

D I V E R ' | S E

spread (invest-
ment) over several enterprises

U N I T R A N S L I M I T E D A N N U A L R E P O R T 2 0 0 5



O U R V I S I O N

A CUSTOMER CENTRIC INTERNATIONAL PROVIDER OF DIVERSIFIED
SERVICES, DELIVERING SUSTAINABLE PROFIT GROWTH

W H O W E A R E

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

Unitrans Limited Annual Report 2005

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GROUP OBJECTIVES

Objectives set for 2005

Performance in 2005

Revenue growth	Revenue from the group's activities grew by 19% to R11,2 billion (2004 restated: R9,4 billion).
Real headline earnings growth	Headline earnings grew by 16% to R294,7 million (2004 restated: R254,2 million).
Maintain return on shareholders' funds	The group's return on shareholders' funds was stable despite the additional 11,6 million shares allotted and issued for the BEE transaction via Fundiswa Investments (Proprietary) Limited.
Bed down the NTI acquisition in Passenger	The acquisition of NTI has been successfully bedded down and has contributed to Passenger's success in the current year.
Focus on management of costs	All the group's divisions have placed additional focus on the management of costs, which have been contained at acceptable levels.
Seek opportunities for continued growth in existing and new markets/products	The group has achieved substantial growth in its Motor and Passenger divisions. The Freight and Logistics division has expanded its service offerings and is focusing on the provision of complete supply chain solutions to its customers, both existing and new.

Objectives set for 2006

- Revenue growth
- Headline earnings growth
- Growth in the international component of the group's businesses
- Reposition Freight and Logistics as a supply chain service provider
- Expand in the commuter bus transport market
- Growth in the group's car rental operations
- Expand Motors' retail footprint
- Increase return on shareholders' funds



For further information on each of our operations please visit www.unitrans.co.za



2 0 0 5

H I G H L I G H T S

Revenue increased by 19% to R11,2 BILLION

Headline earnings increased by 16% to R294,7 MILLION

Headline earnings per share increased to 343,7 CENTS

Cash distribution to shareholders of 110 CENTS per share

Net asset value per share increased by 17% to 1 987 CENTS

11 600 000 shares allotted and issued on 4 October 2004 for purposes of a BEE transaction

Steinhoff International Holdings Limited acquired control of the company on 12 January 2005

Motor Retail had a record year

The majority of the operations in the Freight and Logistics division turned in solid performances

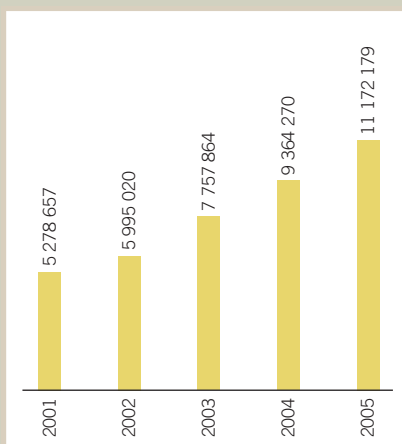
Exciting new opportunities have been secured by Unitrans Supply Chain (Proprietary) Limited

Passenger's entry into the commuter bus transport market in the Rustenburg area has been most successful

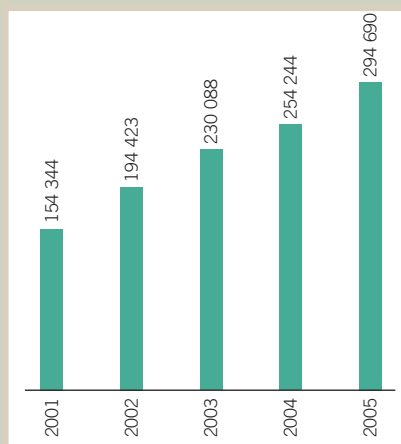
Non-performing operations have been restructured

Roadway Logistics (Proprietary) Limited now 100% owned

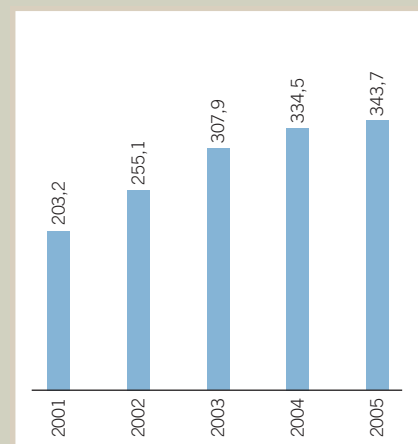
13 394 employees across 11 countries



REVENUE (R000)



HEADLINE EARNINGS (R000)



HEADLINE EARNINGS PER SHARE (CENTS)

Key financial information	2005 Rm	2004 restated Rm	% change
Revenue	11 172,2	9 364,3	19
Operating income after depreciation	412,5	400,7	3
Net finance costs	(41,0)	(49,0)	(16)
Profit before taxation	373,9	357,8	5
Net profit for the year attributable to Unitrans shareholders	275,7	243,4	13
Total assets	4 200,3	3 529,5	19
Cash available from operations	483,8	447,5	8
Ordinary share performance (cents per share)	Cents	Cents	
Earnings per share	321,5	320,3	—
Fully diluted earnings per share	318,6	316,6	1
Headline earnings per share	343,7	334,5	3
Distribution/dividend per share declared	110,0	100,0	10
Net asset value per share	1 986,8	1 691,9	17
Financial statistics	%	%	
Operating margin	3,7	4,3	(14)
Return on capital employed	25,3	26,2	(3)
Return on shareholders' funds	18,1	18,8	(4)



OUR DIVERSE SPREAD OF ENTERPRISES



Supply Chain Solutions Freight and Logistics

Unitrans Freight

Specialised distribution and warehousing services to the mining, manufacturing, industrial and allied sectors of the economy, together with the provision of express delivery services.

Unitrans Fuel and Chemical

Specialised transportation and fuel logistics services to the petrochemical and gas industries.

Unitrans Sugar and Agriculture

Comprehensive transport and related logistics services to the sugar and agricultural industries, including forestry.

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.

GROUP STRUCTURE



Passenger Services

Unitrans Passenger

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



Motor Retail, Financial Services and Car Rental

Unitrans Motors

New and pre-owned vehicle sales, parts and accessories sales, and after-market service, with 62 dealerships nationwide.



Unitrans Insurance Contract Lease Management

Consumer credit, insurance products and fleet management services.

Hertz Rent a Car

The rental of passenger vehicles to individual and corporate customers.

A R E A S O F
O P E R A T I O N



OUR FOOTPRINT

1. South Africa

Distribution, transportation and logistics services to the food and beverage, animal feeds, poultry, construction, steel and engineering, mining, explosives, fuel, chemical, gas, sugar, sugar cane and forestry industries, including warehousing to certain of these sectors; courier services; supply chain and logistics re-engineering services, distribution and 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 financial services, and car rental.

2. Lesotho

Fuel and gas bridging and distribution.

3. Swaziland

Distribution of sugar, transportation of sugar cane, agricultural services, fuel distribution and bridging, distribution of beverages and paper, and general haulage.

4. Namibia

Haulage and distribution of fuel, bitumen, cement, concrete products, fertiliser, beverages and salt, and car rental.

5. Botswana

Haulage and distribution for the mining and fuel industries, cement warehousing and distribution, sugar and salt distribution, transportation of bricks, consolidation of breakbulk, general haulage, courier services and passenger transport.

6. Zimbabwe

Fuel bridging, beverage distribution and passenger transport.

7. Zambia

Fuel bridging and distribution of fertiliser and beverages.

8. Mozambique

Transportation of sugar cane, agricultural services, gas bridging, distribution of packed lubes and passenger transport.

9. Malawi

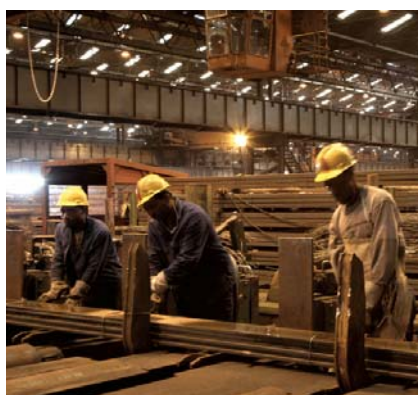
Transportation of sugar cane.

10. Tanzania

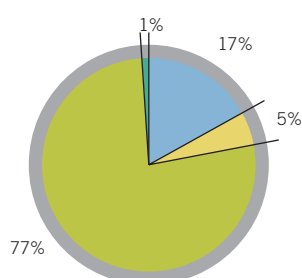
Transportation of sugar cane and timber, and agricultural services.

11. Democratic Republic of Congo

Fuel bridging.

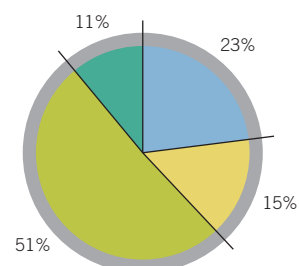


REVENUE PER SEGMENT



■ Freight and Logistics
■ Passenger
■ Retail
■ Financial

OPERATING INCOME AFTER DEPRECIATION PER SEGMENT



■ Freight and Logistics
■ Passenger
■ Retail
■ Financial

BOARD OF DIRECTORS

INDEPENDENT NON-EXECUTIVE CHAIRMAN

David (Dave) Charles Brink (66)*^Δ#
MSc Eng (Mining), DCom (hc), Graduate diploma in Company Direction

Appointed: 25 November 1997

Retired as Chairman of Murray & Roberts Holdings Limited ("M&R") at the end of 2003.

Dave is deputy chairman of Absa Bank Limited and Absa Group Limited, director of Sanlam Limited, Sappi Limited ("Sappi"), BHP Billiton and BHP Billiton PLC, where he is chairman of the health, safety and environment committee and a member of the risk management and audit committee.

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



EXECUTIVE DIRECTORS

Karel (Jo) Johan Grové (56) #
Chief Executive
AMP (Oxford)

Appointed: 1 September 1998

In 1976 Jo 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 established Imperial Bank and served on the main board of Imperial Holdings until he joined Unitrans Limited as chief executive in September 1998.

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



Philip Jean Dieperink (49)
Financial Director
BCom (Hons), CTA, 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 M&R 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 and also chairs the divisional audit committees.



NON-EXECUTIVE DIRECTORS

Stephen (Steve) Mark Keys (44)
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 (South Africa) 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.



Markus Johannes Jooste (44) # Δ
BAcc, CA(SA)

Appointed: 29 May 2000

In 1988 Markus joined Gommagomma Holdings (Proprietary) Limited (now Steinhoff Africa Holdings (Proprietary) Limited ("Steinhoff Africa")), as financial director whereafter he became involved in merging the southern Africa furniture operation with the extensive interests of Bruno Steinhoff. Steinhoff International Holdings Limited ("Steinhoff") was listed on JSE Limited on 23 September 1998 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 and he also acts as chairman of Steinhoff Africa. Markus serves on several boards within the Steinhoff group's operations in Europe, the United Kingdom and Australia.

In February 2002 Markus was appointed to PSG Group Limited as a director and to the board of PG Bison Holdings (Proprietary) Limited in May 2002, pursuant to Steinhoff Africa's investment in this Group.

Pursuant to the acquisition in June 2005 by Steinhoff of a 60,8% interest in Homestyle Group Plc (listed on the London Stock Exchange ("LSE")), Markus was also appointed to that board.

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



Deenadayalen (Len) Konar (51) * •
BCom, CA(SA), MAS, DCom

Appointed: 25 October 2001

Dr Len Konar 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.

Dr Konar is a non-executive director of Old Mutual South Africa, the South African Reserve Bank, JD Group, Sappi, Kumba Resources and Steinhoff. He also chairs or serves on the audit committees of these boards and on a number of other listed companies and public sector corporations. He was appointed as an external audit committee member of the International Monetary Fund in December 2004.

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



NON-EXECUTIVE DIRECTORS continued

Desmond Lockey (43) ^Δ
BA(Law), BA (Hons) (Bus Management & Administration)

Appointed: 6 May 2005

At the time of the transition to democracy in South Africa, Desmond was a representative at Codesa and the multi-party negotiating forum, serving on many bodies and committees that facilitated the transition.

Prior to his resignation from parliament last year, Desmond occupied various positions within parliament and served on several parliamentary committees. As chairman of the Home Affairs Portfolio Committee he was responsible for piloting many important laws through the Home Affairs Committee, including the Electoral Act and the Citizenship Act.

In February 2004 he was appointed chief executive of Arch Equity Limited and a non-executive director on the board of PSG Group Limited. He also serves on the boards of many other companies including Capitec Bank Holdings Limited and BKB Limited.



Kgomotso (Brian) Mosehla (33) ^Δ [¥]
BCompt (Hons) CTA CA(SA)

Appointed: 6 May 2005

After serving articles at KPMG, Brian joined Telkom for a year in the Project Finance Division. He worked for five years at African Merchant Bank Limited, where he gained a broad range of experience including MBO, LBO and capital restructuring.

In 2003 he established Mvelaphanda Corporate Finance for the development of Mvelaphanda Mining and non-mining interests.

Brian serves as a director on the boards of several other companies, including Mvelaphanda Resources Limited.



Patrick Keith Quarmby (51) *
CA(SA) (Hons)

Appointed: 13 December 1999

Patrick 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.

Patrick 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.





Daniel (Danie) Maree van der Merwe (47) ^Δ

BCom, LLB

Appointed: 29 May 2000

After admission as an Attorney of the High Court of South Africa in 1986, Danie practiced 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 its board.

On 6 December 1999 Danie was elected to the Steinhoff board and acts as group managing director for Steinhoff Africa. Pursuant to the subscription for shares in Unitrans Limited in June 2000, Danie was appointed to the board of Unitrans. Following Steinhoff Africa's investment in PG Bison Holdings (Proprietary) Limited ("PG Bison") 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.



Johannes (Jan) Henoch Neethling van der Merwe (45) ^Δ [¥]

BAcc, BCompt (Hons), CA(SA)

Appointed: 6 May 2005

Jan joined Gommagomma Holdings (now Steinhoff Africa) in 1989. He was appointed managing director of Steinhoff Africa Group Services (Proprietary) Limited in 1999 and managing director of Steinhoff International Group Services in 2001.

Jan was appointed to the board as chief financial officer of Steinhoff International Holdings Limited in November 2003 and also serves on the board of PG Bison and Homestyle Plc (listed on the LSE).



* Independent non-executive director

• Chairman of the audit and risk committee

¥ Member of the audit and risk committee

‡ Chairman of the remuneration, human resources and nominations committee

Member of the remuneration, human resources and nominations committee

Δ Directors who will be retiring by rotation at the annual general meeting of shareholders on 28 November 2005 and who, being eligible, will be offering themselves for re-election

EXECUTIVE COMMITTEE

Jo Grové *
Chief Executive
Unitrans Limited

Philip Dieperink *
Financial Director
Unitrans Limited

Steve Keys *
Managing Director
Motor and Financial Services

Alan Young (59)
Human Resources Executive
Unitrans Services

** 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 8 and 9.*

Group experience: 7 years

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

Other: Council member of the
National Bargaining Council for the
Freight Industry and vice-chairman
of the Road Freight Employers
Association

Total human resources and
industrial relations experience:
34 years



	Nico Boshoff (50) Managing Director Unitrans Passenger	Steve Ford (36) Managing Director Unitrans Supply Chain	Charles Howes (53) Managing Director Unitrans Fuel and Chemical	Theunis Nel (38) Managing Director Unitrans Sugar and Agriculture	Jan van der Merwe (60) Managing Director Roadway Logistics
	Group experience: 10 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 transport industry experience: 24 years	Group experience: 6 years Qualifications: MSc Eng Other: Member of the Council for Logistics Management, Logistics Achievers Total logistics industry and production experience: 13 years	Group experience: 23 years Qualifications: RAU diploma in Road Transport Management, MAP (Wits Business School), Chartered member of the Chartered Institute of Logistics & Transport (SA) Total transport industry experience: 23 years	Group experience: 3 years Qualifications: MEng (Agric), Management Diploma (Henley), PrEng Total sugar and transport industry experience: 13 years	Group experience: 33 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: 33 years
					

The board is of the view that the group is on track to meet its objectives



Dave Brink – Chairman

CHAIRMAN'S REPORT

Dear shareholders

During January 2005 the transaction involving the sale by Murray & Roberts Holdings Limited ("M&R") of the 34 216 680 shares it held in Unitrans Limited ("Unitrans") to Steinhoff International Holdings Limited ("Steinhoff"), was completed following clearance from the competition authorities. This resulted in Steinhoff becoming the majority shareholder of Unitrans which, together with the previously announced purchase of 13,02% of our group's total equity by Fundiswa Investments (Proprietary) Limited ("Fundiswa") has given Unitrans a strong shareholding support base. Fundiswa is a combination of Mvelaphanda Capital (Proprietary) Limited ("Mvelaphanda"), Arch Equity Limited ("Arch Equity") and an employee trust. This has greatly improved leadership dynamics and general morale in the group.

The M&R-Steinhoff transaction took five months to complete, mainly because of regulatory requirements but included, during the negotiation phase, the threat of a hostile bidder (and a possible asset strip) gaining control of Unitrans. This meant that management and staff had to endure a long period of uncertainty. They deserve great credit for their loyalty and dedication during these unsettling times, and our appreciation for continuing to drive the operations of the group for the benefit of all shareholders.

Business environment

In the past

The South African economy performed remarkably well during the last year with above average growth, while inflation has remained under control. Consumer demand has also been higher than expected, boosted by relatively low interest rates and defying the shocks caused by the oil price exceeding \$50,00 per barrel.

The three-year long strengthening trend of the rand to the end of 2004 has been a major factor behind the lowering of inflation levels to within the 3% to 6% target range. This has allowed interest rates to be lowered to multi-decade lows. Monetary and fiscal management of the economy has, over this period, been in line with global best practice and the South African economy has increasingly been integrated into the international economy. The rand now appears to be ready to trade in a more cyclical fashion according to the natural business cycle.

For the future

Under the current circumstances of a relatively weaker rand and rampant oil prices, further interest rate cuts look to be a remote possibility. However, if inflation continues to beat expectation and some of the upside inflationary risks ease from current levels, then further relaxation of monetary policy could become a possibility.

Notwithstanding the continuously improving performance of the South African economy, and the significant job creation flowing from it, South Africa still suffers from a large overhang of structural unemployment, which exceeds a quarter of our employment-seeking population. This unhappy situation is exacerbated by a skills mismatch between the needs of the economy and the skills of individuals seeking employment. It is encouraging that government is increasingly aligning its policies towards promoting growth and employment in the country and that more urgent attention is being given to addressing backlogs in education and skills development.

GDP growth is expected to continue at satisfactory levels over the year ahead, notwithstanding predictions of economic slow-down in the USA, UK and Germany. South African exports are likely to remain under pressure because of the above and the relatively strong South African rand, even though the demand for minerals and commodities from China should remain strong. The oil price, which has recently been trading well above \$50,00 per barrel, may be moderated by the slow-down in global economic growth. It is, however, likely to remain at relatively high levels over an extended period because of the failure by many of the main petroleum producers to secure adequate replacement reserves.

Freight and Logistics

Besides having an adverse effect on inflation and the South African economy, high oil prices obviously have a direct effect on

Unitrans' businesses. Good growth from general economic activity, including imports, should however improve opportunities in the transportation sector and help to counter-balance oil price effects and the effects of a struggling export industry on transportation margins.

Motors

A buoyant consumer economy with relatively low interest rates and inflation should continue to provide a favourable environment for our Motor and Financial Services division.

Passenger

The economic drivers for our Passenger division, namely the level of tourism, the activity of our mining customers, the price of fuel, and the competition from airlines on long haul city-to-city routes, indicate a fiercely competitive environment for the year ahead. However, good opportunities exist for profitable expansion in the local and regional commuter market.

Transportation infrastructure

South Africa's rail networks and systems have suffered from neglect over many years, resulting in over dependence by the economy on road transport. It is good that deficiencies in this area are now fully recognised by government and that significant moves have been made to strengthen the leadership and management of Transnet and Spoornet. As improvements are made in this arena, more attention will need to be given to establishing efficient interfaces between road and rail transportation. Our group will be working hard to provide solutions related to Spoornet's goods operations and the passenger distribution needs of the Gautrain project, when operational.

Corporate social involvement

HIV/AIDS

Last year we reported that the group had embarked upon a pilot HIV/AIDS treatment programme. Some 500 employees were covered by the pilot project, over 70% of whom took advantage of the voluntary counselling and testing programme. Seventy-seven (or 15%) of these employees proved to be HIV positive and, of these, 10% have registered on the programme. Further efforts are being made to encourage the other HIV positive employees to join the programme. Confidential reports cite the dramatic recovery of two programme participants who had blood counts below 40 and are now productively back at work.

Subsequent to this pilot project, the Freight Industry National Bargaining Council entered

into negotiations and reached agreement on a programme, identical to the Unitrans programme, to be rolled out across the Freight industry. The agreement is subject to Department of Labour promulgation making it available to all employees. The freight industry's "Trucking Against Aids" project, currently operating nationwide roadside wellness clinics, will be used as part of the industry roll out scheme. This programme has secured international donor aid.

Business Trust

Unitrans is a proud sponsor of The Business Trust, which successfully completed its first five-year programme last year. The Business Trust is a partnership between leading, socially responsive business groups and the South African government. The parties have decided to proceed with a second phase based on the proposal of a joint oversight committee appointed by President Mbeki that confirmed the Trust's role, retained its structure and refocused its programmes for a further five-year term. The new programme focus responds to some of South Africa's most important challenges in a manner that capitalises on the partnership embodied in the Trust. The programmes support the national drive for growth and investment, and contribute directly to meeting the needs of the unemployed.

By 2010 the Trust aims to show that:

1. South Africa has:
 - a competitive business process outsourcing industry and a viable small enterprise support system in the tourism sector;
 - an expanded public works programme functioning at scale with appropriate private sector participation;
 - an approach to urban and rural development that incorporates increased economic and social investment by the private sector; and
 - a strengthened model for business-government co-operation.
2. at least one million unemployed people will have benefited from the programmes over the five-year period (2005 – 2009);
3. an effective dialogue can be maintained on the strategic issues affecting growth, investment and jobs; and
4. leaders in the public and private sectors have an appreciation of the commitment of business, the value of partnership and the contribution of the Trust.



Health, safety and the environment

As a major user of the national road network, Unitrans is very conscious of the need for safe driving practices and care of the environment. The group advocates a policy of self-regulation, and to this end insists on compliance with all road and environmental regulations by our staff. Practices are in place to ensure our drivers are safety aware and our vehicles roadworthy at all times. Annual retraining and health checks are conducted to ensure drivers' levels of fitness are maintained to reduce the risks of fatigue.

Formal processes are in place, which are audited by independent parties, to ensure Unitrans upholds the highest standards of environmental care, particularly in the case of spillages of fuel or other toxic loads.

Corporate governance

Our group maintains its proactive and pragmatic approach to achieve continuous improvement in this fast-developing arena. We see good corporate governance as being integral to Unitrans' operations and we are fully committed to the principles of the Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance (King II), the purpose of which is to promote the highest levels of corporate governance in South Africa.

Changes to the board

Farewell

Roger Naisby retired as an executive director in December 2004 after 30 years in the transport and logistics industry and a dozen

years at Unitrans, of which a decade was as a director on our board. Roger was appointed to the board of the Road Freight Association in 1994, serving as chairman of the association from 1997 to 2000.

Roger's extensive knowledge and experience in the transport and logistics industry blended with his analytical skills as a qualified chartered accountant. His personal sincerity, integrity and affable manner, equipped him with the attributes that made him a well-liked and valued leader in our enterprise. I speak for all at Unitrans in thanking Roger for his major contribution and wishing him and his wife Debbie a long and enjoyable retirement.

Brian Bruce and Roger Rees resigned as directors during January 2005 after four-and-a-half years and three years service respectively, following the sale by M&R of its shareholding in Unitrans. As the nominees of a major shareholder, both Brian and Roger were active, assertive and influential directors on our board and board committees, with Brian serving on the remuneration, human resources and nominations committee and Roger on the audit and risk committee. We wish them well in their future endeavours.

Welcome

We were pleased to welcome Desmond Lockey, Kgomoitso (Brian) Mosehla, and Johannes (Jan) van der Merwe to the board during May 2005. They are all non-executive directors nominated by significant shareholders, namely Arch Equity,

Mvelaphanda, and Steinhoff respectively. We are already enjoying the benefit of their insight and contributions and look forward to a long and constructive relationship.

Appreciation

On behalf of all our stakeholders, I wish to thank our colleagues on the board and all of our managers and employees for improving the value of Unitrans Limited for shareholders, clients, suppliers, service providers, and the communities in which we operate, over the last year.

Prospects

Shareholders should refer to the detailed prospects statement released by the board on 24 August 2005, when announcing the audited results for the year ended 30 June 2005.

The board is of the view that the group is on track to meet its objectives, as set out on page 1 of this report, and should continue to deliver real growth in earnings in the year ahead.

Dave Brink

Dave Brink
Chairman

Our Motor and Passenger divisions produced excellent results

Introduction

The group's performance was mixed with some divisions producing excellent results. The performance from the Motor and Passenger divisions balanced the contribution from the remaining group operations and reflected the strength in the group's diversity.

BEE transaction

11,6 million shares were issued for cash to Fundiswa, formerly known as Clidet No 518 (Proprietary) Limited, to facilitate the investment by Arch Equity and Mvelaphanda in Unitrans and the establishment of an employee trust. This has been our most important black economic empowerment ("BEE") initiative to date. The group's BEE partner, Fundiswa, now holds 13,02% of Unitrans shares.

Change in shareholding

Steinhoff exercised its pre-emptive right to purchase M&R's shareholding in the company and Steinhoff now holds 60,8% of the issued shares. The benefits of a single large supportive shareholder are already bearing fruit.

Business performance

The group delivered a 19% increase in revenue to R11,2 billion (2004 restated: R9,4 billion) and a growth in attributable earnings to Unitrans Limited shareholders of 13% to R276 million (2004 restated: R243 million). Headline earnings increased by 16% to R295 million (2004 restated: R254 million). Earnings per share grew to 321,5 cents per share (2004 restated: 320,3 cents per share) with headline earnings per share increasing by 3% to 343,7 cents per share (2004 restated: 334,5 cents per share).



Jo Grové – Chief Executive

CHIEF EXECUTIVE'S REPORT

The benefits of the group's diverse operations in different sectors ensured that the group was able to deliver satisfactory returns, notwithstanding the poor performance of the Forestry operations.

Our Motor division produced excellent results, assisted by the positive retail market conditions in South Africa. The new model vehicle mix offered by the division positioned it ideally in the expanding passenger vehicle market. While pre-owned vehicle sales increased by 5%, the division's performance was enhanced through record levels of new vehicle sales, related financial product sales and after-market products and services. Hertz Rent a Car South Africa ("Hertz") performed much better despite a slow tourist market.

The Passenger division turned in an exceptional performance in difficult market conditions. The strong rand impacted on both the level of tourism and the division's mining customers who are driving cost savings in all areas. It is satisfying to report that the division's entry into the commuter market in the Rustenburg area has been extremely successful, adding to the division's ability to balance its performance in different economic climates.

Solid performances from the Foods, Industrial and Mining business units of our Freight cluster were marred by disappointing results generated by the Forestry operations. Our drive in Forestry to enter into related aspects of forestry logistics resulted in significant losses being incurred in these non-core activities. Decisive remedial action has been taken and only selected aspects of this business, where opportunities have been identified going forward, are being retained. We have exited, or are in the process of exiting, all silviculture and harvesting operations. It will, however, take some time before acceptable returns from the remaining Forestry operations' business are realised.

To ensure focused management of these operations in the future, and to provide an opportunity for some of the synergies between these agriculturally related businesses to be optimised, the Forestry operations have been transferred to the Sugar and Agriculture cluster.

The margins of the export courier services and the breakbulk express services were impacted by the reduction in manufacturing activity associated with this sector, largely as a result of the strength of the rand.

In the Fuel and Chemical cluster, the bedding down of previously gained contracts has impacted performance. However, contractual revenues continue to provide the group with strong annuity cash flows although margins have been under pressure. Good returns were made previously on cross-border bridging undertaken to compensate for refinery failure, but these opportunities did not materialise this year. The loss of certain contractual fuel and lubes distribution business was not fully compensated for by the gains made in new gas and fuel distribution work.

It is pleasing to report that the Sugar and Agriculture cluster has successfully turned around the previously deteriorating sugar cane haulage situation in KwaZulu-Natal. After much effort and commitment, the local operations have reinvented themselves and have developed a successful new business model that enables the cluster to profitably service small growers, who are becoming increasingly significant players in the market today.

