to investors in a hydro project on Orange River

The project envisages a string of run-of-river hydro stations along 150km of river, with an installed capacity of around 110MW.

NamPower, Namibia and Anglo

SAHA has assisted NamPower in the development of power from a power station in Namibia to South African customers. This work involved the design of back-to-back sale and purchase arrangements between NamPower, Anglo and Eskom together with reconciliation processes to enable delivery of power through the Eskom transmission system.

Renewable Energy Large Scale Demonstration: evaluation of projects

SAHA international (including a South African member) evaluated proposals received by the Victorian Government for grant funding to ensure large scale demonstration and commensurate commercialisation of renewable energy projects in Victoria.

Windhoek City Council, Namibia, regulatory contract

SAHA developed the Inception Report for ESI Reforms which included reviewing and outlining the implications of the new electricity legislative and regulatory environment as well as the development of a framework and a basis for assessing whether the current business approach, methods and structure of the electricity business should be reformed.

Electricity Distribution Businesses – Regulatory and strategy advise

Provided regulatory and strategic advice to a number of New Zealand's Electricity Distribution Businesses. Including advice on developing strategies for dealing with the Commerce Commission's CPI-X and thresholds regulatory regime, and the upcoming price path resetting process. NEM, generator bidding behaviour, SRMC and new entrant LRMC, interregional and other transmission constraints and the impact of MRET and other regulatory schemes.

Water and Wastewater Service Offerings

Water

Strategic Advice strategy	Market analysis and entry Risk management Cost benefit analysis Negotiation strategy Outsourcing models Benchmarking Organisational structure Workforce planning
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Commercial Advice	Third party access pricing and market entry Funding submissions (e.g. National Water Commission) Valuation of security of supply Financial and economic modelling Water trading – systems and strategies CAPM and WACC theory and analysis
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Economic and Regulatory Advice

Project management of price reviews Regulatory strategy Tariff structure design Forms of price controls Demand forecasting Customer service standards Incentive mechanisms – cost and service standard related Self-insurance risk reviews

Corporate Finance Advisory

Mergers and Acquisitions Due diligence Asset valuation Divestments Optimal capital structure Capital raising (Equity and Debt) Project financing Financial accounting standards
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Some Water and Wastewater Projects Completed

Strategic Servicing Plan

Assisted one of Australia's largest water and sewerage service providers to develop a strategic servicing plan to identify key servicing and investment needs over the next 30 years. The strategic plan included developing an integrated planning and servicing strategy to meet environmental, social and economic planning targets. The service provider is expecting an increase in its customer base of over one million people placing pressure on its existing infrastructure and driving an unprecedented capital investment program.

Strategic advice to Tasmanian service provider

Engaged by a service provider in the Tasmanian urban water sector to provide strategic advice on their role and opportunities in a reformed urban water industry. This strategic advice includes providing a comprehensive review of the major urban water industries in Australia and a summary of the reforms and the rationale that drove the reforms.

Structural Reform Advice

SAHA advised a South East Queensland water business on the options relating to the form and structure of the proposed new water entities. This advice includes developing principles/criteria to assess the advantages and disadvantages of the various structural options including the implications on corporate governance and any implementation issues.

Water demand modelling

SAHA developed the demand forecasting model used by a Victorian water business to underpin its Water Plan. This model accounted for changes in amongst other things: occupancy rates over time; lot growth forecasts over time; changing penetration rates of water using appliances over time; lot density over time; pricing impacts and restrictions.

Water business contract negotiations

Assisted a major New Zealand water company in its business planning processes and assisted it in successfully being awarded a 10 year contract to service a significant tourist/rural based area of New Zealand. SAHA played a major role in developing the various evaluation materials, articulating the company's business processes, environmental practices, health and safety and quality assurance practices and procedures, along with its resourcing expertise and experience.

Watercare services pricing

Analysed pricing and new investment issues associated with water and wastewater services of Watercare Services Ltd New Zealand and development of new investment policies and pricing structures.

Barwon Water

Strategic Advice for the 2008 Water Plan – SAHA provided Water with strategic advice in relation to the development of all aspects of its 2008 Water Plan (pricing submission) to Victoria's independent economic regulator, the Essential Services Commission. This has involved advising it on, amongst other things: demand forecasting; forms of price control; tariff strategy, tariff structures and tariff levels; cost of service models; regulatory strategy; and risk management.

Sun Water – Tariff Model Audit

SAHA undertook a comprehensive audit of Sun Water's Tariff model, which is being used as part of its Irrigation Price Review process. This model calculates irrigation tariffs based on both the 'lower bound' costs of supply, and on a 'Net Present Value' approach.

Water Industry Tariff Reform

SAHA undertook a project for a large Victorian water industry participant. More specifically, this project involved the qualitative assessment of a number of alternative non-residential tariff structures, against a set of objectives agreed upon with the client. This report was used as the basis for discussions with that Company's Executive and Board, and formed the basis for the tariff reforms included by that Company in its 2008 Water Plan.

Through our expert industry knowledge and empathetic approach, we give clients a unique perspective that leads to practical solutions



SAHA is a specialist advisory group, with offices in Australia, New Zealand and Africa

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