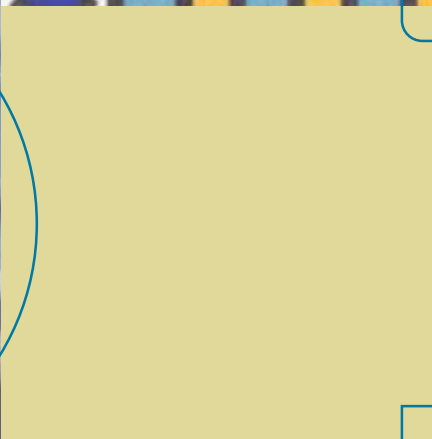
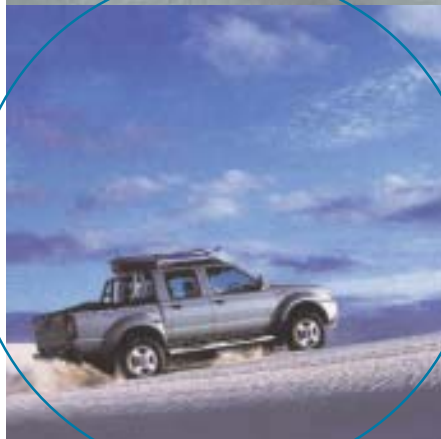
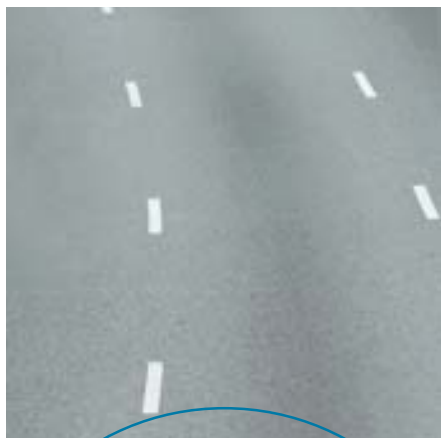




The logistical solution



Unitrans Limited Annual Report 2004

Our vision

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

Who we are

Unitrans has been serving the transportation and logistics needs of South Africa for over a hundred years. It has many diverse complementary business interests in logistics and associated industries. These include freight and passenger transport, warehousing, distribution, express freight and courier services, vehicle retailing, fleet management and vehicle leasing, insurance and car rental.

Key financial highlights under the flap 

Contents

Vision and profile	IFC	Financial director's report	32
Key financial highlights	Inside flap	Sustainability report	36
Group objectives	1	Corporate governance	44
Group structure	2	Value created statement	48
Areas of operation	4	Six-year review	49
Unitrans board of directors	6	Contents to the annual financial statements	50
Executive committee	10	Notice to members	90
Chairman's report	12	Form of proxy	95
Chief executive's report	14	Shareholders' diary and administration	IBC
Review of operations	18		

Revenue increased
by 20% to

R9,3 billion



Headline earnings
per share

346,7 cents

12 680

employees across
ten countries

We comply with
international
management
systems and
controls



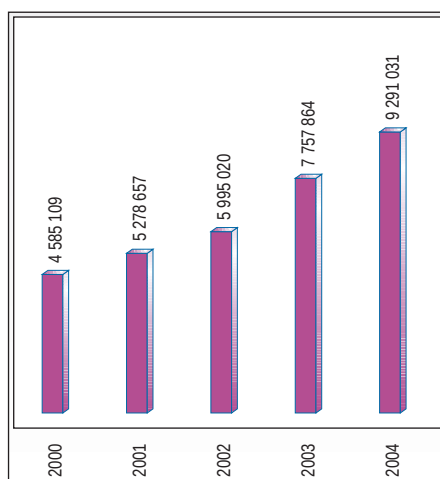
Total ordinary
dividend up 8% to

100 cents

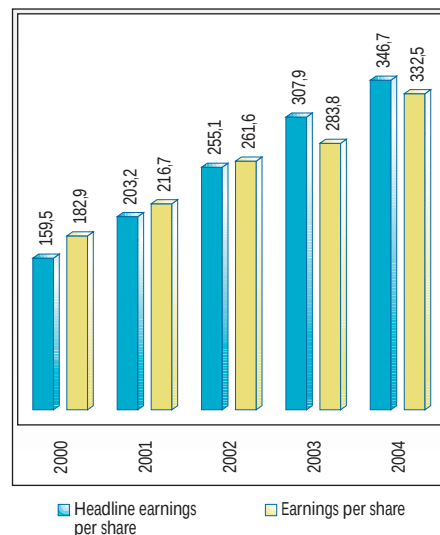
Return on average
shareholders' funds
increased to

20,1%

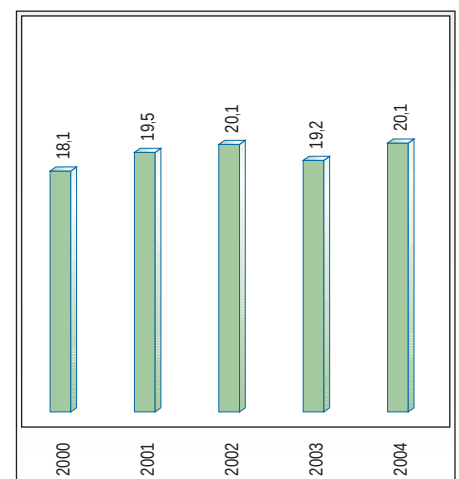
Revenue
(R000)



Headline earnings per share and earnings per share
(cents)



Return on shareholders' funds
(%)



Unitrans had a solid financial year attributable largely to organic growth

The BEE transaction holds great potential

Motors' business environment during the year under review proved buoyant



Our Freight mining operation has been well accepted by the market

Passenger retained and acquired a number of contracts

New growth opportunities for

USC



Unitrans has introduced, on a pilot basis, an HIV/AIDS voluntary counselling and treatment programme

Key financial highlights	2004 Rm	2003 Rm	% change
Revenue	9 291,0	7 757,9	20
Operating income before depreciation	616,8	556,5	11
Net finance costs	(49,4)	(52,4)	(6)
Profit before taxation	363,3	316,2	15
Net profit for the year	252,7	212,1	19
Total assets	2 966,9	2 582,4	15
Cash available from operations	441,9	284,6	55
Ordinary share performance (cents per share)	Cents	Cents	
Earnings per share	332,5	283,8	17
Fully diluted earnings per share	328,7	278,6	18
Headline earnings per share	346,7	307,9	13
Dividends paid per share	93,0	84,5	10
Net asset value per share	1 746,5	1 552,2	13
Financial statistics	%	%	
Operating margin (%)	4,5	4,9	
Return on capital employed (%)	28,7	31,6	
Return on shareholders' funds (%)	20,1	19,2	

Group objectives



Objectives attained in 2004

The group has presented a good set of results in a challenging year

- ✓ Strong revenue growth
- ✓ Good headline earnings growth
- ✓ Increased return on shareholders' funds
- ✓ Increased net asset value
- ✓ Improved black economic empowerment (BEE) credentials

Objectives set for 2005

- ✓ Revenue growth
- ✓ Real headline growth
- ✓ Maintain return on shareholders' funds
- ✓ Bed down NTI acquisition in Passenger
- ✓ Focus on management of costs
- ✓ Seek opportunities for continued growth in existing and new markets/products



For further information on each of our operations please visit

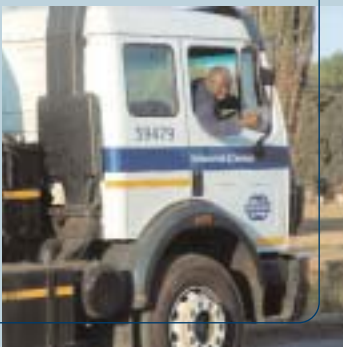
www.unitrans.co.za

Group structure and salient features

What drives our company into the future



Freight and Logistics



Freight

Specialised freight services to the market sectors of foods (including poultry), industrial metals and cement, mining industries, express freight and forestry.

Fuel and Chemical

Transportation and specialised fuel logistics services to the petrochemical industry.

Sugar and Agriculture

Comprehensive transport and related logistics services to the sugar and agricultural industry.

Unitrans Supply Chain

Provision of supply chain re-engineering and warehousing management services.

Roadway Logistics

Distribution and warehousing services to the furniture and carpet manufacturers and retailers.



Passenger



Unitrans Passenger

Passenger transport, including scheduled intercity coach travel to all major cities within South Africa, contract hire, commuter service, luxury and semi-luxury coach charter, airport shuttle, door-to-door services, and private transfers.



Retail



Unitrans Motors

New and pre-owned vehicle sales, parts and accessories sales, and after-sales service, with 60 dealerships nationwide.



Financial Services and Rental



Unitrans Finance Unitrans Insurance Contract Lease Management

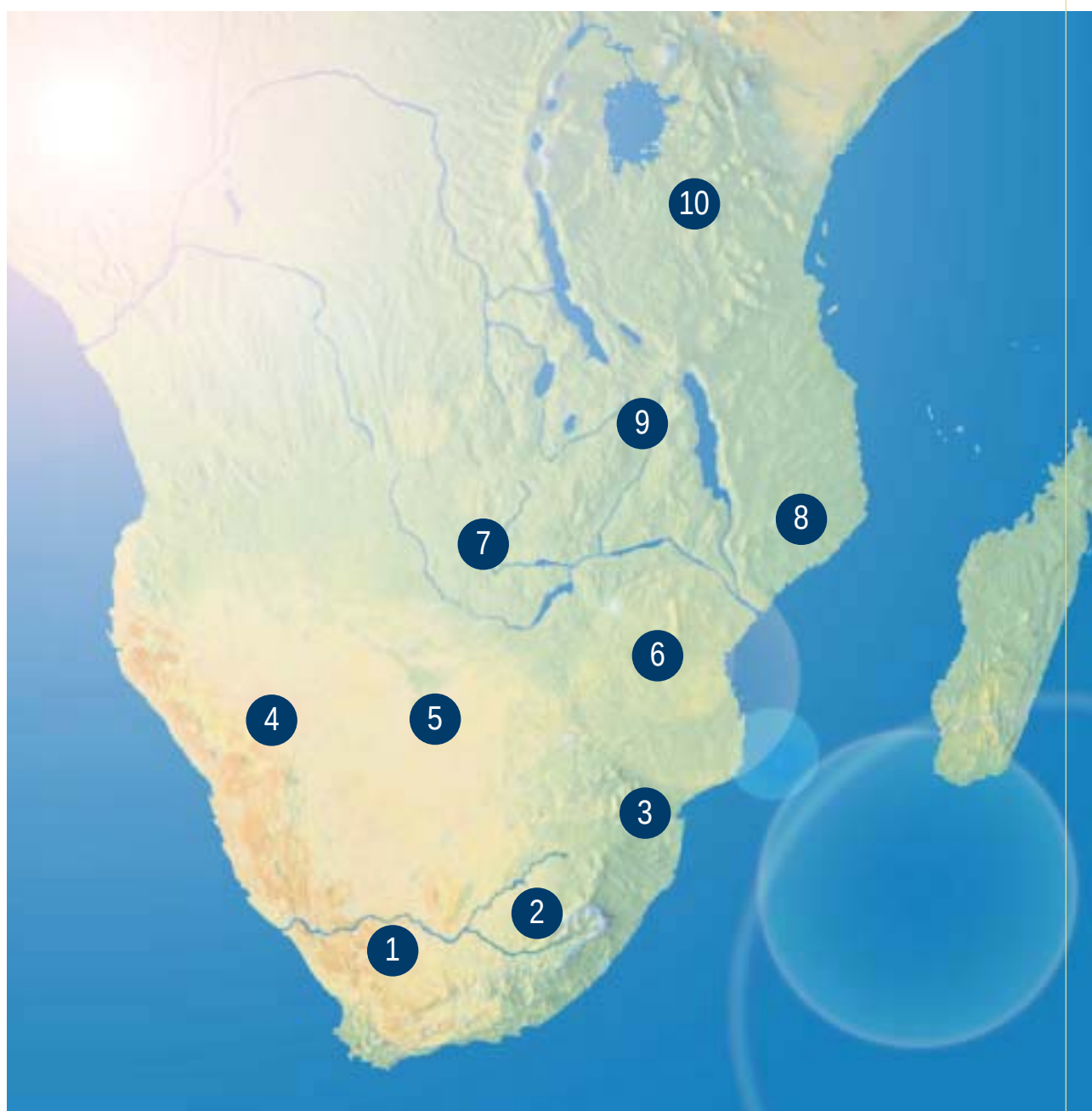
Consumer credit, insurance products and full maintenance leasing.

Hertz Rent a Car

Unitrans owns 40% of the equity in Hertz Rent a Car South Africa, and empowerment partner New Africa Investments Limited holds the balance of 60%.

Areas of operation

Our footprint





1. South Africa

Distribution, transportation and logistics services to the food and beverage, animal feeds, poultry, construction, steel and engineering, mining, explosives, forestry, fuel, chemical, gas, sugar and agricultural industries, including warehousing to certain of these sectors; courier services, freight clearing and forwarding; supply chain and logistics re-engineering services; distribution and warehousing services to furniture and carpet manufacturers and retail warehousing management services; passenger transport services, including luxury and semi-luxury coach charter, scheduled luxury intercity coach travel; contract hire and commuter transport, airport shuttle, door-to-door services, private transfers; motor retail and related insurance and financial services, and car rental

2. Lesotho

Fuel bridging and distribution and courier services

3. Swaziland

Distribution of sugar and agricultural services, fuel distribution and courier services

4. Namibia

Fuel, bitumen, cement, concrete products, fertiliser, beverage, sugar and salt distribution and courier services

5. Botswana

Haulage and distribution for the mining and fuel industries, cement warehousing and distribution, courier services and passenger transport

6. Zimbabwe

Fuel bridging, beverage and salt distribution and passenger transport

7. Zambia

Fuel bridging, fertiliser, beverage and salt distribution

8. Mozambique

Distribution of sugar and agricultural services and passenger transport

9. Malawi

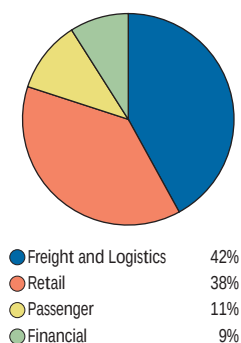
Distribution of sugar and agricultural services

10. Tanzania

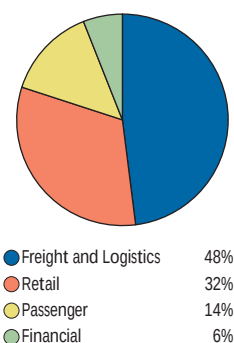
Distribution of sugar, timber and agricultural services



2004
Operating income after depreciation
per segment (R000)



2004
Net assets per segment



Unitrans board of directors

Independent non-executive chairman



Dave Charles Brink (65)^{*†}
MSc Eng (Mining), DCom (hc),
Graduate Diploma in Company
Direction

Appointed: 25 November 1997
Dave Brink retired as chairman of Murray & Roberts Holdings Limited at the end of 2003.

He serves as deputy chairman of Absa Bank Limited and Absa Group Limited, director of Sanlam Limited, Sappi Limited and BHP Billiton Limited and BHP Billiton PLC, where he is chairman of the health, safety and environment committee and is also a member of the risk management and audit committee.

Dave is currently a board member of the National Business Initiative and co-chairman of the Business Trust. He is also a vice president of the Institute of Directors and is a founder member of the Independent Directors' Initiative.

The nominations committee is required to consider the continuation in office of directors attaining the age of 65. The committee has recommended, and the board has approved, Dave's continuation in office as chairman of the board. This appointment will be reviewed on an annual basis.

Executive directors



Karel (Jo) Johan Grové (55)^{# +‡}
Chief Executive
Amp (Oxford)

Appointed: 1 September 1998
In 1976 Jo noticed a gap in the market and founded Medical Leasing Services, a company providing specialised financial services, mainly to medical doctors.

In 1987 the business was sold to the Absa Group, the name was changed to MLS Bank and Jo was appointed chief executive officer, a position he held until 1995. Later that year he started Imperial Bank and served on the main board of Imperial Holdings Limited until he joined Unitrans Limited as the new chief executive in September 1998.

He currently serves on the boards of Steinhoff International Holdings Limited and SA PGA Tour.



Philip Jean Dieperink (48)^{+‡}
Financial Director
BCom (Hons), CA(SA), H Dip Tax

Appointed: 1 October 1997
After completing his studies at the University of Pretoria, Philip joined Deloitte & Touche in 1980. Later, after completing articles, he transferred to the tax division of Deloitte & Touche, specialising in corporate and international tax planning.

He was appointed as a tax partner in 1987, a position he held for a further nine years. During this time he became a senior tax partner and was responsible for the tax services provided to a number of the firm's major clients.

Philip left Deloitte & Touche in 1996 to join Murray & Roberts as international financial manager and group tax advisor.

In 1997 Philip was appointed financial director of Unitrans Limited. He currently serves on the board of Unitrans Limited and all divisional boards, as well as chairing all the divisional audit committees.



Stephen (Steve) Mark Keys (43) ^{†‡}
 Managing Director Motor and Financial Services
 BCom (Hons), Dip Acc, CA(SA), H Dip Tax

Appointed: 11 February 1998

Steve Keys qualified as a Chartered Accountant (SA) in 1983. After completing articles he joined an international chemical manufacturer as finance director. In 1988 he joined Malbak Limited as a management accountant and spent the next three years involved with the corporate finance activities of the Malbak Group.

In 1991 he was transferred to Malbak Motor Holdings where he held various responsibilities including finance director and operations director. During this period he also served as a non-executive director of Ellerine Holdings Limited. In 1997 he was appointed managing director of Malbak Motor Holdings.

In 1998, on the acquisition of Malbak Motor Holdings by Unitrans Limited, he was appointed to the Unitrans Limited board.

Steve holds executive responsibility for the Motor and Financial Services division of Unitrans Limited.



Roger Halton Naisby (59) ^{†‡}
 Director International
 CA(SA)

Appointed: 10 February 1995

Roger Naisby has accumulated 30 years' experience in the transportation and logistics industry.

He joined Cargo Carriers as group accountant in 1970. He was appointed operations director of Cargo Carriers in 1980 and managing director in 1985.

During a five-year period at Imperial Cold Storage and Supply Company Limited, he gained considerable experience in the distribution and warehousing of FMCG and the intricacies of handling perishables. He served as a director on the board of the listed company.

After a year with Tongaat Foods, Roger joined Unitrans Limited in 1993. Since his appointment to the board in early 1995, he has served as managing director of Unitrans Freight (Proprietary) Limited, and since 2003 has been involved in local and international acquisitions.

Roger Naisby was appointed to the board of the Road Freight Association in 1994, serving as chairman of the association from 1997 to 2000.

* Independent non-executive director

‡ Chairman of the remuneration, human resources and nominations committee

Member of the remuneration, human resources and nominations committee

Directors who will be retiring by rotation at the annual general meeting of shareholders on 8 December 2004 and who, being eligible, will be offering themselves for re-election

+ Member of the Unitrans Limited executive committee

© Member of the acquisitions subcommittee of the Unitrans Limited executive committee

Unitrans board of directors continued

Non-executive directors



Brian Cameron Bruce (55)[#]
PrEng, BSc Eng

Appointed: 20 July 2000

Brian is group chief executive and an executive director of Murray & Roberts Holdings Limited and chairperson of the Construction Industry Development Board. He serves on the board of the National Business Initiative, is an alternate board member of the South Africa Foundation and a member of the Advisory Board of the Faculty of Engineering and the Built Environment at the University of Cape Town.

Within Murray & Roberts, Brian is chairman of the group's international operations and of its major project operations. He has more than 30 years' experience of major engineering projects in South Africa and various international markets.

Brian has led the resolution of numerous major project conflicts and business turnarounds. He is the architect of Rebuilding Murray & Roberts and now its globalisation strategy.



Markus Johannes Jooste (43)[#]
BAcc, CA(SA)

Appointed: 29 May 2000

In 1988 Markus joined Gommagomma Holdings (Proprietary) Limited (now Steinhoff Africa Holdings (Proprietary) Limited) as financial director, whereafter he became involved in merging the southern Africa furniture operation with the extensive interests of Bruno Steinhoff. This culminated in the successful listing of Steinhoff International Holdings Limited on 23 September 1998 on the JSE Securities Exchange South Africa and Markus was appointed as an executive director. Prior to this listing, Steinhoff Africa acquired a controlling interest in Megacor Holdings Limited (listed at the time) and Markus was appointed to the board of that company.

Since 26 November 2000, Markus has served as chief executive officer of Steinhoff International Holdings Limited and also acts as chairman of Steinhoff Africa Holdings (Proprietary) Limited. He serves on several boards within the Steinhoff Group's operations in Europe, the UK and Australia.

In February 2002 Markus was appointed to PSG Group Limited as director. He was also appointed to the board of PG Bison Holdings (Proprietary) Limited in May 2002, pursuant to Steinhoff Africa's investment in this group. In November 2002 Markus, who has a keen interest in horse racing, was appointed to the board of The Racing Association.

Currently Markus serves on the boards of the following listed companies: Unitrans Limited, PSG Group (also as a member of the remuneration committee) and Steinhoff International Holdings Limited.



Dr Deenadayalen (Len) Konar (50)^{*c}
BCom, CA(SA), MAS, DCom

Appointed: 25 October 2001

Len is a chartered accountant and was previously executive director of The Independent Development Trust where, amongst other activities, he was responsible for the internal audit and investments portfolios. Prior to that, he was Professor and Head of the Department of Accountancy at the University of Durban-Westville.

He is the past patron of the Institute of Internal Auditors South Africa, and a member of the King Committee on Corporate Governance, the Securities Regulation Panel, the corporate governance and audit committee forums and the Institute of Directors. He is also the chairperson of the Ministerial Panel for the review of the regulation of accountants and auditors.

Len is also a non-executive director of Old Mutual South Africa, the South African Reserve Bank, ID Group, SAPPI, Kumba Resources and Steinhoff International Holdings Limited. He also chairs or serves on the audit committees of these boards and on a number of listed companies and public sector corporations.

He currently consults in the corporate governance, risk management, internal audit and technical accounting and auditing areas.



Patrick (Pat) Keith Quarmby (50)*
CA(SA) (Hons)

Appointed: 13 December 1999

Pat was a partner at Ernst & Young until moving overseas in 1987. During his nine years overseas he was employed in the Corporate Finance Department of Schroders in London, was one of the founding directors of Standard Bank in London and established Standard Bank's banking presence in Hong Kong.

Pat returned to South Africa and was appointed a director of Dimension Data Holdings Limited in 1996, responsible for the global expansion of the group. He is also currently the executive chairman of Datacraft Asia, an IT services company listed in Singapore.



Roger William Rees (51)†
BSc (Econ) (Hons), FCA

Appointed: 25 October 2001

After serving articles with Arthur Andersen in London, Roger transferred to Johannesburg, where he held various responsibilities until 1988, when he joined the Premier Group as group financial manager and financial director of the Food Division. In 1992 Roger was appointed group financial director of an international tobacco company with subsidiaries in Brazil, Zimbabwe, Italy, Malawi, Thailand and eastern Europe.

In 1997 Roger returned to South Africa and became chief operating officer at Independent Newspapers and chairman of The Newspaper Printing Company. He was involved in the development and implementation of group strategy in internet, mobile content, radio and outdoor advertising.

In July 2000 Roger joined Murray & Roberts Holdings Limited and was appointed as its group financial director in August 2000. Since then he has played a leading role in the transformation of the Murray & Roberts Group.



Daniel (Danie) Maree van der Merwe (46)†
BCom, LLB

Appointed: 29 May 2000

After admission as an attorney of the High Court of South Africa in 1986, Danie practised as an attorney, gaining experience in the commercial and labour law fields and, in 1990, he joined the Roadway Transport Group. He was instrumental in the strategic direction and growth of the Roadway Transport Group. He also served as a director of the Road Freight Association.

At the beginning of 1998, on the merger of Roadway with the Steinhoff Africa Group, Danie joined Steinhoff. When Steinhoff Africa obtained a controlling interest in Megacor Holdings Limited (listed at the time) in 1998, Danie was appointed to their board.

On 6 December 1999 Danie was elected to the Steinhoff International Holdings Limited Board and acts as group managing director for Steinhoff Africa. On Steinhoff Africa's investment in PG Bison Holdings (Proprietary) Limited in 2002, Danie was appointed to PG Bison's board.

Danie currently serves on the boards of Unitrans Limited, Steinhoff International Holdings Limited and PG Bison and holds several appointments within the Steinhoff Group, with responsibility for the southern African operations.

* Independent non-executive director

¢ Chairman of the audit and risk management committee

† Member of the audit and risk committee

Member of the remuneration, human resources and nominations committee

Executive committee



Jo Grové*
Chief Executive
Unitrans Limited



Philip Dieperink*
Financial Director
Unitrans Limited



Roger Naisby*
Director International
Unitrans Limited



Steve Keys*
Managing Director
Motor and Financial Services



Alan Young
Human Resources Director
Unitrans Services

Age: 58
Group experience: 6 years

Qualifications: BSoc Sci (Hons),
Dip Labour Relations (Unisa), MDP (Unisa)

Other: Council member of the National Bargaining
Council for Freight Industries and executive
committee member of the Road Freight Employers
Association

Total human resources and industrial
relations experience: 33 years

*Details of the qualifications and experience of these executive committee members, who serve as executive directors on the board of Unitrans Limited, are contained on pages 6 and 7.