The group's supply chain specialist operation, Unitrans Supply Chain ("USC"), has established itself in the market as one of the leading supply chain specialists in South Africa and has secured three very significant contracts.

The 10-day national industry strike in March 2005 materially impacted our Freight and Logistics businesses, with our fuel business experiencing the greatest disruption in operations.

Business environment

The South African economy continued to show positive growth with GDP growth of 4% for the period under review. The prevailing low interest environment created a strong consumer demand in retail and housing, with the new vehicle market reaching record levels (378 390 units for the calendar year 2004 and 231 719 units for the six months to 30 June 2005). This boom was in contrast to the difficult time experienced in manufacturing and mining, which can be attributed to the relatively stable currency and the weak dollar price of resources.

The outlook for cash generation is strong and the forecast for the next 12 to 24 months remains positive.

Strategic positioning of group activities

The group is positioned to offer a range of diversified services, all of which are fully decentralised, via autonomous business units capable of delivering sustainable profit growth.

These services comprise three distinct groupings, offering specialised services in the areas of:

- Supply chain solutions and land-based logistical services
- Passenger transport solutions
- Motor retail and related product distribution

The supply chain solutions and land-based logistical services offered by the group include the entire re-engineering of customers' inbound and outbound logistics as well as warehousing and materials handling.

The group has developed significant intellectual capability and systems to analyse, redesign and implement complete supply chain solutions for our customers. The services provided are grouped into the following divisions:

- Freight
- Fuel and Chemical
- Sugar and Agriculture
- Supply Chain Services
- Roadway Logistics

These clusters are organised on a mix of product and geographical factors, ensuring that close contact is maintained with customers and that specialised product knowledge is developed.

Services are offered across sub-Saharan Africa.

The group's passenger transport services operate regionally in the following areas:

- Intercity
- Tourist coach charter
- Commuter: public and private sector
- Transit

The regionally based fleet is allocated to the most active and profitable arena in the different service sectors.

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. Our existing infrastructure is used 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 dependency on new vehicles, ensuring that the division is well placed to serve both markets.

Future prospects

A number of exciting investments and developments are in the pipeline, locally and internationally, both in our traditional business and in related areas.

While the land transportation market is reasonably well defined, we believe we will be able to take advantage of the positive signs displayed by Spoornet, whom we are hoping to partner in the use of the RoadRailer® intermodal product rights.

Our wide range of related logistics and distribution services, in different markets and geographical areas, remains a recognised strength and helps to ensure that we continue to make acceptable returns in the future.

The Freight and Logistics division is expected to benefit from the forecast growth within the domestic economy. The steps taken in restructuring and refocusing the Forestry operations have already begun to bear fruit and the contribution from these operations should return to acceptable levels in the year ahead. The new contracts secured by USC will serve to augment the Freight and Logistics division's service offerings.

Notwithstanding tourism levels and strong competition on intercity services, the Passenger division's excellent performance this year should continue for the year ahead. The division's commuter track record should give it an advantage to secure further commuter contracts that are coming to the market. The introduction of the low-cost intercity service, coupled with the contribution from the commuter bus operations, should continue to counter any negative market aspects.

The expansion of the local motor vehicle market will be sustained by the growing middle-class, and confidence in the new vehicle market is expected to remain for the immediate future. Provided interest rates remain stable and inflation is contained at low levels, this should result in another good performance from the Motor and Financial Services division. While it is unlikely that new vehicle sales' growth will be sustained at the current levels, the expanded vehicle market

will require servicing and other related products.

The group remains committed to maximising organic growth and expanding its service offerings and will continue to assess and evaluate local and foreign acquisition opportunities that are in line with the group's strategy. Should an appropriate opportunity be identified, the group has adequate financial resources available.

The sustainability issues are critical to the group as a provider of services to customers and will continue to receive attention going forward in all areas. Systems and processes are being put in place to ensure that the progress made in the area of sustainability is meaningfully reported.

BEE is a strategic imperative for doing business in South Africa today. The group has positioned itself well in terms of investment in the communities in which it operates, together with the development and upliftment of previously disadvantaged individuals, and these challenges are understood and accepted as integral parts of the group's long-term sustainability.

The group is on track to meet its objectives for the year ahead, as set out on page 1, and should continue to deliver real growth in headline earnings in the year ahead.

I wish to extend thanks to our Unitrans employees and our executive team for their ongoing commitment, loyalty and dedication to our group. Their efforts and achievements are instrumental to the success of our business.

Thanks are also extended to our customers, shareholders, finance providers and suppliers for their ongoing support.

My sincere thanks to our board and to our chairman, Dave Brink, for their contribution to the group in 2005.



Jo Grové
Chief Executive

R E V I E W O F

O P E R A T I O N S

The Freight and Logistics division has adopted a new approach to the market, offering a complete range of supply chain solutions

Results for the year

Revenue in this division has grown by 7% to R2,0 billion (2004 restated: R1,8 billion). Operating income after depreciation decreased by 44% to R96 million (2004 restated: R170 million). Net assets employed grew by 65% to R1,1 billion (2004 restated: R647 million). Gross capital investment in this division during the current year was R338 million (2004 restated: R406 million).

Key service offering

The provision of integrated logistics solutions remains the key service of this division. Other service offerings have increased significantly and the division is utilising its core business of contractual freight transportation to gain entry into associated areas. Its wide-ranging service offering optimises benefits in the provision of customers' supply chain requirements.

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

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



SUPPLY CHAIN SOLUTIONS

FREIGHT AND LOGISTICS DIVISION

	2005 R000	Restated 2004 R000
Revenue	1 971 672	1 836 497
Operating income after depreciation	96 238	170 419
Net assets	1 069 483	647 247

Collective risk summary – Freight and Logistics division

Risk	Management
Integration of acquisitions and new businesses	Integration process in place
Crime	Extensive controls in place to manage and minimise the risk of fraud; “whistle-blowing” system introduced; zero tolerance
Health, safety and environmental issues	Considerable focus given to this area; awards introduced to influence behaviour; introduction of international best practices and ratings; compliance committees established
Accidents	Detailed investigation of all accidents; controls in place to monitor driving; driver training and retraining; annual health check-ups
HIV/AIDS – loss of skills	Industry intervention; pilot project anti-retroviral rollout; learnerships to increase skilled complement
IT obsolescence	Constant review of systems and available technology
Skills shortage	Planned and managed training and succession; benchmarking of occupations to reward employees; individual growth and training; challenging assignments

Freight cluster

Business environment

This cluster of operations, comprising Foods, Industrial, Mining, Express Freight and Forestry, operates in different environments. Generally, freight tonnages increased in line with the growth in the economy. The Foods and Industrial business units operated in a strong retail economic environment.

The mining sector operations have been subject to severe cost pressures that can largely be attributed to lower international resource prices. The stronger rand negatively affected the margins of the export courier services and the breakbulk express services were impacted by the reduction in manufacturing activity associated with this sector.

The Forestry business unit's operations were subjected to unfavourable weather conditions and also to the cost pressures experienced by the global pulp and paper manufacturers.

Business performance

The strong local economy had a positive effect on the performance of the Foods business unit and, more particularly, on the Industrial business unit, where large tonnage increases in cement took place, together with the renewal and award of further contractual

work. The Mining business unit performed satisfactorily. The national industry strike impacted performance in some areas of the Freight cluster's business.

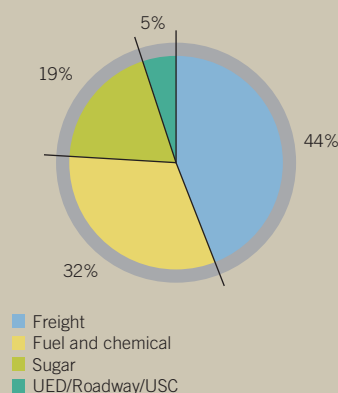
The coal haulage associate company, Nomakanjani Logistics Company (Proprietary) Limited (“Nomakanjani Logistics”), formed between Anglo Zimele Empowerment Initiative (Proprietary) Limited, Imbani Holdings (Proprietary) Limited, Bakgotso Holdings (Proprietary) Limited and Unitrans Freight (Proprietary) Limited, was launched in August 2004 and is performing satisfactorily.

The courier business has had a difficult year, and the African Express operations' performance is still at unacceptable levels. The breakbulk express business performed below expectations with a reduction in volumes that can, to some extent, be attributed to the general slowdown in the manufacturing sector. The national industry strike also impacted this business.

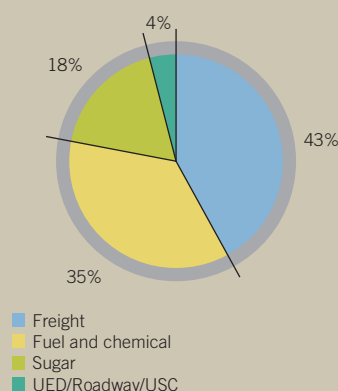
The group's logistics strategy, which is focused on overcoming the negative aspect of commoditisation of transport, has proved successful in many areas of its operations, notably in poultry, mining and related activities. The approach followed has been either to acquire the appropriate intellectual



FREIGHT AND LOGISTICS:
REVENUE BY CLUSTER 2005



FREIGHT AND LOGISTICS:
REVENUE BY CLUSTER 2004



capital directly or to acquire businesses related to the group's logistics operations in different fields.

Employing this strategy in the Forestry operations led to expansion into silviculture, harvesting and timber loading. However, significant problems were encountered in this area of the business, which impacted on returns, leading to losses. These operations have been transferred to the Sugar and Agriculture cluster where an intensive restructuring and downsizing exercise is nearing completion. This exercise has stemmed the losses and the remaining Forestry operations are expected to produce positive results in the future.

Growth

This cluster achieved organic growth in the Foods, Industrial and Mining business units. This was largely the function of an expansion of existing contracts and the renewal of contracts.

The Nomakanjani Logistics associate company and the Univiron joint venture, a waste removal specialist company, are new initiatives, reliant on existing core competencies, and positioned in areas where the division has not previously operated, namely coal haulage and waste transport. These ventures offer interesting prospects for the future.

A number of new contracts were secured on the back of the wider logistics services offered.

Prospects

The division has adopted a new approach to the market, offering a complete range of supply chain re-engineering services. It is anticipated that this will provide further opportunities to deliver growth in the current sound economy.

Risks

Risks that are applicable to the Freight cluster are as set out in the Freight and Logistics' collective risk summary on page 21 of this report.

Fuel and Chemical cluster

Business environment

This sector has been characterised by the entry of a number of new competitors in the first half of the year, attracted by the exceptional cross-border demand. In the second half of the year, reduced and erratic demand in this arena resulted in an oversupply of tankers.

The requirements to operate safely, efficiently and in an environmentally sensitive manner have become even more critical.

Business performance

Decisive action was taken to exit non-performing businesses and reduce costs to position this cluster to achieve improved results. The recently secured large contracts in the fuel and gas business have now been fully integrated. However, this cluster's performance overall has been disappointing. Key contributing issues have been the reduced availability of cross-border bridging work, the severe effect of the national industry strike and the erratic fuel price, creating surges in demand.

Growth

Alternative work at market related prices was secured to replace the loss of a major contract. The closure of the warehousing and distribution facility at Tulisa Park reduced these revenues.

Prospects

A recent upturn in demand has been experienced for the services provided by this cluster. Growth in profitability is expected to be significant as a result of actions taken over the past year, although revenue growth is expected to be fairly muted.



Good growth can be expected with the rapidly increasing number of vehicles on the road and the concomitant increase in the demand for fuel.

Risk summary – specific to the Fuel and Chemical cluster

Risk	Management
Limited customer base	Targeting wider customer base; reduce dependency on cross-border operations
Fuel spills	Constant review and audit of all operational practices; retraining and campaigns to increase awareness

Sugar and Agriculture cluster

Business environment

World sugar demand continues to grow, with production growth keeping pace with demand thus maintaining pressure on pricing. The advantages of the SADC countries' preferential exports to the European Union (EU) may well be short-lived with the reduction of EU local tariff protection and concomitant dilution of the preferential pricing mechanism. The pressure on production costs therefore remains significant with transport and fuel representing a large component of this. The local South African outsourced haulage market has shifted to the small and medium growers, rather than, as in the past, to large miller-cum-planters. The drought in KwaZulu-Natal had a severe effect on the sugar crop.

Business performance

The South African operations continued to restructure and consolidated their operations into three "super-depots". Notwithstanding the difficulties inherent in such an exercise, it is pleasing to report that the cluster has succeeded in reinventing its business model and has been able to pass on to customers the efficiencies achieved. This has resulted

in significant increases being secured in contractual haulage tonnages.

The cluster's operations in Malawi and Mozambique performed satisfactorily, although the Tanzanian operations were badly affected by widespread rains.

Growth

The cluster's sugar business in KwaZulu-Natal experienced a net organic growth of approximately 500 000 tons of cane hauled

The expected volumes of cane at the Mozambique operations did not materialise.

The Malawi operations enjoyed the benefit of hauling more than the expected tons of cane.

Due to an unusually wet season in Tanzania, the volume of cane hauled was marginally below expectations and, similarly, the timber business was negatively affected by reduced activity.

A 1 200 hectare laser levelling contract was secured in Tanzania.

Prospects

The SA sugar industry forecasts an average to above average cane crop of 18 million tons for the 2005 season. The KwaZulu-Natal operation anticipates steady growth in business to be secured in the future. This augurs well for the future of the local operations.

Growth opportunities in Malawi are limited while Mozambique should see good volume growth in the year ahead. Improved volumes are anticipated in Tanzania. The supply of additional agricultural services at existing sites is being pursued.

Opportunities in other countries and in other agricultural products are being actively pursued.

The remaining Forestry operations retained by the group should make a contribution in the period ahead.

Risk summary – specific to the Sugar and Agriculture cluster

Risk	Management
Weather excesses	Grow business into other geographic areas and other agricultural products
Foreign currency – fluctuations and repatriation	Majority of foreign currency balances hedged in rand; repatriation of profits carefully managed

Unitrans Supply Chain

Business environment

The supply chain re-engineering environment has remained very competitive and is becoming increasingly sophisticated.

Business performance

The group's rebranded supply chain service, USC, performed well, justifying the long-term investment made in this activity.

The restructuring of this operation, after the exit of UPS Logistics Group, has positioned it to start producing good returns. A number of existing contracts were expanded and a large new warehouse distribution business and other related work was secured.

Growth

The successful award of a major steel warehousing contract, as well as the growth of other existing contracts, led to good revenue growth.

Prospects

The implementation of a major national lubes distribution contract should provide a solid platform for growth in the year ahead.



Roadway Logistics

Business environment

Retailers experienced an excellent year resulting in above average volumes being moved. The logistics of new furniture transportation is in the process of consolidation within the industry.

Business performance

The company performed well offering very high service delivery levels. Volumes were good, driven by the retail sector boom.

Growth

Unitrans has acquired the entire shareholding in this operation, which was formerly a 50/50 joint venture with Steinhoff Africa (Proprietary) Limited.

Roadway acquired a 60% shareholding in a Cape Town based company, Top Transport, trading as MD Vervoer, which performed well.

Prospects

A large new distribution hub planned for Gauteng will present exciting prospects.

The company now has a strong national footprint, placing it in a sound position for the future. It is anticipated that the establishment of this new hub will generate greater efficiencies and volumes. Opportunities exist to extend services to other customers in this sector.

Risk summary – specific to Roadway Logistics

Risk	Management
Claims and returns on goods in transit	Improved methods of goods handling introduced; staff retraining
Downturn in consumer spending	Management of fixed costs

MARKET FOCUS SUPPLY CHAIN SOLUTIONS

FREIGHT AND LOGISTICS DIVISION

Freight cluster

The cluster is industry-focused around five market sectors. This has allowed the five strategic business units to be more closely aligned with their customers' businesses, providing specialised competencies to each sector. Services are provided within the South African market, with a wider focus from its Express Freight operation that has expanded into sub-Saharan Africa. Customers are mainly large industrial, mining and agricultural blue-chip entities, with the exception of the Express Freight operations where smaller companies are the target customers. The Forestry operations are being transferred to the Sugar and Agriculture cluster.

Fuel and Chemical cluster

The Fuel and Chemical cluster is extensively involved in the petrochemical industry. The traditional offering of transportation services to the oil industry has expanded to include gas and chemicals. Areas of operation include South Africa, Lesotho, Swaziland, Namibia, Botswana, Zimbabwe, Zambia, Mozambique and the Democratic Republic of Congo. Customers are mainly blue-chip international companies.

Sugar and Agriculture cluster

Customers served by this cluster include both small and large scale planters and millers within the sugar and agricultural industry. Services are provided in KwaZulu-Natal and Mpumalanga, South Africa, and in Swaziland, Mozambique, Malawi and Tanzania. The cluster's services include transportation and haulage of sugar cane, molasses, raw and refined sugar and other agricultural products. In addition, infield services are provided, including cane loading, field levelling, road construction, canal clearing and other related services to growers. The Forestry operations include transportation and haulage of pulp and sawlog timber from infield to mills.

Unitrans Supply Chain

This cluster provides supply chain re-engineering, including planning, procurement, warehousing, transportation and inventory management.

Roadway Logistics

The company has established itself as the major distributor of new furniture in South Africa. Its regional distribution centre in Gauteng is particularly impressive and has contributed to the success of this operation.





The division's performance as a whole exceeded expectations

Results for the year

Revenue in this division has grown by 39% to R516 million (2004 restated: R373 million). Operating income after depreciation increased by 32% to R61 million (2004 restated: R46 million). Net assets employed reduced by 5% to R180 million (2004 restated: R190 million). Gross capital investment in this division during the current year was R122 million (2004 restated: R55 million).

Key service offering

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

Business environment

The strong rand and the weak dollar indirectly impacted this division through reduced tourism levels and placed increased pressure on mining customers' production costs, including transportation costs.

The high diesel costs negatively impacted this market.

The intercity passenger transport remained competitive.

PASSENGER DIVISION

	2005 R000	Restated 2004 R000
Revenue	516 263	372 620
Operating income after depreciation	60 773	46 157
Net assets	180 293	189 942

Business performance

The division's performance as a whole exceeded expectations.

It is pleasing to report that the large commuter contract secured in the North West province, via an empowerment entity, was seamlessly and successfully integrated.

The intercity Greyhound operations were affected by rising diesel prices and an overtraded market, which impacted profitability. The successful introduction of Citiliner, an economy intercity service, and the redeployment of the fleet served to mitigate some of these pressures.

The lower number of foreign tour groups to South Africa impacted on the performance of the coach service.

Growth

The traditional coach and private commuter services provided by the division declined. The major growth area was in the public commuter service in the North West province and in the new economy intercity service.

Prospects

The economy intercity service now provided by the division is expected to support and grow revenues.

The coach and related services will depend upon the tourism market that is predicted to continue growing, but at lower rates than in previous years.

The state tender system for commuter services to be rolled out in the year ahead will present further opportunities in an area where the division now has a successful track record.

Risks

The generic risks applicable to the Passenger division are identical to those contained in the Freight and Logistics division on page 21 of this report.

Risk summary – specific to Passenger division

Risk	Management
Diesel price increase	Continue to leverage discounts and the introduction of more fuel efficient vehicles
Slow growth in tourism	Diversify customer base; improve customer service levels

MARKET FOCUS

Mega Bus

The chief target markets of this operation are the mining, industrial and commuter sectors of the national market.

Mega Coach and Mega Tourer

Coach and mini coach services are provided to the tourist and conference market.

Magic Bus

Airport transit passenger services and private transfers.

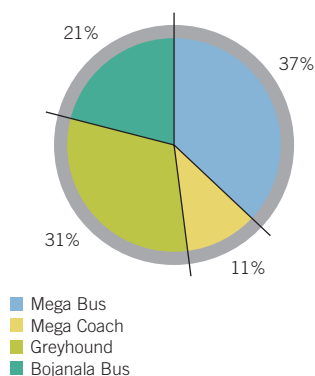
Greyhound and Citiliner

Intercity coach and bus transport services.

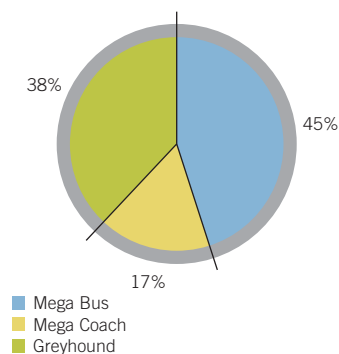
Bojanala Bus

This operation provides commuter bus transport in the North West province.

PASSENGER: REVENUE BY CLUSTER 2005



PASSENGER: REVENUE BY CLUSTER 2004



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





The division produced a record performance for the year with all franchises contributing strongly to the financial results

Results for the year

Revenue in this division has grown by 21% to R8,7 billion (2004 restated: R7,2 billion). Operating income after depreciation increased by 39% to R256 million (2004 restated: R184 million). Net assets employed grew by 8% to R545 million (2004 restated: R506 million). Gross capital investment in this division during the current year was R24 million (2004 restated: R22 million).

Key service offering

The 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, fleet management services and car rental.

Business environment

Sustained low interest rates, a stable currency and new vehicle price stability has characterised the year under review. This has led to an increase in consumer confidence, and new vehicle sales in South Africa reached record levels for the calendar year 2004.

The buoyancy of the new vehicle market continued into 2005.

MOTOR AND FINANCIAL SERVICES DIVISION

	Revenue		Operating income after depreciation		Net assets	
	2005	Restated 2004	2005	Restated 2004	2005	Restated 2004
Retail	8 589 493	7 049 823	211 168	147 186	448 598	423 582
Financial services	94 751	105 330	44 365	36 956	96 479	82 294
	8 684 244	7 155 153	255 533	184 142	545 077	505 876

Business performance

The division produced a record performance with all franchises contributing strongly to the financial results. The division's largest dealer network operations have again performed exceptionally well and the other operations have also produced better than expected results.

The contribution from the after-market activities continues to grow and management attention remains focused on increasing the contribution from the pre-owned segment.

Particularly pleasing has been an increase in pre-owned sales, albeit at a slower rate of growth than new car sales. This performance is commendable given the depressed state of the pre-owned vehicle market as consumers found greater value in new cars in an environment characterised by negligible or zero vehicle price inflation.

Strong financial disciplines and regular timeous evaluation of results are key to success in a retail environment. The division's performance measurement process, which is aimed at inter-dealer comparison and the establishment of benchmarks and best practice, has contributed significantly to the improved financial and operating performance for the year.

The performance measurement process, called "One Step . . . and Beyond" also forms

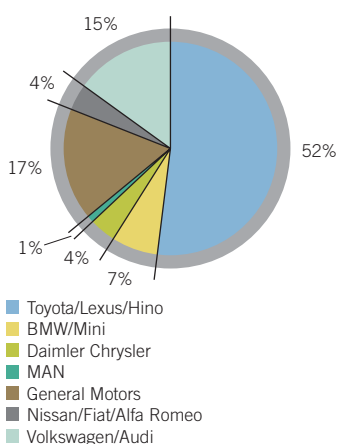
a crucial element of the division's management development process and creates an environment of continuous learning throughout the organisation. Feedback sessions, which communicate best practice and mentorship processes, are contributing greatly to building a depth of management expertise within the division to secure future growth.

The division has placed considerable emphasis on skills development over the past three years for both sales and technical staff. The progress made in attracting new talent into the motor retail industry is both gratifying and bodes well for the future.

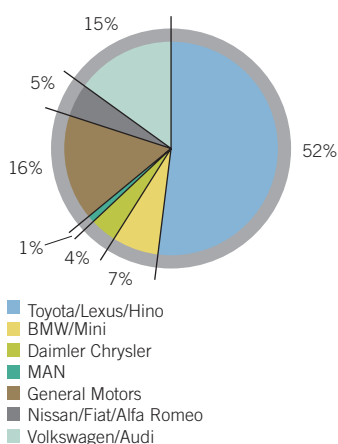
Cash flow management is a critical feature of a sustainable retail business and a pleasing feature of the 2005 financial year has been the strong cash generation by this division. The cash generated from operating activities represents 80% of the net profit before tax.

Customer satisfaction remains a key focus area and the division continues to perform well in independent customer satisfaction surveys conducted throughout the year. The division has received recognition for superior performance from a number of the motor manufacturers during the year, including the prestigious Toyota Dealer of the Year and Toyota Truck Dealer of the Year Awards.

MOTOR RETAIL: REVENUE BY FRANCHISE 2005



MOTOR RETAIL: REVENUE BY FRANCHISE 2004



www.unitransmotors.co.za





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

Particularly pleasing is the turnaround at Hertz. The operation has returned to profitability following restructuring and is making steady progress towards achieving acceptable returns.

Growth

The division has managed to maintain its share of the new vehicle market during the year, notwithstanding a significant increase in competition.

The national vehicle retail market grew by 27,9% and the division retained 6,9% of this increased market. The dealer market share also remained constant at 8,4%.

Prospects

The confidence in the new vehicle market is expected to remain for the immediate future.

With the decline in the rise of new car prices, the pre-owned segment experienced pricing pressure during the year under review but the prospects going forward for this important sector are positive.

New Africa Investments Limited sold its 60% equity in Alisa Holdings (Proprietary) Limited, trading as Hertz, to Unitrans Motors with effect from September 2005. This transaction, which has been approved by the Competition Authorities, will ensure that the full earnings benefits are retained by the Motor division.

It is expected that the industry volumes currently being experienced are likely to endure for the medium term. The division is committed to building capacity (in terms of facilities, people and processes), to cater for both this increased activity and the ever-increasing demands of the South African motoring public.

Risk summary – Motor and Financial Services

Risk	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
Crime	Extensive controls in place to manage inventory; "whistle-blowing" system introduced; zero tolerance
Yield in Hertz	Appropriate selection of numbers and types of vehicles in the rental operation

MARKET FOCUS

Motor and Financial Services provides services and products on a national basis to a broad range of motor vehicle users. The market coverage ranges from the entry-level passenger car to the heavy truck market and embraces customers from the individual private buyer through to major national fleet operators. Both new and pre-owned vehicles are sold and serviced through an extensive national network comprising 62 dealerships.

The dealership representation is made up as follows:

Toyota/Lexus/Hino	33
General Motors	
Opel/Isuzu/Suzuki	12
General Motors	
Chevrolet	1
Volkswagen/Audi	8
Nissan/Fiat/Alfa Romeo	3
BMW/Mini	2
Daimler Chrysler	2
Man	1



From left, Steve Keys, MD Unitrans Motors and Jo Grové, CE Unitrans, with Hannes Pretorius, dealer principal Limpopo Toyota Trucks, winner of the Toyota Truck Dealer of the Year Award, Andre Jordan, dealer principal Monument Toyota West, winner of the Toyota Dealer of the Year Award, and Brynn Stephenson, franchise director Toyota North, winner of the Toyota Group Managing Director's Award.



Limpopo Toyota's new premises in Polokwane.



Philip Dieperink – Financial Director

FINANCIAL DIRECTOR'S REPORT

Foreword

In addition to disclosure in the annual financial statements, this review is aimed at providing additional clarity on key policies, judgements, financial risk management and economic indicators applicable to the group. It also comments on the financial position and performance of the group for the year under review.

Accounting policies and procedures

The consolidated financial statements have been prepared in conformity with South African Statements of Generally Accepted Accounting Practice. The principal accounting policies have been applied consistently with the previous year except for the changes set out below.

Change in accounting policy

During the 2005 financial year AC 140 (IFRS 3) (Business Combinations) was adopted by the group. The standard is applicable to all business combinations for which the agreement date is on or after 31 March 2004. With effect from 1 July 2004, the accounting for previously recognised goodwill has changed. The group has offset all accumulated goodwill amortisation against the cost of goodwill and has discontinued amortisation. In terms of this standard, the group has tested, and will in future test on an annual basis, the carrying value of any goodwill for impairment. AC 140 is only applicable prospectively and hence there is no need to restate comparative figures.

The group previously accounted for joint ventures using the equity method. In order to comply with the policy adopted by its parent company, Steinhoff International Holdings Limited ("Steinhoff"), joint venture operations are now accounted for using the proportionate consolidation method, in terms of the preferred method of accounting in AC 119 (IAS 31) (Interests in Joint Ventures).

The group has early adopted the revised AC 112 (IAS 21) (The effect of changes in foreign exchange rates) and determined the functional currency of its foreign operations. As a result of the introduction of the concept of functional currency in AC 112 (IAS 21), the statement no longer draws a distinction between integral foreign operations and foreign entities. Accordingly the results of operations previously classified as integral foreign operations and translated to the presentation currency of the holding company in terms of the previous AC 112 (IAS 21) have been restated in the functional currency of the operation.

