

Unitrans Limited Annual Report



Driving

our business

02

What drives us

Always a
better way
ahead

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to be rated by our stakeholders
as the most innovative provider of
transportation, distribution and logistical
solutions in our chosen markets



Unitrans is positioned as a diversified transport, distribution and logistics group active in freight and passenger transport, warehousing, distribution and logistics services, express delivery and courier services, vehicle retailing, fleet management, vehicle leasing, financing and insurance, and car rental.

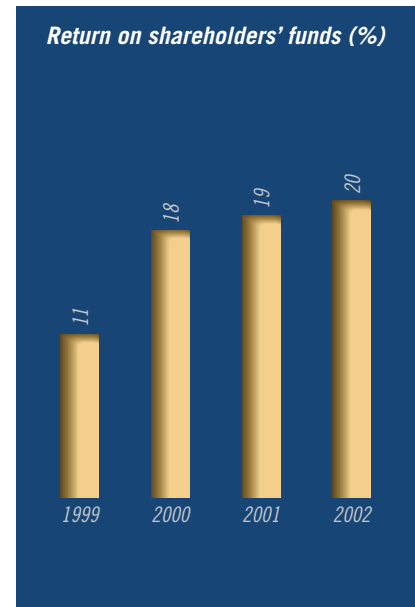
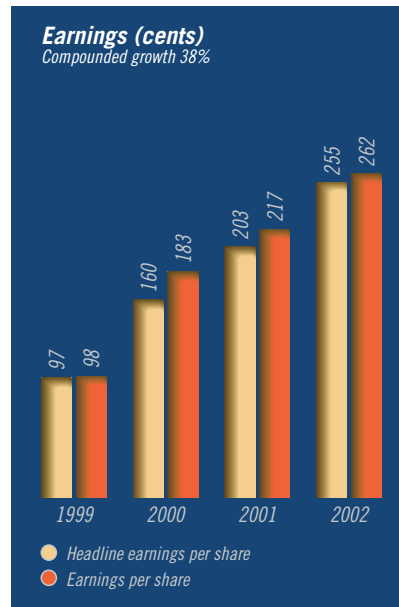
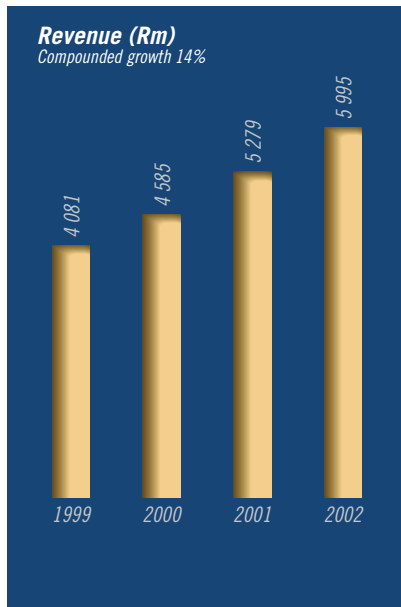
Bottom line driven

Unitrans delivered on its promises and posted results that exceeded market expectations

- Good headline growth
- Good margin growth
- Increased return on capital employed and shareholders' funds
- Increased net asset value

Achieved through . . .

- organic growth
- management of costs and working capital
- 'sweating' assets
- focus on returns not revenue



KEY FINANCIAL HIGHLIGHTS

	2002	2001	Change %
Financial highlights (R million)			
Revenue	5 995,0	5 278,7	13,6
Operating income before depreciation	470,6	398,0	18,2
Net finance costs	(33,0)	(21,1)	56,4
Profit before taxation	283,2	236,0	20,0
Net profit for the year	199,4	164,6	21,1
Total assets	2 240,6	1 884,2	18,9
Ordinary share performance (cents per share)			
Earnings per share	261,6	216,7	20,7
Diluted earnings per share	260,7	214,7	21,4
Headline earnings per share	255,1	203,2	25,5
Dividends per share – declared	84,5	52,5	61,0
Net asset value per share	1 421	1 186	19,8
Financial statistics (%)			
Return on revenue	5,2	4,6	13,0
Return on capital employed	33,0	32,1	3,0
Return on shareholders' funds	20,1	19,5	3,1



Driving forward

**Identify new service offerings
in all businesses for existing
and new clients**



Retain customers through superior and differentiated service.

Drive existing and future **value-added services** throughout our client base.

Expand selectively through **new acquisitions** aimed at complementing existing services and opening up **new business opportunities**.

Expand **outside South Africa** from existing areas of focus.

Expand our reach into the full spectrum of **supply chain management**.

Increase the contribution from **financial services**.

Increase our revenue from **pre-owned vehicles**.

Offer attractive growth and empowerment **opportunities to our people**.

Ensure that our **black empowerment initiatives** are successful.

Driving value-added services



Freight and Logistics

- Concentrate on moving high-value, time-sensitive products – Smart 3PL.
- Retain Freight's focus on 'off main' routes, providing specialised services.
- Grow internationally – where possible follow our customers offshore.
- Target organic and acquisitive growth to increase/consolidate our supply chain offering.
- Focus on growing Unitrans Express Deliveries' ("UED's") exports and introducing new products.
- Optimise value of our brands.

We are driving home plans to maximise group synergies



Passenger

- Optimise use of existing infrastructure.
- Grow in related areas of transport.
- Target secondary transport opportunities.
- Optimise value of our brands.



Motor

- Grow locally and internationally through the acquisition of further franchises.
- Grow the pre-owned side of the business.
- Grow the contribution from financial and related products.
- Grow our market share in Hertz responsibly.
- Optimise value of our brands.

Driving sustainability and innovation

Unitrans is proud of its history of good **corporate governance**. Major progress has been made in complying with the recommendations of King II.

Unitrans has adopted a holistic approach to **human capital development**, managing career growth and maintaining constructive communication with employees.

A policy is being evolved and implemented to address the **HIV/AIDS threat**. We encourage employees to identify their own HIV/AIDS status and offer assistance on a confidential basis to those infected.



Unitrans strives to be a good corporate citizen



Empowerment transactions have been entered into with leading black empowerment organisations, New Africa Investments Limited (“Nail”) and Mvelaphanda Holdings (Pty) Ltd (“Mvelaphanda”), to position our business more appropriately for the new South Africa.

Management has sought to create an environment which is aimed at fostering **world-class, innovative solutions** for clients’ needs.

Great strides have been made in the group’s utilisation of **information technology** aimed at servicing both the group’s own and clients’ requirements. Appropriate technology is being sourced for roll-out to existing and new clients.

Substantial progress has been made in expanding the group’s **freight operations** into southern African countries.

Partners have been identified for the **innovative RoadRailer® bi-modal initiative**. Prototype testing commences in January 2003.



Botswana

Mining and fuel contracts, cement warehousing and distribution and courier service



Zimbabwe

Fuel bridging operations and passenger transport



Namibia

Fuel distribution and courier service



South Africa

Lubricant warehousing, distribution, transportation and logistics services to the mining, forestry, construction, chemical, steel and engineering, food and beverage, animal feeds, poultry, agricultural and explosives industries; courier service, freight clearing and forwarding; furniture distribution; logistics re-engineering services; passenger transport services, including luxury and semi-luxury coach charter, scheduled luxury intercity coach travel, airport shuttle, door-to-door services, private transfers, contract hire and commuter transport; and motor retail and financial services, and car rental



Driving growth



Zambia

Fuel bridging operations



Tanzania

Sugar and timber contracts



Malawi

Sugar contracts and fuel distribution



Mozambique

Sugar contracts and passenger transport



Swaziland

Sugar contracts, fuel distribution and courier service



Lesotho

Fuel bridging and distribution and courier service



TRANSPORT AND LOGISTICS

Division	Activities	Brands	Fleet size
FREIGHT AND LOGISTICS Unitrans Freight Commercial Fuel and Chemical Mining and Forest Products Sugar	Transport services Warehousing Distribution auxiliary services Supply chain management Breakbulk haulage	Unitrans Freight Unitrans Fuel and Chemical Pivot Transport MDS Couriers	Commercial cluster Trucks: 438 Trailers: 704 Fuel and chemical cluster Trucks: 401 Trailers: 808 Mining cluster Trucks: 109 Trailers: 201 Sugar cluster Trucks: 250 Trailers: 818
Unitrans Express Deliveries	Authorised service provider for UPS Inc. Worldwide express courier Electronic customer services Inhouse brokerage and clearance	UPS UPS Express Shop	Vehicles: 32
Roadway Logistics 50% shareholding by Steinhoff Africa (Pty) Ltd	Distribution of furniture	Roadway Logistics	Truck tractors: 112 Rigids: 128 Trailers: 216
Unitrans Global Logistics 50% shareholding by UPS Logistics Group BV	Supply chain solutions Service parts logistics (outsourced service parts and repair networks) Logistics technologies	UPS Logistics Group SA	
PASSENGER Unitrans Passenger	Passenger transport – luxury coach charter – scheduled intercity coach travel – airport shuttle, door-to-door services, private transfers – contract hire, commuter service and semi-luxury coach charter	Greyhound Mega Coach Mega Bus Mega Tourer Magic Bus	Buses and coaches: 430 Minibuses/Kombis: 84

MOTOR AND FINANCIAL SERVICES

RETAIL Unitrans Motors	New and pre-owned vehicle sales Parts and accessories After-sales service	Unitrans Motors Toyota, Hino, Lexus, Opel, Isuzu, Suzuki, VW, Audi, Nissan, Alfa Romeo, Fiat, BMW, Mercedes, Colt, Mini	Dealerships: 62 Franchises: 72
FINANCIAL SERVICES Unitrans Finance Unitrans Insurance Contract Lease Management	Consumer credit Insurance products Full maintenance leasing e-commerce	Ufin and Nufin (Unitrans Finance) Uinsure (Unitrans Insurance) Contract Lease Management	
RENTAL Hertz Rent a Car 60% shareholding by Nail	Car rental	Hertz	

We drive great brands

TRANSPORT AND LOGISTICS

FREIGHT AND LOGISTICS



Consider it done.



Roadway Logistics



UPS Logistics Group

PASSENGER



MOTOR AND FINANCIAL SERVICES

RETAIL



MOTORS

Audi

NISSAN

FIAT

BMW

Mercedes

COLT

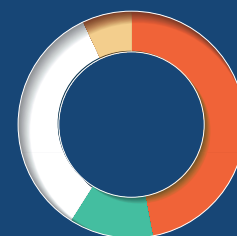
FINANCIAL SERVICES



RENTAL

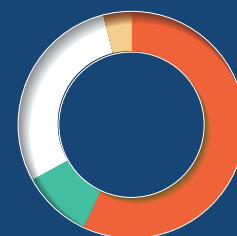
Hertz

Operating income after depreciation



Freight and Logistics	R146 million
Passenger	R36 million
Retail	R107 million
Financial	R22 million

Capital employed



Freight and Logistics	R600 million
Passenger	R103 million
Retail	R312 million
Financial	R41 million

The members of the Unitrans board collectively bring a wide range of experience and expertise to managing the group



Non-executive Chairman

D C Brink (63) ‡ °

Chairman

MSc Eng (Mining), DCom (hc)
Appointed: 25 November 1997

P J Dieperink (46)

Financial Director

BCom (Hons), CA(SA), H Dip Tax
Appointed: 1 October 1997

S M Keys (41)

*Managing Director Motor and
Financial Services*

BCom (Hons), Dip Acc, CA(SA),
H Dip Tax
Appointed: 11 February 1998

Executive directors

K J Grové (53) †

Chief Executive

Amp (Oxford)
Appointed: 1 September 1998

R H Naisby (57) °

Managing Director Freight

CA(SA)
Appointed: 10 February 1995



Non-executive directors

B C Bruce (53) # ○

PrEng, BSc Eng (Civil)
Appointed: 20 July 2000

D Konar (48) * •

BCom, CA(SA), MAS, DCom
Appointed: 25 October 2001

R W Rees (49) †

BSc (Econ) (Hons), FCA
Appointed: 25 October 2001

M J Jooste (41) # ○

BAcc, CA(SA)
Appointed: 29 May 2000

P K Quarmby (48) *

CA(SA)
Appointed: 13 December 1999

D M van der Merwe (44) †

BCom, LLB
Appointed: 29 May 2000

* Independent non-executive director • Chairman of the audit committee † Member of the audit committee ‡ Chairman of the remuneration committee
Member of the remuneration committee ○ Directors who will be retiring by rotation at the annual general meeting of shareholders on 20 November 2002 and who, being eligible, will be offering themselves for re-election. Brief CVs of these directors appear on page 90.

Members of the executive committee



Jo Grové
Chief Executive
Unitrans Limited

Philip Dieperink
Financial Director
Unitrans Limited

Alan Young
*Human Resources
Director*
Unitrans Services

Roger Naisby
Managing Director
Freight

Steve Keys
Managing Director
Motor and Financial
Services

Divisional management

UNITRANS FREIGHT

Roger Naisby (Managing Director)
Pierre Bojé
Charles Howes
Alan Lee
Fil Morkel
David Richards
Alan Young

UNITRANS EXPRESS DELIVERIES

Konrad Peter (Managing Director)
Sandra Brooks
Bruce Chaplin
Annamarie du Preez
Mike Kirby-Hirst
Simon Mngadi
William Mojapelo
Chris Vermeulen

ROADWAY LOGISTICS

Jan van der Merwe (Managing Director)
Freddie Bestbier
Jurg Nel
Anton van Rensburg
Barry van Staden

UPS LOGISTICS GROUP SOUTH AFRICA

Steve Ford (Managing Director)
Dave Beek
Gavin Burns
Paul Leisegang
Johan Martin
Rufus Smith
Niel West



Nico Boshoff
Managing Director
 Passenger

Konrad Peter
Managing Director
 Express Deliveries

Steve Ford
Managing Director
 UPS LG SA

Jan van der Merwe
Managing Director
 Roadway Logistics

UNITRANS PASSENGER

Nico Boshoff (Managing Director)
 Grant Fleetwood
 Pieter Gouws
 Stephen Healiss
 Vincent Kisten
 Koos Nel
 Kevin Scott
 Derik Steyn
 Robbie Trotter
 Fanie van der Walt

UNITRANS MOTORS

Steve Keys (Managing Director)
 Gary Alge
 Bernie du Plessis
 Wessel Groenewald
 Nigel Idris
 Ross Kelly
 Noël Nel
 Ron Newman
 André Rhoodie
 Neil Rubelli
 Steven Siebers
 Brynn Stephenson
 Johan van Niekerk
 Leon van Vuuren

UNITRANS SERVICES

Jo Grové (Chief Executive)
 Philip Dieperink
 Betty Liddbetter
 Wendy McMahon
 Jan Radnay
 Leigh Wrensch
 Alan Young



D C Brink Chairman



Dear Shareholders,

Your directors were pleased to announce strong results for the year ended 30 June 2002 with operating income, after depreciation, increasing by 28% against a revenue growth of 14%. Headline earnings per share increased by a satisfactory 26% but even more encouraging was the margin improvement from 4,6% to 5,2%, the healthy return on average capital employed of 33% (2001: 32%), and the return on shareholders' funds of 20% (2001: 19%).

Good working capital management left the group cash positive at year-end after R293 million was invested in maintaining and expanding operations.

These results allowed the directors to declare an increased dividend of 84,5 cents per share compared to 78 cents last year.

Your directors pay tribute to the group's motto of "Always a better way ahead" and the evolving strategy of seeking improved value propositions for all our customers in the process of solving their logistics, distribution and transportation needs.

The results also fairly reflect the dedication of the staff and management of Unitrans under the able corporate leadership of Jo Grové, Philip Dieperink, Steve Keys and Roger Naisby. All have worked with distinction in upholding and enhancing the strong Unitrans brand.

Business environment

The growth of the Gross Domestic Product (GDP) of South Africa during the second half of calendar 2001 and the first half of 2002 at between 2% and 3% has been satisfactory, if not remarkable, considering trends in the major economies of the world, but has been insufficient to boost employment opportunities and reduce poverty. The South African economy has indeed been resilient and relatively successful, taking into account the adverse state of the world economy. This is largely due to commendable macro-economic management by the South African Treasury and the monetary authorities and the strong export bias of our economy led by the minerals industry and supported by manufacturing.

Drivers of Unitrans' businesses

As a service industry, with a large footprint in the south of southern African economy, Unitrans performance will be linked to and respond to GDP growth. In commercial and

"Our results reflect the dedication of staff and management, all of whom have worked with distinction to uphold and enhance the Unitrans brand"

Unitrans produced strong results

general freight and logistics, including that related to the retail sector and to fuel and chemicals, business would tend to be steady and dependent on the intensity of economic activity. Mining, forestry and sugar would inherently be more cyclical, related to sector activity, but due to the low rand exchange rate, exports of minerals and forestry products remain buoyant. There is a world glut of sugar at present, with much “dumping” activity depressing prospects in the sugar industry which, by its nature, is also exposed to weather excesses (either too much rain or drought).

People transport is limited to general economic activity and to developments in the tourism industry. The latter is also important to car rentals, with Hertz well positioned with its strong internationally recognised brand and much improved operational performance.

Motor Retail's new and pre-owned vehicle sales are dependent on the interest rate environment with current high interest rates a depressing factor. The launch of new vehicle ranges by our top suppliers is important, as is the ready supply of vehicles to match market demand. Quality of customer service and operational excellence are vital in this business, an area in which our dealerships can hold their heads high, having again received many top awards in the various vehicle manufacturers' programmes.

The pre-owned vehicle market has assumed greater importance over the last year with Motor Retail increasing its market share. Synergy with the emerging strength of Hertz car rental is an important factor in the pre-owned vehicle trade.

Financial and insurance services related to retail vehicle sales are dependent on the innovativeness and quality of products offered to customers and the cost thereof, which depends again on the cost of wholesale finance available from relevant providers.

Efficiency and productivity

An example of our quest to improve our value proposition is the important progress made in implementing an integrated suite of IT solutions that will enhance the distribution side of our business and the transportation solutions offered to our customers. These range across the spectrum of operations, management and control of transport and warehousing, vehicle management and tracking, route optimisation, vehicle size optimisation and an e-business facility for interaction via the internet.

“As a service industry with a large footprint in the south of southern African economy, Unitrans will be linked to and respond to GDP growth”

“Our motor dealerships have again received many top awards in vehicle manufacturers' programmes”

Unitrans improves its value proposition



Corporate social involvement

Unitrans is a founder member and funder of the Business Trust along with 145 other caring South African companies.



What is the Business Trust?