Fil Morkel
Managing Director
Unitrans Freight

Age: 45
Group experience: 14 years

Qualifications: BCom (Hons), PU
(Potchefstroom), EDP – Unitrans Corporate
University

Other: Board member – Road Freight Association

Total transport industry experience: 17 years



Charles Howes
Managing Director
Unitrans Fuel and Chemical

Age: 52
Group experience: 22 years

Qualification: RAU diploma in Road Transport
Management, MAP Wits Business School,
Chartered member of the Chartered Institute of
Logistics & Transport (SA)

Total transport industry experience: 22 years



Theunis Nel
Managing Director
Unitrans Sugar and Agricultural Services

Age: 37
Group experience: 2 years

Qualifications: MEng (Agric), Management
Diploma (Henley), PrEng

Total sugar and transport industry
experience: 12 years



Steve Ford
Managing Director
Unitrans Supply Chain

Age: 35
Group experience: 5 years

Qualifications: MSc Eng

Other: Member of the Council for Logistics
Management, Logistics Achievers

Total logistics industry and production
experience: 12 years



Jan van der Merwe
Managing Director
Roadway Logistics

Age: 59
Group experience: 32 years (within Roadway and
the Steinhoff International Holdings Limited
Group)

Qualifications: BAdmin, Honours degree in
Industrial Psychology, Dip in Logistics (Unisa)

Total transport industry experience: 32 years



Nico Boshoff
Managing Director
Unitrans Passenger

Age: 49
Group experience: 9 years

Qualifications: BCom

Other: Member of South African Bus Employers
Association (SABEA), South African Bus
Operations Association (SABOA) and Coach
Operators Association South Africa (COASA)

Total passenger and commuter transport
industry experience: 23 years

Chairman's report



Dave Brink Chairman

The top-line growth of 20% achieved by the group is a credit to the hard work and dedication of our employees, supervisors and leadership

Dear Shareholders

Your directors are pleased to announce sound results once again for the financial year ended 30 June 2004. Operating in a relatively low inflationary environment, the top-line growth of 20% achieved by the group is a credit to the hard work and dedication of our employees, supervisors and leadership. This revenue achievement yielded a 17% improvement in earnings per share, allowing your board to declare a dividend for the year of 100 cents compared to the 93 cents of last year.

The revenue and earnings growth resulted from strong performances from each of the group's main business units and virtually all of this growth was organic, since the contribution from acquisitions was negligible. Overall capital efficiency has improved with the return on average shareholders' funds increasing to 20% (2003: 19%).

Strict management of working capital has ensured the maintenance of a strong balance sheet with a year-end debt to equity ratio of 12%. This provides the group with the

ability to renew its productive equipment as appropriate and to pursue investment opportunities aimed at increasing shareholder returns in the future.

Business environment

The 3% plus GDP growth rate predicted in last year's report has materialised, helped by continued improvements in the global economy and, locally, by a reduction in short-term interest rates to levels last seen two decades ago. Strong fiscal discipline and sound monetary management have succeeded in bringing South Africa's inflation rate to within the desired policy range, which augurs well for future economic stability in our country. The unexpected sustained strength of our rand currency has depressed export revenues and profits, raising serious new questions about the global competitiveness of our economy. These challenges are magnified by the continued unacceptably high national unemployment levels, with no obvious short-term solutions in sight. We face a long haul of improving education and skills levels to allow new job seekers the chance of participating in a modern economy.

GDP growth is expected to continue at the current rate for the year ahead and retail demand should remain buoyant with low interest rates the main driver. The business climate for our Motor and Financial Services division is therefore still favourable and likely to remain that way for at least the first two quarters. The strong rand currency is continuing to put severe pressure on the margins and profits of our clients in the resources industries, limiting prices that we can secure for our transport and logistical services. On the other hand, demand volume for resource commodities remains at relatively high levels, driven by continued elevated economic growth in East Asia. In summary, the markets that we serve will continue to be highly competitive but full of opportunities for efficient operators. In common with most South African enterprises, we have to become adept at operating our businesses in a low inflation environment requiring continuous improvements in efficiencies and reductions of cost.

Black economic empowerment (BEE)

Your group has tried hard to be proactive in furthering much needed BEE in our country. Up until our recent announcement, we had engaged with BEE partners in a number of

selected subsidiary businesses. We have, however, long recognised the merits of securing an appropriate equity partnership at Unitrans Limited level but have struggled to find a partner with the means and the commitment to make a significant capital contribution for at least the medium-term. As you already know, we were delighted to inform you at our 2004 audited results announcement that a combination of Mvelaphanda Capital (Proprietary) Limited and Arch Equity (Proprietary) Limited, together with an employee trust, would be subscribing for 11 600 000 shares in Unitrans Limited on 4 October 2004. This will result in the BEE combination owning in excess of 13% of our group's total equity.

Corporate social involvement HIV/AIDS

The battle against the scourge of HIV/AIDS continues with in-house as well as road freight and passenger transport industry initiatives. In line with the decision reported last year, your group has introduced voluntary testing, counselling and anti-retroviral treatment on a pilot basis. We are hoping to see significant take-up of these facilities aimed at prolonging the viable working lives of our AIDS affected employees and are busy implementing initiatives to assist members of our workforce to overcome any fear and the stigma commonly associated with this disease.



The Business Trust

Unitrans, together with 140 other socially responsive South African groups, has been a proud founding sponsor of The Business Trust. The Business Trust was established to help create jobs and build capacity while enhancing trust and building co-operative relationships between business and government. The trust has run its five-year course and has met its objectives. Resources have been mobilised and effectively deployed, relationships built, and the lives of three million South Africans improved.

Health, safety and the environment

Unitrans is in the business of conveying precious cargo, namely our loved ones, our friends, our fellow citizens and esteemed visitors to our country. We also convey

The group has committed and stable management teams in place

substances that, if spilt, could be harmful to health, safety or the environment. We are therefore committed to best practice in the conduct of our business and our operations. The current levels of accidents on South Africa's roads is not something that any of us can be satisfied with. For this reason, Unitrans will do everything possible to make a positive contribution to the safety of our roads by making sure that our own operations are safe. In practical terms, particular attention is paid to roadworthiness of vehicles, management of driver fatigue, and continually upgrading the skills and safety awareness of our employees.

Corporate governance

In the "post-Enron" world, corporations around the globe have had to submit to tighter regulation and be committed to substantial improvements in the quality of "governance". Your group has adopted a proactive and pragmatic approach to this, aiming to achieve continuous improvement in areas of chosen priority. Progress in this regard is reported on in detail in a separate section of this report. Suffice to say that attention will continue to be focused on sound corporate governance practices and that your group remains compliant in all material respects with the recommendations of the King Report on Corporate Governance for South Africa 2002 (King II).

Prospects

The 2005 financial year has started on a positive footing with a further decrease in the prime lending rate. As mentioned earlier, this should help to maintain buoyancy in the vehicle retail market, which is also expected to benefit from a number of new product launches.

The transport and logistics markets will remain intensely competitive but with a good platform of contracts in place, together with several exciting new project opportunities.

As stated in our 2004 group audited results announcement: "The group has committed

and stable management teams in place who have delivered significant growth in the past and who are well positioned to ensure that the various business silos continue to grow in the future. The existing brands are well established and are positioned to assist in achieving the group's growth objectives. Part of the group's strong performance in the past was due to the diversity of its operations, which has proved an effective counterbalance to cyclical swings.

The board is accordingly of the view that the group should continue to deliver real growth in earnings in the year ahead."

You are reminded, as shareholders, of the recent announcement by Murray & Roberts Holdings Limited regarding the intended sale of its 44% shareholding in Unitrans, and the announcement by Steinhoff International Holdings Limited of its intention to purchase those shares. These developments are of vital importance to all remaining shareholders who should pay careful and particular attention to further information and guidance that they will receive from the board.

Dave Brink
Chairman



Chief executive's report



Jo Grové Chief executive

Once again, Motor and Financial Services delivered an exceptional performance

Introduction

I have pleasure in presenting a good set of results in what has been a challenging year for the group.

The group delivered a 20% increase in revenue to R9,3 billion (2003: R7,8 billion) and a 19% growth in attributable earnings to R253 million (2003: R212 million). Headline earnings increased by 15% to R264 million (2003: R230 million). Earnings per share grew by 17% to 332,5 cents per share (2003: 283,8 cents per share) with headline earnings per share increasing by 13% to 346,7 cents per share (2003: 307,9 cents per share).

Once again the Motor and Financial Services division delivered an exceptional performance growing revenue by 21% and operating income after depreciation by 14%. This bears testimony to a well-structured business and an exceptional team. The division has been the major beneficiary of lower interest rates. The South African motor retail industry saw a

rate of growth not realised since the 1980s and our Motor division shared in this volume increase, whilst at the same time managing to increase its share of the market. There has been a change in mix between new and pre-owned vehicles, with new vehicles forming a far larger percentage of overall revenue during the review period.

The increased consumer confidence and lower interest rate environment provided a strong growth platform for this business. Lower inflation has, however, impacted these results with reduced price escalations and increased pressure on pre-owned vehicle prices.

The Insurance and Finance operations exceeded expectations with operating income after depreciation increasing by 31% to R37 million.

The performance of the Hertz Rent a Car South Africa operations, in which the division owns 40% equity stake, represents a considerable improvement over the results for the prior year and this operation is expected to make an improved contribution going forward.

On the Transport and Logistics side, we remain focused on retaining and growing the long-term specialised contractual transport and logistics services. This strategy continues to pay dividends and has served to underpin another solid performance.

Despite a fundamental shift to operating in a lower-inflation environment and notwithstanding the indirect impact of the strong rand, the Transport and Logistics division produced acceptable results in all sectors with the exception of the forestry operations and courier services.

The Freight and Logistics division grew revenue by 19% and operating income after depreciation by 5%.

Fuel and Chemical performed well, with pleasing growth year-on-year. The large fuel and gas contracts awarded last year were successfully bedded down and produced solid results. The non-South African sugar operations delivered good results. The local

sugar operations were, however, impacted by the adverse weather conditions in KwaZulu-Natal. The Freight operation had a mixed performance with most of its operations performing well, save for Forestry.

UPS Inc. gave the group notice that it would withdraw the UPS licence with effect from 1 February 2004, advising that it wished to consolidate its South African operations under its wholly owned subsidiary already based in South Africa.

In an effort to replace this earnings stream, the group acquired the right to the Jordanian-based Aramex's licence. This proved to be an extremely difficult and costly transition but our courier operations now appear to be well positioned to grow into the future.

Concurrent with the UPS courier licence withdrawal, UPS Logistics International BV, the supply chain re-engineering arm of UPS Inc., withdrew from its joint venture with Unitrans. This has provided the group with new opportunities for the deployment of the intellectual capital acquired and developed in supply chain analysis and re-engineering. This enables the group to extend and expand its level of services to all existing and future clients. The UPS Logistics Group South Africa (UPS LG) business unit has been rebranded Unitrans Supply Chain (USC).

The Passenger division performed well, growing revenue by 7% and operating income after depreciation by 9%. An excellent result in the Mega Bus operations was negatively impacted by the slowdown in tourism in the second half of the year and by the price war in intercity fares. The securing of a major new commuter contract, NTI, in the Rustenburg area bodes well for the division's future growth. The competition authorities have approved this transaction and work on this contract commenced in October 2004.

Business environment

The period under review has been impacted by the stronger rand, the substantial reduction in interest rates and reduced levels of personal tax, leading to higher disposable income levels. These factors have given rise to favourable retail market conditions although

We remain focused on retaining and growing the long-term specialised contractual transport and logistics services

they also gave rise to a slowdown in export manufacturing activity and increased pressure on resource stocks. The lower inflation rate resulted in an increased focus on all areas of cost.

The oil price has risen significantly in dollar terms. Although somewhat cushioned by the stronger rand, this exerts inflationary pressure on the economy and impacts directly on the general cost of transport to our customers.

While the uncertainties of the Middle East and the elections in the United States are likely to influence the growth of the global economy, the South African economy appears well placed with South African business confidence at its highest level in 16 years.

Strategic positioning of group activities

The fundamental principles governing the group's organisation remain unchanged from the previous year and are re-stated below.

The group has been organised on a profit growth driving force model. All operations are viewed as stand-alone profit centres, which are fully empowered decision-making units, operating within the wider constraints and requirements associated with a listed group. The allocation of capital is decided on the basis of future real returns attainable in the various market sectors within which the group operates.

In the freight and logistics arena, contractual specialised bulk haulage transport services

remain the core business. The freight and logistics services are centred around the offering of Smart 3PL logistics capability using specialised fleet and, with the exception of some fuel bridging, are largely short haul.

The Freight and Logistics division's operations outside South Africa continue to grow in importance. This area will receive increased focus as it will open up new market opportunities for the group as a whole.

The supply chain re-engineering capability built up within USC ensures that the group is well positioned to provide world-class solutions to our clients in their supply chain requirements.

The group's Passenger division has been structured so as to cover significant sectors of the passenger market in South Africa, with some cross-border activity into neighbouring countries. One of its most valuable assets is its extensive footprint and infrastructure throughout southern Africa, which enables it to redeploy its fleet to ensure optimised utilisation.



Chief executive's report continued

Our strategy within the Motor and Financial Services division has been to position the division's business in the mass volume sectors rather than in the luxury end of the motor retail markets. We have positioned ourselves to use our existing infrastructure to distribute the suite of products related to this sector, such as financial and other after-market products and spares. The move into pre-owned vehicles has been a conscious effort to reduce our dependence on new vehicles, ensuring the division is well placed to also serve this market.

Future strategy and prospects

The group's position in all its chosen markets should continue to provide a platform for sound opportunities in the future.

The impact of the stronger rand and low inflation will remain a challenge and will need to be countered by more efficient management of costs and through seeking other efficiencies to ensure our future competitiveness. The escalating oil prices remain a threat to the global and national economic outlook.

The 2005 financial year has started on a positive footing for the Motor division with a further decrease in the prime lending rate. The vehicle retail market remains buoyant and new product launches and the lower levels of interest rates should continue to stimulate the market for at least the first six months.

The Freight and Logistics division has an established platform of contracts in place for the year ahead. There are several exciting new projects under consideration that could provide attractive growth opportunities.

The new NTI contract in the commuter arena should position the Passenger division for reasonable growth in the year ahead.

The resolution of the issues encountered within the Hertz Rent a Car South Africa and Unitrans Express Deliveries' (UEDs) operations should assist the group in achieving its objectives.

As stated in the chairman's report, the group has committed and stable management teams in place that have delivered significant growth in the past and are well positioned to ensure that the various business silos continue to grow in the future. The existing brands are well established and are positioned to assist in achieving the group's growth objectives. Part of the group's strong performance in the past was due to the diversity of the group's operations, which has proved an effective counterbalance to cyclical swings.

We are of the view that the group should continue to deliver real growth in earnings in the year ahead.

BEE transaction

We are pleased to confirm that a 13,02% interest in Unitrans was acquired on 4 October 2004 by a BEE investor, as detailed in the financial director's report on page 35, for a cash investment of R290,5 million.

The shareholders in the BEE investor have given undertakings that they will remain invested in Unitrans for at least five years, will not dispose of their shareholding in Unitrans to non-BEE parties for at least five years, will not compete either directly or indirectly with Unitrans and will actively promote Unitrans' existing and new businesses.

This is seen as an exciting development that holds great potential for the development of the group's employees and its businesses.

The management and board of Unitrans believe that this transaction is in the best interests of Unitrans shareholders since:

- it goes a substantial way towards ensuring that the Unitrans group of companies is correctly positioned to retain and expand its businesses organically;
- the group's balance sheet has not been used in any way to fund the transaction;
- in addition to the BEE investor investing R290,5 million into Unitrans, its shareholders will be contributing their expertise to assist Unitrans in growing its businesses; and
- the participation in the Employee Trust by the Unitrans employees will provide a platform from which an ownership culture amongst these employees can be fostered.

Exercise by Steinhoff International Holdings Limited (Steinhoff) of its pre-emptive right

Steinhoff announced on 13 September 2004 that it had decided to exercise the pre-emptive right held by it, subject to the approval of the Competition Authorities, to acquire the 34 216 680 Unitrans shares held by a subsidiary of Murray & Roberts Holdings Limited (the Steinhoff Acquisition). This would increase Steinhoff's shareholding in Unitrans to 60,8%, taking into account the 11 600 000 shares allotted and issued for purposes of the BEE transaction outlined above.

Should this acquisition become unconditional, Steinhoff will be obliged to extend an offer to all other Unitrans shareholders to acquire their shares on the same terms and conditions as are applicable to the Steinhoff Acquisition (the Mandatory Offer). These terms and conditions specify a price of R27,00 a share (i.e. net of the dividend of R1,00 per share paid on 4 October 2004), subject to certain adjustments based on the audited annual financial statements of Unitrans for the year ended 30 June 2004. Pending the determination of this price, shareholders have been advised to exercise caution when dealing in the company's shares. At the time of finalisation of this report, the offer price was still being determined. A further press announcement will be made to shareholders regarding the decision of the Competition Authorities and the determination of the offer price. Should the Steinhoff Acquisition become unconditional, a circular containing full details of both the Steinhoff Acquisition and the Mandatory Offer will be sent to shareholders.

Given the strategic rationale, in particular the longer term need of Unitrans for BEE, the BEE investor has irrevocably undertaken not to accept the Mandatory Offer.

The group's position in all its chosen markets should continue to provide a platform for future opportunities



Review of operations

Freight and Logistics



	2004 R000	2003 R000
Revenue	1 763 258	1 483 014
Operating income after depreciation	173 504	165 033
Net assets	671 524	664 259



Results for the year

Revenue in this division has grown by 19% to R1.8 billion (2003: R1.5 billion). Operating income after depreciation increased by 5% to R174 million (2003: R165 million). Net assets employed grew by 1% to R672 million (2003: R664 million). Gross capital investment in this division during the current year was R405 million (2003: R232 million).

Key service offering

The key service offering of the Freight and Logistics division remains the provision of integrated logistics solutions with an emphasis on freight transportation. Whilst the service offerings in this division have increased significantly over the past few years, the core business remains that of contractual freight transportation. Our intention is to use the core offering to position ourselves to expand our services into all other related areas, thereby

increasing our contribution to the efficiency of the customer's overall supply chain.

The Freight and Logistics division's operations are grouped into business units focused on specific markets:

- Foods
- Industrial metals and cement
- Mining services
- Express freight
- Forestry
- Fuel
- Chemicals
- Gas
- Sugar
- Agricultural services
- Warehousing and distribution
- All areas of supply chain management, consulting and other related services
- Furniture and household appliance distribution



Freight cluster

Business environment

The strong rand had an impact on the Freight cluster's business environment in the year under review. Volumes in the bulk transport operations were healthy on the back of the growing stability in the domestic economy. The express freight businesses were exposed to the manufacturing downturn caused by the fall-off in exports. The mining sector operations increased throughput to maintain revenues. The forestry sector was affected by the strength of the currency, which the industry responded to by having longer shutdowns and slower start-ups at the processing facilities.

Business performance

The Foods and Industrial Metals and Cement business units performed well. The Mining Services business unit, which included the bedding down of Chrisick Transport, performed satisfactorily as did Express Freight. Forestry was, however, disappointing against a very good performance in the prior year. The forestry operations will be transferred to the Sugar and Agriculture cluster in the 2006 financial year to benefit from market synergies.

Growth

Significant organic growth was achieved in the form of new or renewed contracts in the foods, industrial metals and cement and mining arenas.

The mining operations' competence base was extended through the acquisition of Chrisick Transport whose operations include materials handling and logistics services to the mining sector on the western limb of the Bushveld Complex.

Exciting developments include Nomakanjani Logistics Company (Proprietary) Limited (Nomakanjani Logistics), a venture with Anglo Zimele and other BEE partners, which provides coal transport services to Mafube Colliery; and UniViron, a joint venture with "Re", a provider of waste removal and recycling services, which is a new service arena for the group.

Prospects

The foods sector is well positioned to extend its services with existing customers and to serve further new contracts.

The building boom presents opportunities for cement haulage and similarly improved

mining and industrial metals' exports will open up further opportunities. The mining operations have now attained "vendor status", which provides new opportunities, particularly in the platinum and chrome sectors.

The express freight operation has consolidated the business absorbed from UED in its operation and is well placed to take advantage of this wider platform, both locally and regionally. A number of exciting opportunities present themselves in the forestry arena.

Other expansionary prospects are in the pipeline.

Fuel and Chemical cluster

Business environment

During the period under review, there has been an increased focus, both globally and nationally, on all matters relating to health, safety and environmental concerns (HSE) within the petrochemical and allied industries. Our customers attach great importance to HSE compliance and are looking at ways of linking such compliance with remuneration for services.

Review of operations continued

Freight and Logistics continued



Customers are also now placing far greater emphasis on the procurement function. Tendering procedures have become more formalised and often require individual cost components to be itemised. The management of costs and new efficiencies in the way we operate will be key to future growth.

The increased focus on HSE has resulted in the larger users engaging more well established service providers with proven track records. This bodes well for the division.

Business performance

Unitrans Fuel and Chemical has enjoyed a year of high growth with the award of two major long-term contracts with international fuel and gas companies. Profits were on target and most contracts performed well with good organic growth. Demand for services to Zimbabwe and other neighbouring states held up well. Operations in Namibia and Botswana showed a considerable improvement in revenue and profit despite difficult operating conditions.

Growth

The past 12 months have seen significant growth for the Fuel and Chemical cluster. This expansion has largely been the result of securing two national fuel and gas distribution contracts. In addition to this, the cluster has also enjoyed an increase in business with its regular customers.

No acquisitions were made during the period under review.

Prospects

We believe that there are opportunities for growth in this area of focus. In particular, the gas, chemical and tanker logistics arenas provide good opportunities for expansion. Management is targeting increased market share in each of these areas.

Sugar and Agriculture cluster Business environment

The world sugar price remains volatile with a global oversupply of production capacity. Weather conditions continue to impact on production and global sugar stocks.

The long-term potential for consumption growth remains positive in Africa, which enjoys a low production cost. Export of excess sugar to preferential markets in Europe presents future opportunities.

The local industry's margins have been placed under pressure as a result of the stronger rand, drought and the world sugar price. Further impact is being felt by the previously corporate-owned sugar estates, which are being supplanted by a huge expansion of small growers.

The closure of a mill in KwaZulu-Natal presented the cluster with haulage opportunities in the short term. This closure is indicative of the cost pressures facing the South African sugar cane industry.

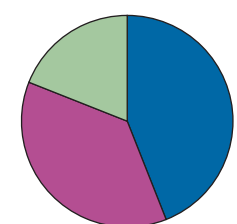
Business performance

The African regions performed well in all areas except in the Zululand region of KwaZulu-Natal where unfavourable weather played a major role.

Operations in KwaZulu-Natal underwent a further rationalisation to contain costs and offset drought reduced tonnages.

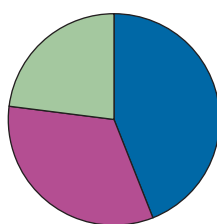
The division was successful in obtaining a large bulk sugar transport contract in Swaziland.

Freight and Logistics: Revenue by cluster 2004



● Freight 44%
● Fuel and Chemical 37%
● Sugar 19%

Freight and Logistics: Revenue by cluster 2003



● Freight 44%
● Fuel and Chemical 33%
● Sugar 23%

Market focus

Freight cluster

Operations are structured around five market sectors. Specialised competencies have been acquired and/or developed to serve each of the five market sectors through five separate business units. Services are all currently offered within South Africa, with the exception of Express Freight, which is expanding into sub-Saharan Africa. Customers are mainly industrial, mining and agricultural blue chip entities.

Foods

Food and beverage, poultry husbandry and animal feeds.

Industrial Metals and Cement

Materials handling and distribution of cement, materials handling and haulage of concrete and materials for the construction, steel and engineering industries.

Mining

Transportation of hazardous goods, specifically explosives; haulage of bulk products: Ore, RoM (Run of Mine), concentrates, gangue, etc; off-highway operations, consolidation, delivery and distribution of inbound supplies, materials handling and stock pile management, haul road construction and maintenance.

Express Freight

International and regional courier, express road and airfreight.

Forestry

Harvesting, hauling pulp and sawn timber and cross-cutting of timber.

Fuel and Chemical cluster

Fuel and Chemical offers a service to the petrochemical industry, transporting fuel, chemicals and gas, both inter-depot and direct to end-user or retailer. Areas of operation include South Africa, Lesotho, Swaziland, Namibia, Botswana, Zambia, Malawi and Tanzania. For the most part, customers are blue-chip international companies.

Fuel

Transportation, warehousing and distribution, specialised fuel logistical services and fuel depot management.

Chemicals

Transportation, warehousing and distribution.

Gas

Transportation and distribution of LPG and industrial gases in bulk and cylinders.

Sugar and Agriculture cluster

This cluster serves the sugar and agricultural industry in KwaZulu-Natal, South Africa and in Swaziland, Mozambique, Malawi and Tanzania. Customers include both small and large planters and millers. The forestry operations within the Freight cluster are to be relocated to this division in the 2006 financial year to take advantage of identified synergies.