Restatement of comparative information

The comparative information has been restated for the following:

- AC 119 (IAS 31) (Change in treatment of joint venture) – Roadway Logistics (Proprietary) Limited;
- AC 112 (IAS 21) (The restatement of foreign operations in their appropriate functional currency);
- the change in the basis of recognition of operating lease costs. The South African Institute of Chartered Accountants issued Circular 7/2005: Operating leases on 2 August 2005. The circular refers to the requirements of AC 105 (IAS 17) (Leases), in terms of which operating leases with fixed rental increases must be accounted for on the straight-line basis. In South Africa, the accounting treatment of the operating leases were generally not consistent with the requirements of AC 105 (IAS 17), and although the group has adopted the straight-line recognition

as its accounting policy, the cash flow basis was actually applied. The impact of recognising operating lease costs on the straight-line basis rather than the cash flow basis has been adjusted for in the current year and in the comparative figures;

- in the past, the assets and liabilities relating to the Unitrans Finance (Proprietary) Limited operations 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 doing so. Even though the group is still not obliged to support any losses, nor does it intend doing so, the assets and liabilities of this company have been separately disclosed on the balance sheet; and
- the separate disclosure of positive and negative bank balances to comply with current year classifications.

The financial impact of these changes is set out in note 36 to the annual financial statements.

International Financial Reporting Standards ("IFRS") conversion

In terms of the JSE Listings Requirements, full compliance with IFRS is required for financial years beginning on or after 1 January 2005. Accordingly, the group is required to produce fully compliant IFRS financial statements for the year ended 30 June 2006, including restated comparative financial information. To this end, the group initiated an IFRS conversion project during the 2005 financial year. The conversion process is well on track to deliver on the required deadlines and the salient features of the conversion project are highlighted below.

In the 2006 financial year, the group will adopt International Financial Reporting Standards, comprising all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("the IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Standard	Revised/ Issued	Description	Early adopted	Retro- spective change	Impact
IAS 1	2003	Presentation of Financial Statements	xx	✓	Affects the presentation of minority interests and other disclosures.
IAS 2	2003	Inventories	xx	✓	No material effect on the group's policies.
IAS 8	2003	Accounting Policies, Changes in Accounting Estimates and Errors	xx	✓	No material effect on the group's policies. Requires the disclosure of the impact of new standards not yet adopted.
IAS 10	2003	Events After the Balance Sheet Date	xx	✓	No material effect on the group's policies. Dividends declared after balance sheet date shall not be recorded as a liability at the balance sheet date, which is in line with current policy.
IAS 16	2003	Property, Plant and Equipment	xx	✓	Separate classification and amortisation/depreciation of significant components of property, plant and equipment. The group has not yet determined the impact of such classification but does not anticipate a material impact on the financial statements.
IAS 17	2003	Leases	xx	✓	No material effect on the group's policies.
IAS 21	2003	The Effect of Changes in Foreign Exchange Rates	✓	✓	The standard provides guidance on determining the functional currency of an operation. Results for foreign operations for both 2005 and 2004 have been restated in the revised functional currency.
IAS 24	2003	Related Party Disclosures	xx	✓	Affects the identification of related parties and disclosure of related party transactions.
IAS 27	2003	Consolidated and Separate Financial Statements	xx	✓	No material effect on the group's policies.

Standard	Revised/ Issued	Description	Early adopted	Retro- spective change	Impact
IAS 28	2003	Investment in Associates	xx	✓	No material effect on the group's policies.
IAS 31	2003	Interests in Joint Ventures	xx	✓	No material effect on the group's policies.
IAS 32	2003	Financial Instruments: Disclosure and Presentation	xx	✓	No material effect on the group's policies. Provides guidance on determining whether a financial instrument is a financial liability or an equity instrument.
IAS 33	2003	Earnings per Share	xx	✓	No material effect on the group's policies.
IAS 36	2004	Impairment of Assets	xx	✓	No material effect on the group's policies.
IAS 38	2004	Intangible Assets	xx	✓	No material effect on the group's policies.
IAS 39	2004	Financial Instruments: Recognition and Measurement	xx	✓	No material effect on the group's policies.
IFRS 2	2004	Share-Based Payments	xx	✓	The group will be adopting this standard in the next financial year. The total charge to the income statement over the next seven years will, based on certain actuarial assumptions, amount to approximately R19 million.
IFRS 3	2004	Business Combinations	xx	✓	AC 140 is the SA GAAP equivalent of IFRS 3. The group adopted AC 140 in the current year and the effect of adopting IFRS 3 will therefore be immaterial. Goodwill is tested for impairment on an annual basis.
IFRS 4	2004	Insurance Contracts	xx	✓	Additional disclosure regarding insurance contracts will be provided as required by the statement.
IFRS 5	2004	Non-current Assets Held for Sale and Discontinued Operations	xx	✓	Discontinued operations will be disclosed on the face of the income statement. Non-current assets held for sale would be classified under current assets.

Key:

✓ Applies to the Unitrans group

xx Does not apply to the Unitrans group

IFRS 2 (Share-Based payments) has been issued and is effective for periods beginning on or after 1 January 2005. The provisions of IFRS 2 apply to all equity-settled share-based payments granted after 7 November 2002 that are not yet vested at the group's effective date (1 July 2005). While the group has not yet adopted this standard, the cost of expensing options for the year to 30 June 2005 using a stochastic model, based on the standard "binomial" options pricing model that allows for the particular features of employee options to be modelled realistically, is R4,7 million (2004: R2,6 million).

Financial risk management

Exchange rates

The volatility of the rand over the past few years has had varying impacts on the group's results. The adoption of the revised AC 112 has resulted in a limited direct impact on the translation of foreign earnings. The indirect impact is however quite considerable but difficult to quantify. The indirect consequences relate to such issues as:

- Reduced cost of vehicles
- Reduced fuel increases
- Pressure on used vehicle prices and parts inventory
- Reduced export volumes
- Reduced tourism numbers from traditional markets
- Increased import replacement
- Increased cost pressures on export related businesses

To protect the group's cash flows from the effects of a volatile currency, it is policy to cover all material foreign currency denominated transactions by way of derivative instruments, in particular forward exchange contracts.

Interest rates

The reduced interest rates have had a positive impact on overall business and consumer confidence levels and have resulted in increased consumption, especially at consumer level. This has had a positive impact on vehicle sales. It has also had an impact in reducing the group's average borrowing costs.

In the past the group has effectively financed its borrowing requirements via the overnight market. In the current year, with rates at reduced levels, the board decided that it was appropriate to consider restructuring the group's debt profile to use a combination of fixed and variable rate funding.

In May 2005 the group registered a R1,5 billion Domestic Medium Term Note ("DMTN")

programme with the Bond Exchange of South Africa. The objective was to secure cost effective term funding and to establish a capital market presence. To date, R400 million of fixed rate notes have been issued under this programme for a five-year period and the proceeds have been used to repay existing debt.

It is envisaged that a commercial paper programme will also be launched under the DMTN programme in the 2006 financial year. This will be used to raise short-term variable rate money to match the group's requirements.

From time to time the group will consider fixing or capping interest rates on specific borrowings as well as entering into derivative instruments to manage certain interest rate risks.

Liquidity

The group manages its liquidity risk through its treasury operations in South Africa. The treasury operations ensure that the group has sufficient general banking and term facilities in place so that funds are available when required. Facilities are reviewed annually with sufficient capacity maintained to meet expected future funding requirements. In addition, the DMTN programme will be tapped in the future to raise both variable and fixed rate borrowings as and when required.

Credit rating

On 3 May 2005 Fitch granted the company a very favourable national rating of long-term "A (Zaf)" with stable outlook and a short-term "F1 (Zaf)" rating. The DMTN programme referred to above was assigned a national long-term "A (Zaf)" rating.

Economic environment

The general market conditions during the year under review 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 cost had a negative impact on the group's cost base. Whilst fluctuations in the cost of fuel can in most instances be passed on, there are some instances where this is not possible, especially in the Mega Coach and Greyhound operations.

The lower inflation environment resulted in reduced escalations on a number of contracts.

Review of results

The group's financial results for the year ended 30 June 2005 reflect an increase in revenue of 19% to R11,2 billion (2004 restated: R9,4 billion) whilst operating profit per year increased by 3% to R412,5 million (2004 restated: R400,7 million).

Operating profit

The operating profit of the group was impacted by a negative growth of 44% in the Freight and Logistics division.

The Freight and Logistics division incurred abnormal losses during the year totalling R79,8 million. These abnormal losses are reflected below:

- Loss relating to the Forestry operations – R40 million (2004 restated: profit of R6,8 million)
- Costs associated with the transport union strike – R15 million (2004 restated: nil)
- Closure costs – R18,3 million (2004 restated: nil)
- Loss on Forestry assets – R6 million (2004 restated: profit on sale – R3,5 million)
- Impairment of goodwill – R0,5 million (2004 restated: amortisation – R13,6 million)

If these abnormal losses incurred during the current year were reversed, then the operating profit of the Freight and Logistics division would have been flat year-on-year, whereas that of the group would have grown by a more acceptable 20%.

The Forestry operations had an abysmal year and produced a loss of R40 million (2004 restated: profit of R6,8 million). This was largely as a result of poor trading conditions, low escalation rates and high maintenance cost. A decision was taken during the financial year to review all forestry contracts and either renegotiate rates or terminate operations. As a consequence of this review a number of contracts have been renegotiated or have been or are in the process of being cancelled. In addition, a decision has been taken to terminate all harvesting activities, as they do not permit the group to achieve its financial targets.

The cost of the 10-day national industry strike is estimated to be in the region of R15 million as a result of lost revenue.



Closure costs represent costs included in operating profit, which relate specifically to costs incurred during the current year to terminate certain operations. During the current year decisions were taken to terminate the following operations and the termination costs related to these decisions are set out below:

• Harvesting operations	R7,7 million
• National Lubes distribution business	R5,8 million
• Certain Express distribution operations	R4,8 million

In the current year the group made a loss on disposal of fixed assets totalling R6,0 million (2004 restated: profit R3,5 million). The loss was made up of a loss on sale of fixed assets other than property totalling R6,4 million (2004 restated: profit of R1,7 million) and a profit on sale of property totalling R0,4 million (2004 restated: profit of R1,8 million). R6 million of the current loss relates to the loss on sale of assets associated with the closure of the harvesting operations.

In terms of the newly issued AC 140 (IFRS 3) (Business Combinations), the group has ceased amortising its goodwill. The goodwill is subject to an annual impairment test. The impairment in the current year of R0,5 million relates to the goodwill raised on certain harvesting operations, which are in the process of being closed. Due to the group closing its harvesting operations, the

goodwill relating to these operations has been impaired.

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. The group made payments totalling R11,2 million in the current year, of which R7,2 was provided in the June 2004 financial statements. An estimated remaining obligation of R1 million has been fully provided for in the current year.

Investment income

Investment income of R2,4 million (2004 restated: 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.

Net finance cost

The reduction in interest rates, together with the additional cash raised from the share issue during the current financial year, resulted in net finance cost decreasing by 16% to R41,1 million (2004 restated: R49,0 million). Finance costs remain well covered by operating income before

depreciation at 16,1 times (2004 restated: 12,4 times) and by operating income at 10,1 times (2004 restated: 8,2 times).

Tax rate

In the current year the group's effective tax rate reduced to 25,2% from the previous year's 27,6%. This decrease is mainly attributable to the decrease in the national corporate tax rate from 30% to 29%.

Share of associates

The group's share of associates' profits totalled R0,3 million (2004 restated: loss of R6,8 million) and was made up as follows:

- Hertz Rent a Car South Africa ("Hertz") broke even during the year under review at an attributable income level (2004 restated: attributable loss of R4,5 million)
- Nufin (Proprietary) Limited did not contribute in the current year as the entire shareholding was disposed of in the prior year (2004 restated: attributable loss of R0,3 million)
- Unitrans Supply Chain (Proprietary) Limited is now accounted for as a wholly owned subsidiary as all the shares were acquired in the 2004 financial year. (2004 restated: attributable loss of R2 million)
- The attributable profit of Nomakanjani Logistics Company (Proprietary) Limited ("Nomakanjani Logistics") was R0,3 million (2004 restated: R0 million)

Headline earnings adjustments

	2005 Rm	Restated 2004 Rm
Closure costs	18,3	
Loss/(profit) on disposal of property, plant and equipment	6,0	(3,5)
Goodwill impairment/amortisation	0,5	13,6
Taxation effect	(5,8)	0,8

Headline earnings

Headline earnings during the period increased by 16% to R294,7 million (2004 restated: R254,2 million).

Headline earnings per share increased to 343,7 cents per share (2004 restated: 334,5 cents per share), which represented a 3% increase year-on-year. The effective compound growth in headline earnings per share over the last six years has been 17%.

The exceptional items tabled above were recorded during the period under review and have been adjusted for in the calculation of headline earnings:

The weighted number of shares increased during the period by 13% to 85,7 million shares (2004: 76,0 million) largely as a result of the BEE transaction, referred to below, effected during the current year.

In evaluating the growth in headline earnings per share, it is essential that the increased number of shares in issue be taken into consideration as the funds raised were in effect used to repay short-term funding and therefore only generated an effective after-tax return of 6,0%. If the net after-tax interest saving arising from the funds generated from the share issue relating to the BEE transaction is reversed, together with the average weighted number of shares in issue attributable to that share issue, then the growth in headline earnings increases to 365,9 cents per share which represents a 9% increase year-on-year.

BEE transaction

As was stated in last year's annual financial statements, the group is committed to enhancing its black economic empowerment ("BEE") status. It believes that this is essential for the development of its people, its business and the South African economy. In this regard, it announced a BEE transaction simultaneously with its 2004 results, which, by its nature, had a material impact on the current year's results.

The group announced that it had entered into a transaction ("the transaction") with Fundiswa Investments (Proprietary) Limited ("Fundiswa"), which is jointly owned by Mvelaphanda, Arch Equity Limited ("Arch Equity") and an employee trust formed for the benefit of the Unitrans employees ("the Employee Trust").

The BEE investors' shareholder profile is as follows:

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

The BEE investors have given the following undertaking, namely that they will:

- remain invested in Unitrans for a minimum period of five years;
- not dispose of their 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.

In terms of this transaction, 11,6 million shares were allotted and issued to Fundiswa on 4 October 2004.

The transaction entailed the issue for cash of 11,6 million Unitrans shares to Fundiswa at a subscription price of 2 504 cents per share. The new shares were issued on Monday, 4 October 2004, ie 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, with the exception of the final dividend for the year ended 30 June 2004, for which they did not qualify, rank pari passu with the other Unitrans shares in issue.

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

The group received a net cash injection of R287 million from the issue of the shares during the current year. The funds from this issue have been used to reduce interest-bearing debt. This issue has given rise to an increase in the weighted average number of shares in issue during the current year of 8,7 million shares.

Earnings per share

Earnings attributable to ordinary shareholders during the period grew by 13% to R275,7 million (2004 restated: R243,4 million).

Earnings per share increased to 321,5 cents per share (2004 restated: 320,3 cents per share).

Returns

The group continued to deliver a strong return on average capital employed of 25,3% (2004 restated: 26,2%) with the return on average shareholders' funds of 18,1% (2004 restated: 18,8%).

Cash distribution

The directors resolved on 23 August 2005 to make a cash distribution of 110 cents per share out of share premium to shareholders recorded in the books of the company at the close of business on 14 October 2005, payable on 17 October 2005. This distribution will be in lieu of a final dividend in respect of the financial year ended 30 June 2005. This represents a 10% increase in dividend year-on-year and a dividend yield of 3,3%.

The group's normal dividend/distribution policy remains at 3,5 times headline earnings per share.

Balance sheet

The balance sheet remains strong with the group's net asset value per share increasing by 17% to 1 987 cents per share (2004: 1 692 cents per share). The net tangible asset value also increased by 17% from 1 620 cents per share to 1 894 cents per share.

The issue of 11,6 million shares in terms of the BEE transaction has resulted in a net cash injection of R287 million which has been utilised to repay debt and has contributed substantially to the improved net asset value per share.

The group's debt to equity ratio at year-end was reduced to nil and the group was in a net-cash position of R31 million. Short-term borrowings were reduced to R56 million (2004 restated: R371 million). The core level of net borrowings decreased from R550 million to R520 million.

The increased investment in property, plant and equipment is largely attributable to the acquisition of plant and equipment in the Transport and Logistics operations totalling R460 million (2004 restated: R461 million).

The investment in associates has increased as a result of the 30% investment in Nomakanjani Logistics. The movement in other non-current assets is largely attributable

to the repayment of share trust loans made to share trust participants and the acquisition of other non-current assets totalling R3,5 million.

The management of working capital has been a key area of focus in the current year and has resulted in the increase in working capital being restricted to R32 million. Inventories were up on last year by 23% due to increased new vehicle inventory acquired by Motor Retail to service the high market demand. This was in turn funded by an increase in non-interest-bearing creditor and floor plan facilities of 17%. The movement in trade and other receivables was restricted to 3% and was mainly attributable to increased trading activities in Motor Retail.

The assets and liabilities of Unitrans Finance (Proprietary) Limited continue to decrease year-on-year as this book continues to run out. No new transactions have been concluded by this entity.

Cash flow

The net cash inflow from operations increased from R369 million to R402 million.

The group invested R484 million (2004 restated: R483 million) during the year in property, vehicles and equipment. R219 million (2004 restated: R193 million) was spent on the replacement of existing equipment with the balance of R265 million (2004 restated: R289 million) being spent on expansion.

SEGMENTAL ANALYSIS

	Supply Chain Solutions: Freight and Logistics	Transport and Logistics		Motor and Financial Services			
R000		Passenger	Total	Retail	Financial	Total	Group
2005							
Income statement							
Revenue	1 971 672	516 263	2 487 935	8 589 493	94 751	8 684 244	11 172 179
Operating profit	96 238	60 773	157 011	211 168	44 365	255 533	412 544
Balance sheet							
Total assets	2 206 521	371 975	2 578 496	1 440 501	181 265	1 621 766	4 200 262
Total liabilities	1 137 038	191 682	1 328 720	991 903	84 786	1 076 689	2 405 409
Net assets	1 069 483	180 293	1 249 776	448 598	96 479	545 077	1 794 853
Gross capital expenditure	338 058	121 884	459 942	24 272	167	24 439	484 381
2004 (restated)							
Income statement							
Revenue	1 836 497	372 620	2 209 117	7 049 823	105 330	7 155 153	9 364 270
Operating profit	170 419	46 157	216 576	147 186	36 956	184 142	400 718
Balance sheet							
Total assets	2 007 626	240 230	2 247 856	1 049 150	232 458	1 281 608	3 529 464
Total liabilities	1 360 379	50 288	1 410 667	625 568	150 164	775 732	2 186 399
Net assets	647 247	189 942	837 189	423 582	82 294	505 876	1 343 065
Gross capital expenditure	406 181	54 582	460 763	21 380	147	21 527	482 290

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 7% to R2,0 billion, with operating income after depreciation decreasing by 44% to R96 million.

The Freight and Logistics' operating margin decreased from 9,3% to 4,9%. The reduction in margin can be attributed to a number of factors including:

- loss relating to the Forestry operations;
- costs incurred as a result of the closure of the harvesting operations, the National Lubes distribution business and certain Express distribution operations;
- start-up cost associated with a number of new contracts;
- adverse weather conditions in KwaZulu-Natal which affected the South African sugar operations;
- poor performance by the Express Freight operation;
- the cost of the 10-day transport union strike; and
- increased fuel costs.

The non-South African operations were impacted by poor performances in Botswana and Tanzania.

The net asset value of the Freight and Logistics division increased year-on-year by 65% to over R1 billion. The gross capital investment in this division was R338 million, R160 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 39% to R516 million, with operating income after depreciation increasing by 32% to R61 million. Notwithstanding tough market conditions, Passenger's margins decreased only slightly, ie from 12,4% to 11,8%. 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 Bojanala contract, which commenced in October 2004, has contributed a good result. 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 decreased year-on-year by 5% to R180 million. The capital invested in this division was R122 million, of which R97 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 R8,7 billion and operating income after depreciation by 39% to R256 million.

The Motor Retail operations grew revenue by 22% to R8,6 billion, with operating income after depreciation increasing by 44% to R211 million. The margin in the Retail operations increased from 2,1% to 2,5%. This increase in margin is largely attributable to increased volumes, lower interest rates and a buoyant market.

In the current year the new to pre-owned ratio increased from 1,7:1 to 2:1.

The Financial Services operations exceeded expectations, with operating income increasing by 20% to R44 million. The margin in this operation increased to 47%.

The net asset value in the Motor and Financial Services division increased year-on-year by 8% to R545 million. The capital invested in this operation was R24 million.

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 NTI contract for commuter bus transport in the Rustenburg area was awarded to Bojanala Bus (Proprietary) Limited, a BEE entity in which Passenger division holds an effective 49% equity stake. This contract involved the acquisition of 210 commuter buses. Operations in this business commenced in October 2004 and have exceeded expectations.

The Freight cluster acquired the business of Gordon Contractors, now trading as Unitrans Sugar Lowveld (Proprietary) Limited with effect from 1 October 2004. Unitrans Sugar Lowveld provides transportation and haulage services under contract to the sugar harvesting industry in the Mpumalanga province. This operation forms part of the Sugar and Agriculture cluster and is contributing in line with expectations.

With effect from 30 June 2005, the company acquired the remaining 50% shareholding effectively held by Steinhoff International Holdings Limited ("Steinhoff") in Roadway, the joint venture established with Steinhoff for the provision of logistics services to the retail furniture and white goods industries. The transaction did not constitute a related party transaction as defined in section 10 of the Listings Requirements of the JSE, as the acquisition price as a percentage of the group's market capitalisation at the date of acquisition was below 0,25%.

An agreement has been entered into between Unitrans Motors (Proprietary) Limited ("Motors") and New Africa Investments Limited ("Nail") for the acquisition by Motors of the remaining 60% shareholding held by Nail in Alisa Holdings (Proprietary) Limited, trading as Hertz. The acquisition was approved by the Competition Tribunal in August 2005.

Change in shareholding

With effect from 20 January 2005, Steinhoff acquired the 34 216 680 shares in Unitrans held by Murray & Roberts Holdings Limited.

In accordance with the requirements of the Securities Regulation Panel code on takeovers and mergers, Steinhoff was obliged to make an offer to the minority shareholders, other than Fundiswa, to acquire their shares for an offer consideration of R26,32 per share, being the price at which Steinhoff acquired Unitrans' shares in terms of the Steinhoff acquisition. The mandatory offer, which was not recommended by the board, was made on 25 February 2005 and was accepted by shareholders holding only 1 050 Unitrans' shares.

The introduction of Steinhoff as the new controlling shareholder has been welcomed by the board and by Unitrans' management and is seen as a positive move that will generate benefits for all shareholders going forward.

Share buy-back

At the annual general meeting of members held on 8 December 2004, a special resolution granting authority to Unitrans or its subsidiaries to repurchase up to 20% of the issued shares of Unitrans Limited in any one fiscal year was approved.

In terms of this approval, a subsidiary of Unitrans acquired 814 971 shares in the open market during the year. These shares are held as treasury shares and have been netted off against the issued share capital. The average purchase price of these shares, inclusive of brokerage, was R32,66 per share.

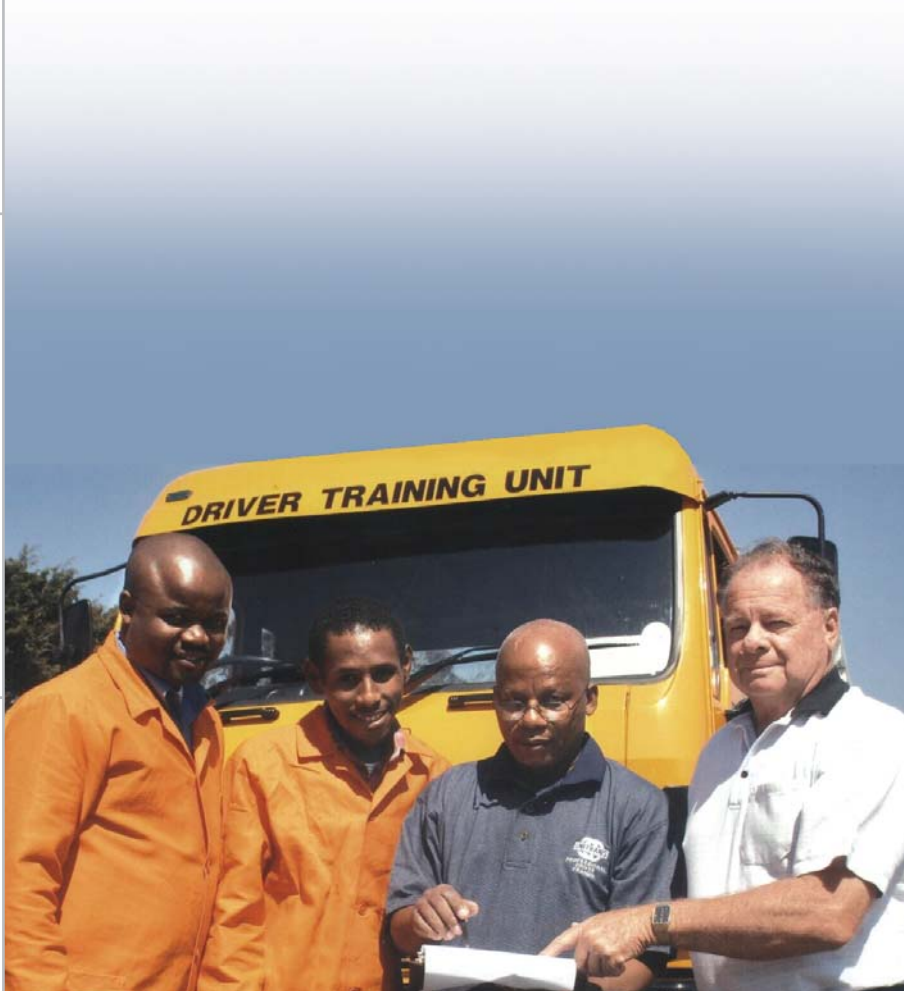
No shares were allotted for purposes of the Unitrans Limited share scheme as all delivered obligations of the share trust were satisfied by the purchase of shares already in issue.



Philip Dieperink
Financial Director

S U S T A I N A B I L I T Y

R E P O R T



Introduction

Unitrans is investing time and effort in understanding the challenges that sustainable development poses to its businesses. In essence, the overriding challenge is about growing its businesses through balancing the needs of all of its stakeholders and managing both financial and non-financial risks and opportunities.

Internationally, the transportation and logistics sector has been grappling with issues as wide ranging as the social impacts of long distance driving to the likely effects this has on global warming. While some concerns, including HIV/AIDS, have been managed for a number of years by Unitrans, the group will continue to stay abreast of developments and best practice in emerging complex areas, such as renewable fuels. Furthermore, the local South African context requires particular focus on redressing equality imbalances created by the past and the group has adopted both the spirit and the intent of relevant social transformation legislation, and codes of good practice and governance.

While sustainable development issues will keep challenging current thinking and practices, the group's commitment to evolving solutions is unwavering.

To this end, the implementation of robust management systems and processes will continue in order to manage material risks and opportunities posed to the group. A balanced account of Unitrans' progress will be provided in future reports.

Unitrans' values

The management of sustainability issues assists in value creation by focusing attention on the management of intangible assets, such as relationships, reputation and its ability to attract and retain talent. The group's approach to sustainable development is inextricably linked to its core values – integrity, passion, commitment, results and mutual respect – which guide the manner in which it relates to all stakeholders.

Progress at a glance

What was said in 2004 financial year

What was achieved in 2005 financial year

Broad-based black economic empowerment ("BEE")

Shareholding

- To improve our BEE shareholding and credentials



- 13,02% of the issued share capital is held directly by Fundiswa Investments (Proprietary) Limited ("Fundiswa") (formerly known as Clidet No 518 (Proprietary) Limited). Shareholders in Fundiswa are Arch Equity Limited ("Arch Equity") and Mvelaphanda Capital (Proprietary) Limited ("Mvelaphanda") with 34,9% each and the Unitrans Employee Benefit Trust ("the Employee Trust") with 30,2%.

The value of the transaction was R290,46 million.

Procurement

- To ensure procurement spend is correctly channelled
- In excess of R600 million was spent with empowered companies.