During 1998 South African business leaders recognised the need for a concerted initiative to respond to South Africa's jobs and skills challenge. They aimed to provide benefits to the disadvantaged while the economy is put on a growth path that will result in sustained improvements in the lives of the majority of South Africans. A strategy was devised to work in partnership with the government and the Business Trust was launched on 1 July 1999.

The strategy focuses on tourism for job creation and schooling for capacity building. A programme to address crime and malaria, which are impediments to tourism development, underpins the strategy. The tourism programmes are aimed at attracting visitors to South Africa as well as training workers and supporting entrepreneurs. On the education front, the Business Trust aims to help to improve the efficiency, effectiveness and quality of the schooling system.

The immediate goal was to raise R1 billion from companies committed to the growth and prosperity of South Africa and then, over the next five years, to use these funds in highly focused partnership programmes to meet very well defined and monitored goals. The response from South African business was extremely positive and within a year of its official launch the Business Trust had a commitment of R800 million from over 100 companies.

The government also responded positively. In addition to co-funding programmes that now total R1,6 billion, the President's Big Business Working Group was established to facilitate a high level exchange of views on critical national issues.

At the recent World Summit on Sustainable Development, the Business Trust was selected by the International Chamber of Commerce and the United Nations Environment Programme as one of ten partnerships around the world to receive an award for its excellent contribution to sustainable development.

Another example of our commitment to CSI is found in the following report from our Botswana operations:

"Unitrans Botswana once again took up the cudgel for CSI and was one of the major sponsors of the 'Cycle for AIDS' prevention campaign held recently in Botswana.

"We are actively involved in education and awareness programmes to combat the spread of HIV"

“The project co-ordinators, Daniel Saplontai and Ditiro Coyne, cycled clockwise around Botswana, starting out from Gaborone, and passing through Lobatse, Jwaneng, Kang, Ghanzi, Maun and Francistown. Their trip took them through twenty towns and villages and at each stop they gave AIDS awareness talks. A truly major achievement by two concerned young men.”

Corporate governance

For South Africa, its corporates, government and its people, the completion of the King Committee’s work and the publication of “King II” early this year was timely, coming before the breaking of the major corporate scandals in the USA and elsewhere. Your directors support the King II proposals and the need for constant working towards the improvement of governance standards. We believe that we are in substantial compliance already and will work to remedy any deficiencies. Readers are referred to the corporate governance report that follows on pages 44 to 47.

HIV and AIDS

Your group is working hard to ensure that the AIDS pandemic does not pose a threat to the future viability of our business and that we understand the dimensions and ramifications of the problem to our society and our economy. We are actively involved in education and awareness programmes to combat the spread of HIV throughout our group. In our Freight division, shop stewards and management recently agreed on a joint programme aimed at assisting HIV/AIDS positive employees to sustain productive life styles.

“The King II proposals are receiving the support of your directors”



We are AIDS aware

Black economic empowerment

Important developments this year were the acquisition by Mvelaphanda, with effect from 1 July 2002, of a 25% stake in Unitrans Express Deliveries, the authorised service provider for United Parcel Service Inc., the world’s largest global transportation company, and the launch of Unitrans Fuel and Chemical (Pty) Ltd, a company in which Mvelaphanda holds a 25% stake.

Prospects

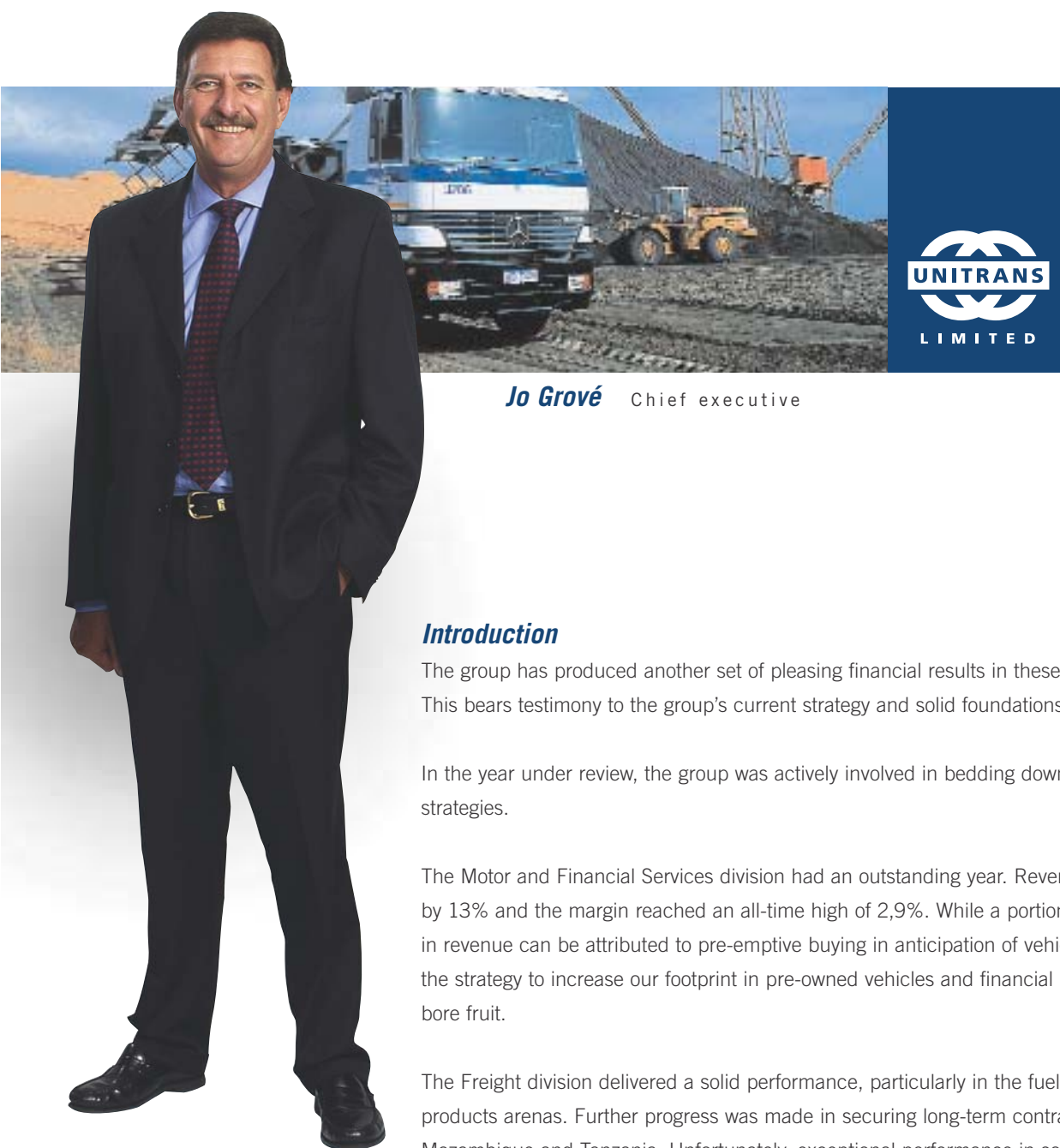
It is appropriate to quote from our results announcement made on 20 August 2002.

“Unitrans has a leading position in a number of its markets, has an excellent management team and a sound financial base. It remains committed to maximising organic growth in all its existing markets. At the same time it will assess and evaluate local and foreign acquisition opportunities.

“Notwithstanding a general slow down in economic activity, the board is confident that the group is well positioned to deliver real growth in the year ahead in all areas of its business.”

“We are confident that the group is well positioned to deliver real growth in the year ahead”

Dave Brink
Chairman



Jo Grové Chief executive

Introduction

The group has produced another set of pleasing financial results in these challenging times. This bears testimony to the group's current strategy and solid foundations.

In the year under review, the group was actively involved in bedding down existing strategies.

The Motor and Financial Services division had an outstanding year. Revenue increased by 13% and the margin reached an all-time high of 2,9%. While a portion of the increase in revenue can be attributed to pre-emptive buying in anticipation of vehicle price increases, the strategy to increase our footprint in pre-owned vehicles and financial products also bore fruit.

The Freight division delivered a solid performance, particularly in the fuel, gas and black products arenas. Further progress was made in securing long-term contracts in Mozambique and Tanzania. Unfortunately, exceptional performance in some parts was negatively impacted by certain operational issues within the sugar sector, especially in Malawi. I believe the Malawi issue has been rectified and will not reoccur.

UED, the authorised service provider for UPS in southern Africa, continued to grow its market share and performed above expectations, despite lower than expected import volumes as a result of a general slowdown in the world economy.

The Passenger division performed well despite difficult conditions, including irrational competition and increased costs. Its growth in earnings was largely attributable to increased tourism and improved returns from our Mega Bus operation.

Our investments in joint ventures and our interest in Hertz had varying levels of success.

“The Motor and Financial Services division had an outstanding year”

Unitrans has produced pleasing results, bearing testimony to the group's current strategy and solid foundations

The UPS LG business has yet to break even but appears to have the appropriate business model going forward. The opportunities stemming from UPS LG's worldwide customer base are being exploited.

Roadway Logistics has had a reasonable year. I believe its new business focus will provide increased benefits in the year ahead.

The turnaround in Hertz is under way and significant progress has been made, with the assistance of our partners Nail, in securing a large number of corporate accounts.

Driving sustainability

Black economic empowerment

On 27 May and 3 July 2002, the group announced two significant transactions with Mvelaphanda. In terms of these transactions, Mvelaphanda acquired, with effect from 1 July 2002, a 25% stake in Unitrans Fuel and Chemical (Pty) Ltd, and a 25% stake in UED. Mvelaphanda was selected as the appropriate partner after extensive research and Unitrans is confident it has chosen the best empowerment partner to assist it in growing these businesses in southern Africa. Mvelaphanda is well known in South Africa and, since its inception, has become a leading black-managed and owned investment company. It is a highly successful operation, with a wide spread of shareholders that represents the demographics of this country. It is well respected as a true broad-based empowerment operation.

Hertz is another company that has a strong black economic empowerment partner in the form of Nail. The benefits flowing from this sound relationship have proved invaluable.

A number of small empowerment deals have been entered into at the Motor Retail level. With support from the Department of Labour, these initiatives have created small businesses aimed at providing support services to our motor dealerships. These include wash bays, motor valet, paint and window restoration and office cleaning.

“Our strategy is to be proactive in our people management”

“Our commitment to black economic empowerment will ensure our future relevance in the economy”

Unitrans recognises the importance of annuity income



Underlying strength

The annuity nature of our freight and passenger businesses remains intact and has been enhanced through the renegotiation of certain major contracts.

Employees – increasing competencies

Our employees are key to our success. We take our commitment to their upliftment and empowerment seriously. We have introduced ongoing programmes for employee and management development to ensure staff can meet the greater demands of the future.

Expansion into Africa

Our expansion into other parts of Africa has been carefully structured to minimise all risks, including currency exposure.

Changing people profile

The growth strategies adopted, particularly in Freight, have resulted in a significant increase in headcount. Clearly, there are many national benefits in such an increase in employee numbers, but it comes with additional recognised business risk. To manage this risk, continued efforts have been made to build sound employee relationships at company and industry level. This has been done through the roll-out of a holistic approach to human capital development (including employment equity) and through constructive engagement with our employees at the Transformation Consultative Forum. Issues being addressed include education, training, development, employment equity and AIDS.

The group has fully exploited the benefit of adopting a systematic approach to education, training and development, receiving maximum government tax rebates for training. In summary, our strategy is to be proactive in our people management.

HIV/AIDS

The group has focused considerable attention and effort on addressing the threat of this pandemic in the industries in which we operate. A policy, jointly developed with employee representatives, has been adopted. Recognising the ineffectiveness of any imposed approach, this policy, while protecting the confidentiality of individual employees, offers free testing and assistance to those who test HIV positive. The programme, although in its infancy, seeks to offer help to employees and their families. The group adopts the view that employees testing HIV positive must be given hope and assisted to remain productive employees and citizens for as long as possible.

“Priority is given to the upliftment and empowerment of our employees”

Corporate social involvement

We are committed to playing a role in the development of civil society in southern Africa. Our funding of social investment programmes includes:

- the Business Trust – we are a major contributor to this national business initiative; and
- donations made to equip a mobile clinic and to “adopt” an AIDS orphans’ home.

The group’s divisions have given support to many worthy causes that provide education, childcare and assist in alleviating human suffering. Crime prevention has also received support, as well as cultural and sporting activities.

In addition to these projects, we make charitable donations to numerous organisations.

Driving our value-added services

In keeping with market developments and requirements, the transport and logistics operations have become close partners in their endeavour to provide additional value to our customers. The focus has shifted to Smart 3PL where we offer clients input to their entire supply chain. Increasingly, we are acquiring specialised companies with relevant competencies that enable us to offer customers one-stop solutions.

The distribution strategy of Motor Retail continues to be rolled out successfully and restructuring of the financial products offered by Financial Services is now complete.

IT – optimising in-house synergies

The group continues to invest in best-of-breed software and IT infrastructure. This ensures we are able to obtain key management information and offer efficient and competitive products and services to our customers.

Growth and prospects

The group will actively seek real growth opportunities in its existing service and geographical markets, both regionally and abroad. We are well positioned for organic growth and will continue with our strategy of acquiring good, small companies with sound management to help us go forward.

In conclusion, I would like to express my thanks to all our employees for their continuing loyalty and dedication to the group and to our customers, shareholders, finance providers and suppliers for their ongoing support.



Jo Grové

Chief executive

Unitrans Corporate University

Unitrans Corporate University is a partnership with Didata Learning Solutions. It was launched last year and is becoming an important platform for change within the organisation.

Two programmes were delivered this year for junior and middle management. Both were highly acclaimed by the participants and operational management alike. This institution is fostering the growth of cross-divisional relationships, business understanding and learning, helping to build careers across the group and develop more effective future leadership.



FREIGHT AND LOGISTICS	2002 R000	2001 R000
Revenue	1 285 313	1 105 228
Operating income after depreciation	146 364	113 146
Capital employed	600 122	442 732

Freight



Service offering

The provision of integrated supply chain solutions, with an emphasis on freight transportation.

Review of operations

The freight operations recorded an acceptable level of growth. The commercial cluster grew satisfactorily on work secured in the previous financial year, and has maintained a high level of dedicated contractual work. The operations of the fuel and chemical cluster benefited markedly from the fuel crisis caused by stoppages at a number of South African refineries, as well as

from opportunities arising as a result of haphazard production flows from the refinery in Zambia. The mining and forest products cluster performed well, despite a lack of volumes in its timber operations. In the sugar cluster, unseasonable rain and adverse working conditions in Malawi disrupted operations severely. It is pleasing to note, however, that the current cane season has started well in the areas covered by this cluster and is expected to turn around the disappointing performance of the year under review.

The key to growth is the cost-effective distribution of resources and consumables



Risk areas

The risks associated with providing services to the agricultural sector have been addressed by negotiating contractual terms that reduce exposure to risks beyond the division's control and also by exiting areas of high risk.

The rate of growth of the South African economy impacts on the division's ability to grow organically. As a result, organic growth will be complemented by acquisitive growth in existing areas of competence as well as in other niche markets providing good growth opportunity.

Health, safety and environmental issues continue to receive a high level of focus, together with appropriate formal accreditation for ISO 9000 and 14 000 ratings spearheaded by the fuel and chemical cluster.

The AIDS threat is seen as a risk to the group, and significant attention is given to this pandemic by the Freight division, which is committed to the group policy.

Business clusters

*Commercial
Fuel and chemical
Mining and forest products
Sugar*

Sectors

*Fuel and lubricants
Chemicals
Mining
Forestry
Building products
Steel and engineering
Food and beverages
Animal feeds
Poultry
Agriculture
Explosives*

Empowerment

The fuel and chemical cluster embarked on an initiative whereby its South African operations were sold, with effect from 1 July 2002, to Unitrans Fuel and Chemical (Pty) Ltd. The shareholding of this company is Unitrans Freight 75% and Mvelaphanda 25%. This assists the division to reposition itself to reflect the demographics and characteristics of the country and region in which it operates.



Freight



Values driving the business

The division is service focused, and has restructured its top and middle management to ensure it provides services that are aligned to its customers' needs.

The division aims to add value to existing and new customers' operations by increasing its service offering and continuing to conduct business in a professional and efficient manner. The building and maintaining of constructive relations with employees through their elected representatives is given high priority.

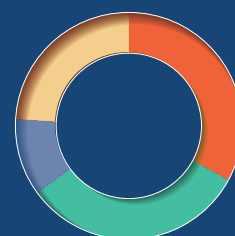
Organic growth

The year under review saw the Freight division renew many contracts that were concluded in previous years. These have all produced acceptable levels of return.

In addition, the division concluded many new contracts as highlighted below:

- Expanding Tanzanian operations to include the haulage of timber.
- Growing the base of food haulage operations in South Africa.
- Expanding services provided in industrial gas distribution.
- Fuel bridging into Lesotho.
- Substantial short-haul contracts for fuel and lubricant distribution in Namibia.
- Haulage of product to Zambia.
- Bulk haulage for the cement industry in KwaZulu-Natal.
- Substantial increase in heavy metal concentrate haulage.
- Contracts with sugar mills in Mozambique at Xinavane, Mafambisse and Maragra, providing a wide range of services embracing cane haulage and loading, land preparation, road maintenance and canal clearing.

Revenue by cluster: 2002



Commercial	33%
Fuel and chemical	32%
Mining and forest products	11%
Sugar	24%

Freight will grow its business by providing a broader range of solutions



Acquisitive growth

The division made strategic acquisitions to grow its skills base and service offering:

- Gasfreight – transporting industrial gases for Total Fina Elf.
- E&G Trucking – expanding the lubricant warehousing and distribution business.
- The Timber Haulage Trust – providing selected logistical services to sawmills in KwaZulu-Natal.
- MDS Couriers (Botswana) – building on the successful acquisition of the Pivot Transport business in breakbulk haulage.

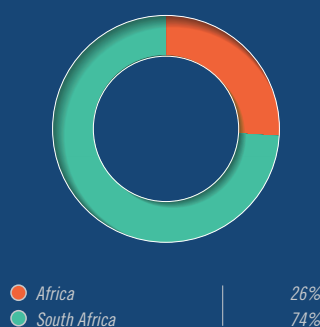
Strategy for future growth and prospects

The division will grow its business by providing a broader range of solutions to existing customers, extending existing skills and expertise to new customers in like industries, and by focusing on further acquisitive growth.