Sugar cane, molasses and refined sugar, and other agricultural products

Transportation and haulage; infield services, including harvesting, field levelling, road construction and other related services to growers.

USC cluster

This cluster is focused on providing supply chain re-engineering and the design and management of warehousing services.

Supply chain solutions

Supply chain re-engineering; design, implementation and management of warehouse services to new and existing customers.

Roadway Logistics

Roadway Logistics operates on a national basis and concentrates mainly on the distribution of new furniture.

Furniture and carpet manufacturers and retailers

Distribution and warehousing services.



Review of operations continued

Freight and Logistics continued



Sugar and Agriculture cluster continued

Growth

Unitrans remains the single largest haulier of cane to KwaZulu-Natal mills, tonnages having grown by 18%.

Growth outside of South Africa was minimal during the period under review. The cluster is, however, well placed to secure growth going forward.

Prospects

The group has managed to secure increased volumes in KwaZulu-Natal and, with the rationalisation plans implemented, the KwaZulu-Natal operations are well-positioned for growth.

The cluster will continue striving to secure further sugar or other agricultural business in other African countries. A number of promising opportunities have been identified and are being pursued, which bodes well for the division's growth in Africa.

USC

Business environment

The buoyant South African economy brought with it a number of opportunities to provide supply chain re-engineering and design and management of warehousing services to new and existing customers.

Business performance

The unrelenting search by local business for greater efficiencies has given rise to many opportunities. A number of these have been converted to sustainable business, in the form of warehouse design, implementation and management contracts, providing future annuity income.

A significant skills base has been built by this cluster.

Growth

The division successfully restructured itself, in the wake of the UPS withdrawal, and now has

a rapidly growing operations arm, supported by a world-class team of consulting and implementation specialists.

Prospects

The generally sound economic conditions in South Africa will provide good prospects.

Formerly, this operation was a joint venture with UPS Logistics International BV, making the integration of services into Unitrans more complex. Since 1 February 2004, USC has been a wholly-owned subsidiary within the Unitrans group and many opportunities exist for growth. These opportunities will assist the group in its move into Smart 3PL, i.e. the application of modern computer aided techniques to the conveyance of third party goods and other logistical activities.

Roadway Logistics

Business environment

The furniture retail industry experienced large scale store rationalisation and closures. At the same time, as a result of lower interest rates, retail consumer spending increased.

Business performance

The business performed well, with a significant improvement in customer service, in particular in its distribution centre in Gauteng.

Growth

The year was used to consolidate existing contracts and operations to improve profitability.

Prospects

A solid platform is in place for future growth with a number of new contracts in the pipeline.

There are opportunities to extend the services to other customers in the industry.



Risk summary – Freight and Logistics division

The following key risk areas have been identified and are being actively managed:

Item	Management
Appropriate fleet management and selection	Thorough technical review and selection of appropriate suppliers, in-house competence
Fleet replacement	Optimal fleet age and replacement programme negotiated with client before renewal; minimal ad hoc fleet
Skills shortage	Planned and managed training and succession, especially in relation to drivers
Health, safety and environmental issues	Considerable focus on this area; awards introduced to influence behaviour; introduction of international best practices and NOSA ratings; compliance committees established
HIV/AIDS – loss of experienced drivers	Industry intervention; pilot project anti-retroviral roll out; learnerships to increase driver numbers
Accidents	Detailed investigation of all accidents; controls in place to monitor driving and driver training
Broad-based BEE	Prioritisation of affirmative procurement; employment equity; education; training and development; joint ventures and empowerment transactions at all levels
Cost control and fraud	Sound and regular cost reporting systems; culture of cost management; pre-employment checks; "whistle-blowing" system operated, zero tolerance
Loss of contracts	Independent assessment of performance being rolled out at key contracts
Diversification of customer base	Targeting wider customer base
Foreign currency fluctuations	Majority of foreign currency balances hedged in rand
Weather*	Grow business into other geographic areas and other agricultural products

* Applicable to Sugar and Agriculture



Review of operations continued

Passenger



	2004 R000	2003 R000
Revenue	372 620	347 688
Operating income after depreciation	46 157	42 460
Net assets	189 942	137 535



Results for the year

Revenue in this division grew by 7% to R373 million (2003: R348 million). Operating income after depreciation increased by 9% to R46 million (2003: R43 million). Net assets employed grew by 38% to R190 million (2003: R138 million). Gross capital investment in this division during the current year was R55 million (2003: R67 million).

Key service offering

The key service offering of the Passenger division is the provision of a comprehensive range of passenger transportation services, both nationally and cross-border.

Business environment

The strength of the rand had a negative impact on inbound tourism in the second half of the year, which affected the performance of Mega Coach and Mega Tourer.

The resources sector, on which Mega Bus is reliant, is under pressure and all service providers are being approached to review costs.

The government commuter tender process is being rolled out and, with R2,5 billion of

subsidy contracts coming to market, this provides a meaningful opportunity for Mega Bus.

Fuel prices came under pressure during the period under review. This had a particular impact on the Greyhound and Citiliner intercity services.

Business performance

The Passenger transport industry faced one of its toughest years.

Mega Bus and Mega Coach operations were affected by:

- a decline in tourism in the second half; and
- rate increase pressures in the mining industry.

The Greyhound and Citiliner intercity services were negatively affected by:

- the introduction of low cost/no frills airline services;
- rising fuel prices;
- a proliferation of smaller competitors; and
- the late start-up of the Citiliner services because of permit difficulties.



Market focus

Mega Bus

The target markets are mainly the mining, industrial and commuter sectors of the national market.

Mega Coach and Mega Tourer

This operation provides coach and mini coach services to the tourist and conference market.

Greyhound and Citiliner

Intercity coach and bus transport services.

Magic Bus

Airport transit passenger services.

Growth

A number of existing contracts were renewed during the year. Subsequent to year-end the division secured a major new commuter contract, i.e. Tlhabane Bus Service (210 buses) in the Rustenburg area (the NTI contract). The Competition Authorities have approved this transaction and work on the contract commenced in October 2004.

contracts coming to market. The intercity market is likely to remain static in terms of passenger numbers. However, with improved service levels, realignment of costs and service integration, improved results are anticipated. The national passenger sector is likely to see changes and consolidation.

Prospects

Growth prospects for Mega Bus remain favourable with more government commuter

We still believe that our national footprint and product range give the Mega Coach and Mega Tourer operations a competitive advantage.

Review of operations continued

Passenger continued

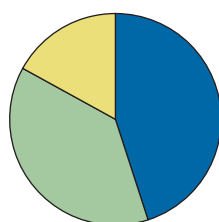


Risk summary – Passenger division

The following key risk areas have been identified and are being actively managed:

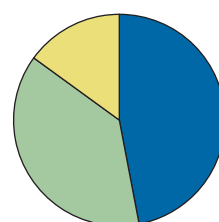
Item	Management
Appropriate fleet management and selection	Through technical review and appropriate selection of suppliers, in-house competence
Tourism: substantial fluctuation in tourist numbers	Balanced by use of fleet in other operations
Loss of contracts	Monitoring performance against benchmarks
Health, safety and environmental issues	Considerable focus given on this area; awards introduced to influence behaviour; introduction of international best practices and NOSA ratings; compliance committees established
HIV/AIDS – loss of experienced drivers	Industry intervention; pilot project anti-retroviral roll out; learnerships to increase driver numbers
Accidents	Detailed investigation of all accidents; use of technology to monitor drivers and driver training
Broad-based BEE	Prioritisation of affirmative procurement; employment equity; education, training and development; joint ventures and empowerment transactions at all levels
Cost control and fraud	Sound and regular cost reporting systems; culture of cost management; pre-employment checks; “whistle-blowing” system operated; zero tolerance
Passenger transport regulations	Close watch on developments; compliance committees established

Passenger: Revenue by cluster 2004



● Mega Bus	45%
● Greyhound	38%
● Mega Coach	17%

Passenger: Revenue by cluster 2003



● Mega Bus	47%
● Greyhound	38%
● Mega Coach	15%

Our national footprint and product range gives us a competitive advantage



www.megacoach.co.za
www.greyhound.co.za
www.magicbus.co.za

Review of operations continued

Motor and Financial Services



	Revenue		Operating income after depreciation		Net assets	
	2004 R000	2003 R000	2004 R000	2003 R000	2004 R000	2003 R000
Retail	7 049 823	5 785 792	159 952	144 941	441 316	370 953
Financial Services	105 330	141 370	36 956	28 260	82 294	33 348
	7 155 153	5 927 162	196 908	173 201	523 610	404 301



Results for the year

Revenue in this division grew by 21% to R7,2 billion (2003: R5,9 billion), with operating income after depreciation increasing by 14% to R197 million (2003: R173 million). Net assets employed grew by 30% to R524 million (2003: R404 million). Gross capital investment during the current year was R22 million (2003: R24 million).

Key service offering

The key service offering of the Motor and Financial Services division remains the sale of new and pre-owned vehicles, parts and accessories and after-market service. This is augmented by the provision of consumer credit, insurance products and full maintenance leasing.

Business environment

The business environment during the year under review was positive, with interest rates at twenty-year lows, giving rise to an increase in consumer confidence which, together with price stability, has stimulated both spending and the market. Industry new vehicle volumes increased by 15,5% compared to the prior year.



Business performance

This division has produced another excellent performance. The Toyota operations, in particular, performed exceptionally well following the launch of a number of new products. The General Motors' operations also produced pleasing results. The contribution from pre-owned vehicles and after-market activities is continuing to grow and is receiving ongoing attention from management.

Customer satisfaction remains a high priority and it is pleasing to note that the division has performed well in independent customer satisfaction surveys conducted throughout the year. In addition, the division has received recognition for customer satisfaction initiatives from a number of vehicle manufacturers during the year.

The Financial Services division continues to deliver pleasing growth. The major contributor remains the short-term insurance arm.

Steady progress has been made in the turnaround at Hertz Rent a Car South Africa.

Although the operation still recorded a loss for the year, it has undergone rigorous restructure and the operational efficiencies introduced are beginning to bear fruit.

Growth

The division's market share of dealer sales increased from 7.9% to 8.3% in the year under review. The ratio of new to pre-owned vehicles was 1, 7 to 1, which is higher than last year's ratio of 1.5 to 1. This increase can largely be attributed to the strength of the new vehicle market and does not represent a reduction in pre-owned vehicle volumes.

Prospects

This division will grow its business by acquiring new outlets and by focusing on increasing its share of the pre-owned and after-sales market. It will look at increasing its share of the financing and insurance transactions associated with the Retail division. The continued turnaround of Hertz Rent a Car South Africa is a key focus area.

Market focus

The division is positioned to service the mass volume rather than the luxury segment of the retail motor market. Both new and pre-owned vehicles are sold and serviced through an extensive national network, comprising 60 dealerships or franchised outlets (dealerships). In addition, the division offers a limited range of heavy vehicles.

The dealership representation is made up as follows: Toyota/Hino – 33, General Motors – Opel/Isuzu/Suzuki – 11, General Motors – Chevrolet – 1, Volkswagen/Audi – 8, Nissan/Fiat – 3, BMW/Mini – 2, Daimler Chrysler – 1, MAN – 1.

Apart from vehicle sales, the division offers a host of related after-market products and financial and insurance services.

The division also has a 40% stake in Hertz Rent a Car South Africa.

Review of operations continued

Motor and Financial Services continued

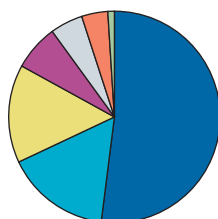


Risk summary – Motor and Financial Services division

The following key risk areas have been identified and are being actively managed:

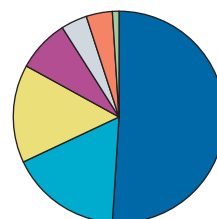
Item	Management
Selection of marques	Ensuring an appropriate mix as different marques have different product cycles
Economic cycle	The economic projections are monitored and operations are restructured accordingly
Franchise agreements	Monitoring performance via external assessment; regular feedback from OEMs and addressing any areas of concern
Theft	Extensive controls in place to manage inventory; "whistle-blowing" system introduced, zero tolerance
Infrastructure	Fixed costs kept to a minimum
Utilisation of fleet	Introduction of appropriate systems in rental business
Yield in Hertz Rent a Car South Africa	Appropriate selection of numbers and types of vehicles in the rental operation

Motor Retail: Revenue by franchise 2004



● Toyota/Hino	52%
● General Motors – Opel/Isuzu/Suzuki	16%
● Volkswagen and Audi	15%
● BMW/Mini	7%
● Nissan/Fiat	5%
● Daimler Chrysler	4%
● MAN	1%

Motor Retail: Revenue by franchise 2003



● Toyota/Hino	51%
● General Motors – Opel/Isuzu/Suzuki	17%
● Volkswagen and Audi	15%
● BMW/Mini	8%
● Nissan/Fiat	4%
● Daimler Chrysler	4%
● MAN	1%

The BEE transaction holds great potential for the development of the group's employees and its businesses

Prospects for the group as a whole

The continued buoyant retail conditions auger well for our Motor division's prospects.

Our Freight and Logistics operations are well placed to deliver but will need to manage costs closely in this deflationary environment. The rising oil price is an area of concern.

The Passenger operations are well placed, both contractually and with the acquisition of the NTI contract.

The BEE transaction holds great potential for the development of the group's employees and its businesses.

We are confident that with the ongoing commitment of our management teams the group is well positioned to deliver real growth in the year ahead in all areas of its business.

I wish to take this opportunity to acknowledge the efforts and achievements of our people in the various sectors of our business. We are aware of the positive effect that their contributions have on our success.

Thanks are also extended to our executive team for their continuing commitment, loyalty and dedication, and to our customers, shareholders, finance providers, and suppliers for their ongoing support.

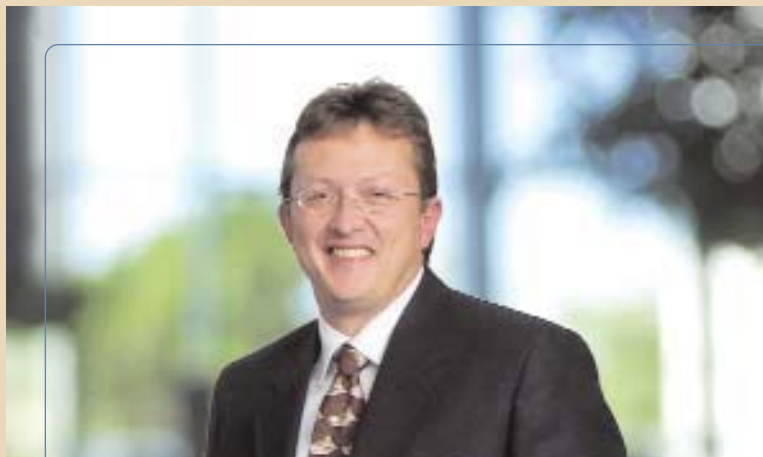
My sincere thanks to the board and our chairman, Dave Brink, for their contribution to the group in 2004.



Jo Grové
Chief executive



Financial director's report



Philip Dieperink Financial director

Group operating performance

Market conditions had differing impacts on the group's operations.

Lower interest rates had a positive effect on consumer demand, which in turn impacted positively on the Motor division's results and on local volumes transported.

The appreciating rand resulted in a drop in tourism numbers and increased pressure on exporters and resourced-based commodities, which had a negative impact on a number of our businesses. The dramatic increase in fuel costs had a negative impact on our cost base. Whilst fluctuations in fuel costs can in most instances be passed on to the client, there are instances where this is not the case. The lower inflation environment resulted in reduced escalations on a number of contracts.

Notwithstanding these issues, the group grew its revenue appreciably during the current year, exceeding R9 billion for the first time, with attributable earnings growing by 19%. Acquisitive growth was negligible during the year under review. The growth was largely driven by strong performances in each of the group's major business units.

Freight and Logistics

Despite a fundamental shift to operating in a lower inflation environment and

notwithstanding the indirect impact of the strong rand, the Freight and Logistics division's revenue grew by 19% to R1.8 billion, with operating income after depreciation increasing by 5% to R174 million.

The Freight and Logistics' operating margin decreased from 11.1% to 9.8%. The reduction in margin can be attributed to a number of factors including:

- start-up costs associated with a number of new contracts;
- adverse weather conditions in KwaZulu-Natal which affected the South African sugar operations;
- poor performance in the Forestry operations;
- increased fuel costs;
- the termination of the UPS licence in February 2004; and
- the initial start-up costs of the Aramex operation.

The non-South African operations performed well with revenue increasing by 4% to R389 million and operating income after depreciation increasing 18% to R92 million.

As stated last year, the volatile rand had differing impacts on our various businesses. Overall the appreciation of the rand did not have a material effect on the income statement. The fact that the cross currencies also depreciated against the rand in Malawi and Mozambique worked in the group's favour as these contracts are, in the main, rand denominated.

The net asset value of the Freight and Logistics division increased year-on-year by 1% to R672 million. The gross capital investment in this division was R405 million, R273 million of which was to fund expansion with the balance spent on replacement.

The Freight and Logistics division used the opportunity afforded by the strength of the rand to reassess its fleet age and replace fleet where appropriate.

Passenger

In the Passenger division revenue grew by 7% to R373 million, with operating income after depreciation increasing by 9% to R46 million. Notwithstanding tough market conditions, Passenger was able to increase

its margins from 12,2% to 12,4%. The intercity activities faced strong competition throughout the year. The luxury coach operations came under pressure in the second half of the year as tourist numbers declined on the back of the strong rand. The balance of the business performed well, more than making up for the shortfall in other areas.

The net asset value in the Passenger division increased year-on-year by 38% to R190 million. The capital invested in this division was R55 million, of which R14 million was used to fund expansion, with the balance spent on replacement.

Motor and Financial Services

The Motor and Financial Services division had an outstanding year increasing revenue by 21% to R7,2 billion and operating income after depreciation by 14% to R197 million.

The Motor Retail operations grew revenue by 22% to R7,1 billion, with operating income after depreciation increasing by 10% to R160 million. The margin in the Retail operations reduced from 2,5% to 2,3%. This decrease in margin is largely attributable to a change in mix between new and pre-owned vehicles. New vehicles formed a far larger percentage of the overall revenue during the review period. In the current year the new to pre-owned ratio increased from 1,5:1 to 1,7:1. In addition, the inclusion of wholesale sales in revenue in the current year has contributed to the margin reduction. Lower inflation also impacted results with reduced price escalations and increased pressure on used vehicle prices.

The Financial Services operations exceeded expectations, with operating income increasing by 31% to R37 million. The margin in this operation increased from 20% to 35%.

The net asset value in the Motor and Financial Services division increased by 30% year-on-year to R524 million. The capital invested in this operation was R22 million.

Pension fund surplus distribution

The trustees and the actuary of the Unitrans Retirement Pension Fund (the Fund) are

in the process of completing a surplus apportionment exercise. Initial valuations of the Fund have revealed that the group has an estimated obligation in terms of recently introduced legislation, totalling approximately R7,2 million. This amount has been provided in full in the current year.

Investment income

Investment income of R6,1 million (2003: R6,1 million) represents the return that the group has earned on the funding provided to Mvelaphanda Capital (Proprietary) Limited (Mvelaphanda) to acquire its stake in Unitrans Fuel and Chemical (Proprietary) Limited and Unitrans Express Deliveries (Proprietary) Limited (UED).

Profit on disposal of property, vehicles and equipment

In the current year the group made a profit on disposal of fixed assets totalling R3,5 million (2003: loss R0,6 million). This profit was made up of a profit on sale of fixed assets other than property totalling R1,7 million (2003: loss of R1,3 million) and a profit on sale of property totalling R1,8 million (2003: profit of R0,7 million).

The profit on sale of fixed assets other than property includes any loss made as a result of the scrapping of vehicles involved in major accidents.

Goodwill amortisation

The amortisation of goodwill decreased from R17,6 million to R13,6 million. The decrease in the amortisation charge is mainly attributable to certain acquisitions having been fully

amortised during the current year and the fact that certain acquisitions have not achieved warranted hurdle rates, which has in turn resulted in reduced goodwill payments.

Net finance costs

The reduction in interest rates during the current financial year resulted in net finance costs decreasing by 6% from R52,4 million to R49,4 million. Finance costs remain well covered by operating income at 8,4 times (2003: 7,3 times) and by operating income before depreciation at 12,5 times (2003: 10,6 times).

Tax rate

The current year's effective tax rate reduced to 28,2% from the prior year's 28,7%, mainly as a result of the utilisation of certain tax losses previously not provided for.

Share of associates and joint ventures

The group's share of associate and joint venture profits totalled R0,6 million (2003: loss of R4,3 million) and was made up as follows:

- Roadway Logistics' attributable profit was R6,2 million (2003: attributable profit of R5,3 million);
- Hertz Rent a Car South Africa's attributable loss was R3,3 million (2003: attributable loss of R8,1 million); and
- UPSLG and Nufin (Proprietary) Limited's (Nufin) attributable loss was R2,3 million (2003: attributable loss R1,5 million).

The investment in Nufin was disposed of at year-end and will no longer impact on the group's results.

The group continued to deliver a strong return on average capital employed

Financial director's report continued

Following the termination by UPS Inc. of its licence agreement with UED, the group purchased the remaining 50% of the issued ordinary shares in UPSLG from UPS Logistics International BV and changed that company's name to Unitrans Supply Chain (Proprietary) Limited (USC). This acquisition was done with effect from 1 February 2004 and USC's results were consolidated from that date onwards.

The performance of Hertz Rent a Car South Africa's operations, in which the division has a 40% equity stake, represents a considerable improvement over the results for the prior year.

Change in accounting policy

During the year the group changed its accounting policy with regard to the consolidation of the Unitrans Limited Share Trust (the Trust), which was created for the purpose of purchasing and holding shares on behalf of employees. The Trust was not previously consolidated. As a result of the revised interpretation of AC 132 (Consolidated Financial Statements) by the JSE Securities Exchange South Africa GAAP Monitoring Panel, the Trust has been consolidated into the financial statements retrospectively. As a result, the comparative information has been restated. Refer to note 29 to the financial statements for details of the restatement.

Restatement of comparative information

The comparative information has been restated for the following:

- the consolidation of the Trust as detailed above;
- the reclassification of wholesale revenue relating to the Motor Retail division, from cost of sales to revenue, in accordance with AC 111; and
- the reclassification of the Standard Bank call account from cash and bank balances to external short-term borrowings and the reclassification of interest-bearing floor plan creditors to short-term borrowings to comply with the current year classifications.

Headline earnings

Headline earnings during the period grew by 15% to R263,5 million (2003: R230,1 million).

Headline earnings per share increased to 346,7 cents per share (2003: 307,9 cents per share), which represented a 13% increase year-on-year. The effective compound growth in headline earnings per share over the last five years has been in excess of 29%.

Returns

The group continued to deliver a strong return on average capital employed in the region of 28,7% (2003: 31,6%) with the return on average shareholders' funds increasing to 20,1% (2003: 19,2%).

Dividend

A dividend of 100 cents per share (2003: 93,0 cents per share) has been declared payable on 4 October 2004 to those shareholders recorded in the books of the company at the close of business on 1 October 2004. This represents an 8% increase in dividend year-on-year and a dividend yield in the region of 3,6%.

In the prior year's annual financial statements, I made reference to the fact that the board would be reviewing its dividend policy in order to determine whether its position on dividend cover was too conservative. As part of the interim announcement made in February 2004, the board announced that it had revised its dividend policy and was reducing the required dividend cover from four times headline earnings per share to 3,5 times headline earnings per share.

Balance sheet

The balance sheet remains strong with the net asset value of the group increasing by 13% to 1 747 cents per share (2003: 1 552 cents per share). The key focus area has been the management of working capital. As a result, the working capital increase was limited to a comparatively modest increase of R21 million. Inventories were up on last year by only 3%. The movement in debtors was mainly attributable to increased trading activities in both Freight and Logistics and Motor Retail.

The group's debt to equity ratio was 12% at year-end with net interest-bearing liabilities of R166 million (2003: R145,3 million). The core average borrowings of the group has increased

from R350 million to R550 million giving a normalised debt to equity ratio of 39,7% (2003: 29%). The group believes that this level of borrowing provides it with the flexibility to pursue attractive investment opportunities and improve returns to shareholders. The interest-bearing floor plan in the Motor division has been reclassified as interest-bearing debt in both the current and prior year.

The increased investment in property, vehicles and equipment is largely as a result of the expansion in the Transport and Logistics division. The investment in associate and joint ventures reduced as a result of the disposal of Nufin, the transfer of USC to subsidiary status and the repayment of certain loans advanced to Roadway Logistics (Proprietary) Limited. The movement in other non-current assets is largely attributable to the repayment of loans made to share trust participants.

The assets and liabilities of Unitrans Finance (Proprietary) Limited continue to decrease year-on-year as a result of the fact that this book is being run out. No new transactions are being concluded by this entity.

Cash flow

The net cash inflow from operations increased from R214 million to R363 million.

The group invested R481 million during the year in property, vehicles and equipment. R192 million (2003: R109 million) was spent on the replacement of existing equipment with the balance of R289 million (2003: R214 million) being spent on expansion. The expansion capital was mainly invested in capital required for new business awarded to the group's Freight and Logistics operations. The group has continued to invest in its core operations to provide a solid platform for future growth.