New ventures/SMME developments

- To embark upon selected new ventures with BEE partners

The following ventures were successfully commissioned and are now running as viable businesses:

Bojanala Bus (Proprietary) Limited

Shareholders are:

Mvelatrans (Proprietary) Limited with 82% equity (a company in which Unitrans Passenger has 59% equity, with the balance being held by BEE partners, ie Mvelaphanda* with 26% equity and 15% by the Bojanala Employee Benefit Trust*), and Tans Africa (Proprietary) Limited*, via Class A trading 658 (Proprietary) Limited, holding the balance of 18% equity.

The value of the transaction was R51,25 million.

Nomakanjani Logistics Company (Proprietary) Limited

Shareholders are:

Unitrans Freight (Proprietary) Limited with 30% equity
Imbani Holdings (Proprietary) Limited with 30% equity*
Zimele Empowerment Initiative Limited with 26% equity
Bakgotsi Holdings (Proprietary) Limited with 14% equity*

* BEE entities

Management

- To improve the empowerment representation on the Unitrans board of directors
- Desmond Lockey of Arch Equity and Kgomoiso Brian Mosehla of Mvelaphanda were appointed to the Unitrans board of directors.

Employment equity

- Further progress towards 2005 employment equity plans to be made
- Specifically, one senior executive appointment was made in the Fuel and Chemical cluster and one senior executive appointment was made in the Freight cluster's BEE associate company, Nomakanjani Logistics Company (Proprietary) Limited. Many other steps were also taken at senior levels.

Skills and development

- To increase our skills and training effort especially in terms of introduction of learnerships and ABET
- A total in excess of R12,6 million, including the training levy, was spent and 148 learnerships were registered. 147 employees attended ABET courses.

Environment, health and safety

- To retain and expand our ISO certification at our fuel operations
- Fuel and Chemical retained its ISO 14001, 9001 and 18001 (applicable in KwaZulu-Natal and Swaziland only) ratings after inspection by Dekra, an independent accreditation body. The expansion of ISO 9001 accreditation is planned for Botswana and Namibia in 2005/6.
- To achieve a minimum of a NOSA 3 STAR rating at all freight operations
- NOSA system terminated. Independent audits have been done to ensure NOSA 3 STAR equivalent standard has been achieved or maintained at the majority of freight operations.
- Signatory to responsible care – a safety standard for the chemical industry
- Company and customer audits are conducted regularly.
- To manage a full HIV/AIDS voluntary counselling and testing ("VCT") pilot treatment programme
- A comprehensive HIV/AIDS VCT pilot programme was introduced.
- To assist in the introduction of a freight industry HIV/AIDS programme
- Agreement was reached with all industry partners in April 2005 for the introduction of an industry programme. This programme will be rolled out nationally immediately the Department of Labour's promulgation is received.
- To improve the group's accident record by constantly monitoring and retraining drivers and ensuring their sound health
- The group's accident record deteriorated marginally. Management's efforts are being increased to improve this status.



Governance

Transparent governance, as the all-encompassing framework within which all group activities take place, is high on Unitrans' agenda, as it seeks to provide all key stakeholders with the assurance that the group's businesses are being soundly managed.

The policies and procedures adopted by the group are designed and continuously tailored, not merely to ensure compliance with applicable laws and regulations, but also to maximise sustainable returns, to provide key stakeholders with assurance that the group's businesses are being appropriately managed and to safeguard the people, assets and reputation of the group. This is crucially important to the employees, the communities within which Unitrans operates, unions, regulators, governments and investors, all of whom have a stake in the prosperity of the group.

A key component of corporate governance is stakeholder dialogue, often allowing challenging views to be heard. Furthermore, it offers Unitrans the opportunity to learn and, where possible, make changes in the way things are currently done.

Unitrans is committed to formalising a regular programme of stakeholder interactions.

A detailed corporate governance report is contained on page 52 of this annual report.

Shareholders

Globally, shareholders are becoming increasingly knowledgeable about sustainable development issues and how these may impact on the profitability of their investments. This trend has become evident in South Africa. Unitrans believes that the active management of non-financial issues can demonstrate a better quality of management, not least of all because it prompts the group to continuously monitor its external environment, an ever-changing landscape in today's world. This is certainly part of the group's motivation to manage and report on its non-financial performance.

Shareholder developments

At 30 June 2005

On 12 January 2005 the Competition Authorities approved the acquisition by Steinhoff Africa Holdings (Proprietary) Limited ("Steinhoff Africa") of the 34 216 680 Unitrans shares held by Murray & Roberts Holdings Limited ("M&R") via its wholly owned subsidiary, United General Investments (Proprietary) Limited. On the implementation of this acquisition, Steinhoff Africa's holding in the issued share capital of Unitrans inclusive of treasury shares, increased to 60,2%.

Steinhoff
International Holdings Ltd



Detailed information on Unitrans' shareholders is contained in the directors' report on page 65.

Share statistics

	2005	2004
Share price (cents)		
– 30 June	3 280	2 800
– High	3 389	2 861
– Low	2 764	2 225
Shares in issue (million)	89,1	77,4
Market capitalisation (Rm)	2 921,5	2 169,2
Volume traded (million)	10,6	8,2
Value traded (Rm)	336,4	212,9

Shareholder dialogue

Unitrans is committed to open and accurate communication with shareholders on a regular basis to ensure the investment public has a clear and proper understanding of the group's performance and plans.

The interests of the shareholders are considered in all strategic decisions, particularly acquisitions and new ventures.

Communication with shareholders is undertaken via the group's annual report, the Unitrans website, published copies of the group's interim results and audited results at year-end, and the annual general meeting. Shareholder and marketing communication is dealt with via one-on-one meetings with executive management, investor road

shows and teleconferences, and financial presentations. Further information is available on the investor relations page of the group's website, www.unitrans.co.za.

Customers

Strategic focus

Unitrans' mission is to be customer centric, ie passionate about serving customer needs. Operations are encouraged to focus on customers' needs and to actively seek feedback on their service performance.

Formalised strategy workshops have been conducted that involve third party intervention with customers on the group's behalf, providing the group with an excellent means of obtaining uncompromised feedback on its performance. For example, the ability of the group's supply chain businesses to win expansion of existing contracts, as well as contract renewals, demonstrates the commitment to fostering good customer relations.

Customer feedback workshops

Division/cluster	Customer perceptions	Management comments and responses
Unitrans Fuel and Chemical	Positive perceptions: High levels of operational performance and safety, health and environmental compliance Negative perceptions: Expensive and very contractual	This cluster will continue to benchmark its costs against those of the rest of the industry but will continue to provide services without compromising the high safety, health and environmental standards set for the cluster and its suppliers.
Unitrans Sugar and Agriculture	Positive perceptions: High levels of operational performance Negative perceptions: Pricing inflexible and removed from customers	Regular feedback meetings with customers are conducted. Indications are that the cluster's new prices are competitive and satisfying levels of new work are being secured. Industry pricing levels are closely benchmarked.

Customer surveys in 2005

Motor Retail participates in industry-wide customer care surveys.

An independent market research company has been appointed by the motor industry to evaluate customer satisfaction with vehicle purchasing and servicing experiences. This comprehensive survey provides an ongoing measure of customer satisfaction with regard to the issues most important to the customer.

Unitrans Motors is committed to increased customer satisfaction because it leads to improved customer retention and recommendation, which have a bottomline impact on profitability.

This division's average on the overall Customer Satisfaction Index is 84%, an excellent score that places Unitrans Motors as a leading service provider.

Customer awards in 2005

Certain group companies excelled and won customer awards for their performance.	Unitrans Namibia Unitrans Fuel and Chemical	Shell Road Transport HSSE Contractor Award Sasol SQAS Audit 98,8% – highest in the transport sector
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Steps are taken to constantly measure and upgrade performance levels through formal internal programmes, which benchmark performance standards and share best practices across the group.

Industry recognition

USC was awarded both a Gold and a Silver Logistics Achiever's Award in October 2004. The Gold Award was presented for improvements implemented at USC's customer, Gold Fields Limited. The Silver Award was received in recognition of a collaborative outbound distribution solution for USC's customer, AEL Packaged Products in South Africa.



The USC team at the presentation of both the Gold and Silver Awards at the Logistics Achiever Awards for calendar year 2004.

Suppliers

The group focuses on increasing its spend with empowered groups.

The group is undergoing a process of reviewing the BEE credentials of all significant suppliers of services to the group. As part of this process, opportunities are being sought to assist, support and increase empowered suppliers of services. These would include capacity building and training, as well as the transfer of best practices.

Unitrans supports small and medium business enterprises.

Supplier awards

The Motor division received recognition for superior performance from a number of motor manufacturers during the year, including the prestigious Toyota Dealer of the Year Award, the Toyota Truck Dealer of the Year Award and the Toyota Group Managing Director's Award.

The following awards were presented in 2005, in respect of performance in 2004.

Division/retail outlet	Award			
Unitrans Motors	Toyota Dealer Awards 2004			
	Toyota Dealer of the Year 2004	Monument Toyota West Rand		
	Toyota Truck Dealer of the Year 2004	Limpopo Trucks		
	Vehicle Marketing/Mega	Monument Toyota West Rand		
	Group Managing Director's Award	Brynn Stephenson, Unitrans Toyota North		
	Pyramid of Excellent Performance and Efficiency awards			
	Vehicle marketing			
	Medium	Monument Toyota Randfontein	Mariola Michalowski	
	Parts			
	Mega	Pat Hinde Boksburg	Jimmy Evans	
	Medium	Monument Toyota Randfontein	Paul Davids	
	Service			
	Mega	East Rand Toyota	Kevin Ramphal	
	Medium	Monument Toyota Randfontein	Julius Visagie	
	Business management			
	Mega	Pat Hinde Boksburg Monument Toyota West Rand	Neil Kotze Neil Kotze	
	Toyota Financial Services			
	Mega	Monument Toyota East Rand	Nic Muller	
		Supplementary awards		
		Service Advisor of the Year	Killarney Toyota Houghton	Liezel Ferreira
Sales Skills Person of the Year		Monument Toyota Randfontein	Denette Luus	
Audi The Glen	Audi Award of Distinction for 2004			
Audi Klerksdorp	Audi Award of Distinction	Audi New Vehicle Saleslady First prize in Category 3	Jeneanne Swartz	
Benoni Citi	Volkswagen Grand Prix Award for 2004 (Club of Excellence)			
	Volkswagen Service Manager of 2004		Trevor Poonsammy	
	Volkswagen Gold Pin International Award for Service to the Brand		Kevin Gillmer	



Hannes Pretorius (left), dealer principal Limpopo Toyota, winner of the Toyota Truck Dealer of the Year Award, and Andre Jordan, dealer principal Monument Toyota, winner of the Toyota Dealer of the Year Award.

Employees

Unitrans believes its strength lies in its people and that its challenge is always to ensure that its staff is committed and motivated to help achieve the group's objectives.

Accordingly, management is responsible for ensuring that strategic direction is clear. In addition, it is responsible for providing support and the necessary resources to achieve Unitrans' goals. Management ensures that each person is held accountable for results. All human resource initiatives are aligned to achieving corporate goals, and assessing, recognising, and rewarding goal achievement.

The group's ongoing practice of recognising special achievers was held this year at three different functions around the country.

The following employees received the CEO's Main Awards:

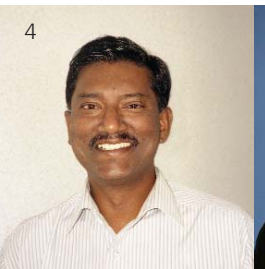
Peter Hancock	General Manager Freight Foods
Des Meyer	SHEQ Manager Fuel and Chemical
Robby Stevenson	Regional Manager North Sugar and Agriculture
Kevin Scott	Marketing Director Passenger
Vincent Kisten	Financial Director Passenger } Joint Award
Ray Singh	Senior Project Manager USC
Anton Janse van Rensburg	Financial Director Roadway Logistics
Brynn Stephenson	Franchise Director Toyota North Motor and Financial Services
Jan Radnay	Company Secretary
Achiever of the Year Award:	
Steve Keys	Managing Director Motor and Financial Services



Winners receiving Main Awards from Jo Grové, Unitrans chief executive, are, from left:

Anton Janse van Rensburg, Roadway Logistics financial director, Peter Hancock, Freight general manager Foods, Brynn Stephenson, Motor and Financial Services franchise director Toyota North.

Other main award winners:

1 	2 	3 	4 	5 
6 	7 	1 – Des Meyer, SHEQ manager Unitrans Fuel and Chemical. 2 – Robby Stevenson, regional manager North Unitrans Sugar and Agriculture. 3 & 4 – Kevin Scott, marketing director and Vincent Kisten, financial director Unitrans Passenger, joint award winners. 5 – Ray Singh, senior project manager USC. 6 – Jan Radnay, company secretary. 7 – Steve Keys, managing director Motor and Financial Services who received the award for Achiever of the Year.		

Employment

Unitrans employs 13 394 staff across its operations, both in South Africa and other countries of operation.

Employment equity

Growing and enhancing people diversity

The group actively seeks opportunities to promote the integration of employees in the workplace. In addition, the promotion of previously disadvantaged employees through the ranks is heralded and publicised. The Freight cluster's publication, *Freight Forward*, focuses on the cluster's employment equity progress, employee successes, training and development.

Diversity workshops, or similar programmes, are to be introduced in the period ahead.

Empowering the group's people

The group's education, training and development ("ETD") policy aims to ensure employees with potential and ambition are given training and development opportunities. In addition, employees are encouraged to use their initiative and inclusive styles of management that recognise employee input in the workplace are encouraged.



Aaron Khanyile, whose initiative took him from the position of a lorry mate with Unitrans Freight Industrial to a fully fledged articulated vehicle driver.

Consult and communicate openly

Formalised committees meet to steer training and employment equity initiatives. In addition, regular shop steward meetings are held at operational level.

Redressing past imbalances

The group's employment equity policy recognises the following key principles:

- The need to redress previous staffing policies and to create a racially equitable situation in the workplace
- Alignment of employment equity activities with the business objectives and training programmes
- Providing for fast tracking of previously disadvantaged candidates with potential

- Full consultation on all employment equity activities
- Promotion of existing suitable previously disadvantaged employees is given priority
- Compliance with the Employment Equity Act

A reassessment of the group's current training and development initiatives is under way. The purpose is to ensure greater transfer of learning to the workforce using mentoring and coaching techniques and by the focused development of previously disadvantaged employees for succession and advancement.

Succession plans

Active succession planning is maintained in all operations. This process also ensures that employment equity plans are managed.

The appointment of previously disadvantaged women to senior management level has been slow in certain areas. However, the fruits of trainee management programmes are beginning to be realised, particularly at the third level of management.

The rate of progress made in achieving employment equity is partly determined by the growth experienced in operations. It is difficult to make progress when jobs are being rationalised and there are existing competent incumbents already appointed. All new appointments made are monitored and full explanations are required where previously disadvantaged individuals are not recruited or appointed either from within or externally.

Attracting and retaining good staff

The group's goal is to ensure that it retains and builds a culture of respect for each individual employee and provides growth opportunities. Remuneration levels and incentive schemes are constantly monitored against market practices. It is recognised that competitive remuneration is an important aspect of attracting and retaining staff.

Employees covered by a bargaining council are subject to that wage determination process for the relevant industry sector, either through negotiation or by statutory determination. Remuneration for all other employees is determined by the divisional remuneration committees or, as appropriate,

by the main remuneration, human resources and nominations subcommittee of the board (the remuneration committee), taking into account the following 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.

Payroll costs 2005

R1,123 billion

The recently formed Employee Trust will be rolled out to include all permanent employees in South Africa, who have been employed by the group for more than three years, other than executive management. The Employee Trust will give them a long-term stake in the group.

Skills development

The group has a formalised approach to training and development. All training activity is directed at either improving employees' performance in their current position or at developing them for future succession. The group's ETD strategy is closely tied to its employment equity strategy, with the aim of developing previously disadvantaged employees to succeed in their existing positions and to prepare those with ambition and potential for the future.

Opportunities for individual growth

The group's ETD policy is driven by consultative committees in all divisions.

Key points of the Unitrans ETD policy:

- All employees are informed and have access to ETD opportunities
- ETD is co-owned by employees and line managers
- The aspirations of the individual and the company's business requirements are balanced
- ETD is regularly audited

Workplace skills plans are reviewed and implemented annually in compliance with the relevant legislation.

Training spend

The total training spend was R12,6 million, including the training levy. All training is provided by accredited providers. A total of 147 ABET learnerships were registered. The group optimises the training levy spend, ensuring a maximum refund of the training levy, and complies fully with the relevant legislation. ABET is used to raise the trainability of semi-literate staff.

The number of learnerships embarked upon by the divisions were:

Freight and Logistics	Passenger	Motor and Financial Services
57	10	80

Goal directed leadership

For a number of years the group has provided supervisory and management development programmes under the auspices of the Unitrans Corporate University. A further management development programme for middle management, attended by 18 members of staff, was successfully run during this year.



These programmes will continue to ensure that the group provides world-class leadership and management.

Programmes to encourage the sharing of knowledge and process implementation are in place in the Motor division. These programmes continually raise operational efficiency and the levels of service provided to Motor's customers.

Legislative compliance

The group is committed to complying with all employment legislation, in spirit and in deed.

Labour relations

Given the risk and potential impact of industrial action on the group's businesses, the group seeks to establish and maintain constructive relationships with its collective bargaining partners. Active and full roles are taken within the industry employer bodies to which the group belongs. These include the Road Freight Association, the Road Freight Employers Association, the South African Bus Operators Association, the Coach Operators Association, the Association of South African Travel Agents, Tourism Marketing South Africa, the Retail Motor Industry organisation and the National Automobile Dealers Association.

The national freight industry was involved in a 10-day strike in March this year over wages and related conditions. This industrial action was marked by high levels of public disruption and intimidation, which significantly impacted on parts of the group's operations, particularly the fuel distribution operations.

Actions have been taken at industry level to rebuild relationships and to review the negotiating process. Facilitated workshops have been conducted with all industry stakeholders that will hopefully ensure that future negotiations are conducted on a mutual gains/needs basis going forward. In addition, the group's own in-house consultative forum will be given greater significance.

Levels of unionisation within the freight and passenger industries in which the group operates are generally in decline. This places at risk the existing collective bargaining structures and processes used to manage labour relations.

The group's levels of unionisation at Bargaining Council level are as follows:

Division	%
Freight and Logistics	Between 12 and 35
Passenger	61
Motor and Financial Services	81

Black economic empowerment

As reported on page 41 of this sustainability report, progress was made with the formation of black economic empowerment initiatives.

Unitrans Employee Benefit Trust

The group's long-held view is that any equity empowerment initiative should be structured to benefit its employees. The recently formed Employee Trust will be rolled out to include the approximately 9 000 Unitrans permanent employees in South Africa, who have been employed by the group for more than three years, other than executive management. These participating employees will be given a long-term stake in the group.

The Employee Trust indirectly holds an interest in 3 503 200 Unitrans shares. Any net gain in shareholding value, after deducting finance costs, will either accrue to employees or be applied for their benefit. The trustees will include director representatives from the group's empowerment partner, Fundiswa. The market value of these shares as at 30 June 2005 was R114 904 960.



Unity Empowered Cleaning Services is a fully owned BEE business, contracted to the Motor division's dealership, United Motors. Twenty-two people are employed in the business, seven of whom were former employees of United Motors.



Unitrans Freight cluster's operation, Chrisick Transport, once again received its ISO certification in respect of ISO 9001, ISO 14001 and OHSAS 18001. From left, Wolfgang Richtert, EQCSA auditor, Derrick Scholtz, Chrisick SHEQ co-ordinator and Riaan Karsten, operations manager.



Jonathan Smit (left), engineering manager Venetia Mine, Albert Snyder, Mega Bus depot manager Musina, Nico Boshoff, Passenger MD and Pieter Gouws, operations manager Mega Bus, with the NOSA safety award received by Passenger's Mega Bus depot at Venetia Mine for 15 million accident-free kilometres.



Dennis Govender, accident and loss control officer at Unitrans Freight's RBM depot, with the NOSA 5 Star accreditation. The depot's safety programme under Dennis' leadership received a 93,5% rating based on the NOSA integrated system.



Unitrans Freight's Premier contract continues to chalk up accident-free kilometres. The latest record in September 2004 was a magnificent total of two million accident-free kilometres

Health and safety

A concern for employees is the adoption of measures to safeguard their health and safety in the workplace. Most aspects of health and safety performance for companies are legislated, making compliance and performance in this area non-negotiable. HIV/AIDS, in particular, is a concern for the group's shareholders, given its potential to negatively impact on its businesses.

HIV/AIDS

The group has been addressing the HIV/AIDS threat for a number of years. Knowledge, attitude, perception and behaviour surveys have been conducted within the past three years, together with voluntary saliva testing and actuarial mortality assessments.

An HIV/AIDS pilot programme was rolled out with mixed success. The pilot study covering over 500 employees identified HIV/AIDS infection in line with national levels of infection. Only 10% of those who tested HIV positive have enrolled on the treatment programme and methods need to be found to improve this take-up rate.

The potential for infection amongst long-haul drivers practising unsafe sex has been the subject of much research in this country and elsewhere. This is one of the reasons why the National Bargaining Council for the Road Freight Industry has negotiated an agreement with all stakeholders for the formalised provision of a full anti-retroviral treatment programme. This enlightened industry programme, subject to promulgation and extension to all parties by the Minister of Labour, envisions the use of national roadside wellness clinics that, *inter alia*, will provide

access to anti-retroviral treatment for all employees in the freight industry, ie in excess of 100 000 employees.

Whilst the majority of the group's drivers operate on a short-haul basis, the group is supportive of this industry initiative.

Accidents

It is well known that South Africa has the highest road accident rate in the world. It is therefore crucial that everything possible be done to ensure that the group's vehicles and drivers are not directly responsible for accidents. The group's vehicles are maintained according to the strictest standards. Company accredited driver training facilities have been established, and retraining of drivers and medical examinations are ongoing. It is long-standing group practice to ensure all drivers undergo annual medical examinations. Full investigations are conducted into all incidents, particularly any involving fatalities and/or loss of equipment, and preventative steps are taken.

The group's regional accident rate performance is closely monitored, including all on and off-

road operations. Analysis indicates that accidents attributed to Unitrans drivers, who covered approximately 162 million kilometres during this year, increased by 8%. Those attributable to third parties increased by 12%. Whilst the increase can be partly ascribed to a larger fleet in operation and increased national traffic levels, this trend is of concern to management and is receiving attention.

It is pleasing to report that Unitrans' driver fatalities decreased year-on-year by 14%.

Providing a safe and healthy working environment

The group's operations comply fully with all occupational health related legislation, ensuring that consultation with employees is regular and effective. Compliance committees operate across the group.

Safety committees strive to minimise accidents through awareness and safer work practices and safety campaigns are regularly held. In addition, the OHASA, NOSA equivalent and ISO programmes are driven with commitment and enthusiasm.

Safety accreditations

Unitrans Freight Chrisick Transport	ISO 9001, ISO 14001 and OHSAS 18001
Unitrans Freight RBM contract	NOSA 5 Star accreditation – 93,5% rating
Unitrans Freight Premier contract	2,6 million accident-free kilometres
Unitrans Fuel and Chemical	Sasol SQAS Audit – 98,8% rating. Highest in transport sector (Unitrans Fuel and Chemical has held this status since 2002)
Unitrans Fuel and Chemical	OHSAS 18001 accreditation – Clairwood and Umbogintwini depots
Passenger	
Mega Bus Musina depot	15 million accident-free kilometres
at Venetia Mine	

Environment

The group is committed to responsible stewardship of resources and contributes to finding solutions for the challenges posed by sustainable development. Unitrans strives to preserve a safe and healthy environment for all its employees and the members of the communities with which it interacts. It 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 and
Financial Services – low impact

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 audit committees.

The highest impact operation is 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 internationally recognised 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, promoting "cradle to grave" product management, and using registered hazardous waste sites for any disposal. SHEQ programmes have been introduced through trained and dedicated management.

Environmental incidents

In the event of any spillages occurring while transporting hazardous goods, Unitrans has a programme in place to ensure that strict pollution controls and rehabilitation are introduced, working in conjunction with the relevant authorities. No fines or penalties have been instituted by any environmental authorities during the year under review.

Fuel and Chemical

Nature and place of incident	Quantity in litres
Spillage – Volksrust	27 049
Spillage – Meiringspoort	21 343

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

Environmental facts

Materials

The group does not use processed or unprocessed wastes from external sources.

Energy

The group consumes energy in various forms, both directly and indirectly. The largest single source of energy used is fossil fuel consumed for road transport. Total fuel consumed for the year ended June 2005 was 86,2 million litres. Every effort is made to reduce consumption through the introduction of regular maintenance, the introduction of new technology and the upgrading of equipment. The group's goal is to minimise its fossil fuel consumption, thereby also reducing green house emissions emanating from its road transport operations, and to be one of the leaders in implementing cleaner technologies wherever possible.

Electricity is the largest indirect source of energy purchased. The group is conscious of the need to conserve energy and explores every possible means of saving energy to reduce CO₂ emissions. Renewable energy is not currently used in the group.

Water

The group is not a primary user of water for production but does consume water from external sources for use in wash bays and other limited use.

Biodiversity

Apart from the group's mining related operations, none of the primary group operations or facilities are situated in biodiversity rich habitats. The potential impact of product spillage carried is monitored and appropriate measures are taken to minimise risks, such as cleaning procedures and treatment to soak up oil from contaminated soil. These processes are continually being improved.

In the case of the mining services business, Unitrans works closely with its customers to minimise any environmental impact.

Emissions to air

To date, accurate measurement of the emission of harmful gases generated by the group's vehicles has been difficult to assess,

although the group has a fleet renewal programme and ensures legal standards of exhaust emissions are not exceeded.

Effluents

Used oil is disposed of through recycling agencies and is not dumped or released into the municipal sewerage systems.

Wash bay runoff caused by the washing of the operational fleet is the only significant source of effluent. Hazardous effluent may also result from substances carried on behalf of customers, particularly in the Fuel and Chemical cluster. Appropriate measures are taken to ensure that any effluent generated is disposed of responsibly. These measures include the use of separator pits to clean water, continual water testing, and the employment of subcontractors to remove effluent to ISO 14001 approved pits.

Waste

The group does not generate industrial waste other than as mentioned above. Quantities of waste generated through normal office operations are not measured.

Some of the waste management initiatives in the group include:

- Tyres are retreaded where it is safe to do so. Where this is no longer practicable, they are disposed of through recycling channels operated by the manufacturers of the tyres or by third party recycling organisations that dispose of tyres in a responsible manner. Uses of waste tyres include agricultural applications as well as the production of compounds used in asphalt.
- Used lubrication oil, fluorescent tubes, vehicles, batteries and other waste generated by the group's operations are recycled. Where it is not possible to recycle, they are disposed of in a responsible manner.

Products and services

The primary products sold by the group are cars and trucks. Motor and truck manufacturers continually strive to increase the percentage of their products that can be recycled. As a component of the product cycle, we seek opportunities to participate in any initiatives to ensure greater re-use of motor parts.

The nature of our services is not environmentally harmful, although the products distributed may have an impact on the environment.



Joe Rule (right), former business development manager of Unitrans Fuel and Chemical, and Les Aupais (left), of Carte Blanche, with two of the Sisters from Nazareth House, a Cape Town centre for children living with HIV/AIDS. Unitrans Fuel and Chemical raised approximately R50 000 for the centre.



The group's Sugar operation at Nchalo, Malawi, renovated the Montfort Hospital Malnutrition Unit near Nchalo Estate. The unit specialises in the care of expectant mothers and infants.



Unitrans Botswana continues to sponsor a house at the SOS Children's village in Tlokweng, Botswana.



The group's Sugar operation in Mozambique assisted a settlement established to care for a group of HIV/AIDS orphans. Computer equipment was also donated by the group to the settlement's administration staff.

Communities and citizenship activities

Unitrans recognises the importance of involvement in the communities in which it operates and on which its operations have an impact, both in South Africa and other countries. Accordingly, all Unitrans' operations are encouraged to become involved in appropriate community initiatives.

The group's corporate social responsibility activities are aligned with its business strategy, and focus areas are job creation, HIV/AIDS, community development and crime prevention. This strategy is guided by developmental priorities on the national agenda in South Africa and is also geared towards developing expertise and skills that will serve the future human resource requirements of Unitrans. Priority is given to projects initiated by or of direct benefit to Unitrans employees, the communities in which they live and in which Unitrans companies operate.