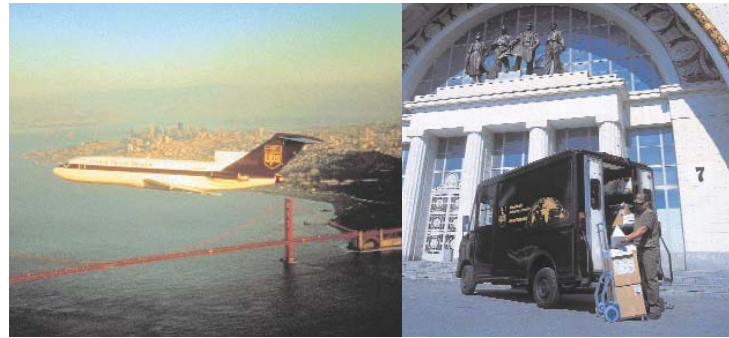
These initiatives will be directed by a dedicated business development team.

www.unitrans.co.za

Revenue: Sub-Saharan Africa – 2002



Express Deliveries



Consider it done.

UED is the authorised service provider for UPS Inc.

Service offering

Worldwide express courier service enhanced by a full range of electronic customer services.

Review of operations

Continuous market penetration and increased growth necessitated a move to a specifically-designed UPS distribution hub close to Johannesburg International Airport.

UED's exports have shown dramatic growth over the past year, with numbers consistently exceeding

targets. Continuous training in selling techniques, time management and UPS products has equipped the sales team to exploit openings in the export market, increasing market share.

The UPS Express Shop, a retail outlet in Pretoria, is performing well and provides a substantial portion of UED's export volume growth.

Risk areas

The management of credit risk surrounding recoverable disbursements.

Unitrans values its partnership with UPS



Values driving the business

UED has adopted UPS' philosophy of "going beyond the book", ensuring its employees do more than what is expected of them, focusing on providing customers with exceptional service.

Services

The in-house brokerage department, which performs customs clearing functions generally outsourced by courier companies, continues to be very successful, improving in-house clearances and service to its customers, with a positive impact on revenue.

New UPS products

The introduction of UPS' time-guaranteed export product, which guarantees next-day delivery to a number of major European cities, has ensured that UED maintains its competitive advantage.

Empowerment

Mvelaphanda has acquired, with effect from 1 July 2002, a 25% shareholding in UED. Through this relationship UED hopes to achieve genuine transformation, positioning it for future growth.

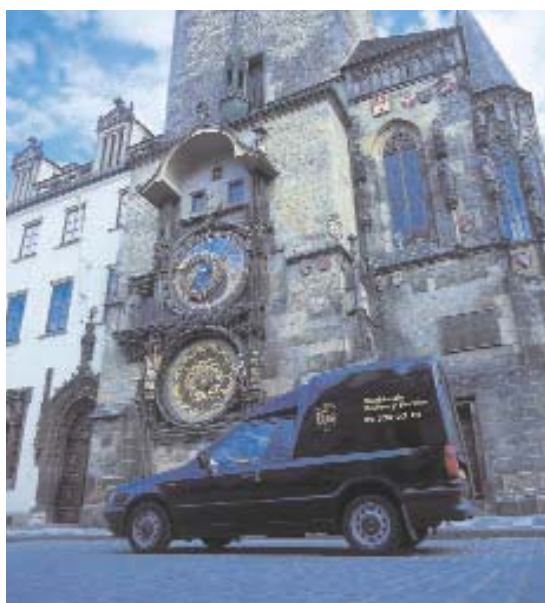
UED also contributed towards the upliftment and advancement of its own staff through a number of adult basic education and training courses and through its commitment to skills development programmes at all levels.

Prospects

Brand awareness of UPS in South Africa remains a core focus and continues to draw customers' attention to UPS' high-tech innovation and service.

Being a relatively small player, the prospects for growth are excellent, despite the difficult economic environment. Market penetration will be enhanced by advertising to increase UPS brand awareness, the roll-out of new products and services and, with Mvelaphanda, a drive into the public service arena.

www.ups.com



Roadway Logistics



Roadway Logistics

The group has a 50% shareholding in this joint venture. The balance of the shares are owned by Steinhoff.

Service offering

The provision of logistical services to the furniture and household industry.

Review of operations

This company has established itself over the past year as the major distributor of new furniture in South Africa. New service standards and benchmarks have been established in the industry and will be developed further in the new year. Good progress has also been made with value-added services in the industry, repositioning the company away from commoditised transport.

Risk area

Fluctuations in the retail trade impact the volumes and profitability of this division as it provides the link between the manufacturer and the furniture retail industry.

Values driving the business

The division provides manufacturers with a competitive advantage in terms of rates, service levels and customer satisfaction.

Prospects

The furniture retail industry is going through a consolidation phase and, as opportunities arise, more companies are seeking logistical solutions to give them a competitive edge in the industry. Roadway Logistics is well placed for further organic growth.

www.roadway.co.za

Global Logistics



UPS Logistics Group

UPS Logistics Group SA is a 50:50 joint venture with UPS Logistics Group BV, the international logistics company.

Service offering

The provision of re-engineered supply chain management, consulting and other related services.

Review of operations

Difficult market conditions following the events of 11 September as well as the dramatic turnaround in the technology sector and dotcom market impacted growth. However, other opportunities presented themselves as the relatively immature SA market started following global trends and technology-driven supply chain solutions.

Risk areas

The historical reliance of UPS Logistics Group globally on the IT sector has slowed its growth. It has now been repositioned into other sectors.

The nature of the business is such that sales cycles are lengthy and invariably involve an initial consulting process.

Values driving the business

The company comprises a highly-focused team of professionals aimed at reducing supply chain costs and improving service levels.

Partnership with customers will be key, as the lines between a business and its outsource partner become blurred.

Prospects

Extensive preparatory work has been performed and this division is well positioned to secure new business.

Relationships with UPS Logistics Group are strong and are being well leveraged.

www.upslogistics.com

PASSENGER	2002 R000	2001 R000
Revenue	304 075	273 623
Operating income after depreciation	36 114	32 631
Capital employed	103 325	105 212

Passenger



Service offering

The provision of a comprehensive range of passenger transport, both nationally and cross-border

- Scheduled service: South Africa, Zimbabwe and Mozambique
- Charter services for tourism
- Personnel transport
- Commuter transport
- Airport shuttle service

Review of operations

The Mega Bus operations performed exceptionally well during the year.

Consolidation in the mining industry is providing economies of scale and offers rationalisation and organic growth opportunities.

Highly competitive trading conditions at Greyhound affected the contribution of this business unit, which experienced a profitable but difficult year.

Tougher than expected trading conditions at Mega Tourer were offset by improved utilisation and earnings at Mega Coach.

Prospects of improved tourism bring further opportunities



Risk areas

The escalating cost of capital equipment, which is largely imported, and rising operating costs.

Continued political unrest in Zimbabwe could impact South Africa's tourism potential.

Values driving the business

Management's dedication and passion for the business has optimised returns. The focus on using assets effectively to achieve a competitive advantage and increase margins continues and is particularly important in light of imported cost escalators.

This division is able to provide unique and integrated services to customers by synchronising efforts. A flat management structure allows for quick decision-making and reduced overhead cost.

Empowerment

The company has successfully assisted a number of SMMEs through subcontracting opportunities in non-core business activities, ie vehicle and depot cleaning and security services.

Emphasis is being given to concluding joint ventures with black economic empowerment partners.

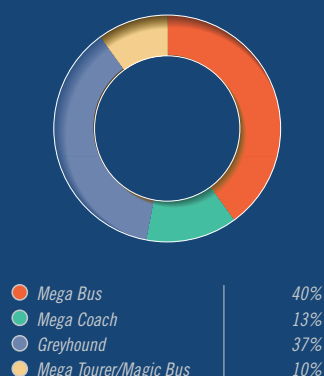
Prospects

Prospects and the climate for acquisitive growth are favourable.

South Africa's perceived status as a safe and value-for-money tourist destination will favour inbound tourist operations, which the division is well placed to serve.

The continuous consolidation and integration of the various business units within the Passenger division will enhance earnings and bring improved customer satisfaction.

Revenue by cluster



Business clusters

Greyhound Depots

Cape Town
Durban
East London
Harare
Johannesburg
Maputo

Sales offices

Bloemfontein
Cape Town
Durban
East London
Harare
Johannesburg
Kroonstad
Maputo
Midrand
Montrose
Nelspruit
Port Elizabeth
Pretoria

Mega Bus

Depots

Delmas
Johannesburg
Kuruman
Messina
Phalaborwa
Pietersburg
Secunda
Theunissen
Virginia
Vredendal

Mega Coach

Depots

Cape Town
Durban
Johannesburg

Magic Bus/Mega Tourer Depots

Cape Town
Durban
Johannesburg

www.greyhound.co.za

www.megacoach.co.za

www.magicbus.co.za

MOTOR AND FINANCIAL SERVICES	2002 R000	2001 R000
Revenue	4 405 632	3 899 806
Operating income after depreciation	128 726	97 451
Capital employed	352 684	283 443

Retail and Financial



Service offering

The sale of new and pre-owned vehicles, parts and accessories and after-sales service. This is augmented by the provision of consumer credit, insurance products and full maintenance leasing.

Review of operations

Despite tough trading conditions caused by the devaluation of the rand and increasing interest rates, the division has performed exceptionally well during the year.

The division continues to aggressively grow its contribution from pre-owned vehicles and after-sales activities.

Customer satisfaction remains a core focus of the division and it has performed well in all ongoing independent customer satisfaction surveys.

The Financial Services division continues to deliver pleasing growth. In particular, Unitrans Insurance Limited posted another good result.

Unitrans is proud to represent strong brands



Acquisitions

During the year, the division acquired seven dealerships from Senwes Limited. These dealerships have been successfully integrated into the division's structures and are beginning to contribute positively.

Risk areas

The performance of the division is inextricably linked to the economic cycle. Exchange rates and interest rates have a profound effect on consumer confidence and buying patterns.

High fixed overhead costs (mainly infrastructural costs) allow the division little flexibility in cyclical downturns.

Values driving the business

Management is dedicated to the core value of delivering superior customer service and enhancing the product/service offering to the customer. The commitment to meeting and beating industry benchmarks is well entrenched throughout the division.

Strong long-term relationships with franchise principals and other suppliers are valued and developed constantly.

The division's people are empowered to deliver on the group vision.

Empowerment

The division has actively been pursuing outsourcing of non-core activities to previously disadvantaged groups. This initiative is gaining great momentum throughout the division and carries the support of the Department of Labour.

Various initiatives at dealership level, in association with our franchise principals, have reached an advanced stage.

Prospects

Despite the possibility of the trading environment becoming tougher, the division is committed to enhancing earnings through improved marketing, increasing market share, rigorous cost control and benchmarking internal processes for improvement.

www.um.co.za

Business clusters

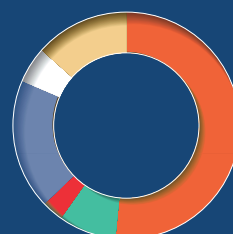
Retail
Financial Services
Rental

Dealerships

*Algoa Toyota Group (3)**
Avondale Toyota
*Killarney Toyota Group (2)**
*Buffalo Toyota Group (2)**
*Market Toyota Group (5)**
*Monument Toyota Group (5)**
*Limpopo Toyota Group (2)**
*Oranje Toyota Group (8)**
*Pat Hinde Toyota Group (4)**
Rivonia Toyota
Audi Benoni
Audi The Glen
Audi Klerksdorp
Benoni City VW
The Glen VW
Kings Park VW
Klerksdorp VW
Kroonstad VW
McDuling VW
Strijdom Park VW
*IC Nissan Group (3)**
United Motors
Northcliff Auto
Autobahn BMW
Williams Hunt
*Delta (13)**

**Denotes number of dealerships*

Retail: Revenue by franchise



● Toyota	50%
● BMW	8%
● Daimler Chrysler	3%
● Delta	18%
● Nissan	5%
● Volkswagen and Audi	13%

Rental



Hertz

Service offering

Hertz Rent a Car is the southern African licensee of the world's largest car rental operation.

Review of operations

The main focus has been to secure long-term corporate and contract accounts. In addition, a Tour Operator programme has been established, successfully securing certain large offshore tour operator accounts. A self-financed insurance scheme has been introduced, internal infrastructure established, the branch network expanded, and staff training extended to ensure the continuation of efficient service to clients.

Risk areas

The impact of the foreign tourist market on the rental industry.

Ensuring that rental rates track increases in vehicle and finance costs.

Values driving the business

Cost management and the Total Customer Satisfaction programme, aimed at service level improvement, are key values in the business, together with a personalised approach applied to staff productivity and utilisation of vehicles in the fleet.

Empowerment

Hertz Rent a Car is an empowered company with 60% of the equity held by Nail and 40% by Unitrans Limited.

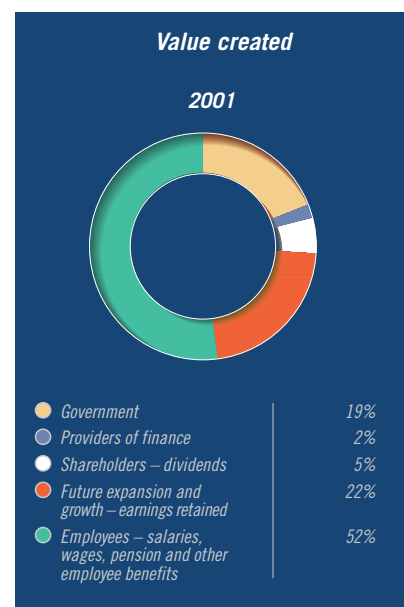
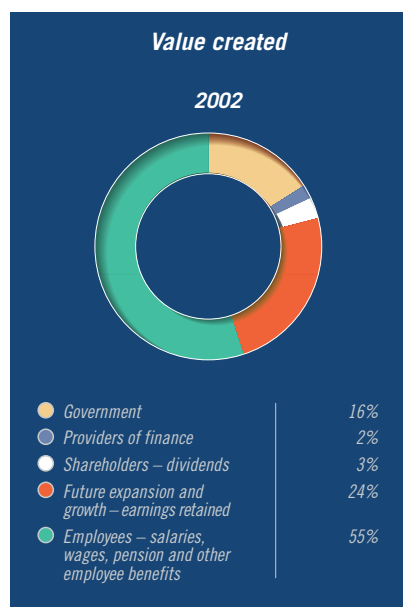
In addition, Hertz Rent a Car has a comprehensive employment equity and empowerment plan in place to ensure fairness in the workplace.

www.hertz.co.za

for the year ended 30 June 2002

Value created is a measure of the wealth created by the group and its employees through its various business activities. This statement shows the value added and how it was shared amongst its various stakeholders.

	Group		
	2002		2001
	R000	%	R000
Revenue	5 995 020		5 278 657
Net costs associated with the production of revenue	4 651 087		4 092 938
Value created	1 343 933		1 185 719
Distributed as follows			
Employees – remuneration and benefits	735 834	55	617 304
Government – see note below	213 464	16	221 940
Providers of finance	35 891	2	27 105
Shareholders – dividends	40 000	3	55 820
To maintain and expand the group	318 744	24	263 550
Earnings retained	159 364		108 793
Depreciation	159 380		154 757
	1 343 933	100	1 185 719
			100
Note: Contributions to government			
Company taxation	79 642		67 708
Customs duty	1 017		6 080
Rates and taxation paid to local authorities	6 151		5 268
Regional services council levies	11 222		9 043
Grants and subsidies received	(11 423)		(6 259)
Taxation paid to central and local government	86 609		81 840
VAT collected on behalf of government	126 855		140 100
Total contributed to government	213 464		221 940
Value created per employee	142		135
Number of employees	9 463		8 784





Philip Dieperink Financial director

Group operating performance

Revenue grew 14% to R6 billion. Organic growth in the year under review was in the region of 98%. Revenue growth in Freight and Logistics was 16%, Passenger 11% and Motor and Financial Services 13%. Market conditions in the past year were tough, especially during the second and third quarters as a result of the uncertainties associated with 11 September and the volatile rand.

The volatility in the currency had differing impacts on our various businesses. In the case of Motor Retail, we saw pre-emptive buying in the second and third quarters. In both the Freight and Logistics and Passenger divisions input costs increased, especially fuel and the cost of new vehicles.

Operating income after depreciation rose 28% with Freight and Logistics rising 29% and Motor and Financial Services 32%. I am particularly happy to note that each division's margin either remained the same or increased year on year with Freight and Logistics at 11,4% (2001: 10,2%), Passenger at 11,9% (2001: 11,9%) and Motor and Financial Services at 2,9% (2001: 2,5%).

Operating income after depreciation showed a 36% compound growth over the last four years.

The depreciation charge of R159,4 million increased by only 3% year on year. This low level of increase during the current year is not attributable to any change in accounting policy or change in estimate but merely reflects the following:

- A portion of the KwaZulu-Natal sugar fleet and the fuel and chemical fleet was depreciated to residual value during the current year.

“Operating income after depreciation showed a 36% compound growth over the last four years”

Each division's margin remained the same or increased year on year

- A material portion of the capital spend was spent in the second and third quarters but only brought into use in the fourth quarter with depreciation only being raised from the fourth quarter onwards.
- A reduction in depreciation of buildings as a consequence of the sale of the Motor and Financial Services division's properties discussed below.

Finance costs increased by R11,9 million from R21,1 million to R33 million due to the higher level of borrowings and an increase in interest rates. Finance costs remain well covered by operating income at 9,4 times (2001: 11,5 times).

The profit on sale of assets was R18,1 million (2001: R22,1 million). It is expected that the profit from this source will continue to decrease in ensuing years.

Amortisation of goodwill increased from R8,3 million to R13,1 million, due mainly to the acquisition of certain new businesses during the current year.

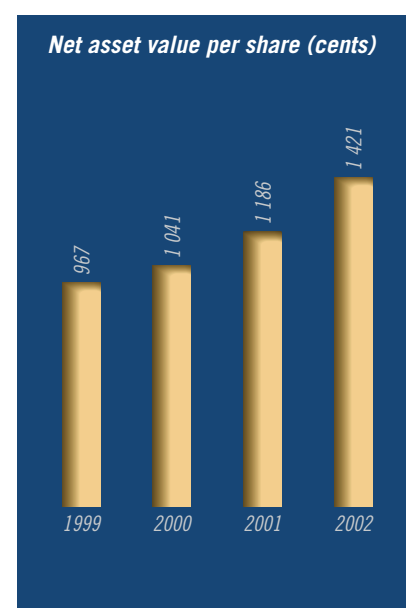
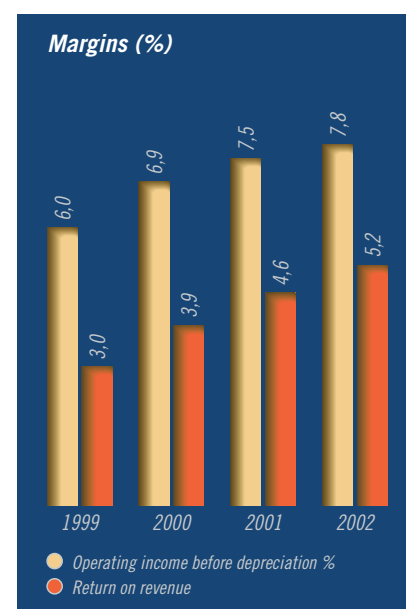
The current year's effective tax rate decreased to 28,1% from 28,7%. This was due mainly to a reduced accrual for secondary tax on companies (STC) as a consequence of having adopted AC 107 in the prior year. In the current year the STC liability has been calculated with reference to the final dividend. In the prior year the STC related to both a final and an interim dividend.