Corporate activity

The group remains committed to its policy of entrenching and building on organic growth whilst investigating potential acquisitions and investment opportunities that accord with the group's risk profile and strategic plan.

The Freight cluster acquired the business of Chrisick Transport with effect from

31 December 2003. Chrisick Transport provides materials handling and transportation services under contract to the mining industry in the North West Province. This operation now forms part of the Mining Services business unit of the Freight cluster and is contributing in line with expectations.

Following the termination by UPS Inc. of its licence agreement with UED with effect from 1 February 2004, a new licence agreement has been entered into with Aramex International Limited and operations under the new licence agreement have commenced. The contribution from the new operation has not to date met expectations. In addition, the group purchased the remaining 50% of the issued ordinary shares of USC from UPSLG International BV with effect from 1 February 2004.

The Freight cluster formed a joint venture, UniViron (Proprietary) Limited, for the provision of administrative and transport services to a waste disposal business in KwaZulu-Natal. This joint venture has not contributed to the bottom line during the year under review.

The group acquired an additional 13% in Klipstone Transport (Proprietary) Limited.

The group has taken a 30% equity stake in a BEE company, Nomakanjani Logistics Company (Proprietary) Limited. This company will provide transport services under contract to the coal mining industry from 1 July 2004.

The NTI contract for commuter bus transport in the Rustenburg area has been awarded to Bojanala Bus (Proprietary) Limited, a BEE entity in which the Passenger division holds an effective 48% equity stake. This contract will involve the acquisition of 210 commuter buses. Final approval from the Competition Authorities has been obtained and the operation will commence in October 2004.

Black economic empowerment (BEE) transaction

The group is committed to enhancing its BEE status, which it believes is essential for the

development of its people, its business and the South African economy. At year-end it announced a transaction aimed at demonstrating its commitment to BEE.

The group advised that it proposed entering into a transaction (the transaction) with a company (the BEE investor) owned by Mvelaphanda, Arch Equity (Proprietary) Limited (Arch Equity) and an employee trust to be formed for the benefit of Unitrans employees (the Employee Trust). In terms of the transaction, the BEE investor will subscribe for a 13% interest in Unitrans Limited (Unitrans) for a cash investment of R290,5 million.

The BEE investor's shareholder profile is as follows:

• Mvelaphanda	34,9%
• Arch Equity	34,9%
• The Employee Trust	30,2%

Mvelaphanda is a wholly owned subsidiary of Mvelaphanda Holdings (Proprietary) Limited, a widely recognised BEE company and an entity which has been involved with the group for two years. Arch Equity is a black-controlled company focusing on equity investments in companies to which Arch Equity can add value given its BEE credentials. The Employee Trust is in the process of being established for the benefit of Unitrans employees. By their participation in the Employee Trust, it is hoped that Unitrans employees (at least 80% of whom are previously disadvantaged individuals) will share in future wealth creation, thereby reinforcing trust and a sense of commitment. Unitrans directors and the executive management who qualified for allocations under the existing Unitrans share scheme during the last two years will be precluded from benefiting from the Employee Trust.

The transaction will entail the issue for cash of 11,6 million Unitrans ordinary shares to the BEE investor at a subscription price of 2 504 cents per share. The price of 2 504 cents per share represents a discount of 10% to the weighted average share price of Unitrans on the JSE of 2 782 cents per share for the

30 trading days up to and including Friday, 6 August 2004 i.e. the 30 trading days prior to the date that the price of the issue for cash was determined. The new shares will be issued on Monday 4 October 2004 i.e. the date immediately following the record date for the final dividend of 100 cents per share for the year ended 30 June 2004. The new shares will, with the exception of the final dividend for the year ended 30 June 2004, rank pari passu with the other Unitrans ordinary shares in issue. As the BEE investor will not be entitled to the final dividend, the subscription price of 2 504 cents per share represents a discount of only 6,6% to the effective ex dividend price of Unitrans shares of 2 682 cents per share.

The new shares constitute 14,97% of Unitrans' issued share capital prior to the issue for cash and will constitute 13,02% of Unitrans' enlarged share capital after implementation of the issue for cash.

The BEE investor has given undertakings that it will:

- remain invested in Unitrans for a minimum period of five years;
- not dispose of its shares in Unitrans to non-BEE parties for a minimum period of five years;
- not have other investments in competing businesses without Unitrans' consent; and
- actively promote Unitrans' existing and new business.



Philip Dieperink
Financial director



Sustainability report

Making a difference in the communities in which we operate

Practices have been adopted and implemented to balance the needs of all stakeholders and to ensure the future viability and growth of the group's businesses

Introduction

The world is moving away from the single measure of a company's success as being its profitability or its bottom line, towards a broader definition that encompasses sustainable social, environmental and economic performance over the long term.

Unitrans has committed itself to sustainable development and accountability and conducts its affairs in a manner that is befitting of a responsible corporate citizen. Practices have been adopted and implemented to balance the needs of all stakeholders and to ensure the future viability and growth of the group's businesses.

Social issues

The group's vision, to be rated by its stakeholders as the most innovative provider of transportation, distribution and logistical solutions in its chosen markets, can only be realised through an organisation and a working environment that attracts and

retains people who are capable of meeting this challenge, and with effective training programmes that enable employees to realise their potential.

Employment

The group recognises that its people are its ambassadors in the wider community and its employment and labour relation practices are directed at building constructive long-term relationships.

The psychological contract implicit in all employment contracts is that, in exchange for employees' efforts and commitment to the group's goals and objectives, the group will offer a fair reward and, within conditions and budget constraints, the opportunity to be trained and developed.

Currently Unitrans employs a staff of 12 680 people in permanent and contract positions in South Africa and in the neighbouring countries within which it operates.



	Freight and Logistics	Passenger	Motor and Financial Services	Services	Total
South Africa	5 046	1 349	3 545	38	9 978
Neighbouring countries	2 702				2 702
Total	7 748	1 349	3 545	38	12 680

The net job creation for the period was 1 182 new employees. This increase relates largely to the Freight and Logistics operations.

Remuneration

Unitrans recognises that one of its competitive sources of value is its people and, in order to meet its corporate goals and business objectives, it follows an approach to remuneration designed to:

- form an integral part of an overall human resource strategy, geared to support business strategies;
- motivate and reinforce superior performance;
- encourage the development of organisational and individual performance;
- encourage the development of competencies required to meet future business needs;
- attract and retain high quality individuals with the optimum mix of competencies;
- secure the commitment of the group's people to Unitrans' goals and purposes via the optimum mix of financial and non-financial rewards; and
- be congruent with legislation.

Employees covered by either a bargaining council or statutory determination are

subject to the wage determination process for such industry sector, either through negotiation or by statutory determination. Remuneration for all other employees is determined by the divisional remuneration committees or, as appropriate, the main remuneration, human resources and nominations sub-committees of the board (the remuneration committee), taking into account the above principles.

Remuneration is reviewed on an annual basis to ensure ongoing market competitiveness.

Incentive schemes are formalised and are based on divisional and group performance measured against budget and against stretch targets set by the remuneration committee.

Unionisation

Where labour is organised, the group subscribes to the principles of collective bargaining to determine benefits for labour.

The group is actively involved in the relevant employer bodies such as the Road Freight Employers Association, the South African Bus Employers Association and the Retail Motor Industries Organisation, supporting the concept of self-governance by the

stakeholders in the respective industry sectors.

Compliance

As a responsible employer Unitrans complies, as a minimum, with all labour legislation and regulations in the countries within which it operates. In South Africa this includes:

- The Constitution
- Labour Relations Act
- Employment Equity Act



A mobile clinic operates within the Unitrans HIV/AIDS pilot programme.

Sustainability report continued



Freight Mining Services Namakwa Sands operation proudly displays its record of four million accident-free kilometres.



A record of one million injury-free hours was achieved at Freight Mining Services' Richards Bay Minerals contract.



Freight Foods Premier Milling contract is proud of its one million accident-free kilometres.

- Skills Development Act
- Basic Conditions of Employment Act
- Occupational Health and Safety Act
- Gazetted ordinances of the Bargaining Councils

HIV/AIDS

Unitrans recognises the gravity and the potential impact of the HIV/AIDS pandemic, not only on the group and its employees and dependants, but on the community that it serves.

During the year under review the group introduced a voluntary counselling and treatment programme on a pilot basis. The programme includes education, voluntary testing, counselling and the provision of free anti-retrovirals to infected employees. All treatment is given off-site by general practitioners monitored by our HIV/AIDS service provider. Education, industrial theatre and other awareness campaigns have and will continue to be provided, to overcome the fear and stigma associated with this disease by the workforce and to ensure that as many employees as possible participate in the programme.

The falling costs of anti-retroviral drugs and the participation in industry initiatives have given the group the confidence to take this step. Nevertheless, the costs of the treatment will be closely managed and enrolment in treatment monitored.

The road freight industry initiative, which provides roadside wellness clinics, has also been supported and significant progress has now been made towards the rollout of a full treatment programme to all employees in the transport industry in the near future.

Health and safety

Unitrans is committed to providing a healthy and safe working environment for all its employees. To this end, Unitrans is committed to compliance with all safety and health legislation and relevant international requirements. Compliance committees have been

introduced at each of the group's divisions to monitor and report on legislative compliance and to set internal standards and policies.

All the group's South African operations conform to the Occupational Health and Safety Act requirements, and regular safety meetings are held with the elected safety representatives.

The NOSA rating system has been adopted in most parts of the business with a minimum of three stars regarded as being acceptable.

In the Fuel and Chemical operations the highest standards of safety, health, environment and quality (SHEQ) are operational prerequisites. The operations have achieved ISO 9001 (quality) and ISO 14001 (environment) accreditation. In addition, ISO 18001 (safety) was recently achieved at one operation. These international ratings rank with the best in the world and adherence has become "a way of life".

Group companies achieved the following recognition:

- Four million accident-free kilometres at Freight's Namakwa Sands contract
- One million injury-free hours at Freight's Richards Bay Minerals operation
- One million accident-free kilometres at Freight's Premier Milling operation

Collectively, the group's on-road heavy vehicles covered in excess of 164 million kilometres in the year.

Group companies are cognisant of the potential dangers that heavy vehicles could pose on public roads. Strict load control measures are upheld to ensure that overloading is avoided.

Drivers are regularly retrained to uphold safety standards and full medical examinations are conducted regularly on all long distance drivers to ensure that all drivers meet the group's standards of medical fitness.

Broad-based black economic empowerment

Empowerment credentials at divisional level

Company	% empowerment
Unitrans Fuel and Chemical (Proprietary) Limited	25% Mvelaphanda
Unitrans Express Deliveries (Proprietary) Limited	25% Mvelaphanda
Alisa Holdings (Proprietary) Limited t/a Hertz	60% New Africa Investments Limited
Klipstone Transport (Proprietary) Limited	26% Magnificent Mile (Proprietary) Limited
Bojanala Bus (Proprietary) Limited	21% Mvelaphanda 15% Tans Africa (Proprietary) Limited* 15% Employee Share Trust*
Nomakanjani Logistics Company (Proprietary) Limited	30% Imbani Holdings (Proprietary) Limited 26% Zimele Empowerment Initiative Limited 14% Bakgotso Holdings (Proprietary) Limited

* Indirect holdings

Note: Details of the above companies are reflected in Annexure A on page 88.

PDI directors have been appointed to the boards of the divisional BEE investment and joint venture operations as follows:

Unitrans Fuel and Chemical (Proprietary) Limited	2 PDI non-executives 1 PDI executive
Klipstone Transport (Proprietary) Limited	1 PDI non-executive 1 PDI executive
Nomakanjani Logistics Company (Proprietary) Limited	4 PDI non-executives 1 PDI executive
Bojanala Bus (Proprietary) Limited	3 PDI executives

Unitrans believes that its long-term future is in South Africa and the economic imperative of investment in the communities in which the group operates, together with the development and upliftment of previously disadvantaged individuals (PDIs), is understood and accepted as an integral part of its long-term sustainability.

The group is involved in the formulation of the BEE charters for the freight, passenger and motor industries. Although these charters have yet to be finalised in all sectors, the parameters set by the Department of Trade and Industry are receiving attention.

BEE transaction at listed company level



As more fully reported in the financial director's report on page 35, the group

recently announced an empowerment transaction with Mvelaphanda, Arch Equity, and an employee trust to be formed. This deal, together with the indirect BEE shareholding of Unitrans shares in the market, strengthens the group's empowerment credentials at listed company level.

In addition, initiatives to find BEE partners at divisional level are being developed. At this level, the BEE initiatives, as set out above, have been put in place.

Employment equity

Group companies developed their employment equity (EE) targets adopting a participative approach in consultation with the workforce in October 2000 for submission to the Department of Labour. Employment Equity Steering Committees or equivalent committees meet regularly to review progress.

The EE strategy adopted by group companies has three main aspects:

- implementing the group's Education, Training and Development policy in all operations, to make training available where appropriate;
- establishing development programmes to ensure employees with managerial potential are identified and developed (these include the Unitrans Corporate University programmes); and
- developing succession plans to ensure that sufficient talent is identified and developed to meet the EE plans and the companies' growth.

Progress in implementing this strategy has been steady, with the first appointments at third tier management level now being made. All new appointments are monitored to ensure that such actions support the attainment of EE targets.

Unitrans has trainee management programmes in which PDIs comprise more than 50% of all trainees. The fruits of these

Sustainability report continued



The Unitrans Learnership in Professional Driving was launched in February 2004, with the first group of learners assigned to Freight.



Employees participating in the Unitrans Corporate University continue to achieve success with FIM, MDP and EDP programmes.



Several fully autonomous empowerment operations provide washbay services within certain Motor division dealerships.

efforts will be realised in the future and will provide enduring benefits to the group and its stakeholders.

Skills development

All group companies are committed to the training and development of their employees at all levels. A formal approach is applied to education, training and development. This assists in establishing employee development as an important part of the group's business culture, improving efficiency in our various operations. Good progress has been made in developing competency profiles for jobs across the group. This will in turn ensure that all training activities lead to recognised national standards.

Company accredited driver training facilities have been established to raise and maintain the levels of driver proficiency and safety. In excess of 5 000 drivers attended approved courses. Learnerships, adult basic education and training/ABET and a supervisory bridging programme have also been introduced.

The shortage of technical skills in the motor industry has resulted in the Motor and Financial Services division embarking on a programme of technical skills development, aimed principally at unemployed PDIs.

The Unitrans Corporate University continues to provide the backbone of the group's leadership development initiative. In addition to the Foundation in Management (FIM) and Management Development Programmes (MDP), the Executive Development Programme (EDP) has been successfully launched. Although, as previously explained, the monetary benefit of these courses is difficult to quantify, these programmes are undoubtedly raising the level of managerial competence and are assisting in introducing world-class managerial practices.

The interaction between staff of different operational units is proving invaluable in developing and reinforcing a common culture, whilst assisting with the creation of a culture of individual empowerment and accountability. A total of 74 employees have successfully completed the FIM, MDP and EDP programmes.

Enterprise development

The programme to outsource certain in-house services to PDI companies/enterprises is continuing. For example, the initiative to outsource washbay services, carried out with the support of the Department of Labour, has been a great success in the Motor division and is being extended throughout this division.

The group actively seeks opportunities with PDI partners and there have been some important successes with services outsourced to previous employees.

Corporate social investment (CSI)

The group's CSI focus has been on job creation, Business Trust expenditure, education and HIV/AIDS projects. In addition, it has donated amounts to worthy causes. Examples of areas in which the group has made an investment, other than where specifically referred to in this annual report, include:

The Business Trust

Unitrans is a founder member and sponsor of The Business Trust. The Trust was established in 1999 as a five-year initiative of the corporate sector working in partnership with government. The Trust's activities are referred to in the chairman's report on page 13.

Community AIDS Response

Community AIDS Response (CARE) is an organisation that provides support and medical care to people living with HIV/AIDS.



Unitrans continues to sponsor one of CARE's projects, aimed at supporting AIDS orphans.

World AIDS Day

Unitrans recognises the importance of World AIDS Day on 1 December and erects awareness banners at its various operations on that day. World AIDS Day in 2003 was also chosen as the launch date for the rollout of the Unitrans pilot programme, offering full HIV/AIDS voluntary treatment at certain facilities.

Support from operations in neighbouring countries

The group's operation in Botswana participated in that country's President Day and Independence Day activities to promote HIV/AIDS awareness and road safety measures. This operation continues to sponsor, on a monthly basis, the SOS Children's Village in Gaborone, Botswana.

Other fund raising, sponsorship and donations

Many different fund raising activities were supported throughout the year, the proceeds of which were donated to various needy organisations.

Transport services were provided to several NGOs, including a children's road safety organisation, an animal welfare society and a cultural group. A children's home for abandoned, orphaned and abused children was sponsored and a vehicle was provided to a care and support centre for destitute families. Proceeds from a fund raising occasion were donated to the small-scale sugar grower upliftment programme administered by Unitrans.

More than 40 NGOs also receive annual donations from the group.

Way forward

The group recognises that progress in all the social areas is important for its future sustainability and, as a responsible corporate citizen, will play its part.

The value created statement on page 48 reflects the additional economic contribution that the group makes to society as a whole.

Environmental issues

Unitrans is committed to the continued development and maintenance of sound environmental practices within the ambit of the group's operations and influence.

The group's operations can be ranked in terms of environmental impact as follows :

Transport and Logistics: high impact;
Motor Retail and Financial Services: low impact.

Notwithstanding this ranking, each operating subsidiary or division has committed itself, as a minimum, to compliance with environmental legislation. All divisions are required to file environmental compliance reports via the divisional compliance committees and these reports are tabled to the divisional and main audit committees.

The highest impact operation is that of the Fuel and Chemical cluster, as products conveyed by this cluster pose the biggest risk to the environment. For this reason, an integrated approach to quality, safety, health and the environment, leading to the introduction of international management systems and controls, has been adopted. The Fuel and Chemical cluster complies with ISO 9001 (total quality system), ISO 14001 (environmental protection), NEMA (National Environmental Management Act), and ISO 18001 OHASA (Health and Safety). These systems and standards provide for the monitoring of waste oil, wash bay effluent, tyre usage and disposal, ensuring "cradle to grave" product management, using registered hazardous waste sites for any disposal. SHEQ programmes have been introduced through highly trained competent and dedicated management. Should any spillages occur, there is a programme in place to ensure that strict pollution controls and rehabilitation are introduced, working in conjunction with the relevant authorities.

All of the group's operations pride themselves in the standards they set and promote, ensuring these practices are observed by the entire workforce. Ongoing monitoring and auditing is done both internally and through external audit bodies and through participation in responsible care programmes.

An illustrative divisional environmental management policy is set out below and serves to demonstrate Unitrans' commitment to actively caring for the environment.

Environmental management policy for Unitrans Fuel and Chemical

"Unitrans Fuel and Chemical (Proprietary) Limited will comply with the RSA Constitution of 1996 and the National Environmental Act of 1998 (NEMA) and any other act which supports



The SOS Children's Village in Gaborone, Botswana, is sponsored on a monthly basis by the group's Botswana operation.



The Passenger division's Mega Bus operation provided transport to take children on environmental awareness field trips.



The Clairwood depot is Fuel and Chemical's first depot to achieve ISO 18001 occupational health and safety accreditation.

Sustainability report continued

the protection of the environment. The company is fully committed to the protection and the integrity of the environment through the prevention of pollution, and through the implementation and maintenance of the ISO 9001, ISO 14001 and the OHASA 18001 standards in a fully integrated management system.

All processes, activities, products or services that may have a detrimental impact on the environment will be treated as critical issues, and will be controlled and managed by effective systems.

The above policy will regularly be assessed and measured against past performances, striving for continual improvement by self-measurement and independent auditors as per the Environmental Management Plan.

We measure, review and adjust, if required, our environmental objectives on a yearly basis, keeping in mind our commitment to our immediate community and the area at large."

Economic sustainability

The group is cognisant of, and has strategic plans and policies in place to react to, the various economic factors and changes in such factors, which could impact on its long-term sustainability.

As part of these plans and policies, the group has committed and stable management teams in place that have delivered significant growth in the past and are well positioned to ensure that the various business silos continue to grow in the future. Development and training programmes have been put in place and succession plans have been drawn up to ensure the continuity of these management teams.

The existing brands within the group are well established and are positioned to assist in achieving the group's growth objectives. The diversity of the group's operations has, in the past, proved an effective counterbalance to cyclical swings and will continue to provide benefits into the future.

The recent introduction of a BEE investor, holding a 13,02% shareholding at listed company level, as detailed in the financial director's report on page 35, demonstrates the commitment of Unitrans to BEE, which it believes is essential for the development of its people, its businesses and the South African economy. The Employee Share Trust, to be formed for the benefit of the employees of Unitrans, other than executive management, is seen as an exciting development which it is hoped will provide long-term benefits to all stakeholders. The Employee Share Trust will provide a platform from which a culture of ownership amongst the Unitrans employees can be fostered. Further BEE initiatives will be considered and introduced as appropriate.

Divisional strategies to ensure economic sustainability include:

Transport and Logistics division

A large portion of the Transport and Logistics division's revenue flows from annuity-style contracts. The broadening of the range of value-add services offered by the division has served to strengthen relationships with the division's existing customers and has provided a platform for the securing of new work.

The stronger rand has placed pressure on the manufacturing sector in South Africa and this has had an indirect impact on

some of the division's operations, in particular on the express and break-bulk delivery operations. However, there have been some recent indications of a recovery in the domestic manufacturing sector, which augurs well for future growth. The strength of the rand has also had an adverse impact on tourism, which has in turn impacted on the Passenger division. This division has however strengthened its presence in the commuter transport arena and this serves to balance the effect of swings in tourism levels.

Fluctuations in the oil price have, to a certain extent, been buffered by escalation formulas contained in the contracts secured by the division. Notwithstanding this, oil price increases have had an impact on the division's margins and the division is continually seeking new ways of increasing operational efficiencies to counter this impact.

This division is looking at growth within its existing customer base and there are several new projects under consideration that could provide attractive growth opportunities well into the future.

Motor and Financial Services division

The Motor and Financial Services division has started the 2005 financial year on a positive footing, with a further decrease in the lending rate. This division's revenue is largely dependent on external influences, such as the lending rate and consumer confidence. Fortunately, the South African economy has performed well and inflation is being contained within its desired policy range. In addition, there are other factors, such as new product launches, which play a role in stimulating demand.

Through its dealerships, the division has built up a solid reputation for excellence in customer service and has won many customer satisfaction awards. This hard-won reputation is seen as being crucial to the long-term retention of the division's customers and to the strength of its brands. It is also instrumental in cementing long-term relationships with the motor manufacturers.

The division is looking at growing its business by acquiring new outlets and by increasing its share of the financing and insurance transactions associated with the Retail division.

Corporate strategies

Current strategies are regularly reviewed by management and the board and, if required, are adjusted to reflect changing economic circumstances and market forces.

Corporate governance

Long-term sustainability will also be materially influenced by the company's conduct as a corporate citizen. Unitrans espouses the principles and philosophies of King II, as disclosed in the report on corporate governance on pages 44 to 47.

We measure, review and, if required, adjust our environmental objectives on a yearly basis

(Extract from the Environmental Management policy for Unitrans Fuel and Chemical)



Unitrans recognises the importance of World AIDS day on 1 December of every year.

Corporate governance

Unitrans has adopted a transparent governance process to provide all stakeholders with the assurance that the group's businesses are being managed appropriately

Unitrans is committed to the principles of openness, accountability and integrity and has adopted a transparent governance process to provide all stakeholders with the assurance that the group's businesses are being managed appropriately. The corporate governance practices implemented by Unitrans are continually being refined to respond to the changing needs and expectations of stakeholders.

The board of directors

A formal charter has been adopted by the board which outlines the main functions of the board as including:

- a strategic role i.e. the determination of the group's purpose and values and the strategy required to achieve its purpose and implement its values;
- the monitoring of operational performance and management;
- the responsibility for effective, timeous and transparent communication with stakeholders;
- the determination of policy and procedures and levels of materiality to ensure the integrity of the group's risk management and internal controls;
- the constitution and appointment of sub-committees of the board and the delegation of authorities to such sub-committees; and
- the appointment of executive management.

It is the policy of the company to have a unitary board structure. The chairman and the majority of directors are non-executive.

The responsibility for the functioning of the board and the executive responsibility for managing the business are separate and the chairman is an independent non-executive director. Other board members are the chief

executive, three executive directors and six non-executive directors. Of the six non-executive directors, Dr D Konar and Mr PK Quarmby are classified as independent non-executive directors. Messrs MJ Jooste and DM van der Merwe were nominated to the board by Steinhoff Africa Holdings (Proprietary) Limited, a wholly owned subsidiary within the Steinhoff International Holdings Limited group of companies, and Messrs BC Bruce and RW Rees were nominated to the board by United General Investments (Proprietary) Limited, a wholly owned subsidiary within the Murray & Roberts Holdings Limited group of companies. Details of the directors, including brief CVs, are shown on pages 6 to 9. The collective experience and expertise of the directors ensures robust and informed debate on matters before the board.