Corporate social investment ("CSI")

The group's CSI programme continues to support development aimed at the fulfilment of human needs by assisting in meaningful development and promoting sustainable development.

The areas in which the group has made a social investment 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. At the completion last year of the five-year programme, Unitrans reaffirmed its support of this organisation and has joined the second five-year phase. An amount of R1,5 million was contributed by Unitrans to the Trust in 1999 and an undertaking has been given to the Trust that Unitrans will contribute a further R1,1 million over the second five-year phase.

The Trust's activities are outlined in the chairman's report on page 15.

Community AIDS Response

Unitrans continues to give its support to Community AIDS Response ("CARE"), an organisation that provides support and medical care to people living with HIV/AIDS.

Sponsorship is focused on CARE's projects that support AIDS orphans and the Youth Outreach Programme.

World AIDS Day

Unitrans recognises the importance of World AIDS Day on 1 December. Banners are erected at its various operations around the country on that day.

Support from operations

The group recognises the importance of involvement in the communities in which it operates. To this end, all operations are encouraged to become involved in community projects.

South Africa

Transport services were provided to several NGOs, including transportation provided

to children's orphanages for field trips.

A community outreach project for disadvantaged people was sponsored and the proceeds from a fundraising event were donated to a centre for abandoned and orphaned children living with HIV/AIDS. The profits from fundraising activities were donated to a school to help build classrooms, and the proceeds from a golf day were donated to a non-profit organisation involved in community projects.

The group supports a mentorship programme at Rhodes University directed at ensuring that entrants who are previously disadvantaged individuals are able to adjust better to university tertiary education.

A franchise operation within the group's Motor division supports a project run by its franchise principal, through which certain of its employees participate in fundraising activities for various charities.

Other countries

The group's Sugar operation in Mozambique assisted a settlement established to care for a group of HIV/AIDS orphans. In addition, computer equipment was donated to this settlement by the group. The renovation of a malnutrition unit at a clinic in Nchalo, Malawi was also undertaken by this operation.

The SOS Children's Village in Gaborone, Botswana, continues to receive monthly sponsorship from the group's operation in Botswana. It also participated in a study set up by the Botswana government to gather data needed in the fight against HIV/AIDS.

Other donations

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

A more formalised approach to CSI is to be embarked upon in the year ahead, looking at ways in which Unitrans can more effectively utilise its core competencies in community involvement activities. However, a key strength of its current approach has been the involvement of a Unitrans in-house CSI "champion" prepared to take an active and ongoing interest in the project.

Future sustainability

The group has undertaken to play its part as a responsible corporate citizen, recognising that progress in all the social areas is important for its future sustainability.

The value created statement on page 56 reflects the economic contribution that the group makes to society as a whole.

Objectives 2006

Overall goal

To introduce an effective and robust sustainability management and reporting system.

BEE

- To make further progress, in terms of employment equity and to ensure that all divisional executive committees meet agreed targets.
- Diversity workshops, or similar programmes, are to be introduced.
- To establish a more focused approach to CSI and to BEE procurement, by conducting an independent assessment of the group's current approach, and implementing a strategic focus based on best practice.

Health

- To roll out the freight industry HIV/AIDS direct treatment intervention.

Environment

- To retain and extend ISO and NOSA equivalent ratings across the group's Freight and Logistics' operations.

Safety

- To improve the group's accident record.

Education, training and development

- To review the group's current efforts and realign these with the group's employment equity and business objectives.
- To introduce diversity workshops, or equivalent, and ensure that at least 10% of staff undergo training in the new financial year.
- To enhance the transfer of skills using mentors.



Greyhound's Citiliner operation transported 40 children from the Abraham Kriel children's home in Johannesburg to Natalia in KwaZulu-Natal for a seaside holiday.



Rob Hay (left), marketing manager of Unitrans Fuel and Chemical presented a cheque for R15 000, the proceeds of a golf day, to Elsa le Roux, Umhlanga Rotary Club president, and Barry Roberts, a Rotary member.



Unitrans Fuel and Chemical assisted the Place of Hope project in the Walmer Informal Settlement with a donation of R20 000.



Gert Brits, general manager of Unitrans Freight's Mining operation (left), with Miss Sheila Naidoo, principal of Parklands High School, Andries de Jager, Unitrans Freight financial manager and Deon van Rensburg, vice principal of Parklands High School. Unitrans Freight donated funds to assist the school to build two extra classrooms.

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

Unitrans recognises that sound corporate governance is achieved only by constant review and adaptation of its structures, processes and policies to take into account internal group developments and to accommodate externally recognised standards of best practice.

The policies and procedures adopted by the group are designed not merely to ensure compliance with applicable laws and regulations, but also to maximise sustainable returns, to provide all stakeholders with the assurance that the group's businesses are being managed appropriately and to safeguard the people, assets and reputation of the group. A separate sustainability report containing full details of the group's commitment to sustainable development is included in this annual report on pages 40 to 51.

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 ie, 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; and
- the constitution and appointment of sub-committees of the board and the delegation of authorities to such sub-committees.

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 have been separated and the chairman is an independent non-executive director. Other board members are the chief executive, two executive directors and seven non-executive directors.

Of the seven non-executive directors, Dr D Konar and Mr PK Quarmby are classified as independent non-executive directors. Messrs MJ Jooste, DM van der Merwe and JHN van der Merwe are representatives of Steinhoff Africa Holdings (Proprietary) Limited ("Steinhoff Africa"), a wholly owned subsidiary within the Steinhoff International Holdings Limited group of companies and the holder of 60,8% of the issued share capital of the company. Mr D Lockey, the chief executive of Arch Equity Limited, and Mr KB Mosehla, a director of Mvelaphanda Capital (Proprietary) Limited, were appointed to the board on 6 May 2005, together with Mr JHN van der Merwe.

Details of the directors, including brief CVs, are shown on pages 8 to 11.

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. In addition, directors appointed during the year are required to resign at the ensuing annual general meeting and, if eligible, may also offer themselves for re-election. Details of the retiring directors offering themselves for re-election at the annual general meeting of shareholders to be held on 28 November 2005 are contained on pages 8 and 11.

The nominations committee makes recommendations to the board on the composition of the board and on the selection and appointment of directors. The board, having due regard to the recommendations of the nominations committee, makes such appointments to the board as it deems appropriate, subject to the approval of the shareholders thereto at ensuing annual

general meetings. The continuance in office of any director over the age of 65 is subject to review 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. Newly appointed directors are inducted in board matters, the business of the company and, as appropriate taking into account specific individual needs, into their duties as directors. An induction tour of selected group operations was held for new directors in May 2005.

A system for the appraisal of the board as a whole has been established. During the year the chairman of the board undertook one-on-one interviews with each director. The findings from these appraisals and interviews were reported to the board and appropriate action has been taken where required.

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 meeting is scheduled each year prior to the quarterly June board meeting for purposes of briefing the directors on the business plan for the forthcoming year. The business plan is then considered by the board at the ensuing board meeting. Formal agendas are set for all board meetings to ensure that matters that require the board's attention are properly addressed. Where applicable, directors declare their interests in contracts at board meetings.

Attendance at board meetings

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

Directors	23 Aug 2004	8 Dec 2004	21 Feb 2005	23 May 2005 *	17 Jun 2005
DC Brink	✓	✓	✓	✓	✓
KJ Grové	✓	✓	✓	✓	✓
BC Bruce ⁽¹⁾	✓	–			
PJ Dieperink	✓	✓	✓	✓	✓
MJ Jooste	✓	✓	✓	✓	✓
SM Keys	✓	–	✓	✓	✓
D Konar	✓	✓	✓	✓	✓
D Lockey ⁽²⁾				✓	✓
KB Mosehla ⁽²⁾				✓	✓
RH Naisby ⁽³⁾	✓	✓			
PK Quarmby	✓	✓	✓	–	✓
RW Rees ⁽¹⁾	✓	✓			
DM van der Merwe	✓	✓	✓	–	✓
JHN van der Merwe ⁽²⁾				✓	✓

✓ Indicates attendance

– Indicates absent with apology

* Denotes ad hoc meeting

(1) Resigned with effect from 20 January 2005

(2) Appointed with effect from 6 May 2005

(3) Resigned with effect from 8 December 2004 pursuant to his retirement from the company

The non-executive directors are paid a per meeting fee for their attendance at meetings. Details of the fees paid to the non-executive directors for the year under review and fees payable for the period 1 July 2005 to 31 December 2005 are contained on page 96 of this annual 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 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

The Unitrans Limited 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	KB Mosehla JHN 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 and the external auditors review 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 recommended to the board that the annual financial statements of Unitrans Limited for the year ended 30 June 2005 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) and the board accepted this recommendation.

The statement by the directors on page 60, which confirms 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.

Risk is addressed as an adjunct to the audit committee, with the group's exposure to risk being identified, assessed, managed and monitored at operational level. Key risk areas are reported on and reviewed by the relevant divisional audit committees and, in turn, are reported on and reviewed by the audit committee. Accordingly, in the reasonable opinion of the board, all material risks have been identified and, to the extent feasible and practicable, are being proactively managed. The material risks currently facing the group's divisions are detailed in the divisional operational reports within the chief executive's review on pages 17 to 19 of this annual report.

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

An appraisal of the efficacy of the committee was undertaken during the year under review and cognisance was taken of the comments made in the appraisal process. A further appraisal will be undertaken once the recently appointed committee members have had the opportunity of familiarising themselves with the workings of the committee.

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

	19 Aug 2004	16 Feb 2005	15 Jun 2005
D Konar	✓	✓	✓
DC Brink ⁽¹⁾		✓	
KB Mosehla ⁽²⁾			✓
RW Rees ⁽³⁾	✓		
DM van der Merwe ⁽⁴⁾	✓	–	
JHN van der Merwe ⁽²⁾			✓

✓ Indicates attendance

– Indicates absent with apology

(1) Temporary appointment pending committee appointments made on 6 May 2005, on which date Mr Brink resigned as a committee member. (In his capacity as chairman of the board, Mr Brink attends meetings of the committee by invitation).

(2) Appointed with effect from 6 May 2005

(3) Resigned with effect from 20 January 2005

(4) Resigned with effect from 6 May 2005

Divisional audit committees

All divisions within the group 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 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	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 employee benefits, profit incentives, the Unitrans Limited Share Scheme, the Unitrans Limited Employee Benefit Trust and retirement funding. Employee incentive schemes, at both executive and divisional level, are subject to the approval of the committee and are based on the achievement of prescribed, measurable performance targets. Committee members and executives invited to attend meetings of the committee may not take part in any decisions regarding their own remuneration or benefits.

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.

An appraisal of the efficacy of the remuneration committee was undertaken during the year by the committee chairman, in conjunction with the one-on-one interviews conducted by him with individual directors.

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

	23 Aug 2004	8 Dec 2004	21 Feb 2005	17 Jun 2005
DC Brink	✓	✓	✓	✓
BC Bruce ⁽¹⁾	✓	–		
KJ Grové	✓	✓	✓	✓
MJ Jooste	✓	✓	✓	✓

✓ Indicates attendance

– Indicates absent with apology

(1) Resigned with effect from 20 January 2005

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 meetings of the remuneration committee.

Executive committee

All of the group's divisions have 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 executive. The executive committee, which meets on a quarterly basis, deals with material matters relating to the management and development of the group in line with the strategic direction given by the board. Ad hoc meetings of the committee are convened when necessary.

Acquisitions subcommittee of the executive committee ("Dealco")

All proposed acquisitions, irrespective of size, are submitted to Dealco for the granting of a mandate to initiate or continue negotiations and to evaluate any final acquisition proposals. 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 committees

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 executive 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 operations committee review meetings.

Internal audit

The role of Unitrans' internal audit is primarily to provide independent, objective assurance and consulting to the audit committee and executive management. It helps the group achieve its objectives by bringing a systematic, disciplined approach to evaluate the adequacy and effectiveness of the group's systems of internal control, risk management practices and corporate governance processes supporting the achievements of the group's business objectives.

Internal audit measures and evaluates the effectiveness and application of policies, procedures, systems and processes designed and operated to achieve effective internal control, reliable financial records and reports, compliance with applicable legislature and regulatory requirements, design and implementation of new systems and processes and the safeguarding of assets.

Internal audit is responsible for assisting the board and management to:

- monitor the effectiveness of the company's risk management process; and
- maintain effective controls by ongoing evaluation of the efficiency and effectiveness of such controls.

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.

A software programme to assist with the identification and management of risk has been 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 scope of the group's internal audit covers all of Unitrans' operations, including those local and foreign subsidiary companies that are managed and controlled by Unitrans, all business, financial and non-financial systems and processes, compliance and risk management, projects, joint ventures, special activities and functional units and all product groups, associated areas and their supporting systems and processes (spanning trading, operations, finance and management reporting). The corporate level controls exercised by the board and executive management and the control environment promoted are also subject to audit.

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

Policy and procedure manuals

During the financial year, each division produced an updated policies and procedures manual. These manuals detail the procedures and controls that need to be adopted at operational and depot/dealership level.

External audit

The extent of any utilisation of the external auditors for consulting or non-audit services has been monitored and is reported via the divisional audit committees 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. The audit committee approves the nature and scope of the external audit function and the audit fee.

The external auditors have confirmed to the audit committee that they are not aware of any relationships between the group and themselves that were in place or occurred during the year under review that, in their professional opinion, could reasonably be thought to impact on their independence.

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 JSE Limited ("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 in turn 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. Any share dealings by directors of the company and its major subsidiaries, or by the company secretary, are notified to the JSE for publication via the Stock Exchange News Services ("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;
- 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 the 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

While the primary responsibility of Unitrans is to its investors, to secure the future sustainability of its businesses, the board has approved, and Unitrans has adopted, a code of conduct to ensure that the group operates, in all respects, as a good corporate citizen.

The code requires group employees to perform their duties in good faith and to be trustworthy in all their dealings with customers, suppliers and other stakeholders, thereby establishing a reputation for integrity and responsible behaviour that will underpin their commercial performance.

Through rigorous application of the code and group policies, including the compliance policy, and by frequent review meetings, the group is committed to the highest standards of legal and ethical behaviour. The group has adopted a zero tolerance approach to theft, fraud and the offering of bribes or favours.

Unitrans will take reasonable steps to ensure that the application of the foregoing principles is promoted by those with whom it does business.

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.

Whilst the company does not have a formal policy on the extent of the utilisation of the external auditors for consulting or non-audit services, this utilisation is monitored and reported to the audit committee.

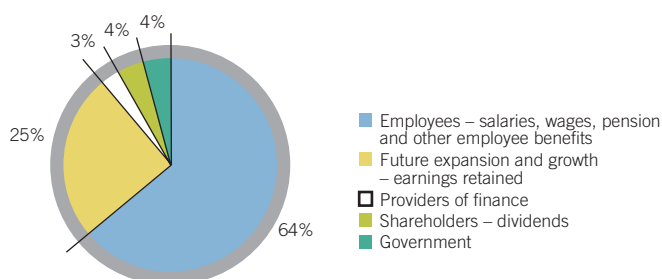
V A L U E C R E A T E D

S T A T E M E N T

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 the group's various stakeholders.

GROUP	2005	%	Restated 2004	%
	R000		R000	
Revenue	11 172 179		9 364 270	
Cost of materials and services	9 341 433		7 657 073	
Value created	1 830 746		1 707 197	
Distributed as follows				
Employees – remuneration and benefits	1 168 225	64	1 068 790	63
Government – see note below	77 358	4	129 582	8
Providers of finance	60 787	3	60 745	3
Shareholders – dividends	77 422	4	70 694	4
To maintain and expand the group				
Earnings retained	198 238		172 734	
Depreciation	248 716		204 652	
	446 954	25	377 386	22
	1 830 746	100	1 707 197	100
Note: Contributions to government				
Company tax	94 201		98 668	
Customs duty	1 710		2 596	
Rates and taxes paid to local authorities	7 347		6 615	
Regional services council levies	21 379		17 026	
Grants and subsidies received	(71 151)		(14 073)	
Taxes paid to central and local government	53 486		110 832	
VAT	23 872		18 750	
Total contributed to government	77 358		129 582	
Value created per employee	137		135	
Number of employees	13 394		12 680	

Value created: 2005



SIX - YEAR

REVIEW

R000	Year to June 2005	Restated Year to June 2004	Year to June 2003 [#]	Year to June 2002 [#]	Year to June 2001 [#]	Year to June 2000 [#]
Group financial results						
Revenue	11 172 179	9 364 270	7 757 864	5 995 020	5 278 657	4 585 109
– Transport and Logistics	2 487 935	2 209 117	1 830 702	1 589 388	1 378 851	1 038 291
– Motor and Financial Services	8 684 244	7 155 153	5 927 162	4 405 632	3 899 806	3 546 818
Operating profit	412 544	400 718	380 694	311 204	243 228	179 854
Profit before taxation	373 875	357 756	316 219	283 153	235 989	174 536
Net profit for the year attributable to Unitrans Limited shareholders	275 660	243 428	212 093	199 364	164 613	128 375
Assets						
Non-current assets	1 622 621	1 375 692	1 173 113	1 027 967	883 363	711 100
Current assets	2 577 641	2 153 772	1 409 315	1 212 652	1 000 791	971 731
Total assets	4 200 262	3 529 464	2 582 428	2 240 619	1 884 154	1 682 831
Equity and liabilities						
Interest of all shareholders	1 794 853	1 343 065	1 206 095	1 088 561	904 867	790 021
Non-current liabilities	649 674	234 784	159 397	168 715	182 422	175 896
Current liabilities	1 755 735	1 951 615	1 216 936	983 343	796 865	716 914
Total equity and liabilities	4 200 262	3 529 464	2 582 428	2 240 619	1 884 154	1 682 831
Financial ratios						
Ordinary share performance						
– Earnings per share (cents)*	321,5	320,3	283,8	261,6	216,7	182,9
– Diluted earnings per share (cents)*	318,6	316,6	278,6	260,7	214,7	182,1
– Headline earnings per share (cents)*	343,7	334,5	307,9	255,1	203,2	159,5
– Dividends per share (cents)	100,0	93,0	84,5	52,5	73,5	69,0
– Dividend cover (times)*	3,4	3,6	3,6	4,9	2,8	2,3
– Net asset value per share (cents)*	1 986,8	1 691,9	1 552,2	1 421,0	1 186,4	1 041,2
– Number of shares in issue at year-end ('000)	88 193	76 869	75 217	76 251	76 091	75 788
– Weighted average number of shares in issue ('000)*	85 729	76 001	74 733	76 204	75 952	70 195
– Weighted average number of shares increased by the effects of dilutive potential shares ('000)	86 518	76 877	76 141	76 485	76 660	70 503
Profitability and asset management						
– EBITDA (R million)*	661,3	605,4	556,5	470,6	398,0	318,4
– EBITDA (%)*	5,9	6,5	7,2	7,8	7,5	6,9
– Operating margin (%)*	3,7	4,3	4,9	5,2	4,6	3,9
– Return on capital employed (%)*	25,3	26,2	31,6	33,0	32,1	25,9
– Return on shareholders' funds (%)*	18,1	18,8	19,2	20,1	19,5	18,1
Liquidity and leverage						
– Net interest borrowings to total shareholders' funds (%)*	–	11,9	12,0	–	–	–
– Current ratio*	1,5	1,1	1,2	1,2	1,3	1,4
– Interest cover (times)*	10,1	8,2	7,3	9,4	11,5	8,7
JSE Limited performance						
Average share price (cents)	3 173	2 588	1 990	2 150	2 270	1 820
Total volume traded during the year (million)	10,6	8,2	5,0	18,0	21,0	29,0

* Definitions are given in the notes to the annual financial statements on page 79.

Years preceding June 2004 have not been restated to reflect the restatement of foreign operations into their functional currency, the proportionate consolidation of joint ventures, the change in the method of recognising operating lease costs, the reclassification of the advances and liabilities of Unitrans Finance (Proprietary) Limited and the separate disclosure of positive and negative bank balances.

Contents of the annual financial statements

for the year ended 30 June 2005

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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 62 to 106 for the year ended 30 June 2005. 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 financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

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

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and of the group at 30 June 2005 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
23 August 2005

FINANCIAL STATEMENTS

The financial statements which appear on pages 60 to 104 were approved by the board of directors on 23 August 2005 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 2005

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 59.

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 internal controls are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the group's policies and procedures. On this basis, 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.



DC Brink
Chairman



KJ Grové
Chief Executive

23 August 2005

Certificate by Company Secretary

for the year ended 30 June 2005

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.



JV Radnay
Company Secretary

Illovo
23 August 2005



Directors' report

for the year ended 30 June 2005

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 2005.

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 pages 4 and 5 of this annual report.

FINANCIAL RESULTS

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

REVIEW OF OPERATIONS

During the year under review the domestic economy was characterised by high consumer spending on the back of low interest and inflation rates, good economic growth and the strong rand.

Headline earnings per share increased by 3% to 343,7 cents (2004 restated: 334,5 cents) on the back of the allotment and issue of the additional 11,6 million shares for purposes of the BEE transaction effected via Fundiswa investments (Proprietary) Limited, previously Clidet No 518 (Proprietary) Limited ("Fundiswa").

The company repurchased 814 971 of its shares at a cost of R27 million. The full benefit of these repurchases on headline earnings per share will be evident in the next financial year.

Borrowings

The group elected to restructure its debt profile by introducing a level of medium term fixed rate funding. In May 2005, the group registered a R1,5 billion Domestic Medium Term Note programme with the Bond Exchange of South Africa. To date, R400 million of notes have been issued under this programme for a five-year period.

At year-end, the group was in a net cash position of R31 million. Short-term borrowings reduced to R56 million (2004: R371 million). The core level of net borrowings decreased from R550 million to R520 million. Net finance costs decreased from R49 million to R41 million.

The group's net asset value per share increased by 17% to 1 987 cents (2004: 1 692 cents) and tangible net asset value increased to 1 894 cents (2004: 1 620 cents).

Closure costs

Costs totalling R18,3 million before tax, directly attributable to the termination of certain businesses, have been excluded from headline earnings. These costs relate to businesses terminated during the year under review, which were the harvesting operations within Forestry, the National Lubes Distribution business and certain Express Distribution operations.

Other information

Details of the movements during the year in property, plant and equipment within the group are given in note 2 to the consolidated annual financial statements on page 80. Details of the attributable interest in the aggregate net profits or losses of subsidiaries, associate and joint ventures are given in note 30 to the consolidated annual financial statements on page 92.

Freight and Logistics

Revenue for the Freight and Logistics division grew by 7% to R1,97 billion (2004: R1,84 billion) and operating income after depreciation decreased to R96 million (2004 restated: R170 million). The decreased contribution from this division was as a result of several factors, including the 10 day strike in the freight industry and disappointing performances from certain of the division's operations. The majority of the freight operations turned in solid performances. Difficulties were, however, experienced in the following areas:

- The Forestry operation made a loss for the year. Decisive remedial action has been taken and the operations have been restructured. Only selected aspects of the Forestry operation will be retained going forward, with the balance being closed.
- The Express Delivery operations did not meet expectations. Certain operations were closed and the balance is receiving management attention.
- The Fuel and Chemical cluster had a poor year as a result of the loss of certain contracts and increased competition on international activities.

The balance of the Freight and Logistics' businesses including the Foods, Industrial and Mining units, the Sugar and Agriculture cluster, Roadway Logistics (Proprietary) Limited ("Roadway") and Unitrans Supply Chain (Proprietary) Limited ("USC"), performed well. USC had an extremely positive year and was successful in securing a number of major contracts, including contracts for steel warehousing and distribution of BP/Castrol lubricants.

Capital expenditure

Gross capital investment in Freight and Logistics was R338 million (2004: R406 million), R160 million of which was used to fund expansion, with the balance spent on replacement.

Passenger

Revenue for this division grew by 39% to R516 million (2004: R373 million) and operating income after depreciation increased by 32% to R61 million (2004 restated: R46 million).

These excellent results were achieved in the face of intense competition on the division's intercity operations and against reduced tourism numbers. The division's successful entry into the commuter bus transport market in the Rustenburg area, which is a divisional BEE initiative, has added to the division's ability to balance its performance to withstand the indirect impact of economic conditions such as the strength of the rand, which has affected tourism levels and certain of the division's customers in the mining sector.

Capital expenditure

Capital investment for the division was R122 million (2004: R55 million) of which R97 million was used to fund expansion, mainly on the Rustenburg commuter bus transport contact, with the balance spent on replacement.

Motor and Financial Services

Motor Retail

Revenue for the retail division increased by 22% to R8,6 billion (2004: R7,1 billion) and operating income after depreciation increased by 44% to R211 million (2004 restated: R147 million).

The division, assisted by the positive conditions in the South African retail market, produced excellent results and achieved record levels of new vehicle sales. The parts and related after-market services' operations also performed well on the back of strong sales volumes. Sales of pre-owned vehicles were under pressure as a result of new vehicle price stability. The market for pre-owned vehicles has begun to show signs of increased demand.

Insurance and Financial Services

The growth in operating income for these operations, fuelled by the increase in vehicle sales, was 20% year-on-year.

Hertz Rent a Car

Management's focus on increased cost efficiencies, better fleet utilisation levels and yield management has had a positive impact on this operation which returned to profitability during the year, despite extremely competitive industry pricing.

Capital expenditure

Gross capital expenditure for the Motor and Financial Services division was contained to R24 million (2004: R22 million).

CORPORATE ACTIVITY

An agreement has been entered into between Unitrans Motors (Proprietary) Limited ("Motors") and New Africa Investments Limited ("Nail") for the acquisition by Motors of the remaining 60% shareholding held by Nail in Alisa Holdings (Proprietary) Limited, trading as Hertz Rent a Car South Africa ("Hertz"). The acquisition, which will result in Motors owning 100% of Hertz, is, at the date of this report, subject to the approval of the Competition Tribunal.

With effect from 30 June 2005, the company acquired the remaining 50% shareholding held by Steinhoff International Holdings Limited ("Steinhoff") in Roadway, the joint venture company established with Steinhoff for the provision of logistics services to the retail furniture and white goods industries. This transaction did not constitute a related party transaction as defined in section 10 of the Listings Requirements of JSE Limited ("the JSE"), as the acquisition price as a percentage of the group's market capitalisation at the date of acquisition was below 0,25%.

BLACK ECONOMIC EMPOWERMENT ("BEE")

As part of the group's commitment to BEE, the following empowerment initiatives were put in place during the year:

- The NTI contract for commuter bus transport in the Rustenburg area, operated by Bojanala Bus (Proprietary) Limited, in which Unitrans Passenger (Proprietary) Limited currently has an effective 49% shareholding, commenced in October 2004;
- Nomakanjani Logistics Company (Proprietary) Limited, in which Unitrans Freight (Proprietary) Limited has a 30% shareholding, commenced the provision of transport services under contract to the coal mining industry in South Africa on 1 July 2004; and

Directors' report (continued)

for the year ended 30 June 2005

- The allotment and issue of 11 600 000 Unitrans shares for cash on 4 October 2004, at R25,04 per share, to Fundiswa. As previously advised to shareholders, Fundiswa is owned as to:
 - 34,9% by Arch Equity Limited (a black-controlled company focusing on private equity investments);
 - 34,9% by Mvelaphanda Capital (Proprietary) Limited (a wholly owned subsidiary of Mvelaphanda Holdings (Proprietary) Limited, a widely recognised BEE entity); and
 - 30,2% by the Unitrans Limited Employee Benefit Trust established for the benefit of Unitrans' employees, at least 86% of whom are previously disadvantaged individuals. Executive management do not participate in this trust. Details of this trust are given on page 65 of this directors' report.

SHARE CAPITAL

The authorised share capital at 30 June 2005 consisted of 200 000 000 shares of 10 cents each.

The number of issued shares, including treasury shares, increased from 77 471 988 at 1 July 2004 to 89 071 988 at 30 June 2005 as a result of the allotment and issue of 11 600 000 shares for cash on 4 October 2004 to Fundiswa. During the year:

- the company repurchased 814 971 of its shares representing 0,91% of the issued share capital of the company. These share repurchases were effected under the general authority granted to the directors by shareholders at the annual general meeting held on 8 December 2004. The 814 971 shares repurchased are held by a wholly owned subsidiary as treasury stock. The average purchase price of these shares, inclusive of brokerage, was R32,66; and
- no shares were allotted and issued for purposes of the Unitrans Limited Share Scheme ("the Share Scheme") as all delivery obligations of the Share Scheme were satisfied by the purchase of shares already in issue. Excluding the 53 750 shares (2004: 603 330 shares) relating to non-vested shares held within the Share Scheme as treasury stock, together with the additional 10 789 shares (2004: nil) also held as treasury stock within the Share Scheme against delivery obligations, and the 814 971 shares repurchased, as detailed above held as treasury stock, the issued share capital at 30 June 2005 was 88 192 478 shares (2004: 76 868 658 shares).