The loss from associates decreased from R2,4 million to R1,8 million. A profitable debut of Roadway Logistics was offset by losses made at UPS LG (the start-up joint venture with UPS LG BV) and Hertz.

Net profit for the year increased to R199,4 million which is a 21% increase year on year.

Returns

Return on capital employed increased from 32,1% to 33%. Return on shareholders' funds increased from 19,5% to 20,1%.



Unitrans has achieved a 38% compound growth over the last four years



Earnings per share

Earnings per share increased 21% from 216,7 cents to 261,6 cents and headline earnings per share increased 26% from 203,2 cents to 255,1 cents. The weighted average number of shares in issue for the year increased from 75,9 million to 76,2 million due to the issue of shares in terms of the employee share scheme. Headline earnings has been calculated by deducting profit on disposal of property, vehicles and equipment, after adjusting for tax, totalling R18 million (2001: R19 million) and adding goodwill amortisation of R13 million (2001: R8 million) to net profit for the year.

I am happy to report that the group has achieved a 38% compound growth in both earnings per share and headline earnings per share over the last four years.

Dividends

A dividend of 84,5 cents per share was declared payable on 7 October 2002 to shareholders recorded in the books of the company at close of business on 4 October 2002. Based on headline earnings per share this gives a dividend cover slightly in excess of three times. As stated previously, the group is targeting a dividend policy range of between three and a half and four times cover. Until it reaches this point, dividends will be increased in line with inflation. The comparable dividend for the prior year was 78 cents.

Cash flow

Net cash flow from operations continues to be strong at R252 million. The group reinvested a net R293 million in maintaining and expanding its operations. Included in this net movement is a sale and leaseback transaction concluded by the Motor and Financial Services division. These properties were sold to a third party for R73 million and are now being leased back to the group on an arm's length basis.

“Earnings per share and headline earnings per share increased by 21% and 26% respectively”

Balance sheet

The balance sheet is strong with cash of R143 million at the year-end (2001: R162 million). The cash position at year-end resulted from good working capital management. The group's average borrowings during the year were in the region of R225 million (2001: R150 million). This gives a normalised debt to equity ratio of 21% (2001: 17%). The net asset value of the group increased substantially to 1 421 cents (2001: 1 186 cents) per share.

Inventory levels rose mainly as a result of higher new vehicle prices and additional investment in pre-owned vehicle inventory to facilitate pre-owned vehicle sales. Motor Retail also took on additional new vehicle inventory in June in anticipation of the price increases due on 1 July 2002. The increase in debtors is attributable to enhanced sales activity and a R22 million increase in insurance debtors as a result of the group reporting its insurance operations on a gross basis as opposed to the net basis previously used.

Post-balance sheet event

With effect from 1 July 2002, Mvelaphanda acquired:

- a 25% equity stake in Unitrans Fuel and Chemical (Pty) Ltd; and
- a 25% equity stake in Unitrans Express Deliveries (Pty) Ltd.

There are no other material post-balance sheet events.

Corporate activity

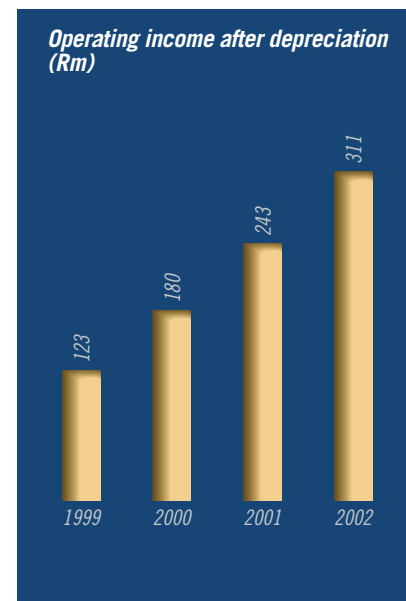
As stated previously 98% of the revenue growth during the current year represented organic growth.

The Freight and Logistics division continued to expand its operations in the SADEC countries, in particular in Mozambique and Tanzania. It also acquired a stake in an express delivery business in Botswana plus certain other small acquisitions in South Africa. The motor dealerships acquired by the Motor and Financial Services division in February 2002 from Senwes have been bedded down and are performing well.



Philip Dieperink
Financial director

“Net cash flow from operations continues to be strong”



“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals . . . the aim is to align as nearly as possible the interests of individuals, corporations and society”

Sir Adrian Cadbury
Corporate governance overview
1999

World Bank Report
(extract from the King II Report)

The publication of the King Report on Corporate Governance for South Africa 2002 (“King II”), coupled with the spate of recent accounting scandals in the United States of America, has highlighted the necessity for sound corporate governance.

The group is committed to ensuring ongoing effective corporate governance and is substantially compliant with King II. A phased-in approach to ensure meaningful compliance with the recommendations of King II and to provide a balance between performance and corporate constraints has been adopted by the group.

The board of directors

The responsibility for the functioning of the board and the executive responsibility for managing the business are separated and the chairman is a non-executive director. Other board members are the chief executive, three executive directors and six non-executive directors, two of whom are independent non-executives. Details of the directors are shown on pages 14 and 15. The directors bring together experience from their respective fields of business and areas of expertise to ensure robust and informed debate on matters before the board. Directors’ declarations in accordance with Schedule 21 to the Listings Requirements of the JSE Securities Exchange South Africa (“the JSE”) have been

submitted by each director to the board and the board has noted and approved these declarations.

Re-election of directors

All directors are subject to retirement by rotation and details of retiring directors offering themselves for re-election at the annual general meeting of shareholders to be held on 20 November 2002 are contained on page 90.

There are no long-term contracts of service between any director and the company or any of its subsidiaries.

The fees payable to non-executive directors are recommended by both the executive committee and the remuneration committee and are approved by the board. In determining these fees, cognisance is taken of the contributions made by each non-executive director in serving on sub-committees of the board.

All directors have access to the chairman, the chief executive officer, the financial director and the company secretary. Should it prove necessary for any director to obtain independent professional advice in order to promote the best interests of the group, all reasonable costs incurred will be borne by the company. An induction programme is in place for new directors joining the board. A system for the appraisal of the chairman, the chief executive and the board as

a whole has recently been established and will be implemented during the year ahead.

Meetings of the board are held every quarter and additional meetings are convened should any matters arise which would require consideration by the board outside of the quarterly meetings' schedule. With effect from the 2003 financial year, a separate strategic board meeting will be scheduled for purposes of reviewing the group's strategies and approving the business plan for the forthcoming year.

Boards of the group's major operating companies

The boards of the group's major operating companies meet regularly and, assisted by the divisional audit committees, retain full and effective control over the companies concerned and the executive management of such companies. At least two directors, who are not part of that operating company's management team, are members of the board.

Board committees

Audit committee

The audit committee is comprised mainly of non-executive directors and the committee chairman is an independent non-executive director. The current composition of the committee is:

Committee chairman: Dr D Konar

Members: K J Grové

R W Rees

D M van der Merwe

The primary function of the audit committee is to assist the board of Unitrans Limited in its responsibility to ensure that good corporate governance and integrity form the basis for the group's transactions by monitoring the adequacy of

the group's financial controls, its accounting policies and the financial reporting process. To this end the committee provides assistance to the board by:

- ensuring that appropriate financial and internal controls and accounting, reporting and disclosure policies are in place;
- ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- undertaking the review or approval of audit plans, findings and reports; and
- ensuring compliance with King II.

The deliberations of the audit committee do not reduce the individual and collective responsibilities of the board members in regard to their fiduciary duties.

The audit committee together with the external auditors, reviews the announcements of the annual results and the interim and annual financial statements, and recommends the payment or otherwise of dividends to the board. The annual financial statements for the year under review have been reviewed by management with the audit committee and the relevance of the accounting policies and the quality of the earnings disclosed have been discussed with the external auditors. The audit committee has recommended to the board that the annual financial statements of Unitrans Limited and its subsidiaries for the year ended 30 June 2002 be accepted as a fair presentation of the group's financial position at that date and of the results of its operations and cash flows for the year then ended, in terms of South African Statements of Generally Accepted Accounting Practice and the Companies Act, No 61 of 1973 (as amended).

The committee meets at least three times a year with management and the internal and external auditors. The internal audit function for the Transport and Logistics division is managed utilising a combination

of internal and external resources. The internal audit plan for the division has been developed with the assistance of KPMG, utilising KPMG's risk-based methodology. The internal audit function for the Motor and Financial Services division is managed by that division's internal audit team.

All operating divisions have separate divisional audit committees which meet at least three times a year and report on a regular basis to the main audit committee of the board.

Risk management is addressed as an adjunct to the audit committee, with the group's exposure to risks being identified, assessed, managed, and monitored at operational level. Key risk areas are reported to and reviewed by each divisional audit committee and, in turn, are reported to and reviewed by the main audit committee. All material risks have, in the opinion of the board, been identified and are being proactively managed.

The board has approved written terms of reference for the committee.

Remuneration committee

The remuneration committee is comprised of non-executive directors and is chaired by the non-executive chairman of the board. The current composition of the committee is:

Committee chairman: D C Brink

Members: B C Bruce

M J Jooste

The committee meets at least three times annually.

The main purpose of the committee is to ensure that the company's directors and senior executives are appropriately rewarded for their individual and joint contributions to the group's overall performance,

having due regard to the interests of the shareholders and to the financial and commercial well-being of the group. The committee has direct authority for matters relating to employee remuneration and benefits, profit incentives, directors' remuneration, the Unitrans Limited share scheme and group retirement funds.

The board has approved written terms of reference for the committee.

Executive committee

An executive committee, chaired by the chief executive, meets monthly to determine the strategic objectives of the group, to review the performance of operational management and to deal with all material matters relating to the management and development of the group. Each of the group's major operating divisions has representation on the executive committee, which is also attended by the group financial director and the group human resources director.

Company secretary

The secretary has completed a "fit and proper" declaration along the lines of the directors' declarations required in accordance with Schedule 21 of the JSE Listings Requirements and this declaration has been noted and approved by the board.

The secretary administers the statutory requirements of the group and of its subsidiaries and ensures that the proceedings and affairs of the board and, where appropriate, the members are properly conducted in line with all relevant statutes and the requirements of the JSE.

Insider trading policy

The company has an insider trading policy in place which prohibits directors and officers from dealing, either directly or indirectly, in the company's shares on the basis of unpublished price-sensitive

information. All dealings by directors and officers in the shares of the company must receive the prior approval of the chief executive to ensure compliance with this policy. Any dealings in the company's shares by the chief executive must receive the prior approval of the chairman.

In the month preceding the announcement of financial and operating results for the interim and annual reporting periods, and during any periods where the company is under a cautionary notice, directors and officers are prohibited from dealing in the company's shares. With effect from 1 November 2002, in line with the new Listings Requirements of the JSE, this closed period will be extended from the beginning of each six-month period to the date on which the group announces either its interim or full year results.

Dealings by the directors and officers in the shares of the company are advised to the secretary and a report of all dealings is tabled at each quarterly board meeting. Dealings by any directors of the company are notified to the JSE for publication via the Stock Exchange News Service and, with effect from 1 November 2002, this requirement will extend to dealings by any director of the company's major subsidiaries.

Dissemination of price-sensitive information

The company has a formal policy in place which governs the dissemination of price-sensitive information and defines the levels of authority for and policy pertaining to communications with analysts, investors, the media and third parties.

Ethics

Through rigorous application of group policy and frequent review meetings, the group is committed to the highest standards of legal and ethical behaviour. To this end, the group is guided by the principles of:

- fairness;
- honesty;
- compliance with the law;
- respect for others; and
- respect for the environment.

	Year to June 2002 R000	Year to June 2001 R000	Year to June 2000 R000	Year to June 1999 R000	Year to June 1998 R000	Year to June 1997 R000
Group financial results						
Revenue	5 995 020	5 278 657	4 585 109	4 080 742	2 424 374	813 483
– Transport and Logistics	1 589 388	1 378 851	1 038 291	870 617	757 767	685 638
– Motor and Financial Services	4 405 632	3 899 806	3 546 818	3 210 125	1 666 607	127 845
Operating income after depreciation	311 204	243 228	179 854	123 367	140 073	98 857
Profit before taxation	283 153	235 989	174 536	97 265	120 791	80 015
Net profit for the year	199 364	164 613	128 375	68 795	80 986	53 201
Assets						
Non-current assets	1 027 967	883 363	711 100	591 557	616 015	490 726
Current assets	1 212 652	1 000 791	971 731	834 651	778 799	295 003
Total assets	2 240 619	1 884 154	1 682 831	1 426 208	1 394 814	785 729
Equity and liabilities						
Interest of all shareholders	1 088 561	904 867	790 021	632 600	655 756	379 324
Non-current liabilities	168 715	182 422	175 896	79 811	187 430	199 359
Current liabilities	983 343	796 865	716 914	713 797	551 628	207 046
Total equity and liabilities	2 240 619	1 884 154	1 682 831	1 426 208	1 394 814	785 729
Financial ratios						
Ordinary share performance						
– Earnings per share (cents)*	261,6	216,7	182,9	98,2	129,9	97,8
– Diluted earnings per share (cents)*	260,7	214,7	182,1	98,0	129,9	97,8
– Headline earnings per share (cents)*	255,1	203,2	159,5	96,9	100,1	66,5
– Dividends per share (cents)	52,5	73,5	69,0	61,5	55,0	53,0
– Dividend cover (times)*	4,9	2,8	2,3	1,6	1,8	1,3
– Net asset value per share (cents)*	1 421	1 186	1 041	967	960	695
– Number of shares in issue at year-end ('000)	76 251	76 091	75 788	70 108	70 032	54 602
– Weighted average number of shares in issue ('000)*	76 204	75 952	70 195	70 079	62 346	54 401
– Weighted average number of shares increased by the effects of dilutive potential ordinary shares ('000)	76 485	76 660	70 503	70 175	–	–

	Year to June 2002	Year to June 2001	Year to June 2000	Year to June 1999	Year to June 1998	Year to June 1997
<i>Profitability and asset management</i>						
– EBITDA (R million)*	470,6	398,0	318,4	246,3	242,0	200,8
– EBITDA (%)*	7,8	7,5	6,9	6,0	10,0	24,7
– Return on revenue (%)*	5,2	4,6	3,9	3,0	5,8	12,2
– Return on capital employed (%)*	33,0	32,1	25,9	16,2	19,7	17,0
– Return on shareholders' funds (%)*	20,1	19,5	18,1	10,7	15,6	14,5
<i>Liquidity and leverage</i>						
– Net interest-bearing borrowings to total shareholders' funds (%)*	–	–	–	9,6	25,5	54,5
– Current ratio*	1,2	1,3	1,4	1,2	1,4	1,4
– Interest cover (times)*	9,4	11,5	8,7	2,6	3,5	2,4
<i>JSE Securities Exchange performance</i>						
Average share price (cents)	2 150	2 270	1 820	1 380	1 746	934
Total volume traded during the year (million)	18	21	29	14	25	5

*Definitions are given in the notes to the annual financial statements on page 64.

Report of the independent auditors

for the year ended 30 June 2002

To the members of Unitrans Limited

We have audited the annual financial statements and group annual financial statements for the year ended 30 June 2002 set out on pages 51 to 86. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with Statements of South African Auditing Standards issued by the South African Institute of Chartered Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

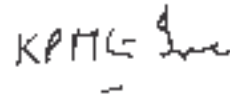
- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the

company and of the group at 30 June 2002 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice issued by the South African Institute of Chartered Accountants, and in the manner required by the Companies Act in South Africa.



KPMG Inc

Registered Accountants and Auditors
Chartered Accountants (SA)

Johannesburg
20 August 2002

FINANCIAL STATEMENTS

The financial statements which appear on pages 51 to 86 were approved by the board of directors on 20 August 2002 and are signed on its behalf by:



D C Brink
Chairman



K J Grové
Chief executive

Certificate by company secretary

for the year ended 30 June 2002

In terms of section 268G(d) of the Companies Act, 1973, as amended ("the Act"), I certify that Unitrans Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act. Further, that such returns are true, correct and up to date.



J V Radnay
Secretary

Illovo
20 August 2002



for the year ended 30 June 2002

A separate directors' report has not been prepared as full details of the Unitrans group operations are contained in the reports of the chief executive and the financial director. In addition, other disclosures and statutory requirements, which would ordinarily form part of the directors' report, are reflected either in these reports or in the annual financial statements.

The directors of the company are responsible for the preparation of the annual financial statements. This responsibility includes ensuring that the related financial information fairly represents the state of affairs of the company and of the group at the financial year-end and the results of its operations and cash flows for the year under review.

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice issued by the South African Institute of Chartered Accountants and have been audited by the group's independent external auditors. Their unqualified report appears on page 50.

The directors are of the opinion that the financial records may be relied upon for preparing the financial statements and for maintaining accountability for assets and liabilities. This opinion is based on information and explanations given by management, on the reports of the internal and external auditors as to the results of their audits and

on the existing systems of internal controls in place in the group. The internal audit function, which is more fully reported on in the statement on corporate governance, independently evaluates the internal controls and the implementation of group policies. The directors are satisfied that the group's assets are protected and used with appropriate authorisation as intended and that transactions are executed and recorded in accordance with group policies. This view is supported by the audit committee, which consists mainly of non-executive directors and is chaired by an independent non-executive director.

The financial statements have been prepared on a going-concern basis since the directors have every reason to believe that the group has adequate resources to continue for the foreseeable future. The external auditors concur with this opinion.