The articles of association of the company provide that, at every annual general meeting of the company, at least one-third of the directors shall retire from the board. Directors retiring in this manner may offer themselves for re-election, subject to the recommendations of the nominations committee. Details of the retiring directors offering themselves for re-election at the annual general meeting of shareholders to be held on 8 December 2004 are contained on pages 6 and 7.

The nominations committee is required to consider the continuation in office of directors attaining the age of 65. The committee has recommended, and the board has approved, the continuation in office of Mr DC Brink as chairman of the board. This appointment will be reviewed on an annual basis.

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 reviewed by the executive committee and by the remuneration, human resources and nominations committee and are approved by the board, subject to ratification/approval by the shareholders.

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 would be borne by the company. An induction programme is in place for any new directors joining the board.

A system for the appraisal of the board as a whole has been established and an appraisal was undertaken during the year. The findings were reviewed by the chairman of the board and the chairman of the audit and risk committee and no serious shortcomings were revealed. However, steps are being taken to implement certain suggestions tabled for the increased efficacy of the board. The chairman of the board will be undertaking one-on-one interviews with each director and it is expected that this exercise will be completed during the first quarter of the 2005 financial year. In addition, each director will be required to complete an appraisal questionnaire on the chairman of the board.

Meetings of the board are held every quarter. Additional meetings are convened should any matters arise which require consideration by the board outside of the quarterly meetings schedule. A separate strategic board meeting is scheduled each year prior to the quarterly June board meeting for purposes of reviewing the group's strategies and considering the business plan for the forthcoming year.



Attendance at board meetings

The attendance at meetings of the board of directors during the period under review was as follows:

Directors	25 Aug 2003	15 Sep 2003*	12 Nov 2003	5 Dec 2003*	23 Feb 2004	11 Jun 2004	14 Jun 2004
DC Brink							
KJ Grové							
BC Bruce							
PJ Dieperink							
MJ Jooste							
SM Keys							
D Konar							
RH Naisby							
PK Quarmby							
RW Rees							
DM van der Merwe							

* Denotes ad hoc meetings

The non-executive directors are paid a per meeting fee for their attendance at board meetings. Details of the fees paid to the directors for the year under review and fees payable for the period 1 July 2004 to 31 December 2004 are contained on page 84 of this report and in the notice to shareholders.

Boards of the group's major operating companies

The boards of the group's major operating companies meet every quarter and, assisted by the divisional audit and risk management 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 divisional boards.

Board and divisional committees

Audit and risk committee (audit committee)

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

Committee chairman: D Konar
Members: RW Rees
DM van der Merwe

The company secretary has been appointed as the committee secretary.

The chairman of the board attends the audit committee meetings by invitation.

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 management, risk management and internal controls, accounting policies and the group's financial reporting process. To this end, the committee provides assistance to the board by ensuring, to the extent practicable:

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

The audit committee, together with the external auditors, reviews the announcements of the annual results and the annual financial statements, and the committee recommends to the board the adoption or otherwise thereof. 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 for the year ended 30 June 2004 be accepted as a fair presentation of the group's financial position at that date and of the results of operations and cash flows for that period, in terms of South African Generally Accepted Accounting Practice and the Companies Act, No 61 of 1973 (as amended).

The statement by the directors on page 52 that they have every reason to believe that the company and the group will continue as a going concern for the foreseeable future is supported by comprehensive going-concern review statements completed at year-end at divisional level and signed off by the relevant divisional managing directors.

The committee meets at least three times a year with management and the internal and external auditors. At least once a year, without management present, the committee meets with the external auditors and, separately, with the internal auditors, to discuss any relevant issues. The external and internal auditors have unrestricted access to the chairman of the audit committee.

Corporate governance continued

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 on and reviewed by each divisional audit committee and, in turn, are reported on and reviewed by the audit committee. Accordingly, all material risks have, in the reasonable opinion of the board, been identified and are being proactively managed.

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

An appraisal form for determining the efficacy of the committee has been approved and this exercise will be undertaken in the forthcoming financial year.

During the year, attendance at committee meetings was as follows:

	28 Aug 2003	10 Nov 2003	18 Feb 2004	10 Jun 2004
--	----------------	----------------	----------------	----------------

D Konar

RW Rees

DM van der Merwe

Divisional audit committees

All divisions have separate divisional audit committees, which meet at least three times a year and which report on a regular basis to the audit committee. The committee meetings are chaired by the financial director and the chief executive officer attends the meetings. Minutes of the meetings of the divisional audit committees are tabled at the ensuing meetings of the audit committee. The internal and external auditors have unrestricted access to the meetings of the divisional audit committees and attend these meetings to report on their findings and to discuss accounting, auditing, internal control and financial reporting matters.

Remuneration, human resources and nominations committee (remuneration committee)

The remuneration committee is comprised mainly of non-executive directors and is chaired by the independent non-executive

chairman of the board. The current composition of the committee is:

Committee chairman: DC Brink
Members: BC Bruce
KJ Grové
MJ Jooste

The company secretary has been appointed as the committee secretary.

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 for benefits, profit incentives, the Unitrans Limited Share Scheme and retirement funding. The committee also acts as a nominations committee and is mandated, inter alia, to review and make recommendations to the board on the structure, size and composition of the board and its committees and on the adequacy of the succession planning policies for senior executives adopted at divisional and corporate level.

The remuneration committee chairman presents a report on the activities of the remuneration committee at the first board meeting following meetings of the remuneration committee.

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

During the year, attendance at committee meetings was as follows:

	28 Aug 2003	10 Nov 2003	18 Feb 2004	10 Jun 2004
--	----------------	----------------	----------------	----------------

DC Brink

BC Bruce

KJ Grové

MJ Jooste

An appraisal form for determining the efficacy of the committee has been approved and this exercise will be undertaken in the 2005 financial year.

Divisional remuneration committees

All divisions have separate divisional remuneration committees which meet at least once a year or as required, to consider annual salary reviews, profit incentives, share scheme participation and employee remuneration and benefit issues.

Minutes of the meetings of the divisional remuneration committee meetings are tabled at the ensuing meeting of the remuneration committee.

Executive committee

Each of the group's divisions has representation on the executive committee, which is chaired by the chief executive and is also attended by the group financial director and the group human resources director. The executive committee, which meets on a quarterly basis, deals with material matters relating to the management and development of the group. Ad hoc meetings of the committee are convened when necessary.

Acquisitions subcommittee of the executive committee (Dealco)

All proposed acquisitions are submitted to Dealco for the granting of a mandate to initiate or continue negotiations and to evaluate the final acquisition proposal. This authorisation process is in addition to such other approvals as may be required in terms of the group's approvals framework.

Dealco is comprised of the executive directors of the company.

Operations reviews

Reviews of the operations of each of the group's divisions are held on a monthly basis and are attended by the chief executive, the group financial director and the group human resources director together with the divisional managing director/general manager and the divisional financial manager. The review of key risk areas is an important function of the operational review meetings.



Internal audit

The internal audit function for the Transport and Logistics division is managed utilising a combination of mainly internal resources and, to a limited extent, external resources. During the year, a new software programme to assist with the identification and management of risk was introduced and is being rolled out within the group.

The internal audit function for the Motor and Financial Services division is managed by an in-house internal audit team.

Internal audit reports for both these divisions are presented at each meeting of the audit committee. Each internal audit manager has unrestricted access to the chairman of the audit committee.

The board has approved the adoption of an internal audit charter detailing the terms of reference for the internal audit function.

Company secretary

The company secretary administers the proceedings and affairs of the board and the boards of the underlying subsidiaries and, where appropriate, ensures that the proceedings of any members' meetings are properly conducted in line with all relevant statutes and the requirements of the JSE Securities Exchange South Africa (the JSE).

Insider trading policy

The company has an insider trading policy in place which prohibits directors and officers from dealing in the company's shares, either directly or indirectly, 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. Dealings in the company's shares by the chief executive must receive the prior approval of the chairman and any such dealings by the chairman must receive the prior approval of the chief executive.

Directors and officers are prohibited from dealing in the shares of the company from the end of each financial reporting period up to the date of the announcement of financial

and operating results for such period. This prohibition extends to any period where the company is under a cautionary notice.

A report of all dealings by directors and officers in the shares of the company is tabled at each quarterly board meeting. Share dealings by directors of the company and its major subsidiaries are notified to the JSE for publication via the Stock Exchange News Service (SENS).

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.

Compliance

Unitrans has adopted a compliance philosophy and policy which is applicable to all of the group's operations. This philosophy embraces:

- the recognition by Unitrans of its accountability to all of its stakeholders under the legal and regulatory requirements applicable to its businesses;
- the commitment by Unitrans to high standards of integrity and fair dealing in the conduct of its businesses; and
- the commitment to compliance both with the spirit and the letter of applicable requirements and to acting with due skill, care and diligence.

Compliance is monitored by the divisional compliance committees and is reported on at their respective divisional audit committee meetings. These reports are, in turn, presented to the audit committee. The company secretary has been appointed as the group compliance officer.

Ethics

Through rigorous application of group policies, including the compliance policy, and by 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 characteristics of good

corporate governance detailed in King II namely:

- discipline;
- transparency;
- independence;
- accountability;
- responsibility;
- fairness; and
- social responsibility.

Employees are afforded the opportunity to report, on an anonymous basis, via an independent "whistle blowing" facility, any activities that they may feel to be suspicious.

Compliance with King II

The company is substantially compliant with King II and further work is being undertaken towards compliance taking into account the necessity to balance conformance with corporate governance standards with entrepreneurial freedom.

Progress made during the year towards compliance

- During the year under review systems for board and committee evaluations were put in place.
- The extent of the utilisation of the external auditors for consulting or non-audit services has been monitored and is reported to the audit committee. The quantum of the fees earned by the external auditors for such services for the period under review has, in the view of the directors, not compromised the independence of the external auditors.

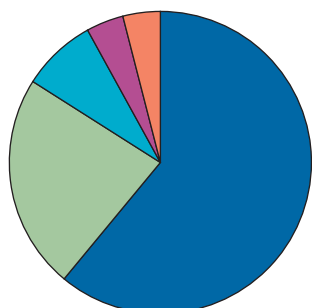
Value created statement

for the year ended 30 June 2004

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.

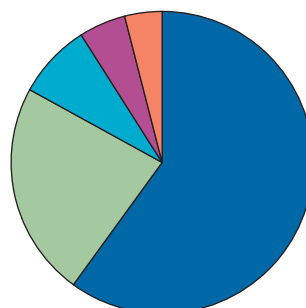
Group	2004 R000	%	2003 R000	%
Revenue	9 291 031		7 757 864	
Cost of materials and services	7 594 414		6 332 168	
Value created	1 696 617		1 425 696	
Distributed as follows				
Employees – remuneration and benefits	1 049 956	62	860 797	60
Government – see note below	133 210	8	113 239	8
Providers of finance	60 573	4	63 765	5
Shareholders – dividends	70 694	4	63 415	4
To maintain and expand the group				
Earnings retained	181 970		148 678	
Depreciation	200 214		175 802	
	382 184	22	324 480	23
	1 696 617	100	1 425 696	100
Note: Contributions to government				
Company tax	102 296		90 668	
Customs duty	2 596		1 515	
Rates and taxes paid to local authorities	6 615		5 987	
Regional services council levies	17 026		14 072	
Grants and subsidies received	(14 073)		(15 758)	
Taxes paid to central and local government	114 460		96 484	
VAT	18 750		16 755	
Total contributed to government	133 210		113 239	
Value created per employee	134		124	
Number of employees	12 680		11 498	

Value created – 2004



Employees	62%
Earnings retained and depreciation	22%
Government	8%
Shareholders	4%
Providers of finance	4%

Value created – 2003



Employees	60%
Earnings retained and depreciation	23%
Government	8%
Shareholders	5%
Providers of finance	4%

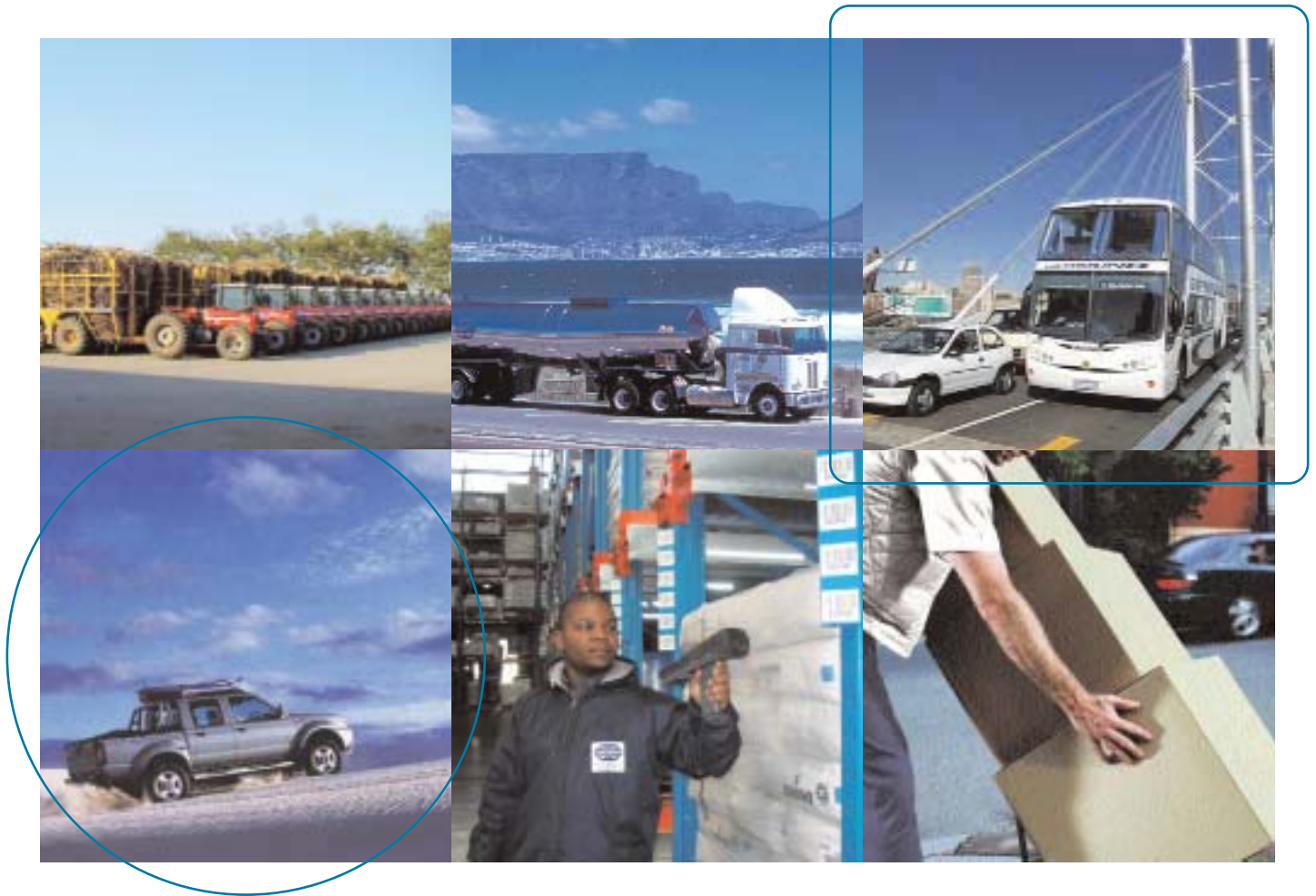
Six-year review



	Year to June 2004 R000	Restated Year to June 2003 R000	Year to June 2002# R000	Year to June 2001# R000	Year to June 2000# R000	Year to June 1999# R000
GROUP FINANCIAL RESULTS						
Revenue	9 291 031	7 757 864	5 995 020	5 278 657	4 585 109	4 080 742
– Transport and Logistics	2 135 878	1 830 702	1 589 388	1 378 851	1 038 291	870 617
– Motor and Financial Services	7 155 153	5 927 162	4 405 632	3 899 806	3 546 818	3 210 125
Operating income after depreciation	416 569	380 694	311 204	243 228	179 854	123 367
Profit before taxation	363 260	316 219	283 153	235 989	174 536	97 265
Net profit for the year	252 664	212 093	199 364	164 613	128 375	68 795
ASSETS						
Non-current assets	1 346 904	1 173 113	1 027 967	883 363	711 100	591 557
Current assets	1 619 941	1 409 315	1 212 652	1 000 791	971 731	834 651
Total assets	2 966 845	2 582 428	2 240 619	1 884 154	1 682 831	1 426 208
EQUITY AND LIABILITIES						
Interest of all shareholders	1 385 076	1 206 095	1 088 561	904 867	790 021	632 600
Non-current liabilities	167 386	159 397	168 715	182 422	175 896	79 811
Current liabilities	1 414 383	1 216 936	983 343	796 865	716 914	713 797
Total equity and liabilities	2 966 845	2 582 428	2 240 619	1 884 154	1 682 831	1 426 208
FINANCIAL RATIOS						
ORDINARY SHARE PERFORMANCE						
– Earnings per share (cents)*	332,5	283,8	261,6	216,7	182,9	98,2
– Diluted earnings per share (cents)*	328,7	278,6	260,7	214,7	182,1	98,0
– Headline earnings per share (cents)*	346,7	307,9	255,1	203,2	159,5	96,9
– Dividends paid per share (cents)*	93,0	84,5	52,5	73,5	69,0	61,5
– Dividend cover (times)*	3,7	3,6	4,9	2,8	2,3	1,6
– Net asset value per share*	1 746,5	1 552,2	1 421,0	1 186,4	1 041,2	966,9
– Number of shares in issue at year-end ('000) (net of treasury shares)	76 869	75 217	76 251	76 091	75 788	70 108
– Weighted average number of shares in issue* ('000)	76 001	74 733	76 204	75 952	70 195	70 079
– Weighted average number of shares increased by the effects of dilutive potential ordinary shares ('000)	76 877	76 141	76 485	76 660	70 503	70 175
PROFITABILITY AND ASSET MANAGEMENT						
– EBITDA (R million)*	616,8	556,5	470,6	398,0	318,4	246,3
– EBITDA (%)*	6,6	7,2	7,8	7,5	6,9	6,0
– Operating margin (%)*	4,5	4,9	5,2	4,6	3,9	3,0
– Return on capital employed (%)*	28,7	31,6	33,0	32,1	25,9	16,2
– Return on shareholders' funds (%)*	20,1	19,2	20,1	19,5	18,1	10,7
LIQUIDITY AND LEVERAGE						
– Net interest-bearing borrowings to all shareholders (%)	12,0	12,0	–	–	–	9,6
– Current ratio*	1,2	1,2	1,2	1,3	1,4	1,2
– Interest cover (times)*	8,4	7,3	9,4	11,5	8,7	2,6
JSE SECURITIES EXCHANGE PERFORMANCE						
Average share price (cents)	2 590	1 990	2 150	2 270	1 820	1 380
Total volume traded during the year (million)	8,2	5,0	18,0	21,0	29,0	14,0

* Definitions are given in the notes to the annual financial statements on page 67.

Years preceding June 2003 have not been restated for the consolidation of the Share Trust.



Contents to the financial statements

Report of the independent auditors to the members of Unitrans Limited	51
Directors' approval of the annual financial statements	52
Certificate by company secretary	52
Directors' report	53
Balance sheets	58
Income statements	59
Statements of changes in equity	60
Cash flow statements	61
Notes to the cash flow statements	62
Notes to the financial statements	63
Annexure A : Interest in subsidiaries, associates and joint ventures	88
Notice to members	90
Form of proxy	95
Notes to the form of proxy	96

Report of the independent auditors to the members of Unitrans Limited



We have audited the annual financial statements and group annual financial statements of Unitrans Limited set out on pages 52 to 88 for the year ended 30 June 2004. 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. These 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 annual financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the appropriateness of the overall financial statement presentation.

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

AUDIT OPINION

In our opinion, these financial statements fairly present, in all material respects, the financial position of the company and of the group at 30 June 2004 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 and in the manner required by the Companies Act in South Africa.

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (SA)

Johannesburg
24 August 2004

FINANCIAL STATEMENTS

The financial statements which appear on pages 52 to 88 were approved by the board of directors on 24 August 2004 and are signed on its behalf by:

DC Brink
Chairman

KJ Grové
Chief executive



Directors' approval of the annual financial statements

for the year ended 30 June 2004

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 and have been audited by the group's independent external auditors. Their unqualified report appears on page 51.

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 system 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 and risk committee, which consists exclusively 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 and that the group will be able to realise its assets in the normal course of business. The external auditors are in agreement with this opinion.

A handwritten signature in black ink, appearing to read "DC Brink".

DC Brink
Chairman

A handwritten signature in black ink, appearing to read "KJ Grové".

KJ Grové
Chief executive

24 August 2004

Certificate by company secretary

for the year ended 30 June 2004

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

A handwritten signature in black ink, appearing to read "J. V. Radnay".

JV Radnay
Secretary

Illovo
24 August 2004

Directors' report

for the year ended 30 June 2004



The directors have pleasure in presenting their annual report. The directors' report forms part of the annual financial statements of the company and of the group for the year ended 30 June 2004.

NATURE OF BUSINESS

Unitrans Limited is an investment holding company. Its subsidiaries operate on an autonomous basis and are involved in the businesses outlined on the inside front cover of this report.

FINANCIAL RESULTS

The financial results are detailed in the accompanying annual financial statements.

REVIEW OF OPERATIONS

Despite a fundamental shift to operating in a lower-inflation environment and notwithstanding the indirect impact of the strong rand, the Freight and Logistics division's revenue grew by 19% to R1,8 billion, with operating income after depreciation increasing by 5% to R174 million.

Fuel and Chemical performed well with pleasing growth year-on-year. The non-South African sugar operations delivered good results. The local sugar operations, however, were impacted by the adverse weather conditions in KwaZulu-Natal. The freight operations had a mixed performance with most of its operations, save for forestry, performing well.

The termination of the UPS licence had an impact on the profitability in the express delivery operations, with the newly formed Aramex SA (Proprietary) Limited taking longer than anticipated to make a contribution.

Revenue in the Passenger division grew by 7% to R373 million with operating income after depreciation increasing by 9% to R46 million. The intercity activities faced strong competition throughout the year. The luxury coach operations came under pressure in the second half of the year as tourist numbers declined on the back of the strong rand. The balance of the business performed well, more than making up for the shortfall in other areas.

Against the background of lower interest rates and lower inflation, Motor Retail had an outstanding year. Revenue, which for the first time included wholesale sales, increased by 22% to R7,1 billion and operating income increased by 10% to R160 million. The increased consumer confidence and lower interest environment provide a strong growth platform for this business. However, lower inflation also impacted results with reduced price escalations and increased pressure on used vehicle prices.

Insurance and Finance operations also had a good year with operating income increasing by 31% to R37 million.

CORPORATE ACTIVITY

With effect from 31 December 2003, the Freight cluster acquired the business of Chrisick Transport, a materials handling and transportation operation providing services under contract to the mining industry in the North West Province.

As previously reported, UPS Inc. terminated its licence agreement with UED with effect from 1 February 2004. As a consequence of this, UED has secured a licence agreement with Aramex International Limited and operations under this new licence have commenced.

As a further consequence of this termination, Unitrans Limited acquired the balance of the shares previously held by UPSLG International BV in USC with effect from 1 February 2004.

JOINT VENTURES/ASSOCIATES

On 24 February 2004 Unitrans Freight (Environmental Services) (Proprietary) Limited and Windworth Holdings (Proprietary) Limited entered into a 50/50 joint venture, UniViron (Proprietary) Limited, for the provision of administrative and transport services to Re-Ethical Environment Re-Engineering KZN (Proprietary) Limited, a waste disposal business located in KwaZulu-Natal.

In addition, the shareholdings in the joint venture with Holcim (Proprietary) Limited, namely Klipstone Transport (Proprietary) Limited (Klipstone), have been restructured to allow for the admission of a BEE partner, Magnificent Mile Trading 35 (Proprietary) Limited, which has taken a 26% shareholding in Klipstone. Unitrans Freight (Proprietary) Limited now holds a 64% equity stake in Klipstone (previously 51%) and Holcim (Proprietary) Limited now holds a 10% equity stake (previously 49%).

Directors' report continued

for the year ended 30 June 2004



ORDINARY SHARE CAPITAL

The authorised share capital at 30 June 2004 consisted of 200 000 000 shares of 10 cents each.

The number of issued shares, including non-vested shares held by the Unitrans Limited Share Trust, increased from 76 420 247 to 77 471 988 at 30 June 2004 as a result of the allotment and issue during the year of 1 051 741 shares for purposes of the Unitrans Limited Share Scheme ("the Share Scheme"). Excluding the 603 330 shares (2003: 1 203 305 shares) relating to non-vested shares held within the Share Scheme as treasury stock, the issued share capital at 30 June 2004 was 76 868 658 shares (2003: 75 216 942 shares).

At the forthcoming annual general meeting, which is to be held on 8 December 2004, shareholders will inter alia be requested to:

- place 4 863 788 of the unissued shares under the control of the directors for purposes of the Share Scheme; *
- place the balance of the unissued shares under the control of the directors, until the next annual general meeting of shareholders, 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; *
- grant the directors a general authority, valid until the next annual general meeting of shareholders, to issue ordinary shares for cash; *
- 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; * and
- grant the directors a general authority, valid until the next annual meeting of shareholders, to distribute share capital and/or reserves to shareholders.*

* Subject to the requirements of the JSE Securities Exchange South Africa (the JSE) and the Companies Act No 61 of 1973, as applicable.