At the forthcoming annual general meeting, which is to be held on 28 November 2005, shareholders will, *inter alia*, be requested to:

- place 5 817 463 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 general meeting of shareholders, to distribute share capital and/or reserves to shareholders.*

*Subject to the requirements of the JSE and the Companies Act No 61 of 1973, as applicable.

Full details of the share capital are included in note 12 to the annual 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:

	2005	2004
Shares allocated for the Share Scheme (see note below)	13 360 798	11 620 798
Matured shares re-admitted* (see note below)	5 641 000	5 169 000
Shares reserved	19 001 798	16 789 798
Less		
Share purchases*	(3 199 180)	(3 199 180)
Share options exercised*	(9 985 155)	(8 726 830)
Unissued shares to be placed under the control of the directors for purposes of the Share Scheme at the next annual general meeting	5 817 463	4 863 788
Less		
Options outstanding – not yet exercised (refer note 13)	(2 907 845)	(3 546 170)
Balance available for granting of options or issue of shares in the future	2 909 618	1 317 618

* 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.

Unitrans Limited Share Trust loans

At 30 June 2005, outstanding loans to employees granted by the Unitrans Limited Share Trust, prior to any fair value adjustments, totalled R6 052 814 (2004: R19 621 376). The decrease in loans to employees during the period under review was attributable to the fact that delivery was taken of a number of shares that had vested and that no new loan accounts were advanced during the year.

Vesting of shares on change of control

In terms of the Share Scheme rules, on the change of control of the company from Murray & Roberts Holdings Limited ("M&R") to Steinhoff Africa (Proprietary) Limited ("Steinhoff Africa"), as detailed under the paragraph below headed "Shareholders at 30 June 2005", all unvested shares and options within the Share Scheme automatically vested at the date of change of control. Irrevocable undertakings were given by the members of the executive management team, who held 2 426 625 or 82,15% of the affected shares and options, confirming that they would not exercise their rights under this automatic vesting provision. The remaining participants, ie participants other than executive management, held 527 238 or 17,85% of the affected shares and options and, from this balance, a total of 111 775 shares and options were taken in advance of their normal vesting dates. This concession afforded by the Share Scheme rules fell away on 19 April 2005 and the normal vesting dates are applicable to the remaining shares and options held within the Share Scheme.

UNITRANS LIMITED EMPLOYEE BENEFIT TRUST

As previously advised to shareholders, this trust has been established for the benefit of Unitrans' employees, resident in the Republic of South Africa, who have been employed within the group for a period of not less than three years, other than executive management who participated in the 20th and 21st allocation of options under the Unitrans Limited Share Scheme.

The object and purpose of the trust is to incentivise, encourage and commit employees to the future of the group and to retain key skills of employees.

In line with the group's commitment to broad-based black economic empowerment, the majority of the beneficiaries under the trust, ie at least 86%, are employees from previously disadvantaged backgrounds.

SHAREHOLDERS AT 30 JUNE 2005

On 12 January 2005 the Competition Authorities approved the acquisition by Steinhoff Africa of the 34 216 680 Unitrans shares held by M&R via its wholly owned subsidiary, United General Investments (Proprietary) Limited. On the implementation of this acquisition, Steinhoff Africa's shareholding in Unitrans increased to 60,82%.

As a result of this change in control, Steinhoff was obliged, in terms of the Securities Regulation Code on Take-Overs and Mergers, to extend an offer to Unitrans' minority shareholders. Accordingly, on 22 February 2005 a circular was sent to all shareholders, other than Steinhoff Africa and Fundiswa, who had furnished an irrevocable undertaking not to follow the offer, offering to purchase the remaining shares held in the company at a price of 2 632 cents per share, being the price paid by Steinhoff Africa for each of the 34 216 680 shares acquired from M&R. The offer closed on 18 March 2005 and was accepted by shareholders holding a total of 1 050 Unitrans shares.

As at 30 June 2005, the main categories of shareholders in the company were as follows:

Shareholder	Number of ordinary shareholders	Percentage of shares held
Steinhoff Africa Holdings (Proprietary) Limited [†]	1	60,82
Other companies and trusts*	232	13,43
Fundiswa Investments (Proprietary) Limited ^Δ	1	13,02
Old Mutual Life Assurance Co SA Limited	1	6,72
Pension and provident funds*	21	1,86
Other insurance companies*	2	1,42
Individuals*	422	0,90
Banks*	3	0,44
Unitrans Limited Share Trust	1	0,40
	684	99,01
Treasury Stock (879 510 shares)	–	0,99
	684	100,00

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

* Includes shareholders who hold shares beneficially via nominee companies.

^Δ For details of this company refer to the section of this report on page 64 headed "Black economic empowerment".

Directors' report (continued)

for the year ended 30 June 2005

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 2005 was as follows:

	Number of beneficial shareholders	%
Non-public shareholders:		
Steinhoff Africa Holdings (Proprietary) Limited [†]	1	60,82
Fundiswa Investments (Proprietary) Limited ^Δ	1	13,02
Unitrans Limited Share Trust	1	0,40
Directors of the company and its subsidiaries	3	0,25
Public shareholders	678	24,52
	684	99,01
Treasury stock (879 510 shares)	–	0,99
	684	100,00

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 2005:

	Number of shares	%
Steinhoff Africa Holdings (Proprietary) Limited [†]	54 174 514	60,82
Fundiswa Investments (Proprietary) Limited ^Δ	11 600 000	13,02
Old Mutual Life Assurance Co SA Limited	5 984 818	6,72

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

^Δ For details of this company refer to the section of the directors' report on page 64 headed "Black economic empowerment"

INTERESTS OF THE DIRECTORS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2005 the following shares were held beneficially by the directors:

DC Brink 4 480 (2004: 4 480).

In addition, directors of the company held shares and options issued under the Share Scheme as disclosed in note 35 to the consolidated annual financial statements on pages 98 to 100. 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 2005.

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 8 to 11 of this annual report.

Mr RH Naisby elected to take retirement from the company and resigned from the board with effect from 8 December 2004.

Pursuant to the acquisition by Steinhoff Africa of the 34 216 680 Unitrans shares held by M&R, the board accepted the resignations of Messrs BC Bruce and RW Rees, non-executive directors, with effect from 20 January 2005. Messrs D Lockey, KB Mosehla and JHN van der Merwe were appointed to the board as non-executive directors with effect from 6 May 2005. In accordance with the company's articles of association, these three directors will retire at the forthcoming annual general meeting to be held on 28 November 2005 but, being eligible, offer themselves for re-election. Messrs KB Mosehla and JHN van der Merwe have also been appointed to the audit and risk committee of the board.

Messrs DC Brink, MJ Jooste and DM van der Merwe will retire by rotation at the forthcoming annual general meeting in accordance with the articles of association, but, being eligible, will also offer themselves for re-election. CVs of the directors are shown on pages 8 to 11 of this annual report. No directors are on fixed-term contracts and all directors are subject to short-term notice periods.

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

8 December 2004 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 in respect of leased properties. These covenants limit the interest cover ratio and the cash flow to net interest ratio.

At 30 June 2005 the consolidated annual financial statements reflected ratios which were comfortably within the agreed covenants.

DOMESTIC MEDIUM TERM NOTE ("DMTN") PROGRAMME

In May 2005 the group registered a R1 500 000 000 DMTN programme with the Bond Exchange of South Africa.

The rationale behind the introduction of this programme was, *inter alia*, to diversify the group's funding sources, to secure cost-effective medium term funding and to establish a capital market presence. To date R400 million of DMTNs have been issued under the programme. The proceeds of this issue have been utilised to repay existing debt.

Further issues of notes under the programme will be made as required.

All issues under the programme have been effected via Unitrans Services (Proprietary) Limited and are underpinned by guarantees furnished by Unitrans Motors (Proprietary) Limited, Unitrans Freight (Proprietary) Limited, Unitrans Limited and Unitrans Passenger (Proprietary) Limited.

CREDIT RATING FROM FITCH RATING AGENCY ("FITCH")

On 3 May 2005 Fitch granted the company a very favourable national rating of long-term "A (Zaf)" with a stable outlook and a short-term "F1 (Zaf)" rating. The DMTN programme referred to above was assigned a national long-term "A (Zaf)" rating.

CASH DISTRIBUTION

In terms of the general authority granted by shareholders at the annual general meeting held on 8 December 2004, under which the directors were authorised to distribute any share capital and/or reserves in terms of section 90 of the Companies Act 1973, the directors resolved to make a cash distribution of R1,10 per share, payable to shareholders on 17 October 2005 out of share premium. This distribution will be in lieu of a final dividend in respect of the financial year ended 30 June 2005.

As required in terms of the Listings Requirements of the JSE, the company's sponsor, PSG Capital Limited, has confirmed that Unitrans' working capital will be adequate for a period of 12 months after the implementation of this payment.

The salient dates of this distribution are:

Last date to trade <i>cum capital</i> distribution	Friday, 7 October 2005
Shares commence trading <i>ex capital</i> distribution	Monday, 10 October 2005
Record date	Friday, 14 October 2005
Payment date	Monday, 17 October 2005

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.

SUBSIDIARIES

Information regarding the company's principal subsidiaries appears in Annexure A to the consolidated annual financial statements on pages 105 and 106.

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

POST-BALANCE SHEET EVENTS

As at 23 August 2005, there were no significant or material post-balance sheet events which would require adjustment to or disclosure of in the consolidated annual financial statements.

23 August 2005

Balance sheets

at 30 June 2005

		Group		Company	
		2005	Restated	2005	2004
		R000	2004	R000	R000
			R000		
Notes					
ASSETS					
Non-current assets		1 622 621	1 375 692	921 992	625 945
Property, plant and equipment	2	1 378 429	1 158 455	–	–
Goodwill	3	82 011	55 617	–	–
Investment in subsidiaries	4			908 368	589 851
Investment in associate companies	5	43 202	40 922		
Interest in joint venture companies	6			–	22 231
Other non-current assets	7	85 206	84 196	13 624	13 097
Advances relating to Unitrans Finance (Proprietary) Limited	8	–	9 275		
Deferred tax assets	17	33 773	27 227	–	766
Current assets		2 577 641	2 153 772	85 053	104 633
Inventories	9	901 718	731 748	–	–
Trade and other receivables	10	704 377	681 113	84 469	84 294
Advances relating to Unitrans Finance (Proprietary) Limited	8	9 275	73 357		
Taxation		–	–	462	–
Cash and cash equivalents	11	962 271	667 554	122	20 339
Total assets		4 200 262	3 529 464	1 007 045	730 578
EQUITY AND LIABILITIES					
Interest of all shareholders		1 794 853	1 343 065	938 477	640 486
Share capital and premium	12	701 784	423 554	699 621	412 601
Treasury stock	12	(29 625)	(12 734)		
Non-distributable reserves	14	94 539	107 788	27 720	34 675
Retained surplus	15	985 469	781 928	211 136	193 210
Interest of shareholders of Unitrans Limited		1 752 167	1 300 536	938 477	640 486
Minority interests		42 686	42 529		
Non-current liabilities		649 674	234 784	61 594	89 113
Interest-bearing borrowings	18	16 400	4 709	–	–
Domestic medium-term note	19	400 700	–	–	–
Non-current provisions	16	6 864	8 117	–	–
Deferred tax liabilities	17	120 209	154 676	21	–
Liabilities relating to Unitrans Finance (Proprietary) Limited	8	–	9 275		
Amounts due to subsidiaries	4			61 573	89 113
Non-interest-bearing non-current liabilities	20	105 249	54 775	–	–
Vendors for businesses acquired	18	252	3 232	–	–
Current liabilities		1 755 735	1 951 615	6 974	979
Trade and other payables	21	873 294	799 116	6 537	679
Bank overdraft	11	457 627	442 789	437	–
Liabilities relating to Unitrans Finance (Proprietary) Limited	8	9 275	73 357		
Current provisions	16	127 452	117 338	–	–
Taxation		35 561	24 632	–	300
Vendors for businesses acquired	18	–	6 000	–	–
Non-interest-bearing current liabilities	20	196 240	117 362	–	–
Short-term borrowings	18	56 286	371 021	–	–
Total equity and liabilities		4 200 262	3 529 464	1 007 045	730 578
Net asset value per ordinary share (cents)		1 987	1 692		

Income statements

for the year ended 30 June 2005

	Notes	Group		Company	
		2005 R000	Restated 2004 R000	2005 R000	2004 R000
REVENUE	22	11 172 179	9 364 270	–	–
Operating profit before depreciation	23, 24	661 260	605 370	94 939	87 288
Depreciation	2	(248 716)	(204 652)	–	–
Operating profit		412 544	400 718	94 939	87 288
Investment income	25	2 381	6 070	–	–
Net finance (costs)/income	26	(41 050)	(49 032)	4 631	754
– Interest paid		(60 787)	(60 745)	(392)	–
– Interest received		19 737	11 713	5 023	754
Profit before taxation		373 875	357 756	99 570	88 042
Taxation	27	(94 201)	(98 668)	(11 127)	(10 112)
Profit after taxation		279 674	259 088	88 443	77 930
Share of associates' profits/(losses)	5	285	(6 810)		
Net profit for the year		279 959	252 278	88 443	77 930
Attributable to:					
Unitrans Limited shareholders		275 660	243 428	88 443	77 930
Minority interests		4 299	8 850		
		279 959	252 278	88 443	77 930
		Cents	Cents		
Earnings per share – basic	28	321,5	320,3		
– basic as previously stated	28		332,5		
– fully diluted	28	318,6	316,6		
– fully diluted as previously stated	28		328,7		
Headline earnings per share – basic	28	343,7	334,5		
– basic as previously stated	28		346,7		
– fully diluted	28	340,6	330,7		
– fully diluted as previously stated	28		342,7		
Distribution per share					
– final dividend paid		100,0	93,0		
– final dividend declared subsequent to year-end	29	–	100,0		
– capital distribution in lieu of a dividend declared subsequent to year-end	29	110,0	–		

Statements of changes in equity

for the year ended 30 June 2005

INTEREST OF ALL SHAREHOLDERS

	Notes	Share capital and premium R000	Treasury stock R000	Non-distributable reserves R000	Retained surplus R000	Total R000	Minorities R000	Total equity R000
GROUP								
Balance at 30 June 2003 as previously reported		408 731	(22 870)	138 523	643 144	1 167 528	38 567	1 206 095
Effects of change in accounting policy for functional currency, the proportionate consolidation of the joint venture and the restatement for the change in the method of recognising operating leases	31, 36				(31 751)	(31 751)	–	(31 751)
Balance at 30 June 2003 restated		408 731	(22 870)	138 523	611 393	1 135 777	38 567	1 174 344
Net profit for the year					243 428	243 428	8 850	252 278
Dividends paid					(70 694)	(70 694)	(7 346)	(78 040)
Dividends paid on "A" shares in a subsidiary					(481)	(481)		(481)
Profit on the sale of shares in the Share Trust		7 096				7 096		7 096
Vesting of previously unvested shares to participants in the Share Trust			10 136			10 136		10 136
Net proceeds on issue of shares		7 727				7 727		7 727
Unrealised decrease on translation of net worth of foreign subsidiaries				(32 104)		(32 104)	173	(31 931)
Release on sale of property				(192)		(192)		(192)
Statutory reserves in subsidiaries					(157)	(157)		(157)
Acquisition of additional interest in existing subsidiary							(1 291)	(1 291)
Loan from minority shareholder							3 576	3 576
Insurance company contingency reserves				1 561	(1 561)	–		–
Total movement for the year		14 823	10 136	(30 735)	170 535	164 759	3 962	168 721
Balance at 30 June 2004 restated		423 554	(12 734)	107 788	781 928	1 300 536	42 529	1 343 065
Net profit for the year					275 660	275 660	4 299	279 959
Dividends paid					(77 422)	(77 422)	(4 109)	(81 531)
Dividends paid on "A" shares in a subsidiary					(605)	(605)		(605)
Loss on sale of shares in the Share Trust		(8 790)				(8 790)		(8 790)
Vesting of previously unvested shares to participants in the Share Trust			10 101			10 101		10 101
Shares repurchased by subsidiary			(26 620)			(26 620)		(26 620)
Shares held by Share Trust			(372)			(372)		(372)
Net proceeds on issue of shares		287 020				287 020		287 020
Unrealised decrease on translation of net worth of foreign subsidiaries				(7 341)		(7 341)	(33)	(7 374)
Release on sale of property				(6 955)	6 955	–		–
Insurance company contingency reserves				1 047	(1 047)	–		–
Total movement for the year		278 230	(16 891)	(13 249)	203 541	451 631	157	451 788
Balance at 30 June 2005		701 784	(29 625)	94 539	985 469	1 752 167	42 686	1 794 853
COMPANY								
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		
Net profit for the year					88 443	88 443		
Net proceeds on issue of shares		287 020				287 020		
Release on sale of property				(6 955)	6 955	–		
Dividends paid					(77 472)	(77 472)		
Balance at 30 June 2005		699 621		27 720	211 136	938 477		

Cash flow statements

for the year ended 30 June 2005

		Group		Company	
		2005	Restated		
	Notes	2005	2004	2005	2004
		R000	R000	R000	R000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers/subsidiaries		11 148 915	9 218 852	102 540	4 817
Cash paid to employees and suppliers		(10 505 999)	(8 620 408)	(1 918)	(1 212)
Cash generated from operations	A	642 916	598 444	100 622	3 605
Interest paid	26	(60 787)	(60 745)	(392)	–
Interest received	26	19 737	11 713	5 023	754
Investment income	25	2 381	6 070	–	–
Taxation paid	B	(120 406)	(108 003)	(11 102)	(10 707)
Cash flow from operations		483 841	447 479	94 151	(6 348)
Dividends paid	C	(82 136)	(78 521)	(77 472)	(71 255)
Cash generated from/(utilised in) operating activities		401 705	368 958	16 679	(77 603)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries	D	(55 146)	(8 052)		
Acquisition of property, plant and equipment	2	(484 381)	(482 290)	–	–
Replacement		(219 537)	(193 221)	–	–
Expansion		(264 844)	(289 069)	–	–
Proceeds from disposal of property, plant and equipment		67 224	65 753	–	–
Acquisition of associate		(92)	–	–	–
Associate loan advanced		(1 500)	–	–	–
Joint ventures loans repaid		–	–	22 231	9 616
Foreign exchange movements		(12 609)	(9 891)	–	–
Decrease in non-current provisions		(1 253)	(1 589)	–	–
Investment in subsidiary realised				31 056	–
Decrease/(increase) in other non-current assets	E	12 888	22 339	(527)	27 154
Net cash (utilised in)/generated from investing activities		(474 869)	(413 730)	52 760	36 770
Net cash (outflow)/inflow before financing activities		(73 164)	(44 772)	69 439	(40 833)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from issue of shares		287 020	14 823	287 020	7 727
Repurchase of shares		(26 992)	–		
Net proceeds from issue of domestic medium-term note		400 700	–	–	–
Vendors for businesses repaid		(7 957)	(3 979)	–	–
Increase in loan from minorities		–	3 576		
Decrease in interest-bearing borrowings		(3 225)	(81)	–	–
Increase in non-interest-bearing borrowings		18 232	–	–	–
Loans to subsidiaries repaid				(377 113)	(27 359)
(Decrease)/increase in short-term borrowings		(314 735)	67 179	–	–
Net cash generated from/(utilised in) financing activities		353 043	81 518	(90 093)	(19 632)
Net increase/(decrease) in cash and cash equivalents		279 879	36 746	(20 654)	(60 465)
Cash and cash equivalents at the beginning of the year		224 765	188 019	20 339	80 804
Cash and cash equivalents at end of the year		504 644	224 765	(315)	20 339

Notes to the cash flow statements

for the year ended 30 June 2005

	Group		Company	
	2005 R000	Restated 2004 R000	2005 R000	2004 R000
A. CASH GENERATED FROM OPERATIONS				
Profit before taxation	373 875	357 756	99 570	88 042
Adjustment for:				
Net finance costs/(income)	41 050	49 032	(4 631)	(754)
Investment income	(2 381)	(6 070)	–	–
Goodwill impairment/amortisation	498	13 559	–	–
Depreciation of property, plant and equipment	248 716	204 652	–	–
Loss/(profit) on disposal of property, plant and equipment	6 012	(3 535)	–	–
Other non-cash movements	7 275	5 872	–	–
Operating profit before working capital changes	675 045	621 266	94 939	87 288
Changes in working capital	(32 129)	(22 822)	5 683	(83 683)
Inventories	(169 423)	(22 866)	–	–
Trade and other receivables	(10 358)	(145 684)	(175)	(84 045)
Trade and other payables	58 660	63 369	5 858	362
Current provisions	10 114	20 014	–	–
Non-interest-bearing short-term borrowings	78 878	62 345	–	–
	642 916	598 444	100 622	3 605
B. TAXATION PAID				
Taxation (unpaid)/overpaid at the beginning of the year (including deferred tax)	(152 081)	(157 838)	466	(129)
Currency adjustment	1 737	(845)	–	–
Acquisition of subsidiary	2 142	(2 733)	–	–
Taxation charged to the income statement	(94 201)	(98 668)	(11 127)	(10 112)
Taxation unpaid/(overpaid) at the end of the year (including deferred tax)	121 997	152 081	(441)	(466)
	(120 406)	(108 003)	(11 102)	(10 707)
C. DIVIDENDS PAID				
Dividends paid to ordinary shareholders	(77 422)	(70 694)	(77 472)	(71 255)
Dividends paid on "A" shares in subsidiary	(605)	(481)	–	–
Dividends paid to minority shareholders	(4 109)	(7 346)	–	–
	(82 136)	(78 521)	(77 472)	(71 255)
D. ACQUISITION OF SUBSIDIARIES				
Inventories	(547)	–	–	–
Trade and other receivables	(12 906)	(3 704)	–	–
Trade and other payables	14 648	7 426	–	–
Taxation and deferred tax	(2 142)	(2 733)	–	–
Interest-bearing borrowings	14 916	–	–	–
Non-interest-bearing borrowing	22 297	–	–	–
Property, plant and equipment	(60 083)	(2 280)	–	–
Goodwill	(3 805)	–	–	–
Non-current assets	(3 280)	–	–	–
Cash and cash equivalents	(3 823)	–	–	–
Total net assets acquired	(34 725)	(1 291)	–	–
Goodwill arising on acquisition	(24 244)	(6 761)	–	–
Total purchase consideration	(58 969)	(8 052)	–	–
Less: Cash acquired	3 823	–	–	–
	(55 146)	(8 052)	–	–
E. DECREASE/(INCREASE) IN OTHER NON-CURRENT ASSETS				
Movement per balance sheet	(1 010)	8 867	(527)	27 154
Adjusted for:				
Movement in unvested loans	10 101	10 136	–	–
Income statement items – fair value adjustments of listed investments	–	(86)	–	–
Acquisition of subsidiary	3 280	–	–	–
Income statement items – Share Trust	517	3 422	–	–
	12 888	22 339	(527)	27 154

Notes to the financial statements

for the year ended 30 June 2005

1. ACCOUNTING POLICIES AND DEFINITIONS

Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and are consistent in all material respects with those applied in the previous year, except for the adoption of AC 140, Business Combinations, effective for years beginning on or after 1 March 2004, the early adoption of AC 112, Foreign Currencies, and the change in accounting policy for investments in joint ventures (refer notes 31 and 36).

Basis of Preparation

The consolidated financial statements are prepared in accordance and in compliance with South African Statements of Generally Accepted Accounting Practice in South Africa, effective for the group's financial year, and in the manner required by the Companies Act (No 61 of 1973).

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are carried at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries. Subsidiary undertakings are those entities in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over operations, so as to obtain benefits from its activities.

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair value of the assets and liabilities recognised.

The results of subsidiaries are included from the date effective control is acquired and up to the date effective control is relinquished. All material intercompany transactions, balances and unrealised surpluses and deficits have been eliminated. Where necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the group. If it is not practical to change the policies, the appropriate adjustments are made on consolidation to ensure consistency within the group.

Investment in associates

An associate is an entity over which the group has the ability to exercise significant influence, but which it does not control.

Investments in associates are accounted for in the group financial statements using the equity method, from the effective date of their acquisitions to the effective date of their disposals. Equity accounting involves recognising in the income statement the group's share of the associates' profit or loss for the year. Where a group entity transacts with an associate of the group, material unrealised profits and losses are eliminated to the extent of the group's interest in the relevant associate. Accumulated profits and movements on reserves are determined from the most recent audited financial statements of the associates and unaudited information to latest date available.

The group's interest in associates is carried in the balance sheet at an amount that reflects its share of the net assets and the goodwill on acquisition of the associates, net of impairment losses, if any. Goodwill on the acquisition of associates is treated in accordance with the group's accounting policy for goodwill. Carrying amounts of investments in associates are reduced to their recoverable amount where this is lower than their carrying amount.

Where the group's share of losses of an associate exceeds the carrying amount of the associate, the associate is carried at nil. Additional losses are only recognised to the extent that the group has incurred obligations in respect of the associate.

Joint ventures

A joint venture is a contractual arrangement whereby two or more entities undertake an economic activity, which is subject to joint control. Joint control implies that neither of the contracting parties is in a position to unilaterally control the assets of the venture. Joint ventures are accounted for by means of the proportionate consolidation method whereby the attributable share of each of the assets, liabilities, income and expenses of the jointly controlled entity is combined on a line-by-line basis with similar items in the group's annual financial statements. The consolidated cash flow statement includes the group's share of the cash flows of the jointly controlled entity. A proportionate share of intercompany items is eliminated.

Any difference between the cost of acquisition and the group's share of the net identifiable assets, fairly valued, is recognised and treated according to the group's accounting policy for goodwill.

This is a change in policy from the prior year. Previously, joint ventures were equity accounted in terms of the allowed alternative in AC 119.

Notes to the financial statements (continued)

for the year ended 30 June 2005

Goodwill

Goodwill reflects the future economic benefits expected to flow from a business combination, arising from assets that are not capable of being individually identified and separately recognised.

Goodwill is reflected at cost, being the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition, less accumulated impairment losses, if any. Goodwill is tested annually for impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Previously, goodwill was amortised on a straight-line basis over a period of between three and ten years.

Goodwill arising on acquisitions before the date of transition to AC 140 (IFRS 3) (Business Combinations) has been retained at the net carrying amount as at 30 June 2004, subject to being tested for impairment at that date.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

Land is reflected at cost and is not depreciated. Buildings and all other assets are recorded at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	10 to 20 years
Equipment and furniture	3 to 10 years
Motor vehicles	3 to 5 years

Such assets are depreciated using the amortisation methods and periods applicable to computer equipment. 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.

Gains and losses on disposal are determined by reference to their carrying amount and are taken into account in determining operating profit.

Inventories

Inventories are valued at the lower of cost and net realisable value, due recognition having been made for slow-moving, obsolete and redundant inventories. Cost is determined on a first-in-first-out basis.

Taxation

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period, using the tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustment of taxation payable for previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are 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. Such assets and liabilities are not recognised if the temporary differences arise from goodwill, which is not deductible for tax purposes and the initial recognition (other than in a business combination) of assets and liabilities which affect neither accounting nor taxable profit nor loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax is charged or credited to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, in which case the deferred tax is also dealt with in equity. The effect on deferred tax of any changes in tax rates is charged to the income statement, except to the extent that it relates to items previously recognised directly 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 and balances

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies, are translated at the rate ruling at the date when the fair value was determined. Gains or losses arising on retranslation are credited to or charged against income, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Foreign operations

The functional currencies of all operations are determined in terms of the criteria specified in the revised AC 112 (IAS 21) (The Effects of Changes in Foreign Exchange).

Assets and liabilities of the group's foreign operations are translated into South African rand at the exchange rates ruling at the balance sheet date. Income and expense items are translated at the weighted average exchange rates for the period. All resulting exchange differences are reflected as part of shareholders' equity. On disposal of foreign entities, such translation differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at rates of exchange ruling at the balance sheet date.

Foreign currency hedges

Foreign currency hedges are dealt with in the financial instruments accounting policy.

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 at undiscounted amounts based on current wage and salary rates.

Retirement benefit costs

Contributions to pension and provident funds for employees are charged to the income statement in the year to which they relate. 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.

Notes to the financial statements (continued)

for the year ended 30 June 2005

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 be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation.

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.

Amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money and, where appropriate, the risk specific to the liability.