D C Brink
Chairman

20 August 2002



K J Grové
Chief executive

20 August 2002

at 30 June 2002

		Group		Company	
	Note	2002 R000	2001 R000	2002 R000	2001 R000
ASSETS					
Non-current assets		1 027 967	883 363	553 493	534 951
Property, vehicles and equipment	2	817 015	708 072	–	–
Goodwill	3	51 096	45 645	–	–
Investment in subsidiaries	4			468 339	454 411
Investment in associate and joint ventures	5	63 226	26 636	38 565	–
Deferred taxation asset	14	6 752	6 860	885	885
Other non-current assets	6	89 878	96 150	45 704	79 655
Net advances	7	–	–	–	–
Advances (after providing for doubtful debts)		538 347	831 682	–	–
Less: Liabilities relating to advances		(538 347)	(831 682)	–	–
Current assets		1 212 652	1 000 791	5 200	613
Inventories	8	572 320	441 325	–	–
Trade and other receivables	9	497 861	397 617	2 355	430
Cash and bank balances		142 471	161 849	2 845	183
Total assets		2 240 619	1 884 154	558 693	535 564
EQUITY AND LIABILITIES					
Interest of all shareholders		1 088 561	904 867	555 808	525 581
Share capital and premium	10	404 857	404 841	404 857	404 841
Non-distributable reserves	11	176 389	154 951	34 675	34 675
Retained surplus	12	501 990	342 921	116 276	86 065
Interest of shareholders of Unitrans Limited		1 083 236	902 713	555 808	525 581
Minority interests		5 325	2 154		
Non-current liabilities		168 715	182 422	–	–
Interest-bearing borrowings	15	11 102	35 959	–	–
Long-term provisions	13	22 983	25 528	–	–
Deferred taxation liabilities	14	126 630	106 712	–	–
Vendors for businesses acquired	15	8 000	14 223	–	–
Current liabilities		983 343	796 865	2 885	9 983
Trade and other payables		833 760	690 919	1 473	2 361
Provisions	13	2 545	3 367	–	–
Taxation		56 099	64 392	1 412	1 430
Vendors for businesses acquired	15	1 650	10 770	–	–
Short-term borrowings	15	89 289	27 417	–	6 192
Total equity and liabilities		2 240 619	1 884 154	558 693	535 564
Net asset value per ordinary share (cents)		1 421	1 186	729	691

for the year ended 30 June 2002

	Note	Group		Company	
		2002 R000	2001 R000	2002 R000	2001 R000
REVENUE	16	5 995 020	5 278 657	–	–
Operating income before depreciation	17	470 584	397 985	75 420	101 291
Depreciation of property, vehicles and equipment		159 380	154 757	–	–
Operating income after depreciation		311 204	243 228	75 420	101 291
Net finance costs	18	(32 992)	(21 089)	1 176	2 181
Profit on disposal of property, vehicles and equipment		18 086	22 142	–	–
Goodwill amortisation	3	(13 145)	(8 292)	–	–
Profit before taxation		283 153	235 989	76 596	103 472
Taxation expense	19	79 642	67 708	6 385	2 741
Profit after taxation		203 511	168 281	70 211	100 731
Share of associate and joint ventures losses	5	1 849	2 416		
Minority interests		2 298	1 252		
Net profit for the year		199 364	164 613	70 211	100 731
		Cents	Cents		
Earnings per share – basic	20	261,6	216,7		
– diluted	20	260,7	214,7		
Headline earnings per share – basic	20	255,1	203,2		
– diluted	20	254,2	201,3		
Dividends per share – paid	21	52,5	73,5		
– declared	21	84,5	52,5		

Statements of changes in equity

for the year ended 30 June 2002

	Share capital and premium R000	Non- distributable reserves R000	Retained surplus R000	Total R000
GROUP				
Balance at 30 June 2000	404 870	149 706	234 543	789 119
Net profit for the year			164 613	164 613
Dividends paid			(55 820)	(55 820)
Net cost of issue of shares	(29)			(29)
Realisation of surplus on investments		(348)	348	–
Unrealised increase on translation of net worth of foreign subsidiaries		4 830		4 830
Insurance company contingency reserves		763	(763)	–
Balance at 30 June 2001	404 841	154 951	342 921	902 713
GROUP				
Balance at 30 June 2001	404 841	154 951	342 921	902 713
Net profit for the year			199 364	199 364
Dividends paid			(40 000)	(40 000)
Net proceeds on issue of shares	16			16
Unrealised increase on translation of net worth of foreign subsidiaries		21 143		21 143
Insurance company contingency reserves		295	(295)	–
Balance at 30 June 2002	404 857	176 389	501 990	1 083 236
COMPANY				
Balance at 30 June 2000	404 870	6 955	41 154	452 979
Net profit for the year			100 731	100 731
Revaluation of investments in subsidiaries		27 720		27 720
Net cost of issue of shares	(29)			(29)
Dividends paid			(55 820)	(55 820)
Balance at 30 June 2001	404 841	34 675	86 065	525 581
COMPANY				
Balance at 30 June 2001	404 841	34 675	86 065	525 581
Net profit for the year			70 211	70 211
Net proceeds on issue of shares	16			16
Dividends paid			(40 000)	(40 000)
Balance at 30 June 2002	404 857	34 675	116 276	555 808

Cash flow statements

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for the year ended 30 June 2002

		Group		Company	
	Note	2002 R000	2001 R000	2002 R000	2001 R000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated by operations	A	397 238	403 533	72 607	101 176
Net finance costs		(32 992)	(21 089)	1 176	2 181
Taxation paid	B	(71 846)	(35 755)	(6 403)	(2 577)
CASH AVAILABLE FROM OPERATIONS					
Dividends paid		(40 000)	(55 820)	(40 000)	(55 820)
Net cash inflow from operating activities		252 400	290 869	27 380	44 960
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Investment to maintain operations		(84 052)	(78 801)	–	–
Replacement of property, vehicles and equipment		(206 044)	(149 473)	–	–
Proceeds from disposal of property, vehicles and equipment		121 992	70 672	–	–
Investment to expand operations		(209 414)	(234 851)	(18 542)	(131 887)
Investment to acquire businesses, associate and joint ventures	C	(91 879)	(97 824)	(38 565)	–
Expansion of property, vehicles and equipment		(129 563)	(138 257)	–	–
Foreign exchange movements		8 301	6 331	–	–
Decrease in long-term provisions		(2 545)	(3 367)	–	–
Net increase in subsidiaries				(13 928)	(106 748)
Decrease/(increase) in other non-current assets		6 272	(1 734)	33 951	(25 139)
Net cash outflow from investing activities		(293 466)	(313 652)	(18 542)	(131 887)
Net cash (utilised)/generated by operations		(41 066)	(22 783)	8 838	(86 927)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest-bearing borrowings repaid		(24 857)	(1 996)	–	(6 188)
Vendors for businesses (repaid)/acquired		(15 343)	22 043	–	–
Increase/(decrease) in short-term borrowings		61 872	(49 444)	(6 192)	317
Net proceeds/(cost) from issue of shares		16	(29)	16	(29)
Net cash inflow/(outflow) from financing activities		21 688	(29 426)	(6 176)	(5 900)
Net (decrease)/increase in cash and bank balances		(19 378)	(52 209)	2 662	(92 827)
Cash and bank balances at beginning of the year		161 849	214 058	183	93 010
Cash and bank balances at end of the year		142 471	161 849	2 845	183

for the year ended 30 June 2002

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
A. CASH GENERATED BY OPERATIONS				
Profit before taxation	283 153	235 989	76 596	103 472
Adjustment for:				
Net finance costs	32 992	21 089	(1 176)	(2 181)
Goodwill amortisation	13 145	8 292	–	–
Depreciation of property, vehicles and equipment	159 380	154 757	–	–
Profit on disposal of property, vehicles and equipment	(18 086)	(22 142)	–	–
Changes in working capital	(73 346)	5 548	(2 813)	(115)
Inventories	(115 121)	(74 657)	–	–
Trade and other receivables	(100 244)	2 834	(1 925)	(109)
Trade and other payables	142 841	77 371	(888)	(6)
Provisions	(822)	–	–	–
	397 238	403 533	72 607	101 176
B. TAXATION PAID				
Taxation unpaid at beginning of the year (including deferred taxation)	(164 244)	(131 388)	(545)	(381)
Taxation balance acquired	–	(903)	–	–
Currency adjustment	(3 937)	–	–	–
Taxation charged to the income statement	(79 642)	(67 708)	(6 385)	(2 741)
Taxation unpaid at end of the year (including deferred taxation)	175 977	164 244	527	545
	(71 846)	(35 755)	(6 403)	(2 577)
C. INVESTMENT TO ACQUIRE BUSINESSES, ASSOCIATE AND JOINT VENTURES				
Property, vehicles and equipment	(19 843)	(15 368)	–	–
Associate and joint ventures	(47 622)	(29 920)	(38 565)	–
Inventory	(15 874)	(9 446)	–	–
Current liabilities	–	4 448	–	–
Interest-bearing borrowings	–	4 628	–	–
Taxation	–	903	–	–
Minority interest	873	–	–	–
Goodwill acquired	(9 413)	(53 069)	–	–
	(91 879)	(97 824)	(38 565)	–

for the year ended 30 June 2002

1. ACCOUNTING POLICIES AND DEFINITIONS

The accounting policies and basis of preparation are consistent in all material respects with those adopted in the previous year.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Statement of compliance

The financial statements and group financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice issued by the South African Institute of Chartered Accountants and in the manner required by the South African Companies Act.

Basis of consolidation

The consolidated annual financial statements incorporate the assets, liabilities, revenue, expenses and cash flows of the holding company and its subsidiaries.

Investment in subsidiaries

Subsidiaries are those entities over whose financial and operating policies the group has the power to exercise control, so as to obtain benefits from their activities.

The group financial statements incorporate the assets, liabilities and results of the operations of the company and its subsidiaries. The results of subsidiaries acquired and disposed of during a financial year are included from the effective date of acquisition or up to the effective date of disposal as appropriate. Where necessary,

the accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the group. On acquisition of a subsidiary, minorities' interest is measured at the proportion of the pre-acquisition carrying amounts of the identifiable assets and liabilities.

Investment in associates and joint ventures

An associate is an enterprise over whose financial and operating policies the group has the ability to exercise significant influence through participation in the financial and operating policy decisions of the investee and which is neither a subsidiary nor a joint venture of the group.

Joint ventures are those entities over which the group exercises joint control under a contractual arrangement.

The equity method of accounting for associates and joint ventures is adopted in the group financial statements. In applying the equity method, account is taken of the group's share of accumulated retained earnings and movements in reserves from the effective date on which the enterprise became an associate or joint venture up to the effective date of disposal, as appropriate.

Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount and is treated in accordance with the group's accounting policy for goodwill. The retained earnings of associates and joint ventures have been adjusted for the amortisation of goodwill.

The share of retained earnings and reserves is determined from the audited results.



for the year ended 30 June 2002

Where a group enterprise transacts with associates and joint ventures of the group, unrealised profits and losses are eliminated to the extent of the group's interest in the relevant associates and joint ventures.

Where the group's share of losses of associates and joint ventures exceeds the carrying amount of the associate or joint venture, the investment is carried at nil. Additional losses are only recognised to the extent that the group has incurred obligations or made payments on behalf of the associate or joint venture concerned. The carrying amount of such investments is reduced to recognise any impairment in the value of individual investments.

Transactions eliminated on consolidation

All significant intergroup balances and transactions, and any significant unrealised gains arising from intergroup transactions, are eliminated in preparing the consolidated financial statements.

Intangible assets

Purchased trademarks and trade names are capitalised and amortised over their anticipated useful lives.

Goodwill and negative goodwill

Goodwill is any excess of cost of an acquisition over the group's interest in the fair value of the identifiable assets and liabilities acquired. Goodwill is carried at cost, less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its estimated useful life, not exceeding 20 years.

Any negative goodwill that arises where the fair value of the group's interest in the identifiable

assets and liabilities of the subsidiary exceeds the cost of acquisition is taken to profit immediately if:

- there is no expectation of future losses; and
- it is in respect of monetary assets.

To the extent that negative goodwill relates to depreciable assets, it is recognised as profit over the useful life of those assets.

Goodwill arising on the acquisition of subsidiaries is reflected separately in the balance sheet.

Goodwill arising on the acquisition of associates and joint ventures is included in the relevant investment.

The calculation of the gain or loss on disposal of an entity includes the unamortised balance of the goodwill relating to the entity.

Property, vehicles and equipment

Immovable properties are recorded at historical cost and the building cost is depreciated over the estimated useful life of the building.

Depreciation is charged so as to write off the depreciable value of assets, other than land, over their estimated useful lives using the following bases:

- Vehicles and equipment are recorded at historical cost and depreciated on the straight-line basis to an estimated residual value, at rates calculated to amortise the cost over the estimated useful life of the asset concerned.
- Certain costs of development and installation of major information systems (including

packaged software) are capitalised and amortised over a three-year period on a straight-line basis.

Refurbished costs incurred to extend the useful life of an asset are added to the carrying amount of the asset when it is probable that future economic benefits in excess of the original estimated life will flow to the enterprise as a result of the expenditure. These costs are then written off over the estimated extended useful life.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first-in first-out basis, but some operations use the average cost basis. Specific provision is made for slow-moving, obsolete and redundant inventory, to the extent considered necessary.

Taxation

Current taxation comprises taxation payable calculated on the basis of the expected taxable income for the year, using the taxation rates enacted at the balance sheet date, and any adjustment of taxation payable for previous years.

Deferred taxation is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using taxation rates enacted or substantively enacted at the balance sheet date.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation is charged or credited to the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

Investments

Investments which exclude those that are accounted for as subsidiaries, associates and joint ventures, are stated at cost and are only written down when there is an indication of impairment in value.

Income from investments is brought to account only to the extent of dividends received or declared. Interest income is recognised on an accrual basis.

Discontinuing operations

Discontinuing operations are significant distinguishable components of an enterprise that has been sold, abandoned or is the subject of formal plans for disposal or discontinuance.

for the year ended 30 June 2002

Once an operation has been identified as discontinuing, or reclassified as continuing, the comparative information is restated.

Leases

Finance leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the group are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and are depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the balance sheet. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Operating leases

Leases, where the lessor retains substantially all the risks and rewards of ownership of the underlying asset, are classified as operating leases. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

Foreign currencies

Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date and exchange differences are accounted for in the income statement in the year in which they arise.

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the

date of the balance sheet. Income and expenditure are translated at the average rate of exchange during the year. Translation differences are classified as equity and are transferred to the group's translation reserve. Such translation differences are recognised as income or expenses in the period in which the operation is disposed of.

In order to hedge its exposure to foreign exchange risks, the group enters into forward contracts. Unrealised gains and losses arising on currency forward contracts designated as hedges of identified exposures are deferred and matched against gains and losses arising on the specified transaction.

Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the year in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated based on current wage and salary rates.

Retirement benefit costs

Contributions to pension and provident funds for employees are charged against income as incurred. Benefits accrue on a defined contribution basis save for pre-1995 members of the Unitrans Retirement Fund for whom minimum guarantees are in place. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where

the group's obligations under the scheme are equivalent to those arising in a defined contribution retirement benefit plan.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to ongoing activities are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

Insurance operations

Underwriting results are determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

- premiums written relate to business incepted during the year, together with any differences between booked premiums for prior years and those previously recognised;
- unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, generally calculated on a time proportionate basis;
- acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned;

- claims incurred comprise claims and related expenses paid in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries; and
- claims outstanding represent the ultimate cost of settling all claims arising from events which have occurred up to the balance sheet date, including provision for claims incurred but not yet reported, less any amounts paid in respect of those claims. Claims outstanding are reduced by anticipated salvage and other recoveries.

Impairment

The carrying values of the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are immediately recognised as expenses.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is immediately recognised as income.

for the year ended 30 June 2002

Derivative financial instruments

The group is occasionally party to forward contracts in its trading and risk management activities. These contracts are entered into only to hedge foreign creditors.

At year-end open forward contracts are stated at fair market value.

Gains and losses on forward contracts entered into as fair value hedges are immediately recognised in the income statement.

Financial instruments

Financial assets

The group's principal financial assets are bank balances and cash, trade receivables and equity investments.

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Long-term investments, where the group is not in a position to exercise significant influence or joint control, are stated at cost less impairment losses recognised, where the investment's carrying amount exceeds its estimated recoverable amount.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued, which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the group and the holder, are classified as liabilities except where the possibility of non-conversion is remote.

Significant financial liabilities include finance lease obligations, interest-bearing bank loans and overdrafts, convertible loan notes and trade and other payables.

Interest-bearing bank loans, overdrafts and convertible loan notes are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are stated at their nominal value.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Off-balance sheet derivative instruments

Derivative financial instruments, comprising currency forward contracts and options and interest rate swap agreements, are not recognised in the financial statements on inception. The policy adopted for instruments designed to hedge foreign exchange risks is outlined under 'foreign currencies' on page 60. Net income or expenses associated with interest rate swap agreements is recognised on an accrual basis over the life of the swap agreements as a component of interest.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Revenue recognition

Group revenue comprises revenue from trading activities after deducting value-added tax and trade discounts. Revenue does not include any interest income earned from financial services. The Motor Retail division eliminates revenue made on the sale of the vehicles to the pre-owned wholesale trade.

Revenue from the sale of goods is recognised when the significant risks and rewards of the goods are transferred to the buyer. Revenue from services is recognised when the services have been rendered. Where the group acts as agent and is remunerated on a commission basis, only the commission income, and not the value of the business transacted, is included in revenue. Dividends are recognised when the right to receive payment is determined. Income from finance leases and instalment sales is credited to the income statement using the effective interest rate method.

Segmental information

The principal segments of the group have been identified on a primary basis by the nature of operations into four major areas of Freight and Logistics, Passenger, Motor Retail and Financial Services.

All segment revenue and expenses are directly attributable to the segments. Segment revenue,

expenses and results include transfers between business segments and between geographical segments. Such transfers and services are accounted for at competitive market prices charged to unaffiliated customers for similar goods and, where material, are eliminated on consolidation. Segment assets include all operating assets used by a segment and consist principally of property, vehicles and equipment, and investments as well as current assets. These assets are all directly attributable to the segments.

Comparative figures

Where necessary comparative figures have been reclassified or restated for changes in accounting policies.

Share incentive scheme

The group operates an employee share incentive scheme through the Unitrans Share Trust. Shares are offered either on an option or a share purchase basis, which employees can take up in tranches over a period of between five and seven years. The beneficiaries under the scheme are executive directors, senior management and other employees. Costs incurred in administering the scheme are expensed as incurred. No compensation cost is recognised in these financial statements for options or shares granted to employees from the employee share plan.

for the year ended 30 June 2002

Definitions

Capital employed

The sum of interest of all shareholders and net interest-bearing borrowings.