Full details of the share capital are included in the notes to the financial statements.

UNITRANS LIMITED SHARE SCHEME (the Share Scheme)

The unissued shares in the capital of the company to be placed under the control of the directors for purposes of the Share Scheme and the balance of shares available for the granting of options or the issue of shares in the future are as follows:

	2004	2003
Shares allocated for the Share Scheme	11 620 798	11 463 037
Matured shares re-admitted* (see note)	5 169 000	4 483 000
Shares reserved	16 789 798	15 946 037
Less:		
Share purchases*	(3 199 180)	(3 199 180)
Share options exercised*	(8 726 830)	(7 441 608)
Unissued shares to be placed under the control of the directors for purposes of the Share Scheme at the next annual general meeting	4 863 788	5 305 249
Less		
Options outstanding – not yet exercised	(3 546 170)	(4 161 392)
Balance available for granting of options or issue of shares in the future	1 317 618	1 143 857

* Calculated on a cumulative basis, up to each year-end.

Note:

The number of shares allocated for the purposes of the Share Scheme is a number equal to 15% of the total number of issued shares of the company from time to time. This scheme allocation is increased by the re-admission from time to time of such additional number of matured shares as were allocated over ten years ago and are no longer held within the Share Scheme.

SHARE TRUST LOANS

At 30 June 2004 outstanding loans to employees granted by the Share Trust, prior to any fair value adjustments, totalled R19 621 376 (2003: R40 248 457). The decrease in loans to employees during the period under review was attributable to the fact that delivery was taken of certain shares that had vested and that no new loan accounts were outstanding at 30 June 2004.



SHAREHOLDERS AT 30 JUNE 2004

Shareholder	Number of ordinary shareholders	%
United General Investments (Proprietary) Limited [▲]	1	44,17
Steinhoff Africa Holdings (Proprietary) Limited [§]	1	25,76
Old Mutual Life Assurance Co SA Limited	1	9,18
Other companies and trusts*	258	13,69
Insurance companies*	5	2,27
Unitrans Limited Share Trust	1	1,38
Individuals*	492	1,07
Banks*	4	0,45
Pension and provident funds*	23	2,03
Total	786	100

* Includes shareholders who hold shares beneficially via nominee companies.

PUBLIC SPREAD

Pursuant to the Listings Requirements of the JSE, to the best knowledge of the directors and after reasonable enquiry, the public spread of shareholders at 30 June 2004 was as follows:

	Number of beneficial shareholders	%
Non-public shareholders:		
United General Investments (Proprietary) Limited [▲]	1	44,17
Steinhoff Africa Holdings (Proprietary) Limited [§]	1	25,76
Unitrans Limited Share Trust	1	1,38
Directors of the company and its subsidiaries	7	0,29
Public shareholders	776	28,40
	786	100

According to the information available to the directors, the following are the only shareholders who beneficially held, directly or indirectly, in excess of 5% of the issued share capital of the company on 30 June 2004:

	Number of shares	%
United General Investments (Proprietary) Limited [▲]	34 216 680	44,17
Steinhoff Africa Holdings (Proprietary) Limited [§]	19 956 784	25,76
Old Mutual Life Assurance Co SA Limited	7 108 605	9,18

[▲] A wholly owned subsidiary within the Murray & Roberts Holdings Limited group of companies.

[§] A wholly owned subsidiary within the Steinhoff International Holdings Limited group of companies.

Directors' report continued

for the year ended 30 June 2004



INTERESTS OF THE DIRECTORS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2004 the following shares were held beneficially by the directors:

DC Brink 4 480 (2003: 4 480)

In addition, directors of the company held shares and options issued under the Share Scheme as disclosed in note 31 to the annual financial statements on pages 85 to 87. There were no non-beneficial directors' interests. No director of the company held any interest in excess of 1% of the issued share capital of the company at 30 June 2004.

INTEREST OF THE DIRECTORS IN CONTRACTS

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

DIRECTORS AND SECRETARY

The names of the directors are reflected on pages 6 to 9 of this report.

At the forthcoming annual general meeting to be held on 8 December 2004, as recommended by the nominations committee, Messrs KJ Grové, PJ Dieperink, SM Keys and RH Naisby will retire by rotation in accordance with the articles of association, but, being eligible, offer themselves for re-election. CVs of the directors are shown on pages 6 and 7 of this report.

The secretary of the company is Mrs JV Radnay. Her business and postal addresses are shown on the inside back cover.

SPECIAL RESOLUTIONS ADOPTED BY THE COMPANY AND ITS SUBSIDIARY COMPANIES

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 subsidiaries during the year under review, save for the special resolution passed at the annual general meeting of the company held on 5 December 2003 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.

LIMITATIONS OF BORROWINGS

In terms of the articles of association of the company, the level of borrowings is left to the discretion of the directors. Certain covenants have been given to lending banks. These covenants limit the interest cover ratio and the cash flow to net interest ratio.

At 30 June 2004 the financial statements reflected ratios which were comfortably within the agreed covenants.

SUBSIDIARIES

Information regarding the company's principal subsidiaries appears in Annexure A to the consolidated financial statements on page 88.

A full list of subsidiary companies is available to shareholders on request.

DIVIDENDS

A dividend of 100 cents (2003: 93 cents) per share has been declared and is payable on 4 October 2004 to shareholders recorded in the books of the company at close of business on 1 October 2004. Based on headline earnings per share, this gives a dividend cover of approximately three and a half times. As notified to shareholders in February 2004, the group's dividend policy has been revised to provide that, until such time as three and a half times dividend cover is attained, year-on-year increases in dividends should not exceed the rate of inflation for the relevant year.



POST-BALANCE SHEET EVENTS

Bojanala Bus (Proprietary) Limited ("Bojanala") has been awarded the tender for the NTI contract for commuter bus transport in Rustenburg prior to the year-end. The agreements to give effect to this have been entered into and the approval of the Competition Commission Tribunal to the entering into of the agreements is awaited. Subject to this, operations under this contract will commence in October 2004. Unitrans Passenger (Proprietary) Limited holds an effective 48% shareholding in Bojanala.

As part of its BEE strategy, the group has taken a 30% equity stake in a BEE company, Nomakanjani Logistics; the balance of the shareholders in this entity being Imbani Holdings (a black-owned company involved in transport logistics for the mining sector), Bakgotsi Holdings (a group of black business leaders involved in various industry sectors) and Anglo Zimele (Anglo American PLC's empowerment and business development facilitator). Nomakanjani Logistics has been providing transport services under contract to the coal mining industry from 1 July 2004.

BLACK ECONOMIC EMPOWERMENT (BEE)

The company has accepted an offer from a special purpose vehicle (the BEE company), owned by a combination of BEE shareholders namely Mvelaphanda Capital (Proprietary) Limited, Arch Equity (Proprietary) Limited and an employee trust (to be formed), for the subscription by the BEE company on 4 October 2004 for 11 600 000 shares in the company at an issue price, payable in cash, of 2 504 cents per share. This issue price is at a discount of 10% to Unitrans' weighted average share price of 2 782 cents per share for the 30 trading days up to and including Friday 6 August 2004 i.e. the date before the written offer from the BEE company was submitted. The 11 600 000 shares to be issued will not qualify for dividend No 31.

The board is committed to BEE transformation and believes that this transaction will result in new growth and development opportunities for the group.

Balance sheets

at 30 June 2004



		Group		Company	
		2004	Restated 2003	2004	2003
	Notes	R000	R000	R000	R000
ASSETS					
Non-current assets		1 346 904	1 173 113	625 945	620 007
Property, vehicles and equipment	2	1 138 697	934 926	—	—
Goodwill	3	44 781	48 057	—	—
Investment in subsidiaries	4			589 851	547 025
Investment in associate and joint ventures	5	71 205	87 182	22 231	31 847
Deferred taxation assets	15	9 024	10 716	766	884
Other non-current assets	6	83 197	92 232	13 097	40 251
Net advances	7	—	—	—	—
Advances relating to the liabilities		82 632	261 146	—	—
Less liabilities		(82 632)	(261 146)	—	—
Current assets		1 619 941	1 409 315	104 633	81 053
Inventories	8	731 278	708 487	—	—
Trade and other receivables		669 666	524 248	84 294	249
Cash and bank balances		218 997	176 580	20 339	80 804
Total assets		2 966 845	2 582 428	730 578	701 060
EQUITY AND LIABILITIES					
Interest of all shareholders		1 385 076	1 206 095	640 486	626 084
Share capital and premium	9	423 554	408 731	412 601	404 874
Treasury stock	9	(12 734)	(22 870)	—	—
Non-distributable reserves	11	108 812	138 523	34 675	34 675
Retained surplus	12	822 915	643 144	193 210	186 535
Interest of shareholders of Unitrans Limited		1 342 547	1 167 528	640 486	626 084
Minority interests	13	42 529	38 567		
Non-current liabilities		167 386	159 397	89 113	73 646
Provisions	14	8 117	9 706	—	—
Deferred taxation liabilities	15	151 328	132 878	—	—
Amounts due to subsidiaries	4			89 113	73 646
Vendors for businesses acquired	16	3 232	12 023	—	—
Interest-bearing borrowings	16	4 709	4 790	—	—
Current liabilities		1 414 383	1 216 936	979	1 330
Trade and other payables		892 077	804 448	679	317
Non-interest-bearing floorplan creditors		117 362	55 017	—	—
Provisions	14	3 311	5 560	—	—
Taxation		24 612	46 881	300	1 013
Vendors for businesses acquired	16	6 000	1 188	—	—
Short-term borrowings	16	371 021	303 842	—	—
Total equity and liabilities		2 966 845	2 582 428	730 578	701 060
Net asset value per ordinary share (cents)		1 747	1 552		

Income statements

for the year ended 30 June 2004



		Group		Company	
		Restated			
		2004	2003	2004	2003
		R000	R000	R000	R000
Notes					
REVENUE	17	9 291 031	7 757 864	—	—
Operating income before depreciation	18	616 783	556 496	87 288	135 376
Depreciation of property, vehicles and equipment	2	(200 214)	(175 802)	—	—
Operating income after depreciation		416 569	380 694	87 288	135 376
Investment income		6 070	6 138	—	—
Net finance (costs)/ income	19	(49 355)	(52 443)	754	4 452
— Interest paid		(60 573)	(63 765)	—	(39)
— Interest received		11 218	11 322	754	4 491
Profit/(loss) on disposal of property, vehicles and equipment		3 535	(585)	—	—
Goodwill amortisation	3	(13 559)	(17 585)	—	—
Profit before taxation		363 260	316 219	88 042	139 828
Taxation expense	20	(102 296)	(90 668)	(10 112)	(10 130)
Profit after taxation		260 964	225 551	77 930	129 698
Share of associate and joint ventures' profits/(losses)	5	550	(4 252)		
Minority interests	13	(8 850)	(9 206)		
Net profit for the year		252 664	212 093	77 930	129 698
		Cents	Cents		
Earnings per share					
— basic	21	332,5	283,8		
— basic as previously stated	21		283,0		
— fully diluted	21	328,7	278,6		
— fully diluted as previously stated	21		282,2		
Headline earnings per share					
— basic	21	346,7	307,9		
— basic as previously stated	21		306,6		
— fully diluted	21	342,7	302,2		
— fully diluted as previously stated	21		305,8		
Dividends per share					
— paid		93,0	84,5		
— declared subsequent to year-end	22	100,0	93,0		



Statements of changes in equity

for the year ended 30 June 2004

	Notes	Share capital and premium R000	Treasury stock R000	Non-distributable reserves R000	Retained surplus R000	Total R000
GROUP						
Balance at 30 June 2002 as previously reported		404 857	—	176 389	501 990	1 083 236
Effects of change in accounting policy for the consolidation of the Share Trust	24, 29	3 366	(34 690)		(5 774)	(37 098)
Balance at 30 June 2002 restated		408 223	(34 690)	176 389	496 216	1 046 138
Net profit for the year					212 093	212 093
Dividends paid					(63 415)	(63 415)
Dividends paid on "A" shares in a subsidiary					(452)	(452)
Profit on the sale of shares in the Share Trust	29	491				491
Vesting of unvested loans to participants in the Share Trust	29		11 820			11 820
Net proceeds on issue of shares		17				17
Unrealised decrease on translation of net worth of foreign subsidiaries				(40 332)		(40 332)
Statutory reserves in subsidiaries				245	(245)	—
Insurance company contingency reserves				2 221	(1 053)	1 168
Balance at 30 June 2003 restated		408 731	(22 870)	138 523	643 144	1 167 528
Net profit for the year					252 664	252 664
Dividends paid					(70 694)	(70 694)
Dividends paid on "A" shares in a subsidiary					(481)	(481)
Profit on sale of shares in the Share Trust	29	7 096				7 096
Vesting of unvested loans to participants in the Share Trust	29		10 136			10 136
Net proceeds on issue of shares		7 727				7 727
Unrealised decrease on translation of net worth of foreign subsidiaries				(31 080)		(31 080)
Release on sale of property				(192)		(192)
Statutory reserves in subsidiaries					(157)	(157)
Insurance company contingency reserves				1 561	(1 561)	—
Balance at 30 June 2004		423 554	(12 734)	108 812	822 915	1 342 547
COMPANY						
Balance at 30 June 2002		404 857		34 675	121 269	560 801
Net profit for the year					129 698	129 698
Net proceeds on issue of shares		17				17
Dividends paid					(64 432)	(64 432)
Balance at 30 June 2003		404 874		34 675	186 535	626 084
Net profit for the year					77 930	77 930
Net proceeds on issue of shares		7 727				7 727
Dividends paid					(71 255)	(71 255)
Balance at 30 June 2004		412 601		34 675	193 210	640 486

Cash flow statements

for the year ended 30 June 2004



		Group		Company	
		Restated			
		2004	2003	2004	2003
Notes		R000	R000	R000	R000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated by operations	A	593 204	426 762	3 605	141 319
Investment income		6 070	6 138	—	—
Net finance (costs)/income		(49 355)	(52 443)	754	4 452
Taxation paid	B	(108 003)	(95 908)	(10 707)	(10 528)
CASH AVAILABLE FROM/ (UTILISED IN) OPERATIONS					
		441 916	284 549	(6 348)	135 243
Dividends paid	C	(78 521)	(70 859)	(71 255)	(64 432)
Net cash inflow/(outflow) from operating activities		363 395	213 690	(77 603)	70 811
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Investment to maintain operations		(126 427)	(72 691)	—	—
Replacement of property, vehicles and equipment		(191 545)	(109 244)	—	—
Proceeds from disposal of property, vehicles and equipment		65 118	36 553	—	—
Investment to expand operations		(283 545)	(287 925)	9 616	6 718
Net cash inflow/(outflow) arising from subsidiaries, associate and joint ventures	D	5 524	(73 880)	9 616	6 718
Expansion of property, vehicles and equipment		(289 069)	(214 045)	—	—
Foreign exchange movements		(9 952)	(18 325)	—	—
Decrease in long-term provisions		(1 589)	(13 277)	—	—
Net increase in subsidiaries				(27 359)	(5 040)
Decrease in other non-current assets		22 593	327	27 154	5 453
Net cash (outflow)/inflow from investing activities		(398 920)	(391 891)	9 411	7 131
Net cash (utilised)/generated by operations		(35 525)	(178 201)	(68 192)	77 942
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in interest-bearing borrowings		(81)	(6 312)	—	—
Vendors for businesses (repaid)/acquired		(3 979)	3 561	—	—
Increase in short-term borrowings		67 179	214 553	—	—
Net proceeds from issue of shares		14 823	508	7 727	17
Net cash inflow from financing activities		77 942	212 310	7 727	17
Net increase/(decrease) in cash and bank balances		42 417	34 109	(60 465)	77 959
Cash and bank balances at the beginning of the year		176 580	142 471	80 804	2 845
Cash and bank balances at the end of the year		218 997	176 580	20 339	80 804

Notes to the cash flow statements

for the year ended 30 June 2004



	Group		Company	
	2004	Restated 2003	2004	2003
	R000	R000	R000	R000
A. CASH GENERATED BY OPERATIONS				
Profit before taxation	363 260	316 219	88 042	139 828
Adjustment for:				
Net finance costs/(income)	49 355	52 443	(754)	(4 452)
Investment income	(6 070)	(6 138)	—	—
Goodwill amortisation	13 559	17 585	—	—
Depreciation of property, vehicles and equipment	200 214	175 802	—	—
(Profit)/loss on disposal of property, vehicles and equipment	(3 535)	585	—	—
Other non-cash movements	(3 095)	4 100	—	—
Changes in working capital	(20 484)	(133 834)	(83 683)	5 943
Inventories	(22 791)	(136 167)	—	—
Trade and other receivables	(145 418)	(26 387)	(84 045)	7 099
Trade and other payables	87 629	63 970	362	(1 156)
Non-interest-bearing floorplan creditors	62 345	(37 551)	—	—
Provisions	(2 249)	2 301	—	—
	593 204	426 762	3 605	141 319
B. TAXATION PAID				
Taxation unpaid at the beginning of the year (including deferred tax)	(169 043)	(175 874)	(129)	(527)
Currency adjustment	(847)	1 591	—	—
Acquisition of subsidiary	(2 733)	—	—	—
Taxation charged to the income statement	(102 296)	(90 668)	(10 112)	(10 130)
Taxation unpaid at the end of the year (including deferred tax)	166 916	169 043	(466)	129
	(108 003)	(95 908)	(10 707)	(10 528)
C. DIVIDENDS PAID				
Dividends paid to ordinary shareholders	(70 694)	(63 415)	(71 255)	(64 432)
Dividends paid on "A" shares in subsidiary	(481)	(452)	—	—
Dividends paid to minority shareholders	(7 346)	(6 992)	—	—
	(78 521)	(70 859)	(71 255)	(64 432)
D. NET CASH INFLOW/(OUTFLOW) ARISING FROM SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES				
Property, vehicles and equipment	—	(30 770)	—	—
Associate and joint ventures loans repaid/(advanced)	10 000	(31 974)	9 616	6 718
Net cash inflow from minorities	3 576	—	—	—
Acquisition of businesses	(6 761)	(11 136)	—	—
Acquisition of additional interest in existing subsidiary	(1 291)	—	—	—
	5 524	(73 880)	9 616	6 718

Notes to the financial statements

for the year ended 30 June 2004



1. ACCOUNTING POLICIES AND DEFINITIONS

Accounting policies

The accounting policies and basis of preparation are consistent in all material respects with those adopted in the previous year, except for the consolidation of the share trust as a result of the revised interpretation of AC 132, Consolidated Financial Statements, and AC 412 Special Purpose Entities. Refer to notes 24 and 29 for detail.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for certain financial instruments carried at fair value.

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 holding 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.

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

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.

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

Notes to the financial statements continued

for the year ended 30 June 2004



Goodwill continued

Goodwill arising on the acquisition of associates and joint ventures is included in the carrying value of 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 basis:

- 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 certain 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.

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 the 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 that 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.

Derivative financial instruments

The group is occasionally party to forward contracts in its trading and risk management activities.

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 instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

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.

Notes to the financial statements continued

for the year ended 30 June 2004



Financial instruments *continued*

Long-term investments, where the group is not in a position to exercise significant influence or joint control, are classified as available for sale and are carried at fair value.

Unlisted investments are classified as held to maturity financial assets and are carried at amortised cost.

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. 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 on the sale of used vehicles to the wholesale motor trade by the Motor Retail division is included in the group revenue.

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. Refer to note 29 for more details.

Share incentive scheme

The group operates an employee share incentive scheme through the Unitrans Limited 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 but within a maximum period of 10 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 scheme.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred.



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.

Operating margin

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 shares in issue

The number of 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 the number of shares in issue at the year-end.

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 in issue 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 Circular 7/2002 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 expressed as a percentage of revenue.

Notes to the financial statements continued

for the year ended 30 June 2004



	Immovable property R000	Equipment and furniture R000	Motor vehicles R000	Total R000
2. PROPERTY, VEHICLES AND EQUIPMENT				
2004				
Cost				
At 30 June 2003	65 931	1 634 879	41 009	1 741 819
Additions	1 880	458 078	20 656	480 614
Acquisition of businesses	—	2 226	54	2 280
Disposals	(8 949)	(125 553)	(9 017)	(143 519)
Exchange rate adjustment	(541)	(33 182)	(1 672)	(35 395)
At 30 June 2004	58 321	1 936 448	51 030	2 045 799
Accumulated depreciation				
At 30 June 2003	25 675	761 252	19 966	806 893
Charge for the year	3 626	187 893	8 695	200 214
Disposals	(6 670)	(70 277)	(4 989)	(81 936)
Exchange rate adjustment	(256)	(17 025)	(788)	(18 069)
At 30 June 2004	22 375	861 843	22 884	907 102
Carrying amount:				
At 30 June 2004	35 946	1 074 605	28 146	1 138 697
At 30 June 2003	40 256	873 627	21 043	934 926
2003				
Cost				
At 30 June 2002	67 209	1 204 418	235 993	1 507 620
Additions	3 461	306 879	12 949	323 289
Acquisition of businesses	2 017	28 753	—	30 770
Disposals	(6 338)	(72 625)	(5 446)	(84 409)
Reclassification between assets	—	201 253	(201 253)	—
Exchange rate adjustment	(418)	(33 799)	(1 234)	(35 451)
At 30 June 2003	65 931	1 634 879	41 009	1 741 819
Accumulated depreciation				
At 30 June 2002	27 969	571 518	91 118	690 605
Charge for the year	3 972	164 891	6 939	175 802
Disposals	(6 172)	(37 388)	(3 711)	(47 271)
Reclassification between assets	—	73 483	(73 483)	—
Exchange rate adjustment	(94)	(11 252)	(897)	(12 243)
At 30 June 2003	25 675	761 252	19 966	806 893
Carrying amount:				
At 30 June 2003	40 256	873 627	21 043	934 926
At 30 June 2002	39 240	632 900	144 875	817 015

A register of immovable property is 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 net book value of R2,4 million (2003: R3,0 million) is encumbered as detailed in note 16.

Certain vehicles with a net book value of R4, 0 million (2003: R5,3 million) are subject to finance leases as detailed in note 16.

The insurable value of the group's property, vehicles and equipment as at 30 June 2004 amounted to R2,2 billion (2003: R2,1 billion). This is based on the cost of replacement of such assets.



	Group		Company	
	2004	Restated 2003	2004	2003
	R000	R000	R000	R000
3. GOODWILL				
Opening balance	48 057	51 096		
Net goodwill arising during the year	6 761	11 136		
Currency movement	(209)	(356)		
Amortisation	(9 828)	(13 819)		
	44 781	48 057		
Total goodwill amortised comprises				
Businesses acquired	9 828	13 819		
Associate and joint ventures (refer note 5)	3 731	3 766		
	13 559	17 585		
Goodwill is amortised over its expected useful life, which varies between 3 and 20 years.				
4. INVESTMENT IN SUBSIDIARIES				
Shares at cost			344 100	344 100
Amounts due by subsidiaries			245 751	202 925
			589 851	547 025
Amounts due to subsidiaries			(89 113)	(73 646)
			500 738	473 379
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 R64,3 million (2003: R49,6 million). Further details of principal subsidiaries are set out in Annexure A on page 88.				

Notes to the financial statements continued

for the year ended 30 June 2004



	Group		Company	
	2004	Restated	2004	2003
	R000	R000	R000	R000
5. INVESTMENT IN ASSOCIATE AND JOINT VENTURES				
The group's aggregate proportionate share of the associate company and joint ventures included in the balance sheet is as follows:				
Goodwill at the beginning of the year	28 506	32 272		
Goodwill transfer to subsidiary	(5 251)	—		
Goodwill amortised (refer note 3)	(3 731)	(3 766)		
Share of net asset value at date of acquisition	49 616	49 616		
Cost of investment	69 140	78 122		
Share of retained loss at the beginning of the year	(8 517)	(4 265)		
Share of operating profits/(losses)	550	(4 252)		
Disposed of during the year	2 812	—		
Transfer to subsidiary	5 885	—		
Balance at year-end	69 870	69 605		
Loan to associate and joint ventures	1 335	17 577	22 231	31 847
Carrying value at the end of the year	71 205	87 182	22 231	31 847
Comprising of:				
Goodwill	19 524	28 506		
Share of net asset value at date of acquisition	50 899	49 616		
Share of net operating losses	(553)	(8 517)		
Loan to associate and joint ventures	1 335	17 577	22 231	31 847
	71 205	87 182	22 231	31 847
Valuation of investments				
Directors' valuation of associate and joint ventures	71 300	90 000		
Aggregate of associate and joint ventures' net assets and revenue				
Property, vehicles and equipment, non-current assets, net of taxation	41 343	45 189		
Total borrowings	—	249 745		
Net working capital	65 175	321 668		
Revenue	321 644	377 794		
Operating (profits)/losses after taxation	(3 905)	11 270		

Details of the material associate and joint ventures are listed in Annexure A on page 88.