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 of tangible and intangible assets excluding goodwill

The carrying amounts of the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Any impairment loss is accounted for in operating profit.

The recoverable amount is the higher of the asset's net realisable value and its value in use. Ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset determines net realisable value. In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset whose cash flows are largely dependent on those of other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount, unless the relevant asset, or cash-generating unit, is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

A previously recognised impairment loss will be reversed if the recoverable amount of the asset, or cash-generating unit, increases as a result of a change in the estimate used previously to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised for the asset, or cash-generating unit, in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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:

Investments

Investments in all securities are initially recognised at trade date.

At subsequent reporting dates, originated debt securities that the group has the intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment losses recognised to reflect irrecoverable amounts. Premiums or discounts arising on acquisition are amortised on the yield-to-maturity basis and are included in the income statement.

Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value.

Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in the income statement for the period.

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the income statement for the period.

Originated loans receivable

Originated loans are recognised at the date that the amount is advanced.

At subsequent reporting dates they are measured at amortised cost, less any impairment losses recognised to reflect irrecoverable amounts.

Trade and other receivables

Trade and other receivables originated by the group are stated at nominal value less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the balance sheet date.

Originated loans payable

Interest-bearing loans are initially recorded on the day that the loans are advanced, at the net proceeds received.

At subsequent reporting dates, interest-bearing loans are measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on the accrual basis in the income statement using the effective interest method 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 payables

Trade payables are stated at their nominal value.

Derivative instruments

The group uses derivative financial instruments primarily relating to foreign currency protection and to alter interest rate profiles. Foreign currency forward contracts ("FECs") are used to hedge foreign currency fluctuations relating to firm commitments and forecast transactions.

Interest rate swap agreements can swap interest rates from either fixed to variable or from variable to fixed and are used to alter interest rate profiles.

Such derivatives are initially recorded at cost, if any, and are subsequently measured to fair value.

Any gains or losses on fair value hedges are included in the income statement for the period.

Notes to the financial statements (continued)

for the year ended 30 June 2005

Financial instruments (continued)

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and any ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects the income statement.

Offsetting

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

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

Sales of goods are recognised when goods are delivered and the significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue arising from the rendering of services is recognised on the accrual basis in accordance with the substance of the agreement and represents the value of work performed to date.

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. Insurance premiums are stated before deducting reinsurances and commissions, and are accounted for at the commencement of the risk.

Interest is recognised on the time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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. The basis is representative of the internal structure used for management reporting. 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. Segment liabilities include all operating liabilities and consist principally of trade payables and long-term borrowings. These assets and liabilities are all directly attributable to the segments. Segment assets and liabilities do not include income taxes.

Comparative figures

Where necessary, comparative figures have been reclassified or restated for changes in accounting policies. Refer to note 36 for more details.

Equity compensation benefits

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, net of treasury shares.

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 2005

	Immovable property R000	Plant and equipment* R000	Motor vehicles R000	Total R000
2. PROPERTY, PLANT AND EQUIPMENT				
Group:				
2005				
Cost				
At 30 June 2004	58 444	1 946 029	72 855	2 077 328
Additions	3 921	449 297	31 163	484 381
Acquisition of businesses	54	35 877	42 404	78 335
Disposals	(399)	(192 212)	(12 142)	(204 753)
Exchange rate adjustment	(633)	(20 630)	(570)	(21 833)
At 30 June 2005	61 387	2 218 361	133 710	2 413 458
Accumulated depreciation				
At 30 June 2004	22 398	864 847	31 628	918 873
Charge for the year	3 452	229 266	15 998	248 716
Acquisition of business	2	6 351	11 899	18 252
Disposals	(343)	(125 188)	(5 986)	(131 517)
Exchange rate adjustment	(362)	(18 589)	(344)	(19 295)
At 30 June 2005	25 147	956 687	53 195	1 035 029
Carrying amount:				
At 30 June 2005	36 240	1 261 674	80 515	1 378 429
Restated at 30 June 2004	36 046	1 081 182	41 227	1 158 455
Restated 2004				
Cost				
At 30 June 2003	65 986	1 645 506	62 411	1 773 903
Additions	1 880	458 757	21 653	482 290
Acquisition of businesses	–	2 226	54	2 280
Disposals	(8 949)	(132 565)	(9 896)	(151 410)
Exchange rate adjustment	(473)	(27 895)	(1 367)	(29 735)
At 30 June 2004	58 444	1 946 029	72 855	2 077 328
Accumulated depreciation				
At 30 June 2003	25 676	769 977	26 132	821 785
Charge for the year	3 626	189 512	11 514	204 652
Disposals	(6 669)	(77 246)	(5 351)	(89 266)
Exchange rate adjustment	(235)	(17 396)	(667)	(18 298)
At 30 June 2004	22 398	864 847	31 628	918 873
Carrying amount:				
At 30 June 2004	36 046	1 081 182	41 227	1 158 455
At 30 June 2003	40 310	875 529	36 279	952 118

A register of immovable property is available for inspection at the registered offices of individual group companies.

Immovable property with a net book value of R2,0 million (2004: R2,4 million) is encumbered as detailed in note 18.

Certain vehicles with a net book value of R17,5 million (2004: R4,0 million) are subject to finance leases as detailed in note 18.

The insurable value of the group's property, plant and equipment as at 30 June 2005 amounted to R2,2 billion (2004: R2,2 billion).

This is based on the cost of replacement of such assets.

* Plant and equipment includes truck tractors, trailers, trucks and other vehicles used in the production of income, and computer equipment, furniture and fittings

	Group		Company	
	2005	Restated	2005	2004
	R000	2004 R000	R000	R000
3. GOODWILL				
Opening balance	55 617	60 440		
Net goodwill arising during the year	28 049	6 761		
Goodwill arising in prior year – reversed in current year	(1 024)	–		
Currency movement	(133)	(209)		
Impairment*	(498)	–		
Amortisation		(11 375)		
	82 011	55 617		
* The impairment of goodwill relates to the close down of the harvesting operation.				
Total goodwill impaired/amortised comprises				
Businesses acquired	(498)	(11 375)		
Associate companies (refer note 5)	–	(2 184)		
Total goodwill impaired/amortised (refer note 23)	(498)	(13 559)		
Goodwill was carried at the amortised cost at 30 June 2004 and in the 2005 financial year is subject to an annual impairment test.				
4. INVESTMENT IN SUBSIDIARIES				
Shares at cost			313 044	344 100
Amounts due by subsidiaries**			595 324	245 751
			908 368	589 851
Amounts due to subsidiaries**			(61 573)	(89 113)
			846 795	500 738

** These amounts due to and from subsidiaries are interest free and there are no fixed terms of repayment.

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 current year earnings in respect of these subsidiaries amounted to R51,8 million (2004 restated: R63,8 million). Further details of principal subsidiaries are set out in Annexure A on pages 105 and 106.

Notes to the financial statements (continued)

for the year ended 30 June 2005

	Percentage holding		Carrying value	
	2005 %	2004 %	2005 R000	2004 R000
5. INVESTMENT IN ASSOCIATE COMPANIES				
GROUP				
Alisa Holdings (Proprietary) Limited	40	40	41 337	40 922
Nomakanjani Logistics Company (Proprietary) Limited	30	–	1 865	–
Nature of business:				
Alisa Holdings: motor rental				
Nomakanjani Logistics: transportation of mining products				
	Group		Company	
	2005 R000	Restated 2004 R000	2005 R000	2004 R000
The group's aggregate proportionate share of the associate companies included in the consolidated balance sheet is as follows:				
Goodwill at the beginning of the year	8 688	16 123		
Goodwill transfer to subsidiary	–	(5 251)		
Goodwill amortised (refer note 3)		(2 184)		
Share of net asset value – at the beginning of the year	51 160	49 616		
– current year movement	92	–		
Cost of investment	59 940	58 304		
Share of retained loss at the beginning of the year	(18 926)	(19 269)		
Share of operating profits/(losses)	285	(6 810)		
Dividend	403	261		
Disposed of during the year	–	2 551		
Transfer to subsidiary	–	5 885		
Balance at year-end	41 702	40 922		
Loans to associates	1 500	–		
Carrying value at the end of the year	43 202	40 922		
Comprising of:				
Goodwill	8 688	8 688		
Share of net asset value	51 655	51 160		
Share of operating losses	(18 641)	(18 926)		
Loans to associates	1 500	–		
	43 202	40 922		
Valuation of investments				
Directors' valuation of associate companies	44 000	42 000		
Aggregate of associates' net assets and revenue				
Property, plant and equipment, non-current assets, net of taxation	35 857	32 002		
Total borrowings	(6 047)	–		
Net working capital	62 689	51 299		
Revenue	204 906	175 167		
Operating profits/(losses) after taxation	1 193	(9 159)		

	Group		Company	
	2005 R000	Restated 2004 R000	2005 R000	2004 R000
6. INTEREST IN JOINT VENTURE COMPANIES				
Loan to joint venture companies			–	22 231
The consolidated proportionate share of the financial information of the joint ventures are as follows:				
Assets and liabilities				
Property, plant and equipment	2 112	14 777		
Investment	–	999		
Current assets	1 132	17 685		
Current liabilities	(1 825)	(21 093)		
Long-term liabilities	(1 110)	–		
Deferred tax (liability)/asset	(84)	1 770		
Revenue and expenditure				
Revenue	91 586	73 239		
Expenses	(86 826)	(69 217)		
Net profit before taxation	4 760	4 022		
	Percentage holding		Percentage holding	
Roadway Logistics (Proprietary) Limited*	–	50	–	50
Roadway Logistics Retail (Proprietary) Limited*	–	50	–	50
UniViron (Proprietary) Limited	50	–	–	–
Nature of business:				
Roadway Logistics (Proprietary) Limited: logistics, warehousing and distribution				
Roadway Logistics Retail (Proprietary) Limited: supply chain logistics management				
UniViron (Proprietary) Limited: waste removal specialists				

* Roadway Logistics and Roadway Logistics Retail became 100% held subsidiaries on 30 June 2005. The income and expenses have been proportionately consolidated to the date of acquisition.

Notes to the financial statements (continued)

for the year ended 30 June 2005

	Group		Company	
	2005 R000	Restated 2004 R000	2005 R000	2004 R000
7. OTHER NON-CURRENT ASSETS				
Net finance debtors	16 486	16 625	–	–
Unitrans Limited Share Trust loans to participants	3 115	6 065	–	–
Unlisted investments *	62 179	60 507	434	434
Listed investments *	–	999	–	–
Unitrans Limited Share Trust loan **	–	–	13 190	12 663
Other	3 426	–	–	–
(Directors' valuation of unlisted investments R62,2 million (2004 restated: R60,5 million).				
	85 206	84 196	13 624	13 097
* Details regarding the unlisted and listed investments are available to shareholders on written request. ** As at 30 June 2005 the Unitrans Limited Share Trust had granted total loans to employees totalling R6,1 million (2004: R19,6 million).				
8. ADVANCES/LIABILITIES RELATING TO UNITRANS FINANCE (PROPRIETARY) LIMITED				
8.1 Advances relating to Unitrans Finance (Proprietary) Limited				
Non-current advances	–	9 275		
Total advances	9 275	82 632		
Less: Transferred to current assets	(9 275)	(73 357)		
8.2 Liabilities relating to Unitrans Finance (Proprietary) Limited				
Non-current liabilities	–	(9 275)		
Total liabilities	(9 275)	(82 632)		
Less: Transferred to current liabilities	9 275	73 357		
	–	–		
The assets and liabilities of Unitrans Finance (Proprietary) Limited have been separately disclosed on the face of the balance sheet. However the group is not obliged to support any losses of this company nor does it intend to do so.				
9. INVENTORIES				
Vehicles	783 477	618 344	–	–
Spares	101 189	92 437	–	–
Consumables	17 052	20 967	–	–
	901 718	731 748	–	–
Inventories carried at net realisable value included above	483 356	461 973	–	–
Included in the above are vehicles which are subject to a lien of R204,3 million (2004: R102,9 million) in respect of the manufacturers floorplan financing, made up of interest-bearing and non-interest-bearing liabilities disclosed in notes 18 and 20.				

	Group		Company	
	2005	Restated	2005	2004
	R000	2004 R000	R000	R000
10. TRADE AND OTHER RECEIVABLES				
Trade receivables	556 484	478 607	–	–
Less: Provision for doubtful debts	(25 353)	(20 237)	–	–
Net trade receivables	531 131	458 370		
Other receivables and prepayments	171 088	222 743	84 469	84 294
Listed investment held-for-sale	2 158	–	–	–
	704 377	681 113	84 469	84 294
11. NET CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	962 271	667 554	122	20 339
Bank overdraft	(457 627)	(442 789)	(437)	–
	504 644	224 765	(315)	20 339
Cash and cash equivalents are comprised as follows:				
South African rand	387 288	106 311	(315)	20 339
Foreign currencies	117 356	118 454	–	–
	504 644	224 765	(315)	20 339
12. SHARE CAPITAL, SHARE PREMIUM AND TREASURY STOCK				
Share capital				
Authorised				
200 000 000 (2004: 200 000 000) shares of 10 cents each	20 000	20 000	20 000	20 000
Issued				
89 071 988 (2004: 77 471 988) shares of 10 cents each	8 907	7 747	8 907	7 747
Less: Par value of treasury shares	(88)	(60)		
Comprising:				
– Unvested shares	(5)	(60)		
– Shares held by subsidiary and Share Trust	(83)	–		
Issued shares adjusted for treasury stock: 88 192 478 (2004: 76 868 658) shares of 10 cents each	8 819	7 687	8 907	7 747
Share premium	692 965	415 867	690 714	404 854
Total issued share capital and share premium	701 784	423 554	699 621	412 601
Treasury stock	(29 625)	(12 734)		
Total issued share capital and premium net of treasury stock	672 159	410 820	699 621	412 601
			Number of shares	
			2005	2004
Unissued shares				
Specifically reserved for the Unitrans Limited Share Scheme			4 863 788	5 305 249
Available for issue				
– Under the control of the directors			106 064 224	117 222 763
Unissued shares at 30 June			110 928 012	122 528 012

Notes to the financial statements (continued)

for the year ended 30 June 2005

13. 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	
		2005	2004
4 August 2004	17,75	–	2 000
9 August 2005	20,00	20 000	84 100
12 November 2006	23,45	13 900	68 165
29 September 2007	16,50	10 490	70 855
15 March 2008	17,00	11 375	11 375
14 May 2008	18,75	32 300	82 050
3 December 2008	13,00	41 250	67 500
19 September 2009	14,10	–	17 500
9 November 2009	15,00	–	169 375
17 May 2010	20,00	20 000	40 000
9 January 2011	20,18	474 571	907 000
19 February 2012	18,20	397 709	546 250
19 November 2012	20,61	521 250	710 000
26 February 2013	20,10	75 000	100 000
26 February 2014	26,45	670 000	670 000
8 December 2014	31,01	620 000	–
		2 907 845	3 546 170

The vesting periods of the shares and options 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 on or after 19 November 2002 is 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	
	2005 R000	Restated 2004 R000	2005 R000	2004 R000
14. NON-DISTRIBUTABLE RESERVES				
Realised surplus				
– on sale of property	4 652	11 607	–	6 955
– on sale of other assets	149 040	149 040	–	–
Statutory reserves of subsidiaries	245	245		
Insurance company contingency reserves	7 227	6 180		
Foreign currency translation reserve	(66 625)	(59 284)		
Unrealised surplus on revaluation of investments	–	–	27 720	27 720
	94 539	107 788	27 720	34 675
15. RETAINED SURPLUS				
Analysis of retained surpluses/(accumulated losses)				
Holding company	211 136	193 210	211 136	193 210
Subsidiaries	792 769	590 946		
Joint venture companies	205	16 698		
Associate companies	(18 641)	(18 926)		
	985 469	781 928	211 136	193 210

	Group		Company	
	2005	Restated 2004	2005	2004
	R000	R000	R000	R000
16. PROVISIONS				
Non-current provisions	6 864	8 117	–	–
Current provisions	127 452	117 338	–	–
	134 316	125 455	–	–

	Opening balance R000	Created R000	Released R000	Closing balance R000
Movements in provisions				
2005				
Insurance and accident	17 285	32 533	(27 978)	21 840
Gross “incurred but not reported” reserve	5 721	2 180	(1 589)	6 312
Gross provision for unearned premium	54 692	15 372	(3 340)	66 724
Maintenance fund	10 039	4 553	–	14 592
Onerous property leases	9 706	–	(1 589)	8 117
Buy-back commitments	1 722	–	(680)	1 042
Other	26 290	6 824	(17 425)	15 689
	125 455	61 462	(52 601)	134 316
Restated 2004				
Insurance and accident	18 835	26 080	(27 630)	17 285
Gross “incurred but not reported” reserve	5 108	1 703	(1 090)	5 721
Gross provision for unearned premium	41 286	13 406	–	54 692
Maintenance fund	9 993	2 796	(2 750)	10 039
Onerous property leases	15 266	–	(5 560)	9 706
Buy-back commitments	–	1 722	–	1 722
Other	12 804	30 069	(16 583)	26 290
	103 292	75 776	(53 613)	125 455

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 nine years. These provisions are based on the net present value of outstanding commitments. The interest element of the property lease and buy-back commitments amounts to R2,98 million (2004: R4,16 million) over the remaining period of the leases.

Notes to the financial statements (continued)

for the year ended 30 June 2005

	Group		Company	
	2005 R000	Restated 2004 R000	2005 R000	2004 R000
17. DEFERRED TAX				
17.1 Deferred tax assets				
Movement of deferred tax asset				
Balance at the beginning of the year	27 227	23 939	766	884
Current year movement	4 360	555	(766)	(118)
Change in tax rate	(908)		–	
Arising on acquisition of businesses	3 094	2 733	–	–
Balance at end of the year	33 773	27 227	–	766
Analysis of deferred tax assets				
Capital allowances	(7 650)	841	–	–
Provisions	25 094	22 965	–	766
Prepayments	(1 330)	(736)	–	–
Estimated tax losses	17 659	4 157	–	–
	33 773	27 227	–	766
17.2 Deferred tax liabilities				
Movement of deferred tax liabilities				
Balance at the beginning of the year	154 676	134 895	–	–
Current year movement	(29 323)	19 781	21	–
Change in tax rate	(3 875)		–	
Arising on acquisition of businesses	952	–	–	
Exchange rate adjustment	(2 221)	–	–	–
Balance at the end of the year	120 209	154 676	21	–
Analysis of deferred tax liabilities				
Capital allowances	122 278	150 311	–	–
Provisions	(9 037)	(5 765)	–	–
Prepayments	6 811	6 833	–	–
Other temporary differences	157	3 297	21	–
	120 209	154 676	21	–

	Group		Company	
	2005	Restated	2005	2004
	R000	2004 R000	R000	R000
18. INTEREST-BEARING BORROWINGS, AMOUNTS DUE TO VENDORS FOR BUSINESSES ACQUIRED AND SHORT-TERM BORROWINGS				
Secured bank loans bearing variable interest at rates between 8,5% and 15,5% (2004: 9,5% and 16%) with varying repayment terms	4 913	3 930	–	–
Secured loans over immovable property with a net book value of R2,0 million (2004: R2,4 million) bearing interest at a rate of 15% (2004: 15%) repayable within three years (refer note 2)	1 697	2 553	–	–
Interest-bearing floorplan creditors bearing interest between prime minus 1% and prime minus 2% (refer note 9)	37 050	–	–	–
Unsecured loans bearing interest at rates which vary between 1% and 3% below prime with varying repayment terms in 2004	–	368 298	–	–
Unsecured interest free loans repayable between three and five years	252	9 232	–	–
Finance leases over vehicles with a net book value of R17,5 million (2004: R4,0 million) bearing interest at rates of between prime and 2% below prime (2004: 1% below prime) with varying repayment dates (refer note 2)	16 185	949	–	–
Short-term portion of domestic medium-term note (refer note 19)	12 841	–	–	–
	72 938	384 962	–	–
Comprising				
Non-current liabilities				
Vendors for businesses acquired	252	3 232	–	–
Interest-bearing borrowings	16 400	4 709	–	–
Current liabilities				
Vendors for businesses acquired	–	6 000	–	–
Short-term borrowings	56 286	371 021	–	–
	72 938	384 962	–	–
19. DOMESTIC MEDIUM-TERM NOTE				
Liability at date of issue	400 000	–	–	–
Net discount on issue	845	–	–	–
Received in advance	8 000	–	–	–
Interest charged	4 696	–	–	–
Less: Current portion transferred to interest-bearing borrowings (refer note 18)	(12 841)	–	–	–
	400 700	–	–	–

On 17 May 2005 the group registered a domestic medium term note with the Bond exchange of South Africa. To date, the group has issued notes with a nominal value of R400 million at a premium of R2,5 million and with a coupon rate of 9,5%. The effective net annual compounded semi-annually interest rate is 9,34%. Interest is payable semi-annually in arrears on 28 February and 31 August of each year, commencing on 31 August 2005. The loan is repayable in full on 31 August 2010.

Notes to the financial statements (continued)

for the year ended 30 June 2005

	Group		Company	
	2005	Restated	2005	2004
	R000	2004 R000	R000	R000
20. NON-INTEREST-BEARING LIABILITIES				
Lease accrual	64 713	54 775	–	–
Non-interest-bearing floorplan creditors (refer to note 9)	195 832	117 362	–	–
Other non-interest-bearing loans	40 944	–	–	–
	301 489	172 137	–	–
Short-term portion	(196 240)	(117 362)	–	–
	105 249	54 775	–	–
21. TRADE AND OTHER PAYABLES				
Trade payables	579 255	395 835	–	–
Sundry payables and accruals	294 039	403 281	6 537	679
	873 294	799 116	6 537	679
22. REVENUE				
Sale of goods	7 333 280	6 211 406	–	–
Rendering of services	3 838 899	3 152 864	–	–
	11 172 179	9 364 270	–	–
23. OPERATING PROFIT BEFORE DEPRECIATION				
Operating profit before depreciation is arrived at after taking into account the following items:				
After crediting				
Fair value adjustment of listed investment	80	476	–	–
Foreign exchange gains	3 495	527	–	–
Financial derivative	2 800	–	–	–
Income from subsidiaries				
– Administration and professional fees			2 640	4 640
– Dividends			100 075	84 222
After charging				
Auditors' remuneration				
– Fees	5 105	4 409	61	59
– Underprovision prior year	222	488	–	–
– Other services	1 024	1 240	4	–
Contribution to retirement benefit funds*	107 743	91 420	–	–
Cost of sales	9 706 333	8 006 790	–	–
Employees' remuneration and other benefits	1 060 482	977 370	–	–
Financial derivative	–	1 404	–	–
Foreign exchange losses	1 283	6 272	8 508	–
Goodwill impairment/amortisation (refer note 3)	498	13 559	–	–
Loss/(profit) on disposal of property, plant and equipment	6 012	(3 535)	–	–
Operating lease charges	124 679	101 549	–	–
– Equipment	26 712	21 085	–	–
– Properties	97 967	80 464	–	–
Remuneration paid for administrative and technical services	8 357	16 407	–	–
Directors' emoluments paid by subsidiaries			15 152	14 243
– Fees – non-executives			935	763
– Managerial services				
– Remuneration			5 945	5 922
– Gains on disposal of options			2 427	3 003
– Incentive bonuses			5 250	3 045
– Fringe benefit value of share incentive loans			444	1 368
– Other fringe benefits			151	142
Refer note 35 for details.				
Number of employees	13 394	12 680		

* Contributions to retirement benefit funds in 2004 includes R7,2 million provision raised in respect of improper use of surplus.

	Group		Company	
	2005	Restated	2005	2004
	R000	2004 R000	R000	R000
24. CLOSURE COSTS				
Harvesting operation	7 666	–		
National Lubes distribution business	5 797	–		
Certain express distribution operations	4 808	–		
	18 271	–		
These costs are included in operating profit before depreciation and relate to costs associated with the termination of the aforementioned. The tax effect on this amount is R3,905 million.				
25. INVESTMENT INCOME				
Dividends				
– Unlisted	2 381	6 070	–	–
	2 381	6 070	–	–
26. NET FINANCE (COSTS)/INCOME				
Interest paid				
– Banks	(45 917)	(49 628)	(392)	–
– Other	(14 870)	(11 117)	–	–
	(60 787)	(60 745)	(392)	–
Interest received				
– Banks	11 398	11 019	3 307	754
– Other	8 339	694	1 716	–
	19 737	11 713	5 023	754
Net finance (costs)/income	(41 050)	(49 032)	4 631	754
27. TAXATION				
South African normal taxation				
– Current	109 292	54 093	1 034	1 358
– Deferred	(39 060)	19 383	787	118
– Change in tax rate	(2 967)	–	–	–
Foreign taxation				
– Current	10 749	12 948	–	–
– Deferred	5 377	(157)	–	–
Prior year (overprovision)/underprovision of normal taxation	(346)	–	6	–
Secondary taxation on companies and withholding tax	11 156	12 401	9 300	8 636
	94 201	98 668	11 127	10 112
Reconciliation of the taxation rate	%	%	%	%
– Current year charge as a percentage of profit before taxation	25	28	11	12
– Secondary taxation on companies and withholding tax	(3)	(3)	(9)	(10)
– Dividends, capital profits/losses, amortisation and exempt income	7	7	29	28
– Disallowable expenses	(1)	(2)	(2)	–
– Foreign taxation	1	1	–	–
– Deferred tax assets not recognised	(1)	(1)	–	–
– Change in tax rate	1	–	–	–
Statutory rate of taxation	29	30	29	30
	R000	R000	R000	R000
Total estimated taxation losses	80 520	14 706	–	–
Deferred tax assets raised in the current year on assessed losses not previously recognised	(9 072)	–	–	–
Less: Applied to offset deferred taxation liability	(10 555)	(7 953)	–	–
Available for offset against future taxable income	60 893	6 753	–	–

Notes to the financial statements (continued)

for the year ended 30 June 2005

	Group		Company	
	2005 R000	Restated 2004 R000	2005 R000	2004 R000
28. EARNINGS PER SHARE AND HEADLINE EARNINGS RECONCILIATION				
Net profit attributable to shareholders	275 660	243 428		
Adjustments:				
– Closure costs (refer note 24)	18 271	–		
– Loss/(profit) on disposal of property, plant and equipment (refer note 23)	6 012	(3 535)		
– Goodwill impairment/amortisation (refer to note 23)	498	13 559		
	300 441	253 452		
Taxation effect of (loss)/profit on disposal of property, plant and equipment and closure costs	(5 751)	792		
Headline earnings	294 690	254 244		
	Number of shares	Number of shares		
Weighted average number of ordinary shares in issue	85 729 261	76 000 839		
Weighted average number of ordinary shares that would be issued on conversion of all dilutive ordinary shares	788 947	876 175		
Diluted weighted average number of ordinary shares	86 518 208	76 877 014		
	Cents	Cents		
Earnings per share	321,5	320,3		
Earnings per share as previously stated		332,5		
Fully diluted earnings per share	318,6	316,6		
Fully diluted earnings per share as previously stated		328,7		
Headline earnings per share	343,7	334,5		
Headline earnings per share as previously stated		346,7		
Fully diluted headline earnings per share	340,6	330,7		
Fully diluted headline earnings per share as previously stated		342,7		
29. DISTRIBUTION PER SHARE				
On 23 August 2005 the directors declared a cash distribution from share premium, in lieu of a dividend, of 110 cents per share (2004: dividend of 100 cents per share). This distribution has been declared payable on Monday, 17 October 2005, to those shareholders recorded as such in the books of the company at close of business on Friday 14 October 2005.				
30. ATTRIBUTABLE INTEREST IN THE AGGREGATE NET PROFITS/(LOSSES) OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES				
– Aggregate profit of holding company	(11 632)	(6 994)		
– Aggregate earnings of subsidiary companies	332 331	261 038		
– Aggregate losses of subsidiary companies	(45 529)	(9 995)		
– Aggregate earnings of joint venture company	205	6 189		
– Aggregate profits/(losses) of associates	285	(6 810)		
	275 660	243 428		

31. CHANGE IN ACCOUNTING POLICY

During the year the group changed its accounting policy with regard to the translation of foreign operations, the method by which it accounts for joint ventures and the amortisation of goodwill.

As a result of the introduction of the concept of functional currency in AC 112 (IAS 21) (The Effects of Changes in Foreign Exchange Rates), the statement no longer draws a distinction between integral foreign operations and foreign entities. Accordingly the results of operations previously classified as integral foreign operations and translated to the presentation currency of the holding company in terms of the previous AC 112 have been restated in the functional currency of the foreign entity.