Dividend cover

Headline earnings per share divided by dividends per share.

Earnings per share

Net profit for the year divided by the weighted average number of ordinary shares in issue during the year.

Return on capital employed

Operating income after depreciation expressed as a percentage of average capital employed.

Return on shareholders' funds

The net profit for the year expressed as a percentage of average interest of shareholders of Unitrans Limited.

Return on revenue

Operating income after depreciation expressed as a percentage of revenue.

Interest cover

Operating income after depreciation divided by net finance costs.

Net interest-bearing borrowings

The sum of all interest-bearing borrowings plus vendors for businesses acquired less cash and bank balances.

Weighted average number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group.

Net asset value per share

Interest of shareholders of Unitrans Limited divided by number of shares in issue.

Diluted earnings per share

Net profit for the year divided by the weighted average number of ordinary shares in issue, increased by the weighted average number of ordinary shares that would be issued on the conversion of all dilutive ordinary shares.

Headline earnings per share

Net profit for the year adjusted for goodwill amortised and profit and loss on disposal of property, vehicles and equipment, and any other adjustments to headline earnings in accordance with AC 306 headline earnings, divided by the weighted average number of ordinary shares in issue.

Current ratio

Current assets divided by current liabilities.

Ebitda

Operating income before depreciation.

Ebitda %

Ebitda return on revenue.

	Immovable property R000	Group Vehicles and equipment R000	Total R000
2. PROPERTY, VEHICLES AND EQUIPMENT			
Cost			
Balance at 30 June 2001	142 677	1 190 199	1 332 876
Additions	22 317	313 290	335 607
Acquisition of businesses	–	19 843	19 843
Disposals	(98 677)	(108 164)	(206 841)
Exchange rate adjustment	892	25 243	26 135
Balance at 30 June 2002	67 209	1 440 411	1 507 620
Accumulated depreciation			
Balance at 30 June 2001	51 588	573 216	624 804
Charge for the year	5 979	153 401	159 380
Disposals	(29 897)	(73 038)	(102 935)
Exchange rate adjustment	299	9 057	9 356
Balance at 30 June 2002	27 969	662 636	690 605
Carrying amount			
Balance at 30 June 2002	39 240	777 775	817 015
Balance at 30 June 2001	91 089	616 983	708 072

Registers of immovable property are available for inspection at the registered offices of individual group companies. The expected useful lives used for calculating depreciation fall within the following ranges:

- buildings: 10 – 20 years;
- vehicles and equipment: 3 – 8 years.

Immovable property with a book value of R13 316 000 is encumbered as detailed in note 15.

Vehicles with a book value of R10 834 000 are subject to finance leases as detailed in note 15.

for the year ended 30 June 2002

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
3. GOODWILL				
Opening balance	45 645	–		
Net goodwill arising during the year	9 413	53 069		
Amortisation	(3 962)	(7 424)		
	51 096	45 645		
Total goodwill amortised comprises				
Businesses acquired	3 962	7 424		
Associate and joint ventures (refer note 5)	9 183	868		
	13 145	8 292		
Goodwill is amortised over its expected useful life which varies between three and 20 years.				
4. INVESTMENT IN SUBSIDIARIES				
Shares at cost			344 090	288 131
Amounts due by subsidiaries			185 274	235 055
Amounts due to subsidiaries			(61 025)	(68 775)
			468 339	454 411

Certain subsidiaries operate in countries outside the rand monetary area, where the amount of earnings that may be remitted is subject to local exchange control regulations. The consolidated attributable retained earnings in respect of these subsidiaries amounted to R19 122 000 (2001: R6 805 000).

The attributable net asset value amounted to R57 808 000 (2001: R24 567 000).

Further details of principal subsidiaries are set out in Annexure A on page 86.

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
5. INVESTMENT IN ASSOCIATE AND JOINT VENTURES				
The group's aggregate proportionate share of the associate company and joint ventures included in the consolidated balance sheet is as follows:				
Goodwill	42 031	17 504	–	–
Share of liabilities at acquisition	(12 316)	(13 184)	–	–
Goodwill amortised	(9 183)	(868)		
Cost of investment	20 532	3 452	–	–
Share of retained loss and goodwill amortised at beginning of the year	(3 284)	–		
Share of operating losses	(1 849)	(2 416)		
Balance at end of the year	15 399	1 036	–	–
Loan to associate and joint ventures	47 827	25 600	38 565	–
Carrying value at end of the year	63 226	26 636	38 565	–
Valuation of investments				
<i>Directors' valuation of associate company and joint ventures</i>	73 000	30 600		
Aggregate of associate and joint ventures' assets, liabilities and revenue				
Property, vehicles, equipment and non-current assets net of taxation	111 118	155 146		
Total borrowings	251 029	155 207		
Net working capital	141 728	388		
Revenue	268 376	31 690		
Operating losses after taxation	5 918	6 040		
Details of the associate and joint ventures are listed in Annexure A on page 86.				
6. OTHER NON-CURRENT ASSETS				
Finance debtors (net of provisions)	39 184	29 384	–	–
Less: Amounts repayable prior to 30 June 2003 transferred to current assets (refer note 9)	(22 700)	(12 900)	–	–
Unitrans Limited Share Trust*	45 270	49 411	45 270	49 411
Unlisted investments	28 124	30 255	434	30 244
<i>Directors' valuation of unlisted investments</i>				
Group R28 124 000 (2001: R30 255 000)				
Company R434 000 (2001: R30 244 000)				
	89 878	96 150	45 704	79 655

* As at 30 June 2002 the Unitrans Limited Share Trust had granted loans to employees totalling R43 679 015 (2001: R48 489 227).

for the year ended 30 June 2002

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
7. NET ADVANCES				
Linked presentation relating to Unitrans Finance (Proprietary) Limited				
The assets and liabilities of Unitrans Finance (Proprietary) Limited have been linked together and offset against each other as the group is not obliged to support any losses of this company nor does it intend to do so. The liabilities relating to these advances are secured only against the advances.				
8. INVENTORIES				
Valued at cost				
Vehicles	473 161	370 626	–	–
Spares	82 721	61 803	–	–
Consumables	16 438	8 896	–	–
	572 320	441 325	–	–
Net realisable value	572 320	441 325	–	–
Included in the above are vehicles which are subject to a lien of R45,8 million in respect of original equipment manufacturers' floorplan financing.				
9. TRADE AND OTHER RECEIVABLES				
Trade and other receivables	475 161	384 717	2 355	430
Finance debtors – current portion (refer note 6)	22 700	12 900	–	–
	497 861	397 617	2 355	430

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
10. SHARE CAPITAL AND PREMIUM				
Share capital				
Authorised 200 000 000 (2001: 200 000 000) shares of 10 cents each	20 000	20 000	20 000	20 000
Issued 76 250 692 (2001: 76 091 000) shares of 10 cents each	7 625	7 609	7 625	7 609
Share premium				
Opening balance	397 232	397 291	397 232	397 291
Net premium on issues during the year	–	(59)	–	(59)
Closing balance	397 232	397 232	397 232	397 232
Total issued share capital and premium	404 857	404 841	404 857	404 841

	Number of shares	
	2002	2001
Unissued shares		
Specifically reserved for the Unitrans Limited Share Scheme	6 201 869	6 519 957
Available for issue		
– Under the control of the directors	30 000 000	30 000 000
– Subject to the approval of the shareholders	87 547 439	87 389 043
Unissued shares at 30 June 2002	123 749 308	123 909 000

The number of issued shares increased from 76 091 000 as at 30 June 2001 to 76 250 692 as at 30 June 2002 as a result of the allotment and issue during the year of 159 692 shares at 10 cents each for purposes of the Unitrans Limited Share Scheme.

At the forthcoming annual general meeting, which is to be held on 20 November 2002, shareholders will inter alia be asked to:

- place 6 201 869 (six million two hundred and one thousand eight hundred and sixty nine) of the unissued shares under the control of the directors for purposes of the share scheme;
- place 30 000 000 (thirty million) of the balance of the unissued shares under the control of the directors to allot these shares on such terms and conditions as they deem fit including, but not limited to, any allotments to shareholders as capitalisation awards;
- authorise the directors to issue ordinary shares for cash subject to the requirements of the JSE Securities Exchange South Africa ("the JSE"); and
- grant the directors a general authority, valid until the next annual general meeting of shareholders, to repurchase shares in the company's issued share capital and to approve the purchase by any of its subsidiaries of shares in the company's issued share capital provided that repurchases may not, in the aggregate, exceed 20% (twenty percent) of the company's issued share capital in any one financial year of the company, subject to the requirements of the JSE and the Companies Act, No 61 of 1973 as amended.



for the year ended 30 June 2002

	Number of shares	
	2002	2001
10. SHARE CAPITAL AND PREMIUM (continued)		
Shares reserved for the Unitrans Limited Share Scheme		
At 30 June 2002, the balance of shares available for the granting of options or the issue of shares in the future was as follows:		
Shares reserved for the share scheme (15% of issued capital)	11 437 604	11 413 650
Less:	5 235 735	4 893 693
Share purchases and options exercised	6 890 085	6 535 690
Matured shares re-admitted (see note below)	(1 654 350)	(1 641 997)
Shares placed/to be placed under the control of the directors for purposes of the share scheme	6 201 869	6 519 957
Less: Options outstanding – not yet exercised	3 721 967	3 499 920
Balance available for the granting of options or the issue of shares in the future	2 479 902	3 020 037

Note:

In terms of the members' resolution dated 11 November 1998 the number of shares available for the purposes of the Unitrans Limited Scheme ("the scheme") was increased to a number equal to 15% of the total number of issued shares of the company from time to time. On 15 November 2000 members approved the further increase in the scheme allocation by such additional number of matured shares as from time to time were allocated over ten years ago and are no longer held within the scheme.

Outstanding options

In terms of the Unitrans Limited Share Scheme the following options for shares have been granted and were outstanding:

Expiry date	Subscription price	Unexercised options	
		2002	2001
10 August 2002	R6,50	4 200	7 000
27 September 2003	R12,50	26 250	43 050
4 August 2004	R17,75	49 650	83 650
9 August 2005	R20,00	212 037	272 100
12 November 2006	R23,45	129 855	140 130
29 September 2007	R16,50	150 850	170 310
15 March 2008	R17,00	37 750	37 750
14 May 2008	R18,75	142 500	173 700
3 December 2008	R13,00	226 250	265 730
19 September 2009	R14,10	70 000	70 000
9 November 2009	R15,00	456 875	562 500
17 May 2010	R20,00	80 000	80 000
20 September 2010	R23,70	30 000	30 000
9 January 2011	R20,18	1 435 750	1 564 000
19 February 2012	R18,20	670 000	–
		3 721 967	3 499 920



	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
11. NON-DISTRIBUTABLE RESERVES				
Realised surplus				
– on sale of property	11 799	11 799	6 955	6 955
– on sale of other assets	149 040	149 040		
Unrealised surplus on revaluation of investments			27 720	27 720
Insurance company contingency reserves	2 398	2 103		
Unrealised foreign currency translation reserve	13 152	(7 991)		
	176 389	154 951	34 675	34 675
12. RETAINED SURPLUS				
Analysis of retained surpluses				
Holding company	116 276	86 065	116 276	86 065
Subsidiaries	389 979	259 272		
Associate and joint ventures	(4 265)	(2 416)		
	501 990	342 921	116 276	86 065
13. LONG-TERM PROVISIONS				
Property lease commitments				
Balance at beginning of the year	28 895	31 678		
Provision released to the income statement	(3 367)	(2 783)		
	25 528	28 895		
Current portion	(2 545)	(3 367)		
	22 983	25 528		
The long-term provisions are in respect of expected property lease commitments, which have to be financed over a period ranging between two and nine years. The provisions are based on the net present value of outstanding commitments.				
14.1 DEFERRED TAXATION ASSET				
Movement of deferred taxation asset				
Balance at beginning of the year	6 860	6 922	885	(11)
Transferred this year	(108)	(62)	–	896
	6 752	6 860	885	885
Analysis of deferred taxation asset				
Provisions	6 752	6 860	885	885
Balance at end of the year	6 752	6 860	885	885

for the year ended 30 June 2002

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
14.2 DEFERRED TAXATION LIABILITIES				
Movement of deferred taxation liabilities				
Balance at beginning of the year	106 712	106 096	–	–
Transferred this year	19 918	616	–	–
Balance at end of the year	126 630	106 712	–	–
Analysis of deferred taxation liabilities				
Capital allowances	139 828	129 626	–	–
Provisions	(21 376)	(23 684)	–	–
Prepayments	5 135	6 028	–	–
Effect of tax losses	(2 251)	(6 012)	–	–
Other temporary differences	5 294	754	–	–
	126 630	106 712	–	–
15. INTEREST-BEARING BORROWINGS AND AMOUNTS DUE TO VENDORS FOR BUSINESSES ACQUIRED				
Bank loans bearing variable interest at rates between 15% and 19% repayable within one year These loans are unsecured but are subject to covenants with which the group complies	1 813	3 337	–	–
Secured loans over immovable property with a book value of R13 316 000 bearing interest at rates between 15% and 17% repayable within five years	7 699	11 678	–	–
Unsecured bank loans bearing interest at prime with no fixed repayment terms	3 055	1 372	–	–
Bank loans secured over vehicles with a book value of R6 003 000 bearing interest at 10,2%	–	14 558	–	6 192
Unsecured loans bearing interest at rates which vary between 1% and 4% below prime with varying repayment terms	79 000	20 150	–	–
Unsecured interest-free loans repayable between three and five years	9 650	24 993	–	–
Finance leases over vehicles with a book value of R10 834 000 bearing interest at 14% and repayable between July 2002 and June 2005	8 824	12 281	–	–
	110 041	88 369	–	6 192
Comprising				
Non-current liabilities				
Interest-bearing borrowings	11 102	35 959	–	–
Vendors for businesses acquired	8 000	14 223	–	–
Current liabilities				
Vendors for businesses acquired	1 650	10 770	–	–
Short-term borrowings	89 289	27 417	–	6 192
	110 041	88 369	–	6 192

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
16. REVENUE				
The prior year revenue figure has been restated to include the Freight and Logistics division's sub-contractor revenue. This restatement has no impact on the reported net profits.				
17. OPERATING INCOME BEFORE DEPRECIATION				
Operating income before depreciation is arrived at after taking into account the following items:				
<i>After crediting</i>				
Income from subsidiaries				
– Dividends			70 500	102 571
– Administration and professional fees			4 184	1 634
Foreign exchange profits realised	836	1 151	–	–
<i>After charging</i>				
Cost of sales	5 094 496	4 466 927	–	–
Operating lease charges	58 713	48 070	–	–
– Properties	54 596	44 284	–	–
– Equipment	4 117	3 786	–	–
Auditors' remuneration				
– Fees	3 398	3 051	45	50
– Under/(over)provision prior year	436	560	(4)	–
– Other services	1 657	794	–	–
Remuneration paid for administrative and technical services	18 781	16 271	–	–
Directors' emoluments paid by subsidiaries			13 257	12 169
– Fees – non-executives			682	644
– Managerial services				
– Remuneration			4 851	4 397
– Incentive bonuses			4 636	3 685
– Fringe benefit value of share incentive loans			1 998	2 367
– Other fringe benefits			1 090	1 076
Refer note 29 for details.				

for the year ended 30 June 2002

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
18. NET FINANCE COSTS				
Interest paid				
Banks	31 469	19 146	4	98
Loans	4 422	7 959	302	771
Total interest paid	35 891	27 105	306	869
Interest received				
Banks	(2 899)	(2 814)	(1 180)	(2 279)
Other	–	(3 202)	(302)	(771)
Total interest received	(2 899)	(6 016)	(1 482)	(3 050)
Net finance costs	32 992	21 089	(1 176)	(2 181)
19. TAXATION EXPENSE				
South African normal taxation				
– Current	51 984	61 244	1 385	1 216
– Deferred	20 026	(3 123)	–	(896)
Foreign taxation				
– Current	3 914	1 540	–	–
– Deferred	–	3 801	–	–
Overprovision of taxation for previous year – current	(1 282)	(2 731)	–	–
Secondary taxation on companies	5 000	6 977	5 000	2 421
Taxation expense	79 642	67 708	6 385	2 741
Reconciliation of the taxation rate	%	%	%	%
Current year charge as a percentage of earnings before taxation	28	29	8	3
Secondary taxation on companies	(2)	(3)	(7)	(2)
Dividends, capital profits/losses, amortisation and exempt income	6	6	29	29
Disallowable expenses	(1)	(1)	–	–
Foreign taxation	(1)	(1)	–	–
Effective rate of taxation	30	30	30	30
Total estimated taxation losses	7 504	20 039		
Less: Applied to offset deferred taxation liability	7 504	20 039		
Available for offset against future taxable income	–	–		

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
20. HEADLINE EARNINGS				
Net profit for the year	199 364	164 613		
Adjustments:				
Goodwill amortisation	13 145	8 292		
Profit on disposal of property, vehicles and equipment	(18 086)	(22 142)		
	194 423	150 763		
Taxation payable on profit on disposal of property, vehicles and equipment	–	3 581		
Headline earnings	194 423	154 344		
	Number of shares	Number of shares		
Weighted average number of ordinary shares in issue	76 204 308	75 951 658		
Weighted average number of ordinary shares that would be issued on conversion of all dilutive ordinary shares	281 180	708 665		
Diluted weighted average ordinary shares in issue	76 485 488	76 660 323		
	Cents	Cents		
Earnings per share	261,6	216,7		
Diluted earnings per share	260,7	214,7		
Headline earnings per ordinary share	255,1	203,2		
Diluted headline earnings per share	254,2	201,3		
21. DIVIDENDS PER SHARE				
A final dividend of 52,5 cents per share was paid to shareholders registered on 6 October 2001.				
No interim dividend was declared.				
On 19 August 2002 the directors declared dividend No 29 of 84,5 cents per share. This dividend has been declared payable on 7 October 2002 to those shareholders recorded as such in the books of the company at close of business on 4 October 2002.				
	R000	R000		
22. ATTRIBUTABLE INTEREST IN THE AGGREGATE NET PROFITS OR LOSSES OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES				
– Aggregate earnings of subsidiary companies	213 043	168 869		
– Aggregate losses of subsidiary companies	(11 541)	–		
– Aggregate losses of associate and joint ventures	(1 849)	(2 416)		
	199 653	166 453		

for the year ended 30 June 2002

	Group		Company	
	2002 R000	2001 R000	2002 R000	2001 R000
23. COMMITMENTS				
Capital expenditure commitments to be incurred				
– Contracted but not provided for	32 883	22 850		
This expenditure will be financed from internally generated funds and existing borrowing facilities.				
Operating lease commitments				
Payable within one year	68 794	53 854		
Payable within five years	194 466	154 353		
Payable thereafter	266 001	180 203		
	529 261	388 410		
Buyback agreements				
Unitrans Motors (Pty) Ltd has certain buyback commitments for vehicle sales. The commitments are based on conservative estimated residual values	148 000	104 000		

24. CONTINGENT LIABILITIES

The company has guaranteed certain bank overdrafts and loans of its associate. These guarantees totalled R37 million at 30 June 2002 (2001: R37 million).