	Group		Company	
	2004	Restated	2004	2003
	R000	2003	R000	R000
		R000		
6. OTHER NON-CURRENT ASSETS				
Finance debtors (net of provisions)	16 625	16 484	—	—
Unitrans Limited Share Trust loans to participants	6 065	12 625		
Unlisted investments*	60 507	63 123	434	434
Share Trust loan**			12 663	39 817
(Directors' valuation of unlisted investments R60 507 000; 2003: R63 123 000)				
	83 197	92 232	13 097	40 251
* Details regarding the unlisted investments are available to shareholders on written request.				
** As at 30 June 2004 the Share Trust had granted total loans to employees totalling R19 621 376 (R2003: R40 248 457).				
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.				
8. INVENTORIES				
Vehicles	618 344	604 397	—	—
Spares	92 217	91 981	—	—
Consumables	20 717	12 109	—	—
	731 278	708 487	—	—
Included in the above are vehicles which are subject to a lien of R102,9 million (2003: R174,2 million) in respect of the manufacturers' floorplan financing.				

Notes to the financial statements continued

for the year ended 30 June 2004



	Group		Company	
	2004	Restated	2004	2003
	R000	R000	R000	R000
9. SHARE CAPITAL, SHARE PREMIUM AND TREASURY STOCK				
Share capital				
Authorised				
200 000 000 (2003: 200 000 000) shares of 10 cents each	20 000	20 000	20 000	20 000
Issued				
77 471 988 (2003: 76 420 247) shares of 10 cents each	7 747	7 642	7 747	7 642
Less:				
Unvested shares taken to treasury stock: 603 330				
(2003: 1 203 305) shares of 10 cents each	(60)	(120)		
Issued shares adjusted for treasury stock: 76 868 658				
(2003: 75 216 942) shares of 10 cents each	7 687	7 522	7 747	7 642
Share premium	415 867	401 209	404 854	397 232
Share capital and share premium	423 554	408 731	412 601	404 874
Treasury stock (refer note 29)	(12 734)	(22 870)	—	—
Total issued share capital and premium net of treasury stock	410 820	385 861	412 601	404 874

	Number of shares	
	2004	2003
Unissued shares		
Specifically reserved for the Unitrans Limited Share Scheme	5 305 249	6 201 869
Available for issue		
— Under the control of the directors	117 222 763	30 000 000
— Subject to the approval of the shareholders	—	87 377 884
Unissued shares at 30 June	122 528 012	123 579 753

10. 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 R	Number of options unexercised	
		2004	2003
27 September 2003	12,50	—	4 200
4 August 2004	17,75	2 000	41 150
9 August 2005	20,00	84 100	179 902
12 November 2006	23,45	68 165	110 180
29 September 2007	16,50	70 855	126 172
15 March 2008	17,00	11 375	30 250
14 May 2008	18,75	82 050	127 137
3 December 2008	13,00	67 500	128 750
19 September 2009	14,10	17 500	70 000
9 November 2009	15,00	169 375	371 875
17 May 2010	20,00	40 000	80 000
20 September 2010	23,70	—	30 000
9 January 2011	20,18	907 000	1 371 776
19 February 2012	18,20	546 250	670 000
19 November 2012	20,61	710 000	720 000
26 February 2013	20,10	100 000	100 000
26 February 2014	26,45	670 000	—
		3 546 170	4 161 392

The vesting periods of the shares and options allocated before 3 December 1998 were 30%, 35% and 35% on the third, fifth and seventh anniversaries respectively of the offer date. Allocations of shares and options on or after 3 December 1998 vested as to 25% on each of the second, third, fourth and fifth anniversaries of the offer date. The vesting of the options granted on or after 19 November 2002 was further subject to the matching or exceeding, over the relevant periods, of the growth in the Indi 25 index published by the JSE.



	Group		Company	
	2004	Restated	2004	2003
	R000	2003	R000	R000
		R000		
11. NON-DISTRIBUTABLE RESERVES				
Realised surplus				
— on sale of property	11 607	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
Statutory reserves of subsidiaries	245	245		
Insurance company contingency reserves	6 180	4 619		
Unrealised foreign currency translation reserve	(58 260)	(27 180)		
	108 812	138 523	34 675	34 675
12. RETAINED SURPLUS				
Analysis of retained surpluses				
Holding company	193 210	186 535	193 210	186 535
Subsidiaries	630 258	465 126		
Associate and joint ventures	(553)	(8 517)		
	822 915	643 144	193 210	186 535
13. MINORITY INTERESTS				
At beginning of the year	38 567	5 325		
Acquisition of additional interest in existing subsidiary	(1 291)			
Minority share of at acquisition earnings	—	30 994		
Loan from minority shareholder	3 576	—		
Share of net profit	8 850	9 206		
Dividends	(7 346)	(6 992)		
Currency adjustments	173	34		
	42 529	38 567		
14. PROVISIONS				
Property and buy-back lease commitments				
At the beginning of the year	15 266	26 242	—	—
Raised during the year	1 722	—	—	—
Provision released to the income statement	(5 560)	(10 976)	—	—
	11 428	15 266	—	—
Current portion	(3 311)	(5 560)	—	—
Balance at the end of the year	8 117	9 706	—	—

The long-term provisions are in respect of the onerous property lease and buy-back commitments, which have to be financed over a period ranging between two and six years. The provisions are based on the net present value of outstanding commitments.

Notes to the financial statements continued

for the year ended 30 June 2004



	Group		Company	
	2004	Restated	2004	2003
	R000	2003	R000	R000
		R000		
15. DEFERRED TAXATION				
15.1 Deferred taxation assets				
Movement of deferred taxation assets				
Balance at the beginning of the year	10 716	6 752	884	885
Current year movement	(4 425)	3 964	(118)	(1)
Arising on acquisition of businesses	2 733	—	—	—
Balance at the end of the year	9 024	10 716	766	884
Analysis of deferred taxation assets				
Capital allowances	56	—	—	—
Provisions	7 317	10 716	766	884
Prepayments	(736)	—	—	—
Estimated tax losses	2 387	—	—	—
	9 024	10 716	766	884
15.2 Deferred taxation liabilities				
Movement of deferred taxation liabilities				
Balance at the beginning of the year	132 878	126 630	—	—
Current year movement	18 450	6 248	—	—
Balance at the end of the year	151 328	132 878	—	—
Analysis of deferred taxation liabilities				
Capital allowances	150 311	131 893	—	—
Provisions	(5 765)	(6 548)	—	—
Prepayments	6 833	7 098	—	—
Other temporary differences	(51)	435	—	—
	151 328	132 878	—	—



	Group		Company	
	2004 R000	Restated 2003 R000	2004 R000	2003 R000
16. INTEREST-BEARING BORROWINGS, AMOUNTS DUE TO VENDORS FOR BUSINESSES ACQUIRED AND SHORT-TERM BORROWINGS				
Bank loans bearing variable interest at rates between 9,5% and 16% (2003: 15% and 19%) with varying repayment terms	3 930	112 426	—	—
Secured loans over immoveable property with a net book value of R2 402 000 (2003: R3 042 000) bearing interest at rates of 15% (2003: 15%) repayable within four years	2 553	3 288	—	—
Interest-bearing floorplan creditors	—	143 661	—	—
Unsecured loans bearing interest at rates which vary between 1% and 3% (2003: 1% and 3%) below prime with varying repayment terms	368 298	44 253	—	—
Unsecured loans bearing interest up to 9% repayable between three and five years	9 232	13 211	—	—
Finance leases over vehicles with a net book value of R4 021 000 (2003: R5 334 000) bearing interest at 1% (2003: 1%) below prime and repayable between July 2004 and June 2005	949	5 004	—	—
	384 962	321 843	—	—
Comprising				
Non-current liabilities				
Vendors for businesses acquired	3 232	12 023	—	—
Interest-bearing borrowings	4 709	4 790	—	—
Current liabilities				
Vendors for businesses acquired	6 000	1 188	—	—
Short-term borrowings	371 021	303 842	—	—
	384 962	321 843	—	—
17. REVENUE				
Sale of goods	6 211 406	5 084 581	—	—
Rendering of services	3 079 625	2 673 283	—	—
	9 291 031	7 757 864	—	—

Notes to the financial statements continued

for the year ended 30 June 2004



	Group		Company	
	2004	Restated	2004	2003
	R000	R000	R000	R000
18. OPERATING INCOME BEFORE DEPRECIATION				
Operating income before depreciation is arrived at after taking into account the following items:				
After crediting				
Income from subsidiaries				
– Dividends			84 222	133 842
– Administration and technical fees			4 640	3 300
Foreign exchange profits realised	527	1 170	–	–
After charging				
Cost of sales	8 006 790	6 234 695	–	–
Employees' remuneration and other benefits	960 527	781 742	–	–
Foreign exchange losses realised	6 272	3 227	–	–
Financial derivative	1 404	2 630	–	–
Contribution to retirement benefit funds*	89 429	79 055	–	–
Operating lease charges	100 781	78 664	–	–
– Properties	80 417	72 858	–	–
– Equipment	20 364	5 806	–	–
Auditors' remuneration	6 009	5 801	59	57
– Fees	4 321	3 941	59	57
– Underprovision prior year	466	478	–	–
– Other services	1 222	1 382	–	–
Remuneration paid for administrative and technical services	16 407	10 555	–	–
Directors' emoluments paid by subsidiaries			14 243	14 164
– Fees – non-executives			763	734
– Remuneration			5 922	5 297
– Gains on disposal of options			3 003	1 660
– Incentive bonuses			3 045	4 169
– Fringe benefit value of share incentive loans			1 368	2 172
– Other fringe benefits			142	132
Refer note 31 for details.				
Number of employees	12 680	11 498		

* Contributions to retirement benefit funds includes the R7,2 million provision raised in respect of deemed improper use of the surplus as detailed in note 28.



	Group		Company	
	2004	Restated 2003	2004	2003
	R000	R000	R000	R000
19. NET FINANCE (COSTS)/INCOME				
Interest paid				
– Banks	(49 628)	(61 746)	–	–
– Loans	(10 945)	(2 019)	–	(39)
	(60 573)	(63 765)	–	(39)
Interest received				
– Banks	10 682	10 205	754	4 491
– Other	536	1 117	–	–
	11 218	11 322	754	4 491
Net finance (costs)/income	(49 355)	(52 443)	754	4 452
20. TAXATION EXPENSE				
South African normal taxation				
– Current	54 093	68 255	1 358	2 075
– Deferred	24 342	933	118	1
Foreign taxation				
– Current	12 927	11 787	–	–
– Deferred	(1 467)	1 351	–	–
Prior year overprovision of normal taxation	–	(770)	–	–
Secondary taxation on companies and withholding tax	12 401	9 112	8 636	8 054
	102 296	90 668	10 112	10 130
Reconciliation of the taxation rate				
	%	%	%	%
Current year charge as a percentage of profit before taxation	28	28	12	7
Secondary taxation on companies and withholding tax	(3)	(3)	(10)	(6)
Dividends, capital profits/losses, amortisation and exempt income	7	8	28	29
Disallowable expenses	(2)	(1)	–	–
Foreign taxation	1	(2)	–	–
Deferred taxation assets not recognised	(1)	–	–	–
Statutory rate of taxation	30	30	30	30
Total estimated taxation losses	14 706	–	–	–
Less: Applied to offset deferred taxation liability	(7 953)	–	–	–
Available for offset against future taxable income	6 753	–	–	–

Notes to the financial statements continued

for the year ended 30 June 2004



	Group		Company	
	2004	Restated	2004	2003
	R000	R000	R000	R000
21. EARNINGS PER SHARE				
Headline earnings reconciliation				
Net profit attributable to shareholders	252 664	212 093		
Adjustments:				
Goodwill amortisation	13 559	17 585		
(Profit)/loss on disposal of property, vehicles and equipment	(3 535)	585		
	262 688	230 263		
Taxation relief on profit/(loss) on disposal of property, vehicles and equipment	792	(175)		
Headline earnings	263 480	230 088		
	Number of shares	Number of shares		
Weighted average number of ordinary shares in issue	76 000 839	74 733 180		
Weighted average number of ordinary shares in issue that would be issued on conversion of all dilutive ordinary shares	876 175	1 407 941		
Diluted weighted average number of ordinary shares in issue	76 877 014	76 141 121		
	Cents	Cents		
Earnings per share	332,5	283,8		
Earnings per share as previously stated		283,0		
Fully diluted earnings per share	328,7	278,6		
Fully diluted earnings per share as previously stated		282,2		
Headline earnings per share	346,7	307,9		
Headline earnings per share as previously stated		306,6		
Fully diluted headline earnings per share	342,7	302,2		
Fully diluted headline earnings per share as previously stated		305,8		
22. DIVIDENDS PER SHARE				
On 24 August 2004 the directors declared dividend number 31 of 100 cents per share (2003: 93 cents per share). This dividend has been declared payable on 4 October 2004 to those shareholders recorded as such in the books of the company at close of business on 1 October 2004.				
23. ATTRIBUTABLE INTEREST IN THE AGGREGATE NET PROFITS OR LOSSES OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES				
	R000	R000		
– Aggregate loss of holding company	(6 994)	(4 144)		
– Aggregate earnings of subsidiary companies	270 297	221 524		
– Aggregate losses of subsidiary companies	(11 189)	(1 035)		
– Aggregate profits/(losses) of associate and joint ventures	550	(4 252)		
	252 664	212 093		



24. CHANGE IN ACCOUNTING POLICY

During the year the group changed its accounting policy with regard to the consolidation of the Share Trust. The trust was created for the purpose of purchasing and holding shares on behalf of employees.

The trust was not previously consolidated into the accounts of Unitrans Limited. As a result of a revised interpretation of AC 132 (Consolidated Financial Statements) and AC 412 (Special Purpose Entities) by the JSE Securities Exchange South Africa GAAP Monitoring Panel, the Share Trust is required to be consolidated into the financial statements of Unitrans Limited retrospectively.

As a result of the consolidation of the Share Trust, the comparative information has been restated. Refer to note 29 for details of the restatement.

	Group		Company	
	2004 R000	Restated 2003 R000	2004 R000	2003 R000
25. COMMITMENTS				
Capital expenditure commitments to be incurred				
– Contracted but not provided for**	55 776	77 088		
This expenditure will be financed from internally generated funds and existing borrowing facilities.				
** Capital expenditure commitments exclude commitments relating to the purchase of Tlhabane Bus Services (NTI) as this is still subject to approval by the Competition Tribunal.				
Operating lease commitments				
Payable within one year	122 308	88 282		
Payable within five years	308 310	206 931		
Payable thereafter	302 344	235 899		
Buy-back agreements				
Unitrans Motors has certain buy-back commitments for vehicle sales. The commitments are based on conservative estimated residual values	140 397	196 215		

Notes to the financial statements continued

for the year ended 30 June 2004



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 material trade commitments. Each division manages its own trade exposure. In this regard the group occasionally enters into certain forward exchange contracts which 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 16.

Maturity profile of financial instruments

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

	2004 R000			
	Next year	1 – 4 years	> 4 years	Total
Financial assets				
Other non-current assets	–	23 124	60 073	83 197
Trade and other receivables	669 666	–	–	669 666
Cash and bank balances	218 997	–	–	218 997
Financial liabilities				
Trade and other payables	892 077	–	–	892 077
Non-interest-bearing floorplan creditors	117 362	–	–	117 362
Vendors for businesses acquired	6 000	3 232	–	9 232
Interest-bearing borrowings	371 021	4 709	–	375 730

	2003 R000			
	Next year	1 – 4 years	> 4 years	Total
Financial assets				
Other non-current assets	–	19 908	72 324	92 232
Trade and other receivables	524 248	–	–	524 248
Cash and bank balances	176 580	–	–	176 580
Financial liabilities				
Trade and other payables	804 448	–	–	804 448
Non-interest-bearing floorplan creditors	55 017	–	–	55 017
Vendors for businesses acquired	1 188	12 023	–	13 211
Interest-bearing borrowings	303 842	4 790	–	308 632



26. FINANCIAL INSTRUMENTS continued

Fair value of financial assets and liabilities

The directors consider that the carrying values of the financial assets and liabilities approximate their fair values.

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 credit guarantee or 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 the directors' report.

The subsidiaries, associate and joint ventures of the group are identified in Annexure A on page 88. The directors are listed on pages 6 to 9.

Material related party transactions

Loans to and from related parties – refer Annexure A, note 4 and note 5

Dividend income from related parties – refer note 18

Dividends paid – refer note 22

Directors' emoluments – refer note 18 and note 31

The group eliminates material intergroup balances and transactions.

28. EMPLOYEE BENEFITS

All employees are eligible for membership of the pension, provident and medical aid funds. The group companies' contributions to these funds during the year amounted to R89.4 million (2003: R79.1 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. This process began with the participation by Unitrans Limited as principal employer in an umbrella fund, the Alexander Forbes Retirement Fund (provident fund section) and the subsequent closing of the Unitrans Retirement Fund to new members on 1 June 2001. As the Transport and Logistics divisions acquire 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 fall 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. There is a minimum guarantee in place for the pre-1995 members of the Unitrans Retirement Fund. The fund is subject to the requirements of the Pension Funds Act regarding the surplus apportionment exercise. The fund trustees and actuaries are in the process of completing the surplus apportionment exercise as at 1 January 2003, being the surplus apportionment date. Until this exercise has been completed, there is no certainty as to the outcome. The initial surplus apportionment exercise is indicating that the group has an estimated obligation in respect of improper use (as defined in the legislation and regulations) amounting to approximately R7.2 million. The group has made provision, in the current year figures, for this potential obligation.

At 30 June 2004 membership of the pension funds within the group stood at 476 (2003: 503) while 4 808 (2003: 4 103) employees were members of the group provident funds. 450 (2003: 467) employees were covered by the group life assurance scheme for seasonal and contract workers. In addition 4 249 (2003: 3 055) employees were members of industry pension and provident funds.

26% (2003: 28%) 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.

Notes to the financial statements continued

for the year ended 30 June 2004



29. RESTATEMENT OF COMPARATIVES

The comparative information presented has been restated for the following:

- the consolidation of the Share Trust as per note 24.
- the reclassification of wholesale revenue relating to the Motor division, from cost of sales to revenue in accordance with AC 111 (Revenue).
- the reclassification of the Standard Bank call account from cash and bank balances to external short-term borrowings and interest-bearing floorplan creditors to external short-term borrowings to comply with current year classifications.

	2004 R000	2003 R000
Effect on income statement		
Increase in revenue due to reclassification of wholesale revenue	473 170	365 974
Decrease in margin due to reclassification of wholesale revenue	(0,15%)	(0,14%)
Increase/(decrease) in operating income before depreciation arising from the consolidation of the Share Trust	606	(4 890)
Decrease in net finance costs arising from the consolidation of the Share Trust	536	1 117
Effect on net profit for the year	1 142	(3 773)
Dividends on unvested shares	561	1 017
Effect on retained surplus	1 703	(2 756)
Effect on opening retained surplus for 2003		(5 774)
Effect on balance sheet		
Decrease in other non-current assets arising from the consolidation of the Share Trust	(6 472)	(27 192)
Increase in cash and bank balances for the reclassification of the Standard Bank call account	–	110 000
Increase in accounts receivable arising from the consolidation of the Share Trust	865	–
	(5 607)	82 808
Decrease in share capital and premium net of treasury stock		
– Impact on opening balances	(27 543)	(37 098)
– Treasury stock	(22 870)	(34 690)
– Share premium	3 857	3 366
– Retained surplus	(8 530)	(5 774)
– Current year movement	18 935	9 555
– Treasury stock	10 136	11 820
– Share premium	7 096	491
– Retained surplus	1 703	(2 756)
– Impact at year-end	(8 608)	(27 543)
– Treasury stock	(12 734)	(22 870)
– Share premium	10 953	3 857
– Retained surplus	(6 827)	(8 530)
Increase in accounts payable arising from the consolidation of the Share Trust	714	–
Increase in taxation	2 287	351
Decrease in floorplan creditors due to reclassification of interest-bearing floorplan creditors	–	(143 661)
Increase in short-term borrowings for the reclassification of the interest-bearing floorplan creditors	–	143 661
Increase in short-term borrowings for the reclassification of the Standard bank call account	–	110 000
	(5 607)	82 808
	Number of shares 000	Number of shares 000
Effect on weighted average number of shares in issue		
Weighted average number of shares as previously stated	76 879	76 278
Adjustment for unvested shares in Share Trust	(878)	(1 545)
Restated weighted average number of shares	76 001	74 733



30. GROUP SEGMENTAL REPORT

2004	Transport and Logistics			Motor and Financial Services			Group
	Freight and Logistics	Passenger	Total	Retail	Financial	Total	
Income statement							
Revenue	1 763 258	372 620	2 135 878	7 049 823	105 330	7 155 153	9 291 031
Operating income before depreciation	321 052	84 311	405 363	173 619	37 801	211 420	616 783
Depreciation	147 548	38 154	185 702	13 667	845	14 512	200 214
Operating income after depreciation	173 504	46 157	219 661	159 952	36 956	196 908	416 569
Balance sheet							
Total assets	1 539 005	240 230	1 779 235	1 037 784	149 826	1 187 610	2 966 845
Total liabilities	867 481	50 288	917 769	596 468	67 532	664 000	1 581 769
Net assets	671 524	189 942	861 466	441 316	82 294	523 610	1 385 076
Gross capital expenditure	404 505	54 582	459 087	21 380	147	21 527	480 614

Revenue earned outside of South Africa (Lesotho, Swaziland, Namibia, Botswana, Mozambique, Malawi and Tanzania) totalled R389 million (2003: R375 million). This translated into operating income after depreciation of R92 million (2003: R78 million). The total asset value attributable to these operations is R444 million (2003: R461 million). The total net asset value attributable to these operations is R326 million (2003: R332 million).

2003 (Restated)	Transport and Logistics			Motor and Financial Services			Group
	Freight and Logistics	Passenger	Total	Retail	Financial	Total	
Income statement							
Revenue	1 483 014	347 688	1 830 702	5 785 792	141 370	5 927 162	7 757 864
Operating income before depreciation	298 642	72 384	371 026	155 957	29 513	185 470	556 496
Depreciation	133 609	29 924	163 533	11 016	1 253	12 269	175 802
Operating income after depreciation	165 033	42 460	207 493	144 941	28 260	173 201	380 694
Balance sheet							
Total assets	1 314 813	202 299	1 517 112	974 449	90 867	1 065 316	2 582 428
Total liabilities	650 554	64 764	715 318	603 496	57 519	661 015	1 376 333
Net assets	664 259	137 535	801 794	370 953	33 348	404 301	1 206 095
Gross capital expenditure	231 945	67 304	299 249	23 778	262	24 040	323 289

Notes to the financial statements continued

for the year ended 30 June 2004



31. DIRECTORS' REMUNERATION AND INTERESTS

Directors' remuneration

The directors' remuneration for the year ended 30 June 2004 was as follows:

Executive directors

Name	Salary and allowances R000	(1) Performance bonuses R000	Retirement and medical funding R000	Company vehicles R000	(2) Deemed interest R000	2004 R000	2003 R000
PJ Dieperink	1 210	750	189		358	2 507	2 808
KJ Grové	1 916	1 000	180		580	3 676	4 353
SM Keys	986	1 075	294	142	354	2 851	2 783
RH Naisby	985	220	162		76	1 443	1 826
Sub-totals 2004	5 097	3 045	825	142	1 368	10 477	
Sub-totals 2003	4 555	4 169	742	132	2 172		11 770
Profit on exercise of share options:						2004 R000	2003 R000
PJ Dieperink						323	—
KJ Grové (3)						1 881	918
SM Keys						—	—
RH Naisby						799	742
						3 003	1 660

- 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 This relates to deemed interest on interest free loans granted in terms of the Unitrans Limited Share Scheme.
- 3 Includes payments of R918 000 and R913 000 made on 17 September 2002 and 17 September 2003 respectively (the Put Option Dates) in connection with the final two tranches of 60 000 shares forming 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 tranches, purchased on 17 September 1998 at R15,50 per share, to the Unitrans Limited Share Scheme at R32,50 per share, on the respective Put Option Dates.
- 4 The executive directors do not have fixed term contracts.