Litigation, current or pending, is not considered likely to have a material adverse effect on the group.

	Number of ordinary shareholders	%
25. SHAREHOLDERS		
United General Investments (Proprietary) Limited*	1	44,87
Steinhoff Africa (Proprietary) Limited	1	26,02
Old Mutual	1	6,95
Banks and nominee companies	35	4,13
Unitrans Limited Share Trust	1	3,36
Individuals	226	0,18
Other companies and trusts	13	0,16
Pension and provident funds	2	0,13
Subtotal	280	85,8
In addition 547 beneficial shareholders held shares within nominee companies.		
These shareholdings were as follows:		
Other companies and trusts	220	10,22
Pension and provident funds	6	2,93
Individuals	328	0,86
Insurance companies	3	0,19
Total	837	100

* A wholly-owned subsidiary within the Murray & Roberts Holdings Limited group of companies.



25. SHAREHOLDERS (continued)

Pursuant to the Listings Requirements of the JSE, to the best knowledge of the directors and after reasonable enquiry, the spread of shareholders at 30 June 2002 was as follows:

Non-public shareholders	%
United General Investments (Proprietary) Limited	44,87
Steinhoff Africa (Proprietary) Limited	26,02
Unitrans Limited Share Trust	3,36
Directors of the company and its subsidiaries	0,29
Public shareholders	25,46
	100,00

26. FINANCIAL INSTRUMENTS

The group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable and loans to and from subsidiaries, joint ventures and associates.

Treasury risk management

Senior officers of the group analyse currency and interest rate exposure and re-evaluate treasury management strategies against revised economic forecasts.

The group's treasury operations provide the group with access to local money markets and provide group subsidiaries with the benefits of bulk financing and deposits.

Foreign currency management

Trade exposure

The group's policy is to cover forward all trade commitments. Each division manages its own trade exposure. In this regard the group occasionally enters into certain forward exchange contracts that do not relate to specific items appearing in the balance sheet, but are entered into to cover foreign commitments not yet due and proceeds not yet received. The risk of having to close out these contracts is considered to be low.

There were no contract amounts of derivative financial instruments outstanding at the balance sheet date.

Interest rate management

As part of the process of managing the group's fixed and floating rate mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. For the interest rate profile of total borrowings refer note 15.

Maturity profile of financial instruments

The maturity profile of the financial instruments is summarised as follows:

	Next year	1 – 4 years	2002 R000 > 4 years	Total
Financial assets				
Cash and bank balances	142 471	–	–	142 471
Trade and other receivables	497 861	–	–	497 861
Other non-current assets	586	46 740	42 552	89 878
Financial liabilities				
Interest-bearing liabilities	89 289	11 102	–	100 391
Trade and other payables	833 760	–	–	833 760
Vendors for businesses acquired	1 650	8 000	–	9 650

for the year ended 30 June 2002

26. FINANCIAL INSTRUMENTS (continued)

Fair value of financial assets and liabilities

Certain financial assets and liabilities which are accounted for at historical cost may differ from their value. The estimated fair values have been determined using available market information and appropriate valuation methodologies as detailed below:

	2002 R000	
	Book value	Fair value
Financial assets		
Cash and bank balances	142 471	142 471
Trade and other receivables	497 861	497 861
Other non-current assets	89 878	89 878
Financial liabilities		
Non-current interest-bearing liabilities	19 102	19 102
Short-term borrowings	89 289	89 289
Trade and other payables	833 760	833 760
Vendors for businesses acquired	1 650	1 650

The following methods and assumptions were used by the group in determining fair values:

Financial assets

The book value of cash and bank balances, trade and other receivables approximates the fair value.

Financial liabilities

The book value of short-term borrowings, trade and other payables approximates the fair value.

The carrying value of non-current borrowings is calculated using discounted cash flow analyses using the applicable yield curve for the duration of the borrowing.

Credit risk management

Potential areas of credit risk consist of trade accounts receivable and short-term cash investments.

Trade accounts receivable consist mainly of a large widespread customer base. Group companies monitor the financial position of their customers on an ongoing basis. The granting of credit is controlled by application and account limits. Provision is made for both specific and general doubtful debts and at year-end management did not consider there to be any material credit risk exposure that was not already covered by a doubtful debt provision.

It is group policy to deposit short-term cash investments only with major banks.

Liquidity risk management

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

27. RELATED PARTY TRANSACTIONS

Identity of related parties

The significant shareholders have been identified in note 25.

The major subsidiaries, associate and joint ventures of the group are identified in Annexure A on page 86. Details of the directors are reflected on pages 14 and 15.

Material related party transactions

Loans to and from related parties – refer Annexure A on page 86 and notes 4 and 5

Dividend income from related parties – refer note 17

Dividends paid – refer note 21

Directors' emoluments – refer notes 17 and 29

The group eliminates material inter-group balances and transactions.

28. EMPLOYEE BENEFITS

All employees are eligible for membership of the pension, provident and medical aid funds. The group's contributions to these funds during the year amounted to R65,5 million (2001: R57,5 million).

Contributions to pension and provident funds are made by employees and group companies. Benefits are accrued on a defined contribution basis, except for the pre-1995 members of the Unitrans Retirement Fund for whom there is a minimum guarantee in place. Group funds are administered by trustees with equal representation from members and employees. Certain employees do not belong to group funds, but contribute to umbrella funds or industry funds established and administered by national bargaining councils.

It is the group's ongoing long-term strategy to rationalise the number of retirement funding vehicles and to streamline collective bargaining arrangements. The first step in this process was accomplished with participation by Unitrans Limited as principal employer in an umbrella fund, the Alexander Forbes Retirement Fund (Provident Fund Section), on 1 March 2001, and the subsequent closing of the Unitrans Retirement Fund to new members on 1 June 2001. As the Transport and Logistics division acquires new companies, membership of the Alexander Forbes Fund will be offered to salaried staff, and membership of the negotiated Unitrans Provident Fund or the appropriate industry fund to staff who are included within the jurisdiction of national bargaining councils. The Motor and Financial Services division has adopted a similar strategy.

The group pension fund and the group provident funds are registered in terms of the Pension Funds Act, 1956. The group's provident funds have been certified as valuation exempt. A valuation of the retirement fund was performed in March 2002. The fund reflected a surplus that fully covers the obligations. A preliminary investigation into the legislation regarding pension fund surplus and improper use thereof indicated it most unlikely that there are any further obligations.

At 30 June 2002 membership of the pension fund within the group was 583 (2001: 569) while 3 805 (2001: 3 609) employees were members of the group provident funds. 391 (2001: 111) employees were covered by the group life assurance scheme for seasonal and contract workers. In addition 2 948 (2001: 2 574) employees within the Motor and Financial Services division were members of industry pension and provident funds.

30% (2001: 32%) of employees belong to the medical aid funds to which the group contributes. None of the group pension and provident funds has any liability in respect of the cost of medical aid benefits to retirees.

for the year ended 30 June 2002

29. DIRECTORS' REMUNERATION AND INTERESTS

Directors' remuneration

The directors' remuneration for the year ended 30 June 2002 was as follows:

Executive directors

Name	Salary and allowances R	Performance bonuses ⁽¹⁾ R	Company contributions to retirement and medical funds R	Company vehicles R	Subtotal R	Deemed interest ⁽²⁾ R	Other ⁽³⁾ R	Total R
P J Dieperink	943 950	1 071 114	192 573		2 207 637	459 500		2 667 137
K J Grové	1 595 580	1 600 000	153 541		3 349 121	902 688	967 500	5 219 309
S M Keys	771 600	1 265 000	217 890	122 490	2 376 980	519 047		2 896 027
R H Naisby	846 265	700 000	129 954		1 676 219	116 319		1 792 538
	4 157 395	4 636 114	693 958	122 490	9 609 957	1 997 554	967 500	12 575 011

(1) Performance bonuses are payable in terms of the Executive Incentive Scheme approved by the remuneration committee and are accounted for on an accrual basis to match the amount payable to the applicable financial year-end.

(2) Deemed interest relates to deemed interest on interest-free loans granted in terms of the Unitrans Limited Share Scheme.

(3) "Other" relates to the payment made on 17 September 2001 in connection with 60 000 shares held by Mr Grové via the Unitrans Limited Share Scheme. The 60 000 shares formed part of the incentive offered to Mr Grové on his appointment as chief executive on 1 September 1998.

Mr Grové was entitled to put these shares, purchased on 17 September 1998 at R15,50 per share, to the Unitrans Limited Share Scheme at R32,50 per share on 17 September 2001. The put option in respect of the 60 000 shares was repurchased on 17 September 2001 against the payment to Mr Grové of the R967 500 referred to above.

As at 30 June 2002, two further tranches of 60 000 shares in Unitrans Limited were held by Mr Grové in respect of this recruitment incentive. These tranches will mature on 17 September 2002 and 17 September 2003 respectively.

(4) The executive directors do not have fixed term contracts.

Non-executive directors

	Directors' fees	Audit committee	Remuneration committee	Trustees' fees	Sub-total
L B Bird*	24 598	6 150			30 748
D C Brink	124 700 ^C		31 176 ^C		155 876
B C Bruce#	62 350		9 545		71 895
H V Hefer*	24 599	12 299 ^C			36 898
M J Jooste†	62 350		9 545		71 895
D Konar	42 791	19 090 ^C			61 881
P K Quarmby	62 350				62 350
R W Rees#	42 791	9 545			52 336
A M van der Colff*	24 598	6 150	6 150	29 420	66 318
D M van der Merwe†	62 350	9 545			71 895
	533 477	62 779	56 416	29 420	682 092
Total remuneration paid to directors					13 257 103

C Chairman

Fees paid to Murray & Roberts HO Services (Pty) Ltd

† Fees paid to Steinhoff International Limited

* Retired with effect from 21 November 2001



29. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Interest of the directors of the company in the share capital of the company

As at 30 June 2002, the following shares in the company were held beneficially by the directors:

D C Brink	4 480 (2001: 4 480)
K J Grové	120 000 (2001: 180 000)*

*These shares beneficially held by Mr K J Grové in respect of the put option disclosed in note (3) on page 80.

No other director held a beneficial shareholding in the company, either directly or indirectly, other than the shareholdings held in terms of the Unitrans Limited Share Scheme, as reflected below.

Interest of the directors of the company in share options and share purchases under the Unitrans Limited Share Scheme

The Unitrans Limited Share Option Scheme

	Number of options as at 30 June 2001	Number of options granted during the year	Number of options exercised during the year	Number of options as at 30 June 2002	Option price (cents)	Vesting dates	Expiry date
P J Dieperink	7 500			7 500	1 650	29/09/2000	29/09/2007
	8 750			8 750	1 650	29/09/2002	29/09/2007
	8 750			8 750	1 650	29/09/2004	29/09/2007
	7 500			7 500	1 700	16/03/2001	15/03/2008
	8 750			8 750	1 700	16/03/2003	15/03/2008
	8 750			8 750	1 700	16/03/2005	15/03/2008
	12 500			12 500	2 018	09/01/2003	09/01/2011
	12 500			12 500	2 018	09/01/2004	09/01/2011
	12 500			12 500	2 018	09/01/2005	09/01/2011
	12 500			12 500	2 018	09/01/2006	09/01/2011
		15 000		15 000	1 820	19/02/2004	19/02/2012
		15 000		15 000	1 820	19/02/2005	19/02/2012
		15 000		15 000	1 820	19/02/2006	19/02/2012
		15 000		15 000	1 820	19/02/2007	19/02/2012
K J Grové	20 000			20 000	2 000	17/05/2002	17/05/2010
	20 000			20 000	2 000	17/05/2003	17/05/2010
	20 000			20 000	2 000	17/05/2004	17/05/2010
	20 000			20 000	2 000	17/05/2005	17/05/2010
	17 500			17 500	2 018	09/01/2003	09/01/2011
	17 500			17 500	2 018	09/01/2004	09/01/2011
	17 500			17 500	2 018	09/01/2005	09/01/2011
	17 500			17 500	2 018	09/01/2006	09/01/2011
		27 500		27 500	1 820	19/02/2004	19/02/2012
		27 500		27 500	1 820	19/02/2005	19/02/2012
		27 500		27 500	1 820	19/02/2006	19/02/2012
		27 500		27 500	1 820	19/02/2007	19/02/2012

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29. DIRECTORS' REMUNERATION AND INTERESTS (continued)

	Number of options as at 30 June 2001	Number of options granted during the year	Number of options exercised during the year	Number of options as at 30 June 2002	Option price (cents)	Vesting dates	Expiry date
S M Keys		15 000		15 000	1 820	19/02/2004	19/02/2012
		15 000		15 000	1 820	19/02/2005	19/02/2012
		15 000		15 000	1 820	19/02/2006	19/02/2012
		15 000		15 000	1 820	19/02/2007	19/02/2012
R H Naisby	15 750			15 750	1 250	27/09/2000	27/09/2003
	5 950			5 950	1 775	04/08/1999	04/08/2004
	5 950			5 950	1 775	04/08/2001	04/08/2004
	5 100			5 100	2 000	09/08/1998	09/08/2005
	5 950			5 950	2 000	09/08/2000	09/08/2005
	5 950			5 950	2 000	09/08/2002	09/08/2005
	2 910			2 910	1 650	29/09/2000	29/09/2007
	3 395			3 395	1 650	29/09/2002	29/09/2007
	3 395			3 395	1 650	29/09/2004	29/09/2007
	12 500			12 500	1 300	03/12/2000	03/12/2008
	12 500			12 500	1 300	03/12/2001	03/12/2008
	12 500			12 500	1 300	03/12/2002	03/12/2008
	12 500			12 500	1 300	03/12/2003	03/12/2008
	25 000			25 000	1 500	10/11/2001	10/11/2009
	25 000			25 000	1 500	10/11/2002	10/11/2009
	25 000			25 000	1 500	10/11/2003	10/11/2009
	25 000			25 000	1 500	10/11/2004	10/11/2009
	12 500			12 500	2 018	09/01/2003	09/01/2011
	12 500			12 500	2 018	09/01/2004	09/01/2011
	12 500			12 500	2 018	09/01/2005	09/01/2011
	12 500			12 500	2 018	09/01/2006	09/01/2011
		12 500		12 500	1 820	19/02/2004	19/02/2012
		12 500		12 500	1 820	19/02/2005	19/02/2012
		12 500		12 500	1 820	19/02/2006	19/02/2012
		12 500		12 500	1 820	19/02/2007	19/02/2012
	504 350	280 000		784 350			

29. DIRECTORS' REMUNERATION AND INTERESTS (continued)

The Unitrans Limited Share Purchase Scheme

	Number of shares purchased as at 30 June 2001	Number of shares purchased during the year	Number of shares sold during the year	Number of shares purchased as at 30 June 2002	Purchase price (cents)	Vesting dates	Expiry date
P J Dieperink	15 000			15 000	1 300	03/12/2000	03/12/2008
	15 000			15 000	1 300	03/12/2001	03/12/2008
	15 000			15 000	1 300	03/12/2002	03/12/2008
	15 000			15 000	1 300	03/12/2003	03/12/2008
	25 000			25 000	1 500	10/11/2001	10/11/2009
	25 000			25 000	1 500	10/11/2002	10/11/2009
	25 000			25 000	1 500	10/11/2003	10/11/2009
	25 000			25 000	1 500	10/11/2004	10/11/2009
	20 000			20 000	2 000	17/05/2002	17/05/2010
	20 000			20 000	2 000	17/05/2003	17/05/2010
	20 000			20 000	2 000	17/05/2004	17/05/2010
	20 000			20 000	2 000	17/05/2005	17/05/2010
	37 500			37 500	1 550	17/09/2000	17/09/2008
	37 500			37 500	1 550	17/09/2001	17/09/2008
	37 500			37 500	1 550	17/09/2002	17/09/2008
	37 500			37 500	1 550	17/09/2003	17/09/2008
K J Grové	50 000			50 000	1 500	10/11/2001	10/11/2009
	50 000			50 000	1 500	10/11/2002	10/11/2009
	50 000			50 000	1 500	10/11/2003	10/11/2009
	50 000			50 000	1 500	10/11/2004	10/11/2009

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29. DIRECTORS' REMUNERATION AND INTERESTS (continued)

	Number of shares purchased as at 30 June 2001	Number of shares purchased during the year	Number of shares sold during the year	Number of shares purchased as at 30 June 2002	Purchase price (cents)	Vesting dates	Expiry date
S M Keys	17 500			17 500	1 700	15/03/2003	15/03/2008
	17 500			17 500	1 700	15/03/2005	15/03/2008
	15 000		15 000		1 300	03/12/2000	03/12/2008
	15 000			15 000	1 300	03/12/2001	03/12/2008
	15 000			15 000	1 300	03/12/2002	03/12/2008
	15 000			15 000	1 300	03/12/2003	03/12/2008
	25 000		25 000		1 500	10/11/2001	10/11/2009
	25 000			25 000	1 500	10/11/2002	10/11/2009
	25 000			25 000	1 500	10/11/2003	10/11/2009
	25 000			25 000	1 500	10/11/2004	10/11/2009
	10 000			10 000	2 000	17/05/2002	17/05/2010
	10 000			10 000	2 000	17/05/2003	17/05/2010
	10 000			10 000	2 000	17/05/2004	17/05/2010
	10 000			10 000	2 000	17/05/2005	17/05/2010
	12 500			12 500	2 018	09/01/2003	09/01/2011
	12 500			12 500	2 018	09/01/2004	09/01/2011
	12 500			12 500	2 018	09/01/2005	09/01/2011
	12 500			12 500	2 018	09/01/2006	09/01/2011
R H Naisby	3 000			3 000	1 700	15/03/2001	15/03/2008
	3 500			3 500	1 700	15/03/2003	15/03/2008
	3 500			3 500	1 700	15/03/2005	15/03/2008
	10 000			10 000	2 000	17/05/2002	17/05/2010
	10 000			10 000	2 000	17/05/2003	17/05/2010
	10 000			10 000	2 000	17/05/2004	17/05/2010
	10 000			10 000	2 000	17/05/2005	17/05/2010
	925 000		40 000	885 000			

No options have been granted, nor have any shares in the company been sold by the Unitrans Limited Share Scheme, to any non-executive director.

Interest of the directors in contracts

The directors have certified that they were not materially interested in any transaction of any significance with the company or any of its subsidiaries. Accordingly, a conflict of interest with regard to directors' interest in contracts does not exist.



30. SPECIAL RESOLUTIONS

No special resolutions which may be significant to members in their appreciation of the state of affairs of the group were passed by the company or its subsidiary companies during the period under review save for the special resolution passed at the annual general meeting of the company held on 21 November 2001 authorising, as a general authorisation, the repurchase by the company of its own shares and the acquisition by any subsidiary of the company of shares issued by the company, subject to the provisions of the Companies Act, No 61 of 1973 as amended and the requirements of the JSE Securities Exchange South Africa.

31. GROUP SEGMENTAL REPORT

2002 R000	TRANSPORT AND LOGISTICS			MOTOR AND FINANCIAL SERVICES			GROUP
	Freight and Logistics	Passenger	Total	Retail	Financial	Total	Total
Income statement							
Revenue	1 285 313	304 075	1 589 388	4 263 906	141 726	4 405 632	5 995 020
Operating income after depreciation	146 364	36 114	182 478	106 566	22 160	128 726	311 204
Depreciation	118 591	27 612	146 203	11 614	1 563	13 177	159 380
Balance sheet							
Total assets	1 141 185	166 693	1 307 878	843 762	88 979	932 741	2 240 619
Capital employed	600 122	103 325	703 447	311 452	41 232	352 684	1 056 131
Capital expenditure	251 117	53 798	304 915	29 968	724	30 692	335 607

2001 R000	TRANSPORT AND LOGISTICS			MOTOR AND FINANCIAL SERVICES			GROUP
	Freight and Logistics	Passenger	Total	Retail	Financial	Total	Total
Income statement							
Revenue	1 105 228	273 623	1 378 851	3 768 050	131 756	3 899 806	5 278 657
Operating income after depreciation	113 146	32 631	145 777	86 905	10 546	97 451	243 228
Depreciation	114 777	24 513	139 290	13 589	1 878	15 467	154 757
Balance sheet							
Total assets	890 891	175 348	1 066 239	761 455	56 460	817 915	1 884 154
Capital employed	442 732	105 212	547 944	265 857	17 586	283 443	831 387
Capital expenditure	240 874	35 740	276 614	10 580	536	11 116	287 730

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ANNEXURE A
INTEREST IN MAJOR SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

	Amount of issued capital	Share premium	Cost of investments		Indebtedness	
	R	R	2002 R000	2001 R000	2002 R000	2001 R000
Directly or indirectly held 100% except where stated otherwise						
SUBSIDIARIES						
Transport and Logistics						
Freight and Logistics						
Klipstone Transport (Proprietary) Limited (51%)	1 000		–	–	–	–
Unitrans Express Deliveries (Proprietary) Limited	1 000		–	–	–	–
Unitrans Freight (Proprietary) Limited	342 685	340 071 200	141 018	141 018	319	19 683
Unitrans Ocean Logistics (Proprietary) Limited	100		–	–	–	–
Lesotho Carriers (Proprietary) Limited (incorporated in Lesotho)	1 000#		1	1	(180)	(180)
Unitrans Botswana (Proprietary) Limited (incorporated in Botswana)	400 000*		502	502	–	–
Unitrans Fuel and Chemical (Proprietary) Limited	300		–	–	–	–
Unitrans Lesotho (Proprietary) Limited (incorporated in Lesotho)	1 000#		–	1	–	–
Unitrans Malawi Limited (incorporated in Malawi)	27 738 974##		–	–	–	–
Unitrans Moçambique Limitada (incorporated in Mozambique)	200 000 000 ⁺		–	–	–	–
Unitrans Namibia (Proprietary) Limited (incorporated in Namibia)	100†		8 149	8 149	–	–
Unitrans Offshore Limited	34 547‡	754 083‡	116 395	60 438	–	–
Unitrans Swaziland Limited (incorporated in Swaziland)	262 162**	–	–	–	–	–
Unitrans Tanzania (Proprietary) Limited	2 000 ^K	–	–	–	–	–
Unitrans Zululand (Proprietary) Limited	1 119 547	19 478 954	8 191	8 191	–	–
Passenger						
Greyhound Coach Lines (Proprietary) Limited	100		–	–	–	–
Mega Bus and Coach (Proprietary) Limited	100		–	–	–	–
Unitrans Passenger (Proprietary) Limited	50 833	14 853 343	4 224	4 224	–	–
Motor and Financial Services						
Motor Retail						
Autocare Warranty (Proprietary) Limited	1		–	–	–	–
Unitrans Motor Enterprises (Proprietary) Limited	100		–	–	180 080	210 326
Unitrans Motors (Proprietary) Limited	120 004		–	–	–	–
Unitrans Retail Services (Proprietary) Limited	1		–	–	–	–
Financial Services						
Contract Lease Management (Proprietary) Limited	100		–	–	–	–
Unitrans Finance (Proprietary) Limited (65%)	100		–	–	–	–
Unitrans Insurance Limited	9 000		–	–	–	–
Corporate						
Unitrans Services (Proprietary) Limited	100		–	–	–	(2 381)
Other						
Property, dormant and investment companies ^O	1 226 036	56 024 824	65 610	65 607	(55 970)	(61 168)
			344 090	288 131	124 249	166 280
ASSOCIATE AND JOINT VENTURES						
Alisa Holdings (Proprietary) Limited t/a Hertz (40%)	7 500		–	–	38 565	–
Roadway Logistics (Proprietary) Limited (50%)	200		–	–	–	–
UPS Logistics Group (Proprietary) Limited (50%)	500		–	–	–	–
	–		–	–	38 565	–

*Pula **Emalangezi #Maloti ##Malawi kwacha + Meticals

†Namibian dollar ‡United States dollar K Tanzanian shilling ODetails of dormant companies are available on request

Notice is hereby given that the 35th annual general meeting of the members of the company will be held at 263 Oxford Road, Illovo, on 20 November 2002 at 08:30 for the following purposes:

1. To receive and adopt the annual financial statements for the year ended 30 June 2002.

2. Directorate

2.1 To re-elect directors by a single resolution; failing which directors will be elected individually.

2.2 To elect directors in place of the following directors, who retire by rotation as directors in accordance with the articles of association and who, being eligible, offer themselves for re-election:

2.2.1 Mr D C Brink

2.2.2 Mr B C Bruce

2.2.3 Mr M J Jooste

2.2.4 Mr R H Naisby

Details of the experience and qualifications of each of the directors offering themselves for re-election are contained on page 90 of the report to which this notice is attached.

3. To place 6 201 869 (six million two hundred and one thousand eight hundred and sixty nine) of the unissued shares in the capital of the company under the control of the directors for purposes of the Unitrans Limited Share Scheme.

4. To place 30 000 000 (thirty million) of the balance of the unissued shares in the capital of the company under the control of the directors who are authorised, subject to the provisions of the Companies Act, No 61 of 1973 as amended ("the Act") and to the Listings Requirements of the JSE Securities

Exchange South Africa ("the JSE"), until the next annual general meeting of the company, to allot these shares on such terms and conditions as they deem fit including but not limited to any allotments to shareholders as capitalisation awards.

5. General authority to repurchase shares

To consider and, if deemed fit, to pass with or without modification the following resolution as a special resolution:

"RESOLVED THAT: the acquisition by the company of shares issued by it, on such terms and conditions as may be determined by the directors and the acquisition by any subsidiary of the company of shares issued by the company, on such terms and conditions as may be determined by the directors of any such subsidiary, be and is hereby approved as a general approval in terms of section 85(1) and 89 of the Act and in terms of paragraphs 5.93 and 5.101 of the Listings Requirements of the JSE, subject to the following:

- (a) such acquisition being permitted in terms of the Act and the company's articles of association;
- (b) such acquisition being limited to a maximum of 20% (twenty percent) of the company's issued securities of the type or class concerned in any one financial year of the company provided that the acquisition of shares by a subsidiary of the company may not exceed 10% (ten percent) in the aggregate, in any one financial year, of the number of issued shares of the company;
- (c) such acquisition being made at a price which is not more than 10% (ten percent) above the weighted average of the market



value for the securities concerned for the 5 (five) business days immediately preceding the date of the acquisition;

- (d) such repurchase being implemented on the JSE ("open market");
- (e) any other applicable terms and conditions relating to such acquisition imposed by the Listings Requirements of the JSE being complied with; and
- (f) the approval continuing to be of force and effect only until the next annual general meeting of the company provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution or until revoked or varied prior thereto by special resolution at any general meeting of the company."

The reason for this special resolution is to obtain shareholder permission, as a general authority, for the company to acquire its own shares and for any subsidiary of the company to acquire shares issued by the company subject to the provisions of the Act and the Listings Requirements of the JSE. The effect of this resolution will be to grant the requested general authority to the directors of the company.

A share buyback is not contemplated at the date of this notice. It is the intention of the board of directors that they will use such authority, if granted, should prevailing circumstances in their opinion warrant a share buyback. It is the opinion of the directors that, for a period of 12 (twelve) months after the date of this notice, the company and the group will:

- in the ordinary course of business, be able to pay its debts;

- have consolidated assets, fairly valued in accordance with South African Statements of Generally Accepted Accounting Practice, in excess of its consolidated liabilities;
- have adequate ordinary capital and reserves; and
- have adequate working capital and reserves.

A certificate by the company's auditors confirming the above statements shall be issued at the time of any repurchase and, when 3% (three percent) of the initial number, ie the number of shares in issue at the time that the general authority from shareholders is granted, is cumulatively repurchased and for each 3% (three percent) in aggregate of the initial number acquired thereafter, an announcement shall be made in accordance with the provisions of paragraph 5.96 of the Listings Requirements of the JSE.

6. Renewal of general authority to issue shares for cash

To authorise the directors, subject to the Listings Requirements of the JSE, until the conclusion of the next annual general meeting of the company but in any event not later than 15 (fifteen) months from the date of this meeting, to issue, at their discretion, ordinary shares for cash, other than by way of a rights offer, provided that:

- the shares so issued shall be issued only to public shareholders (as defined in paragraphs 4.26 and 4.27 of the Listings Requirements of the JSE) and not to related parties;
- the number of shares so issued shall not in any one year exceed 15% (fifteen percent) of the number of ordinary shares in issue at the time the issue is made; and



- in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the company's shares over the 30 (thirty) business days prior to the date that the issue price is determined or agreed by the company's directors.

Should shares be issued for cash in terms of this authority representing, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, an announcement shall be published in accordance with the provisions of paragraph 5.75 of the Listings Requirements of the JSE.

The reason for this resolution is to obtain shareholder permission, as a general authority for the company to issue shares for cash, subject to the provisions of the Act and the Listings Requirements of the JSE. The effect of this resolution will be to grant the requested general authority to the directors of the company.

This resolution requires the approval of not less than 75% (seventy five percent) of the votes cast by shareholders present or represented by proxy and entitled to vote at the meeting.

7. To ratify the aggregate sum of the directors' fees in respect of services for the year ended 30 June 2002.

The directors' fees paid in respect of the year ended 30 June 2002 are disclosed on page 80 of the report to which this notice is attached.

8. To transact such other business as may be transacted at an annual general meeting.

By order of the board



J V Radnay
Secretary

Illovo
25 October 2002

Proxies

A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and speak and on a poll, to vote in his/her stead. A proxy need not be a member of the company. Proxy forms must be deposited at the office of the transfer secretaries not less than 48 (forty eight) hours before the time of the meeting.

The form of proxy for the annual general meeting, which sets out the relevant instructions as to how members may vote and/or attend the meeting, is attached on page 91. Additional forms may be obtained on request from the transfer secretaries of the company or from the company's registered office.

CVs OF THE DIRECTORS RETIRING BY ROTATION WHO, BEING ELIGIBLE, WILL OFFER THEMSELVES FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS ON 20 NOVEMBER 2002

The directors are subject to retirement by rotation in accordance with the company's articles of association and reappointment is not automatic. The following directors will retire by rotation at the annual general meeting of shareholders to be held on 20 November 2002 but, being eligible, have offered themselves for re-election:

D C Brink

David Brink brings considerable business, engineering and finance experience to the group.

He has over 20 years' experience in the mining industry followed by ten years as the chief executive of a major listed construction, engineering and manufacturing conglomerate, and four years as chief executive of the holding company of Sanlam's strategic investments.

He is chairman of Murray & Roberts Holdings Limited, deputy chairman of Absa Bank Limited and Absa Group Limited, and a director of BHPBilliton Plc, BHPBilliton Limited, Sanlam Limited and Sappi Limited. He is also co-chair of the Business Trust, chairman of the Nations Trust and vice-president of the South Africa Foundation and the Institute of Directors.

He has served as a director and chairman of Unitrans Limited and has chaired the remuneration committee since 1997.

B C Bruce

Brian Bruce was appointed group chief executive of Murray & Roberts Holdings Limited in July 2000. In addition and following a three-year period as leader of the Inter-Ministerial Task Team on Construction Industry Development, he was appointed by Cabinet in April 2001 as chairperson of the Construction Industry Development Board.

Brian comments:

"Both appointments represent significant challenges in business and industry transformation, a process with which I have been proactive since 1990 and which reflects my commitment to the creation of value through innovation and in a context of sustainable development.

"Outside my passion for Murray & Roberts and South Africa, I spend my time on industry development, British sports cars and the Cape Floral Kingdom."

Born and educated in Port Elizabeth, he read civil engineering at the University of Cape Town and has both attended and contributed to management courses at Pretoria, MIT and Templeton College.

M J Jooste

In 1988 Markus Jooste joined Gommagomma Holdings (Pty) Ltd (now Steinhoff Africa Holdings (Pty) Ltd) ("Steinhoff Africa") as a director and became involved in merging the southern Africa furniture operation with the interests of Bruno Steinhoff, which culminated in the listing of Steinhoff International Holdings Limited ("Steinhoff International"). On 23 September 1998 he was appointed as an executive director of Steinhoff International.

Pursuant to Steinhoff Africa subscribing for shares in Unitrans Limited in 2000, he was appointed to the board of Unitrans Limited.

On 26 November 2000 he was appointed group managing director of Steinhoff International and he also acts as chairman of Steinhoff Africa. He serves on several boards within the Steinhoff group's operations worldwide and, pursuant to the conclusion of the Alliance Agreement with Freedom Group Limited (listed in Australia), was elected to the Freedom board.

In February 2002 he was appointed to PSG Group Limited as a director.

Currently he serves on the boards of the following listed companies:

Steinhoff International
Unitrans (also member of the remuneration committee)
PSG Group (also member of the remuneration committee), and
Freedom Group Limited

R H Naisby

Roger Naisby obtained his CTA from the University of the Witwatersrand in 1968 and obtained his CA(SA) in 1969. He joined Cargo Carriers in 1970 as group accountant and was encouraged by Desmond Bolton to become involved in the operational aspects of road transportation. He was appointed operations director of Cargo Carriers in 1980 and managing director in 1985.

He gained a sound knowledge of warehousing and distribution of perishable foods during a five-year period at Imperial Cold Storage Limited where he served as a director of the listed company. After a year with Tongaat Foods, focused on the turnaround of the distribution business, he joined Unitrans Limited in 1993. He has headed up the Freight division since 1995.





(Registration number 1967/003403/06)

("the company")

For use at the annual general meeting of the company to be held at 08:30 on 20 November 2002.

I/We

of

being (a) shareholder/s of the company and entitled to vote, do hereby appoint

or failing him, the chairman of the meeting as my/our proxy to act for me/us at the annual general meeting of members of the company to be held at 263 Oxford Road, Illovo, on Wednesday 20 November 2002 at 08:30 for the purpose of considering the business set out in the notice which this form of proxy accompanies and, in particular, to vote for me/us in respect of the following resolutions:

Voting instructions	(Insert X in the appropriate space)		
	For	Against	Abstain
1. Resolution to adopt the annual financial statements			
2. Directorate 2.1 Resolution to re-elect directors by a single resolution 2.2 Resolution to re-elect the following directors who retire by rotation in accordance with the company's articles of association: 2.2.1 D C Brink 2.2.2 B C Bruce 2.2.3 M J Jooste 2.2.4 R H Naisby			
3. Resolution to place 6 201 869 unissued shares under the control of the directors for purposes of the Unitrans Limited Share Scheme			
4. Resolution to place 30 000 000 unissued shares under the control of the directors			
5. Special resolution to grant the directors a general authority to repurchase shares in the company and to approve the purchase of shares in the company by any subsidiary of the company			
6. Resolution to authorise the directors to issue ordinary shares for cash, other than by way of a rights offer			
7. Resolution to ratify the fees paid to directors			

Signed this

day of

2002

Signature

Number of shares

Instructions on signing and lodging the annual general meeting proxy form.

1. The following categories of shareholders are entitled to complete a proxy form:

- 1.1 Certified shareholders whose names appear on the company's register
- 1.2 Own name electronic shareholders whose names appear on the subregister of a Central Securities Depository Participant ("CSDP")
- 1.3 CSDPs with nominee accounts
- 1.4 Brokers with nominee accounts

All beneficial owners who have dematerialised their shares through a CSDP or broker, other than those in "own name", must provide the CSDP or broker with their voting instruction. Alternatively, should such a shareholder wish to attend the meeting in person, in terms of the custody agreement with the CSDP or broker, such shareholder may request the CSDP or broker to provide the shareholder with a letter of representation.

- 2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names follow.
- 3. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares than you own in the company, insert the number of ordinary shares in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
- 4. Forms of proxy must be received at the office of the company's transfer secretaries, Computershare Investor Services Limited, 70 Marshall Street, Marshalltown, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by not later than 08:30 on Monday 18 November 2002.
- 5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
- 6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
- 7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
- 8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the company.

The chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the shareholder wishes to vote.



Financial year-end

30 June

Reports and profit statements

Announcement of audited results 2001/2002	Published	20 August 2002
Annual financial statements 2001/2002	Published	October 2002
Interim report 2002/2003	To be published	February 2003

Annual general meeting

20 November 2002

Dividends

Final dividend 2001/2002	Declared	20 August 2002
	Last date to register	4 October 2002
	Payable	7 October 2002

Administration

UNITRANS LIMITED

(Registration number 1967/003403/06)

SECRETARY

J V Radnay (FCIS)
e-mail: janr@unitrans.co.za

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Johannesburg 2116

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Unitrans Limited Annual Report



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