Non-executive directors

	Directors' fees R000	Audit committee R000	Remuneration committee R000	2004 R000	2003 R000
DC Brink	145 [¢]		36 [¢]	181	165
BC Bruce [#]	70		17	87	92
MJ Jooste [~]	82		17	99	92
D Konar	70	52 [¢]		122	117
PK Quarmby	70			70	76
RW Rees [#]	70	26		96	96
DM van der Merwe [~]	82	26		108	96
	589	104	70	763	734
Total remuneration paid to directors				14 243	14 164

[¢] Chairman

[#] Fees paid to Murray & Roberts Limited

[~] Fees paid to Steinhoff International Holdings Limited



31. DIRECTORS' REMUNERATION AND INTERESTS continued

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

The Unitrans Limited Share Purchase Scheme

	Number of shares held as at 30 June 2002	Number of shares purchased during the year 2003	Number of shares purchased during the year 2004	Purchase price (cents)	Number of shares sold during the year 2003	Number of shares sold during the year 2004	Number of shares held as at 30 June 2004	Vesting date	Expiry date
PJ Dieperink	15 000			1 300		15 000	—	03/12/2000	03/12/2008
	15 000			1 300		15 000	—	03/12/2001	03/12/2008
	15 000			1 300		15 000	—	03/12/2002	03/12/2008
	15 000			1 300		15 000	—	03/12/2003	03/12/2008
	25 000			1 500		12 500	12 500	10/11/2001	10/11/2009
	25 000			1 500			25 000	10/11/2002	10/11/2009
	25 000			1 500			25 000	10/11/2003	10/11/2009
	25 000			1 500			25 000	10/11/2004	10/11/2009
	20 000			2 000		20 000	—	17/05/2002	17/05/2010
	20 000			2 000		20 000	—	17/05/2003	17/05/2010
	20 000			2 000			20 000	17/05/2004	17/05/2010
	20 000			2 000			20 000	17/05/2005	17/05/2010
KJ Grové	37 500			1 550		37 500	—	17/09/2000	17/09/2008
	37 500			1 550		37 500	—	17/09/2001	17/09/2008
	37 500			1 550		37 500	—	17/09/2002	17/09/2008
	37 500			1 550		37 500	—	17/09/2003	17/09/2008
	50 000			1 500			50 000	10/11/2001	10/11/2009
	50 000			1 500			50 000	10/11/2002	10/11/2009
	50 000			1 500			50 000	10/11/2003	10/11/2009
	50 000			1 500			50 000	10/11/2004	10/11/2009
SM Keys	17 500			1 700		17 500	—	15/03/2003	15/03/2008
	17 500			1 700			17 500	15/03/2005	15/03/2008
				1 300				03/12/2000	03/12/2008
	15 000			1 300		15 000	—	03/12/2001	03/12/2008
	15 000			1 300		15 000	—	03/12/2002	03/12/2008
	15 000			1 300		15 000	—	03/12/2003	03/12/2008
				1 500				10/11/2001	10/11/2009
	25 000			1 500		25 000	—	10/11/2002	10/11/2009
	25 000			1 500		25 000	—	10/11/2003	10/11/2009
	25 000			1 500			25 000	10/11/2004	10/11/2009
	10 000			2 000		10 000	—	17/05/2002	17/05/2010
	10 000			2 000		10 000	—	17/05/2003	17/05/2010
	10 000			2 000			10 000	17/05/2004	17/05/2010
	10 000			2 000			10 000	17/05/2005	17/05/2010
	12 500			2 018		12 500	—	09/01/2003	09/01/2011
	12 500			2 018			12 500	09/01/2004	09/01/2011
	12 500			2 018			12 500	09/01/2005	09/01/2011
	12 500			2 018			12 500	09/01/2006	09/01/2011
RH Naisby	3 000			1 700		3 000	—	15/03/2001	15/03/2008
	3 500			1 700		3 500	—	15/03/2003	15/03/2008
	3 500			1 700			3 500	15/03/2005	15/03/2008
	10 000			2 000		10 000	—	17/05/2002	17/05/2010
	10 000			2 000		10 000	—	17/05/2003	17/05/2010
	10 000			2 000		10 000	—	17/05/2004	17/05/2010
	10 000			2 000			10 000	17/05/2005	17/05/2010
	885 000	—	—		—	444 000	441 000		

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

Notes to the financial statements continued

for the year ended 30 June 2004



31. DIRECTORS' REMUNERATION AND INTERESTS continued

The Unitrans Limited Share Option Scheme

	Number of options as at 30 June 2002	Number of options granted during the year 2003	Number of options granted during the year 2004	Option price during the year 2003 (cents)	Price at which exercised (cents)	Number of options exercised during the year 2004	Price at which exercised (cents)	Number of options as at 30 June 2004	Vesting date	Expiry date
P Dieperink	7 500			1 650		7 500	2 660	—	29/09/2000	29/09/2007
	8 750			1 650		8 750	2 660	—	29/09/2002	29/09/2007
	8 750			1 650				8 750	29/09/2004	29/09/2007
	7 500			1 700		7 500	2 660	—	16/03/2001	15/03/2008
	8 750			1 700		8 750	2 660	—	16/03/2003	15/03/2008
	8 750			1 700				8 750	16/03/2005	15/03/2008
	12 500			2 018				12 500	09/01/2003	09/01/2011
	12 500			2 018				12 500	09/01/2004	09/01/2011
	12 500			2 018				12 500	09/01/2005	09/01/2011
	12 500			2 018				12 500	09/01/2006	09/01/2011
	15 000			1 820				15 000	19/02/2004	19/02/2012
	15 000			1 820				15 000	19/02/2005	19/02/2012
	15 000			1 820				15 000	19/02/2006	19/02/2012
	15 000			1 820				15 000	19/02/2007	19/02/2012
		18 750*		2 061				18 750	19/11/2004	19/11/2012
		18 750*		2 061				18 750	19/11/2005	19/11/2012
		18 750*		2 061				18 750	19/11/2006	19/11/2012
		18 750*		2 061				18 750	19/11/2007	19/11/2012
			18 250*	2 645				18 250	26/02/2006	26/02/2014
			18 250*	2 645				18 250	26/02/2007	26/02/2014
			18 250*	2 645				18 250	26/02/2008	26/02/2014
			18 250*	2 645				18 250	26/02/2009	26/02/2014
K Grové	20 000			2 000		20 000	2 902	—	17/05/2002	17/05/2010
	20 000			2 000		20 000	2 902	—	17/05/2003	17/05/2010
	20 000			2 000				20 000	17/05/2004	17/05/2010
	20 000			2 000				20 000	17/05/2005	17/05/2010
	17 500			2 018		17 500	2 902	—	09/01/2003	09/01/2011
	17 500			2 018		17 500	2 902	—	09/01/2004	09/01/2011
	17 500			2 018				17 500	09/01/2005	09/01/2011
	17 500			2 018				17 500	09/01/2006	09/01/2011
	27 500			1 820		27 500	2 902	—	19/02/2004	19/02/2012
	27 500			1 820				27 500	19/02/2005	19/02/2012
	27 500			1 820				27 500	19/02/2006	19/02/2012
	27 500			1 820				27 500	19/02/2007	19/02/2012
		27 500*		2 061				27 500	19/11/2004	19/11/2012
		27 500*		2 061				27 500	19/11/2005	19/11/2012
		27 500*		2 061				27 500	19/11/2006	19/11/2012
		27 500*		2 061				27 500	19/11/2007	19/11/2012
			26 250*	2 645				26 250	26/02/2006	26/02/2014
			26 250*	2 645				26 250	26/02/2007	26/02/2014
			26 250*	2 645				26 250	26/02/2008	26/02/2014
			26 250*	2 645				26 250	26/02/2009	26/02/2014



31. DIRECTORS' REMUNERATION AND INTERESTS continued

The Unitrans Limited Share Option Scheme continued

	Number of options as at 30 June 2002	Number of options granted during the year 2003	Number of options granted during the year 2004	Option price (cents)	Number of options exercised during the year 2003	Price at which exercised (cents)	Number of options exercised during the year 2004	Price at which exercised (cents)	Number of options as at 30 June 2004	Vesting date	Expiry date
SM Keys	15 000			1 820					15 000	19/02/2004	19/02/2012
	15 000			1 820					15 000	19/02/2005	19/02/2012
	15 000			1 820					15 000	19/02/2006	19/02/2012
	15 000			1 820					15 000	19/02/2007	19/02/2012
		15 000*		2 061					15 000	19/11/2004	19/11/2012
		15 000*		2 061					15 000	19/11/2005	19/11/2012
		15 000*		2 061					15 000	19/11/2006	19/11/2012
		15 000*		2 061					15 000	19/11/2007	19/11/2012
			14 500*	2 645					14 500	26/02/2006	26/02/2014
			14 500*	2 645					14 500	26/02/2007	26/02/2014
			14 500*	2 645					14 500	26/02/2008	26/02/2014
			14 500*	2 645					14 500	26/02/2009	26/02/2014
RH Naisby	15 750			1 250	15 750	1 925			—	27/09/2000	27/09/2003
	5 950			1 775	5 950	2 130			—	04/08/1999	04/08/2004
	5 950			1 775	245	2 130	5 705	2 501	—	04/08/2001	04/08/2004
	5 100			2 000			5 100	2 501	—	09/08/1998	09/08/2005
	5 950			2 000			5 950	2 501	—	09/08/2000	09/08/2005
	5 950			2 000			5 950	2 501	—	09/08/2002	09/08/2005
	2 910			1 650	2 910	2 130			—	29/09/2000	29/09/2007
	3 395			1 650	3 395	2 130			—	29/09/2002	29/09/2007
	3 395			1 650					3 395	29/09/2004	29/09/2007
	12 500			1 300	12 500	1 925			—	03/12/2000	03/12/2008
	12 500			1 300	12 500	1 925			—	03/12/2001	03/12/2008
	12 500			1 300	12 500	2 130			—	03/12/2002	03/12/2008
	12 500			1 300			12 500	2 130	—	03/12/2003	03/12/2008
	25 000			1 500	25 000	2 130			—	10/11/2001	10/11/2009
	25 000			1 500	25 000	2 130			—	10/11/2002	10/11/2009
	25 000			1 500			25 000	2 600	—	10/11/2003	10/11/2009
	25 000			1 500					25 000	10/11/2004	10/11/2009
	12 500			2 018			12 500	2 501	—	09/01/2003	09/01/2011
	12 500			2 018			12 500	2 600	—	09/01/2004	09/01/2011
	12 500			2 018					12 500	09/01/2005	09/01/2011
	12 500			2 018					12 500	09/01/2006	09/01/2011
	12 500			1 820			12 500	2 600	—	19/02/2004	19/02/2012
	12 500			1 820					12 500	19/02/2005	19/02/2012
	12 500			1 820					12 500	19/02/2006	19/02/2012
	12 500			1 820					12 500	19/02/2007	19/02/2012
		12 500*		2 061					12 500	19/11/2004	19/11/2012
		12 500*		2 061					12 500	19/11/2005	19/11/2012
		12 500*		2 061					12 500	19/11/2006	19/11/2012
		12 500*		2 061					12 500	19/11/2007	19/11/2012
			12 250*	2 645					12 250	26/02/2006	26/02/2014
			12 250*	2 645					12 250	26/02/2007	26/02/2014
			12 250*	2 645					12 250	26/02/2008	26/02/2014
			12 250*	2 645					12 250	26/02/2009	26/02/2014
	784 350	295 000	285 000		115 750		232 705		1 015 895		

Note: The vesting periods of the shares and options allocated before 3 December 1998 were 30%, 35% and 35% on the third, fifth and seventh anniversaries respectively of the offer date. Allocations on or after 3 December 1998 vested as 25% on each of the second, third, fourth and fifth anniversaries of the offer date.

* The vesting of options granted on or after 19 November 2002 was further subject to the matching or exceeding, over the relevant periods, of the growth in the Indi 25 Index published by the ISE.

Annexure A



INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Amount of issued capital R	Share premium R	Cost of investments		Indebtedness	
			2004	2003	2004	2003
			R000	R000	R000	R000
SUBSIDIARIES						
TRANSPORT AND LOGISTICS						
Freight and Logistics						
Klipstone Transport (Proprietary) Limited (64%)	1 000		—	—	—	—
Unitrans Express Deliveries (Proprietary) Limited (75%)	1 000		—	—	2 602	3 282
Unitrans Ocean Logistics (Proprietary) Limited	100		—	—	—	—
Lesotho Carriers (Proprietary) Limited (incorporated in Lesotho)	1 000#		1	1	(180)	(180)
Pivot Transport (Proprietary) Limited	100					
Unitrans Botswana (Proprietary) Limited (incorporated in Botswana)	513 000*	11 015 000	502	502	—	—
Unitrans Freight (Proprietary) Limited	352 266	350 036 200	141 018	141 018	(1 604)	4 000
Unitrans Freight Logistics (Proprietary) Limited (75%)	100					
Unitrans Freight (Mining Services) (Proprietary) Limited (75%)	100					
Unitrans Fuel and Chemical (Proprietary) Limited (75%)	400		—	—	—	—
Unitrans Lesotho (Proprietary) Limited (75%) (incorporated in Lesotho)	1 000#		—	—	—	—
Unitrans Malawi Limited (incorporated in Malawi)	28 738 974##		—	—	—	—
Unitrans Moçambique Limitada (incorporated in Moçambique)	10 000 US\$		—	—	—	—
Unitrans Namibia (Proprietary) Limited (incorporated in Namibia)	100 \$	8 132 598	8 149	8 149	—	—
Unitrans Offshore Limited	38 792 US\$	15 079 713 US\$	116 395	116 395	—	—
Unitrans Sugar and Agriculture (Proprietary) Limited (75%)	100					
Unitrans Supply Chain (Proprietary) Limited	1 000				13 185	
Unitrans Swaziland Limited (75%) (incorporated in Swaziland)	262 162**		—	—	—	—
Unitrans Tanzania (Proprietary) Limited	12 000 Tsh	235 400 000 Tsh	—	—	—	—
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	10 576	5 000

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

	Amount of issued capital R	Share premium R	Cost of investments		Indebtedness	
			2004	2003	2004	2003
			R000	R000	R000	R000
MOTOR AND FINANCIAL SERVICES						
Motor Retail						
Autocare Warranty (Proprietary) Limited	1		—	—	—	—
Unitrans Motors (Proprietary) Limited	120 000		—	—	—	—
Unitrans Motor Enterprises (Proprietary) Limited	100		—	—	179 775	138 746
Unitrans Retail Services (Proprietary) Limited	1		—	—	—	—
Financial Services						
Contract Lease Management (Proprietary) Limited	100		—	—	—	—
Unitrans Finance (Proprietary) Limited (65%)	100		—	—	—	—
Unitrans Insurance Limited	9 001	9 140 999	—	—	—	—
CORPORATE						
Unitrans Services (Proprietary) Limited	100		—	—	(13 185)	12 000
Other property, dormant and investment companies	1 225 936	56 024 824	65 620	65 620	(34 531)	(33 569)
			344 100	344 100	156 638	129 279
ASSOCIATES AND JOINT VENTURES						
Alisa Holdings (Proprietary) Limited t/a Hertz (40%)	7 500					
Express Freight for Africa (Proprietary) Limited (50%)	100					
Nomakanjani Logistics Company (Proprietary) Limited (30%)	100					
Roadway Logistics (Proprietary) Limited (50%)	200		—	—	22 231	31 847
UniViron (Proprietary) Limited (50%)	100					
			—	—	22 231	31 847

*Pula **Emalangenani #Maloti ##Malawi kwacha \$Namibian dollar US\$United States dollar Tsh Tanzanian shilling

Details of dormant companies are available on request

Notice to members

Unitrans Limited

(Registration number 1967/003403/06)

JSE code: UTR ISIN: ZAE 000007670

("Unitrans" or "the company")



Notice is hereby given that the 37th annual general meeting of the members of the company will be held at 263 Oxford Road, Illovo, on Wednesday, 8 December 2004, at 12:30 for the following purposes:

1. To receive and adopt the annual financial statements for the year ended 30 June 2004
2. Directorate:

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

- 2.1 Mr KJ Grové
- 2.2 Mr PJ Dieperink
- 2.3 Mr SM Keys
- 2.4 Mr RH Naisby

A curriculum vitae for each director appears on pages 6 and 7 of the annual report.

3. To place 4 863 788 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 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: Special resolution
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, including the conclusion of derivative transactions which may result in any such acquisition of the company's shares, be and is hereby approved as a general approval in terms of section 85(1) and 89 of the Act, subject to the relevant provisions of the Act and to the Listings Requirements of the JSE in force at the time of acquisition and provided that:

- a) such acquisition is permitted in terms of the Act and the company's articles of association;
- b) such acquisition is limited to a maximum of 20% 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, in any one financial year, exceed 10% in the aggregate, of the number of issued shares of the company;
- c) such acquisition is made at a price which is not more than 10% above the weighted average of the market value for the securities concerned for the five business days immediately preceding the date of the acquisition;
- d) such repurchase is 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 are complied with; and
- f) the approval continues to be of force and effect only until the next annual general meeting of the company provided that it shall not extend beyond 15 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 buy-back 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 buy-back. It is the opinion of the directors that, for a period of 12 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 Generally Accepted Accounting Practice, in excess of its consolidated liabilities;



- have adequate ordinary capital and reserves; and
- have adequate working capital and reserves.

Should a share buy-back in terms of the general authority sought be contemplated by the directors, the written assurance of the company's sponsor in respect of the company's working capital shall be furnished by the company's sponsor, by way of a letter to the Listings Department of the JSE prior to the company entering the market to commence any share repurchases. Furthermore, the company's sponsor shall be consulted before the company:

- repurchases, in terms of the general authority, more than 10% of the shares in issue; or
- repurchases shares and the financial position of the group has changed materially from the date when the sponsor first issued its letter of assurance in respect of working capital.

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

General information relating to this special resolution

In accordance with paragraph 11.26 of the Listings Requirements of the JSE, the attention of shareholders is drawn to:

- 5.1 The importance of this resolution. Should shareholders be in any doubt as to what action to take, they are advised to consult appropriate independent advisors.
- 5.2 The following information, details of which are reflected on the pages of the annual report, of which this notice forms part, as indicated:
 - Directors and management of the company and its subsidiaries. Refer to pages 6 to 11.
 - Major shareholders of the company. Refer to page 55.
 - Directors' interest in the company's securities. Refer to page 56 (Interests of the directors in the share capital of the company) and to note 31 to the annual financial statements on pages 85 to 87.
 - Share capital of the company. Refer to note 9 to the annual financial statements on page 72.
- 5.3 Directors' responsibility statement
The directors, whose names are given on pages 6 to 9 of this annual report, collectively and individually accept full responsibility of the accuracy of the information given in this special resolution, and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statements false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by the Listings Department of the JSE.
- 5.4 Material changes
Other than the disclosure of post-balance sheet events and the BEE transaction which became unconditional on 1 October 2004, in terms of which the company allotted and issued 11 600 000 shares on 4 October 2004, as disclosed on page 35, there have been no material changes in the financial or trading position of the group since the publication of the financial results for the year ended 30 June 2004.
- 5.5 Litigation statement
The directors are not aware of any information on any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the previous 12 months, a material effect on the group's financial position.

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 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 4.25 to 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% 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% of the weighted average traded price on the JSE of the company's shares over the 30 business days prior to the date that the issue price is determined or agreed by the company's directors.

Notice to members continued



Should shares be issued for cash in terms of this authority representing, on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, an announcement shall be published in accordance with the provisions 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% of the votes cast by shareholders present or represented by proxy and entitled to vote at the meeting.

7. General authority to distribute share capital and/or reserves to shareholders

To authorise the directors, by way of a general authority, to distribute to shareholders of the company any share capital and reserves of the company in terms of Section 90 of the Act and Article 42B of the company's articles of association and in terms of the Listings Requirements of the JSE provided that:

- the general authority shall be valid until the next annual general meeting of the company or for 15 months from the passing of this ordinary resolution (whichever period is the shorter); and
- any general distribution of share premium by the company shall not exceed 20% of the company's issued share capital and reserves, excluding minority interests and any revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE.

The directors of the company are of the opinion that, were the company to enter into a transaction to distribute share capital and/or reserves totalling 20% of the current issued share capital and reserves of the company, excluding minority interests, for a period of 12 months from the date of this notice:

- the company, and the company and its subsidiaries (the group) will be able to pay its debts as they become due in the ordinary course of business;
- the consolidated assets of the company and the group, fairly valued in accordance with generally accepted accounting practice, will exceed its consolidated liabilities;
- the issued share capital of the company and the group will be adequate for the purpose of the business of the company and the group; and
- the working capital available to the company and the group will be adequate for the company and the group's requirements for the foreseeable future.

The reason for and effect of this ordinary resolution is to grant the board of directors of the company a general authority in terms of the Act for the distribution of share capital by the company to its shareholders. Such general authority will, subject to requirements of the Act and the JSE, provide the board with the flexibility to distribute any surplus capital of the company to its shareholders.

General information relating to this ordinary resolution

Shareholders are advised to refer to the general information detailed at agenda item number 5 above relating to the application for a general authority to repurchase shares; which general information shall apply mutatis mutandis to this ordinary resolution. In addition, shareholders are advised that, should this requested authority be granted and should a general payment be implemented in accordance with such authority, an announcement would be published in accordance with the Listings Requirements of the JSE, including but not limited to the requirements of schedule 24 thereto.

8. Directors' fees

8.1 Ratification of directors' fees

To ratify the aggregate sum of R388 375 in respect of fees paid to the non-executive directors for the six months ended 30 June 2004.

The directors' fees paid in respect of the financial year ended 30 June 2004 are disclosed on page 84 of the report to which this notice is attached.



8.2 Approval of directors' fees

To approve the fees to be paid, in arrears, to the non-executive directors for the period 1 July 2004 to 31 December 2004 as detailed below.

To be approved for the period
1 July 2004 to 31 December 2004

Board	R
Chairman	75 000
Non-executive director	16 000
	(See note)
Audit and risk management committee	
Chairman	26 750
Member	13 375
Remuneration, human resources and nominations committee	
Chairman	18 725
Member	8 575

Note

With effect from 1 January 2004, the fee payable to non-executive directors is a per meeting fee in respect of each of the scheduled board meetings. Additional fees are payable on a pro-rated time basis should extra ad hoc meetings be convened. The fees payable to the non-executive directors are reviewed on an annual basis and annual increases are effective from 1 January.

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

By order of the board

A handwritten signature in black ink, appearing to read "J. V. Radnay".

JV Radnay
Secretary

Illovo
12 November 2004

Notice to members continued



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 hours before the time of the meeting, excluding Saturdays, Sundays and public holidays.

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 93. Additional forms may be obtained on request from the transfer secretaries of the company or from the company's registered office.

The form of proxy, in which the relevant instructions for completion are set out, is attached for the use of certificated shareholders and dematerialised shareholders with "own name" registration who are unable to attend the general meeting but wish to be represented at the meeting. Completion of the relevant form of proxy will not preclude such shareholder from attending and voting (in preference to those shareholders' proxies) at the general meeting.

Dematerialised shareholders, other than those with "own name" registration, who wish to attend the annual general meeting must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the general meeting and obtain the necessary authorisation from the CSDP or broker.

Should they be unable to attend the general meeting, dematerialised shareholders, other than those with "own name" registration and who wish to be represented thereat, must instruct their CSDP or broker as to how they wish to vote. This must be done in a manner and time stipulated in terms of the agreement entered into between such shareholder and the CSDP or broker.

Form of proxy

Unitrans Limited

(Registration Number 1967/003403/06)

JSE code: UTR ISIN: ZAE 000007670

("the company")



For use at the annual general meeting of the company to be held on Wednesday, 8 December 2004, at 12:30.

I/We

of

being (a) shareholder/s of the company holding ordinary shares 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, Johannesburg on Wednesday, 8 December 2004 at 12:30 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 for the year ended 30 June 2004			
2. Directorate: The individual re-election of the following directors who retire by rotation in accordance with the company's articles of association: KJ Grové PJ Dieperink SM Keys RH Naisby			
3. Resolution to place 4 863 788 unissued shares under the control of the directors for purposes of the Unitrans Limited Share Scheme			
4. Resolution to place the balance of the 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 grant the directors a general authority to distribute share capital and reserves			
8. Directors' fees			
8.1 Resolution to ratify the fees paid to non-executive directors for the six month period ended 30 June 2004			
8.2 Resolution to approve the fees payable to non-executive directors for the six months ending 31 December 2004			

Signed this

day of

2004

Signature

Notes to the form of proxy



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

1. The following categories of shareholders are entitled to complete a form of proxy:
 - 1.1 Certificated shareholders whose names appear on the company's register
 - 1.2 Own name dematerialised electronic shareholders whose names appear on the sub-register 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 2004 (Proprietary) Limited 70 Marshall Street, Marshalltown, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by not later than 12:30 on Monday, 6 December 2004.
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.

Note:

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

Shareholders' diary

for the year ended 30 June 2004



Financial year-end

30 June

Reports and profit statements

Announcement of audited results 2003/2004	Published	24 August 2004
Annual financial statements 2003/2004	Published	November 2004
Interim report 2004/2005	To be published	February 2005

Annual general meeting

8 December 2004

Dividends

Final dividend 2003/2004	Declared	24 August 2004
	Record date	1 October 2004
	Paid	4 October 2004

Administration

for the year ended 30 June 2004



Unitrans Limited

Registration number 1967/003403/06
JSE code: UTR
ISIN code: ZAE000007670

Secretary

JV Radnay (FCIS)
e-mail: jan.radnay@unitrans.co.za

Business address and registered office

263 Oxford Road
Illovo
Johannesburg 2196
Telephone: 011 912 7000
Telefax: 011 442 7802

Postal address

PO Box 615
Northlands
Johannesburg 2116

Transfer secretaries

Computershare Investor Services 2004 (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg 2001
PO Box 61051
Marshalltown 2107
Telephone: 011 370 7700
Telefax: 011 688 7716

Auditors

Deloitte & Touche
Deloitte & Touche Place
The Woodlands
Corner Woodmead and Kelvin Drives
Woodmead 2199
Telephone: 011 806 5000
Telefax: 011 806 5003

Legal

Cliffe Dekker Attorneys
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Private Bag X7
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Sponsor

PSG Capital Limited
Building No 8
Woodmead Estate
1 Woodmead Drive, Woodmead, Rivonia
PO Box 987
Parklands 2121
Telephone: 011 797 8400
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