Previously the group accounted for joint venture operations using the equity method. In order to comply with the policy adopted by its parent company, Steinhoff International Holdings Limited, joint venture operations are now accounted for using the proportionate consolidation method, in terms of the preferred method of accounting in AC 119 (IAS 31) (Interests in Joint Ventures).

As a result of the above accounting policy changes, the comparative information has been restated. Refer to note 36 for details of the restatement.

During the current year, the group adopted the revised AC 140/IFRS 3 (Business Combinations) and is no longer amortising its goodwill. The goodwill is subject to an annual impairment test. AC 140 is only applicable prospectively and hence the comparative information has not been restated.

	Group		Company	
	2005	Restated	2005	2004
	R000	2004 R000	R000	R000
32. COMMITMENTS				
Capital expenditure commitments to be incurred				
– Contracted but not provided for	30 341	55 776	–	–
This expenditure will be financed from internally generated funds and existing borrowing facilities.				
Operating lease commitments*				
Payable within one year	131 270	122 308	–	–
Payable within five years	360 760	308 310	–	–
Payable thereafter	489 921	302 344	–	–
<i>* These operating lease commitments comprise cash outflow commitments. These commitments do not take account of the straight-line basis of accounting required by AC 105 (IAS 17) (Leases).</i>				
Buy-back agreements				
Unitrans Motors has certain buy-back commitments for vehicle sales. The commitments are based on conservative estimated residual values of	145 469	140 397		
Legal matters				
The group is from time to time involved in various claims and legal proceedings arising in the ordinary course of business. The board of directors does not believe that adverse decisions in any pending proceedings or claims against the group will have a material adverse effect on the financial condition or future of the group.				

33. 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, the joint ventures and associate companies.

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.

Notes to the financial statements (continued)

for the year ended 30 June 2005

33. FINANCIAL INSTRUMENTS (continued)

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 re-financing of existing borrowings are positioned according to expected movements in interest rates. For the interest rate profile of total borrowings refer to notes 18 and 19.

Maturity profile of financial instruments

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

	2005			
	Next year R000	1 – 4 years R000	> 4 years R000	Total R000
Financial assets				
Cash and cash equivalents	962 271	–	–	962 271
Trade and other receivables	704 377	–	–	704 377
Other non-current assets	–	22 018	63 188	85 206
Advances relating to Unitrans Finance (Proprietary) Limited	9 275	–	–	9 275
Financial liabilities				
Bank overdraft	457 627	–	–	457 627
Interest-bearing borrowings	56 286	16 400	400 700	473 386
Trade and other payables	873 295	–	–	873 295
Liabilities relating to Unitrans Finance (Proprietary) Limited	9 275	–	–	9 275
Non-interest-bearing borrowings	196 240	105 249	–	301 489
Vendors for businesses acquired	–	252	–	252
	Restated 2004			
	Next year R000	1 – 4 years R000	> 4 years R000	Total R000
Financial assets				
Cash and cash equivalents	667 554	–	–	667 554
Trade and other receivables	681 113	–	–	681 113
Other non-current assets	–	24 123	60 073	84 196
Advances relating to Unitrans Finance (Proprietary) Limited	73 357	9 275	–	82 632
Financial liabilities				
Bank overdraft	442 789	–	–	442 789
Interest-bearing liabilities	371 021	4 709	–	375 730
Trade and other payables	799 117	–	–	799 117
Non-interest-bearing borrowings	117 362	54 775	–	172 137
Vendors for businesses acquired	6 000	3 232	–	9 232
Liabilities relating to Unitrans Finance (Proprietary) Limited	73 357	9 275	–	82 632

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 receivables 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 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.

34. RELATED PARTY TRANSACTIONS

Various transactions were entered into by the company and its subsidiaries during the year with related parties. Unless specifically disclosed these transactions occurred under terms that are no less favourable than those entered into with third parties. Intra-group transactions are eliminated on consolidation.

The following is a summary of transactions with related parties during the year and balances at year-end:

	Joint control or significant influence holders in the group R000	Associate companies of the group R000	Joint venture in which the group is a venturer R000
Group			
2005			
Goods and services sold to			
Alisa Holdings (Proprietary) Limited	–	6 030	–
Gommagomma Furniture (Proprietary) Limited	7	–	–
Grafton Everest Division of Steinhoff Group	250	–	–
Nomakanjani Logistics Company (Proprietary) Limited	–	5 218	–
Steinhoff Africa Holdings (Proprietary) Limited	52 521	–	–
Steinhoff at Work (Proprietary) Limited	787	–	–
Steinhoff Manufacturing (Proprietary) Limited	396	–	–
Steinhoff Southern Cape (Proprietary) Limited	119	–	–
UniViron (Proprietary) Limited	–	–	597
	54 080	11 248	597
Goods and services purchased from			
Alisa Holdings (Proprietary) Limited	–	647	–
Sealy Division of Steinhoff Group	52	–	–
Steinhoff Manufacturing (Proprietary) Limited	1 787	–	–
	1 839	647	–
Other transactions			
Admin fees received from Alisa Holdings (Proprietary) Limited – Cell Captive	–	628	–
Claims paid to Alisa Holdings (Proprietary) Limited – Cell Captive	–	(2 411)	–
Commission paid to Alisa Holdings (Proprietary) Limited – Cell Captive	–	(1 570)	–
Dividends paid to Alisa Holdings (Proprietary) Limited – Cell Captive	–	(1 008)	–
Fees paid to Alisa Holdings (Proprietary) Limited – Cell Captive	–	(481)	–
Performance bonus paid to Alisa Holdings (Proprietary) Limited – Cell Captive	–	(6 478)	–
Premium received from Alisa Holdings (Proprietary) Limited – Cell Captive	–	12 563	–
Interest paid to Alisa Holdings (Proprietary) Limited	–	(1 894)	–
Management fee received from Alisa Holdings (Proprietary) Limited	–	1 948	–
	–	1 297	–
Amount due from related party as at the end of the year			
Loan to associate	–	1 500	–
	–	1 500	–

Associate and joint venture companies

Details of investments in associate and the joint venture companies are disclosed in notes 5 and 6 and Annexure A. Income from associate and joint venture companies is disclosed in notes 5 and 6.

Subsidiaries

Details of income from subsidiaries are disclosed in note 23. Details of investments in subsidiaries are disclosed in notes 4 and Annexure A.

Directors

Details regarding directors' remuneration and interests are disclosed in note 35.

Transactions with key management and other related parties

There were no material transactions with key management or close family members of related parties.

Shareholders

The principal shareholders of the company are disclosed on page 65.

Notes to the financial statements (continued)

for the year ended 30 June 2005

35. DIRECTORS' REMUNERATION AND INTERESTS

Directors' remuneration

The directors' remuneration for the year ended 30 June 2005 was as follows:

Executive directors

Name	Salary R000	Car allow- ance R000	⁽¹⁾ Perform- ance bonuses R000	Company contribu- tions to retirement and medical funds R000	Company vehicles R000	Sub-total R000	⁽²⁾ Deemed interest R000	Total 2005 R000
PJ Dieperink	1 216	151	1 000	208		2 575	164	2 739
KJ Grové	1 806	319	1 500	249		3 874	116	3 990
SM Keys	1 093	–	2 750	358	151	4 352	149	4 501
RH Naisby ⁽³⁾	442	32	–	71		545	15	560
	4 557	502	5 250	886	151	11 346	444	11 790
Profit on exercise of share options:								
PJ Dieperink								892
KJ Grové								587
SM Keys								397
RH Naisby ⁽³⁾								551
								2 427

Notes:

1. Performance bonuses are payable in terms of the Executive Incentive Scheme approved by the remuneration, human resources and nomination committee ("the remuneration committee") and are accounted for on an accrual basis to match the amount payable to the applicable financial year-end.
2. Deemed interest relates to deemed interest on interest-free loans granted in terms of the Unitrans Limited Share Scheme.
3. Mr RH Naisby retired with effect from 1 December 2004 and resigned as a director on 8 December 2004.
4. The executive directors do not have fixed term contracts.

Non-executive directors

Name	Directors' fees R000	Audit committee fees R000	Remune-ration-committee fees R000	Total fees 2005 R000
DC Brink	175 ^c	10	48 ^c	233
BC Bruce ^{#*}	16		9	25
MJ Jooste ^Δ	97		26	123
D Konar	97	74 ^c		171
D Lockey [*]	45			45
KB Mosehla [*]	25	7		32
RH Naisby [*]	16			16
PK Quarmby	72			72
RW Rees ^{#*}	32	13		45
DM van der Merwe ^Δ	92	29		121
JHN van der Merwe ^{Δ*}	45	7		52
	712	140	83	935
Total remuneration paid to directors				15 152

^c Chairman

[#] Fees paid to Murray & Roberts Limited

^Δ Fees paid to Steinhoff International Holdings Limited

* These directors were either appointed, resigned or retired during the year. Please refer to the directors' report on page 66 for details.

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Directors' remuneration

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

Executive directors

	Salary R000	Car allowance	(1) Performance bonuses R000	Company contributions to retirement and medical funds R000	Company vehicles R000	(2) Deemed interest R000	Total 2004 R000
PJ Dieperink	1 073	137	750	189		358	2 507
KJ Grové	1 610	306	1 000	180		580	3 676
SM Keys	986		1 075	294	142	354	2 851
RH Naisby	913	72	220	162		76	1 443
	4 582	515	3 045	825	142	1 368	10 477
Profit on exercise of share options:							
PJ Dieperink							323
KJ Grové ⁽³⁾							1 881
SM Keys							–
RH Naisby							799
							3 003

Notes:

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 payment of R913 000 in September 2003 ("the Put Option Date") in connection with the final tranche 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 60 000 shares, purchased on 17 September 1998 at R15,50 per share, to the Unitrans Limited Share Scheme, at R32,50 per share, on 17 September 2003.
4. The executive directors do not have fixed-term contracts.

Non-executive directors

	Directors' fees R000	Audit committee fees R000	Remuneration committee fees R000	Total fees 2004 R000
DC Brink	145 ^C		36 ^C	181
BC Bruce#	70		17	87
MJ Jooste ^A	82		17	99
D Konar	70	52 ^C		122
PK Quarmby	70			70
RW Rees#	70	26		96
DM van der Merwe ^A	82	26		108
	589	104	70	763
Total remuneration paid to directors				14 243

C Chairman

Fees paid to Murray & Roberts Limited

Δ Fees paid to Steinhoff International Holdings Limited

Notes to the financial statements (continued)

for the year ended 30 June 2005

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

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

The Unitrans Limited Share Option Scheme

	Number of options as at 30 June 2004	Number of options granted during the year	Option price (cents)	Number of options exercised during the year	Price at which exercised (cents)	Number of options as at 30 June 2005	Vesting date	Expiry date
PJ Dieperink	8 750		1 650	8 750	3 260	–	29/09/2004	29/09/2007
	8 750		1 700			8 750	16/03/2005	15/03/2008
	12 500		2 018	12 500	3 260	–	09/01/2003	09/01/2011
	12 500		2 018	12 500	3 260	–	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	3 260	–	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	3 260	–	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
		19 625*	3 101			19 625	08/12/2006	08/12/2014
		19 625*	3 101			19 625	08/12/2007	08/12/2014
		19 625*	3 101			19 625	08/12/2008	08/12/2014
		19 625*	3 101			19 625	08/12/2009	08/12/2014
KJ Grové	20 000		2 000	20 000	3 271	–	17/05/2004	17/05/2010
	20 000		2 000			20 000	17/05/2005	17/05/2010
	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	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	3 271	–	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
		28 125*	3 101			28 125	08/12/2006	08/12/2014
		28 125*	3 101			28 125	08/12/2007	08/12/2014
		28 125*	3 101			28 125	08/12/2008	08/12/2014
		28 125*	3 101			28 125	08/12/2009	08/12/2014

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Interest of the directors of the company in share options and share purchases under the Unitrans Limited share scheme continued

The Unitrans Limited Share Option Scheme continued

	Number of options as at 30 June 2004	Number of options granted during the year	Option price (cents)	Number of options exercised during the year	Price at which exercised (cents)	Number of options as at 30 June 2005	Vesting date	Expiry date
SM Keys	15 000		1 820	15 000	3 265	–	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	3 265	–	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
		15 550*	3 101			15 550	08/12/2006	08/12/2014
		15 550*	3 101			15 550	08/12/2007	08/12/2014
		15 550*	3 101			15 550	08/12/2008	08/12/2014
		15 550*	3 101			15 550	08/12/2009	08/12/2014
RH Naisby	3 395		1 650	3 395	3 000	–	29/09/2004	29/09/2007
	25 000		1 500	25 000	3 000	–	10/11/2004	10/11/2009
	–		2 018			–	09/01/2003	09/01/2011
	–		2 018			–	09/01/2004	09/01/2011
	12 500		2 018	9 791	3 400	2 709	09/01/2005	09/01/2011
	12 500		2 018			12 500	09/01/2006	09/01/2011
	–		1 820			–	19/02/2004	19/02/2012
	12 500		1 820	9 791	3 290	2 709	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	3 100	–	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
						1 063 618		
1 015 895		253 200	205 477					

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

Notes to the financial statements (continued)

for the year ended 30 June 2005

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

The Unitrans Limited Share Purchase Scheme

	Number of shares held as at 30 June 2004	Number of shares purchased during the year	Purchase price (cents)	Number of shares sold during the year	Number of shares held 30 June 2005	Vesting date	Expiry date
PJ Dieperink	12 500		1 500	12 500	–	10/11/2001	10/11/2009
	25 000		1 500	20 000	5 000	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	17/05/2004	17/05/2010
	20 000		2 000		20 000	17/05/2005	17/05/2010
KJ Grové	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	15/03/2005	15/03/2008
	25 000		1 500	25 000	–	10/11/2004	10/11/2009
	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	–	09/01/2004	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	–		1 700		–	15/03/2001	15/03/2008
			1 700		–	15/03/2003	15/03/2008
	3 500		1 700	2 742	758	15/03/2005	15/03/2008
	–		2 000		–	17/05/2002	17/05/2010
	–		2 000		–	17/05/2003	17/05/2010
	–		2 000		–	17/05/2004	17/05/2010
	10 000		2 000	7 833	2 167	17/05/2005	17/05/2010
	441 000			290 575	150 425		

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

36. RESTATEMENT OF COMPARATIVES

The comparative information presented has been restated for the following:

- the restatement of foreign operations in the appropriate functional currency
- the change in treatment of the joint venture which is now proportionately consolidated, whereas in the prior year, it was equity accounted
- the reclassification of the assets and liabilities relating to the Unitrans Finance (Proprietary) Limited operations to show the gross advances and liabilities
- the separate disclosure of positive and negative bank balances
- the change in the basis of recognition of operating lease costs. The South African Institute of Chartered Accountants issued Circular 7/2005: Operating leases on 2 August 2005. The circular refers to the requirements of AC 105 (IAS 17) Leases, in terms of which operating leases with fixed rental increases must be accounted for on the straight-line basis. In South Africa, the accounting treatment of such operating leases were generally not consistent with the requirements of AC 105, and although the Unitrans Group has adopted the straight-line recognition as its accounting policy, the cash flow basis was actually applied. The impact of recognising operating lease costs on the straight-line basis rather than the cash flow basis is set out below:

	Group	
	2005 R000	2004 R000
Effect on income statement		
Increase in revenue due to the proportionate consolidation of the joint venture	91 586	73 239
Increase in operating income before depreciation for the restatement of foreign operations in the functional currency	6 147	1 648
Increase in depreciation for the restatement of foreign operations in the functional currency	(1 846)	(890)
Increase in operating income before depreciation for the proportionate consolidation of the joint venture	8 652	7 660
Increase in depreciation for the proportionate consolidation of the joint venture	(3 387)	(3 548)
Decrease in operating income before depreciation for the change in treatment of the operating leases	(9 943)	(10 697)
Decrease in associate earnings for the change in treatment of the operating leases	(672)	(1 171)
Decrease in associate earnings for the proportionate consolidation of the joint venture	(6 271)	(6 189)
(Increase)/decrease in net finance costs for the proportionate consolidation of the joint venture	(640)	325
Taxation effects	5 287	3 628
Decrease in net profit for the year	(2 673)	(9 234)
Decrease in opening retained earnings for 2004		(31 751)

Notes to the financial statements (continued)

for the year ended 30 June 2005

Group

2005
R000

2004
R000

36. RESTATEMENT OF COMPARATIVES (continued)

Effect on the balance sheet

Increase in property, plant and equipment for the restatement of foreign operations in the functional currency	5 414	4 981
Increase in property, plant and equipment for the proportionate consolidation of the joint venture	2 112	14 777
Increase in goodwill for the proportionate consolidation of the joint venture	–	10 836
Decrease in associates for the proportionate consolidation of the joint venture	–	(28 869)
Decrease in associates for the change in treatment of operating leases	(2 086)	(1 414)
Increase in deferred tax asset for the proportionate consolidation of the joint venture	–	1 770
Increase in deferred tax asset for the change in treatment of operating leases	18 781	16 433
Increase in other non-current assets for the proportionate consolidation of the joint venture	–	999
Increase in inventories for the proportionate consolidation of the joint venture	–	470
Increase in trade and other receivables for the proportionate consolidation of the joint venture	539	11 447
Increase in cash and bank balances for the proportionate consolidation of the joint venture	594	5 768
Increase in cash and bank balances due to the separate disclosure of positive and negative bank balances	457 627	442 789
Increase in advances relating to Unitrans Finance (Proprietary) Limited	–	82 632

Effect on assets

482 981

562 619

Increase/(decrease) in non-distributable reserves for the restatement of foreign operations in the functional currency	2 403	(1 024)
Increase in distributable reserves for the restatement of foreign operations in the functional currency	3 011	2 657
Increase/(decrease) in distributable reserves for the proportionate consolidation of the joint venture	205	(3 896)
Decrease in distributable reserves for the change in treatment of operating leases	(48 018)	(39 749)
Increase in deferred tax liability for the restatement of foreign operations in the functional currency	84	3 348
Increase in taxation for the proportionate consolidation of the joint venture	–	20
Increase in trade and other payables for the proportionate consolidation of the joint venture	2 956	21 074
Increase in non-interest-bearing long-term liabilities for the change in treatment of operating leases	64 713	54 768
Increase in bank overdraft due to the separate disclosure of positive and negative bank balances	457 627	442 789
Increase in liabilities relating to Unitrans Finance (Proprietary) Limited	–	82 632

Effect on equity and liabilities

482 981

562 619

2005 R000	Transport and Logistics			Motor and Financial Services			Group
	Supply Chain Solutions: Freight and Logistics	Passenger	Total	Retail	Financial	Total	
37. GROUP SEGMENTAL REPORT							
Income statement*							
Revenue	1 971 672	516 263	2 487 935	8 589 493	94 751	8 684 244	11 172 179
Operating income before depreciation	283 972	105 078	389 050	227 327	44 883	272 210	661 260
Depreciation	187 734	44 305	232 039	16 159	518	16 677	248 716
Operating income after depreciation	96 238	60 773	157 011	211 168	44 365	255 533	412 544
Balance sheet							
Total assets	2 206 521	371 975	2 578 496	1 440 501	181 265	1 621 766	4 200 262
Total liabilities	1 137 038	191 682	1 328 720	991 903	84 786	1 076 689	2 405 409
Net assets	1 069 483	180 293	1 249 776	448 598	96 479	545 077	1 794 853
Gross capital expenditure**	338 058	121 884	459 942	24 272	167	24 439	484 381

Revenue earned outside of South Africa (Mozambique, Malawi, Tanzania, Botswana, Namibia, Lesotho and Swaziland) totalled R398 million (2004 restated: R389 million).

This translated into operating income after depreciation of R85 million (2004 restated: R92 million).

The total asset value attributable to these operations is R478 million (2004 restated: R446 million).

The total net asset value attributable to these operations is R365 million (2004 restated: R326 million).

2004 (Restated) R000	Transport and Logistics			Motor and Financial Services			Group
	Freight and Logistics	Passenger	Total	Retail	Financial	Total	
Income statement*							
Revenue	1 836 497	372 620	2 209 117	7 049 823	105 330	7 155 153	9 364 270
Operating income before depreciation	322 405	84 311	406 716	160 853	37 801	198 654	605 370
Depreciation	151 986	38 154	190 140	13 667	845	14 512	204 652
Operating income after depreciation	170 419	46 157	216 576	147 186	36 956	184 142	400 718
Balance sheet							
Total assets	2 007 626	240 230	2 247 856	1 049 150	232 458	1 281 608	3 529 464
Total liabilities	1 360 379	50 288	1 410 667	625 568	150 164	775 732	2 186 399
Net assets	647 247	189 942	837 189	423 582	82 294	505 876	1 343 065
Gross capital expenditure**	406 181	54 582	460 763	21 380	147	21 527	482 290

* The results of associates are not included in the segmental analysis other than the cost of investment which is included in total assets

** Gross capital expenditure is defined as capital expenditure incurred on property, plant and equipment, excluding any disposals and planned retirement

Notes to the financial statements (continued)

for the year ended 30 June 2005

38. EMPLOYEE BENEFITS

All employees are eligible for membership of pension, provident and medical aid funds. The group companies' contributions to these funds during the year amounted to R107,7 million (2004: R91,4 million).

Contributions to pension and provident funds are made by employees and group companies. Benefits accrue on a defined contribution basis, except for pre-1995 members of the Unitrans Retirement Fund for whom a minimum guarantee is in place. Group funds are administered by trustees with equal representation from members and employers. 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 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 in June 2001. As the Transport and Logistics divisions acquire new companies, membership of the Alexander Forbes Retirement Fund will be offered to salaried staff, while membership of the negotiated Unitrans Provident Fund or the appropriate industry fund will be offered 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 Unitrans Retirement Fund is subject to the requirements of the Pension Funds Act regarding the surplus apportionment exercise. R7,02 million was paid to the Unitrans Retirement Fund in respect of improper use of surplus up to December 2002, and a further R4,14 million was paid to eliminate the contribution shortfall that arose between January 2003 and April 2005. A nil surplus apportionment scheme as at 1 January 2003 has been submitted for approval by the Financial Services Board.

At 30 June 2005 membership of group pension funds was 115 (2004: 476) while 5 473 (2004: 4 808) employees were members of group provident funds. 729 (2004: 450) employees were covered by group life assurance schemes. In addition, 3 733 (2004: 4 249) employees were members of industry provident funds.

Twenty-seven per cent (2004: 26%) of employees belong to the medical aid schemes to which group companies contribute. None of the group pension and provident funds has any liability in respect of the cost of medical aid benefits to retirees.

Annexure A

INTEREST IN SUBSIDIARIES

Directly or indirectly held 100% except where stated

	Amount of issued capital R	Share premium R	Cost of investments		Indebtedness	
			2005	2004	2005	2004
			R000	R000	R000	R000
SUBSIDIARIES						
TRANSPORT AND LOGISTICS						
Freight and Logistics						
African Express (Proprietary) Limited (60%) (incorporated in Botswana)	100		–	–	–	–
Aramex SA (Proprietary) Limited (60%)	100		–	–	–	–
Bojanala Bus (Proprietary) Limited (49%)*	100		–	–	–	–
Express Freight for Africa (Proprietary) Limited (50%)*	100		–	–	–	–
Klipstone Transport (Proprietary) Limited (64%)	1 000		–	–	–	–
Top Transport (Proprietary) Limited (60%)	100					
Unitrans Express Deliveries (Proprietary) Limited (75%)	1 000		–	–	3 459	2 602
Lesotho Carriers (Proprietary) Limited (incorporated in Lesotho)	1 000 [#]		1	1	(180)	(180)
Pivot Transport (Proprietary) Limited	100					
Roadway Logistics (Proprietary) Limited	200		2 887	–	30 500	–
Roadway Logistics Retail (Proprietary) Limited	50 000					
Unitrans Botswana (Proprietary) Limited (incorporated in Botswana)	513 000 ^c	11 015 000	502	502	–	–
Unitrans Freight (Proprietary) Limited	352 266	350 036 200	141 018	141 018	118 733	(1 604)
Unitrans Freight Logistics (Proprietary) Limited (75%)	100					
Unitrans Freight (Mining Services) (Proprietary) Limited	100					
Unitrans Fuel and Chemical (Proprietary) Limited (75%)	400		–	–	–	–
Unitrans Lesotho (Proprietary) Limited (incorporated in Lesotho) (75%)	1 000 [#]		–	–	–	–
Unitrans Malawi Limited (incorporated in Malawi)	28 847 020 ^{##}	100 393 000	–	–	–	–
Unitrans Moçambique Limitada (incorporated in Moçambique)	200 000 000 [†]		–	–	–	–
Unitrans Namibia (Proprietary) Limited (incorporated in Namibia)	100\$	8 132 598	8 149	8 149	–	–
Unitrans Offshore Limited	15 637US\$	10 694 638US\$	82 452	116 395	–	–
Unitrans Sugar and Agriculture (Proprietary) Limited (75%)	100					
Unitrans Supply Chain (Proprietary) Limited	1 000				11 377	13 185
Unitrans Swaziland Limited (incorporated in Swaziland) (75%)	262 162 ^{**}	1 873 000	–	–	–	–
Unitrans Tanzania (Proprietary) Limited	12 002Tsh	235 400 000Tsh	–	–	–	–
Unitrans Leasing (Proprietary) Limited	1 119 547	19 479 053	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

Annexure A (continued)

INTEREST IN SUBSIDIARIES (continued)

Directly or indirectly held 100% except where stated

	Amount of issued capital R	Share premium R	Cost of investments		Indebtedness	
			2005 R000	2004 R000	2005 R000	2004 R000
MOTOR AND FINANCIAL SERVICES						
Motor Retail						
Autocare Warranty (Proprietary) Limited	1		–	–	–	–
Unitrans Motors (Proprietary) Limited	120 004		–	–	–	–
Unitrans Motor Enterprises (Proprietary) Limited	100		–	–	179 775	179 775
Unitrans Retail Services (Proprietary) Limited	1		–	–	–	–
Financial Services						
Contract Lease Management (Proprietary) Limited	100		–	–	–	–
Unitrans Finance (Proprietary) Limited (65%)	100		–	–	–	–
Unitrans Insurance Limited	15 001	15 134 999	–	–	–	–
CORPORATE						
Unitrans Services (Proprietary) Limited	100		–	–	198 095	(13 185)
Other property, dormant and investment companies ^Δ	1 225 936	56 024 824	65 620	65 620	(8 008)	(34 531)
			313 044	344 100	533 751	156 638

* As at 30 June 2005, these companies fell within the definition of a subsidiary company as per the Companies Act No 61 of 1973, as amended

¢ Pula ** Emalangeni # Maloti ## Malawi kwacha † Meticaïs

\$ Namibian dollar US\$ United States dollar Tsh Tanzanian shilling

Δ Details of dormant companies are available on request

For details of investments in associates and investments in joint ventures, refer to notes 5 and 6 respectively.

Notice to members

UNITRANS LIMITED

(Registration number 1967/003403/06)

JSE code: UTR

ISIN: ZAE000007670

("Unitrans" or "the company")

Notice is hereby given that the 38th annual general meeting of the members of the company will be held at 263 Oxford Road, Illovo, Johannesburg, on Monday 28 November 2005 at 14:00 for the following purposes:

1. To receive and adopt the annual financial statements for the year ended 30 June 2005
2. Directorate:
 - 2.1 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:
 - 2.1.1 Mr DC Brink
 - 2.1.2 Mr MJ Jooste
 - 2.1.3 Mr DM van der Merwe
 - 2.2 To individually elect directors in place of the following directors who were appointed as directors on 6 May 2005 and who retire as directors in accordance with the articles of association and, being eligible, offer themselves for re-election:
 - 2.2.1 Mr D Lockey
 - 2.2.2 Mr KB Mosehla
 - 2.2.3 Mr JHN van der Merwe

A curriculum vitae for each director appears on pages 8 to 11 of the annual report, of which this notice forms part.

3. To place 5 817 463 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 JSE Limited ("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 ("Listings Requirements") 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 effected through the order book operated by the JSE trading system and is done without any prior understanding or arrangement between the company and the counterparty;
- e) Unitrans will, at any point in time, appoint only one agent to effect any repurchase(s) on the company's behalf;



Notice to members (continued)

- f) after such repurchase, at least 500 public shareholders, as defined in the Listings Requirements, continue to hold at least 20% of the company's issued ordinary shares;
- g) such repurchase does not occur during a prohibited period as defined in paragraph 3.67 of the Listings Requirements; and
- h) 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. The effect of this resolution will be to grant the requested general authority to the directors of the company.

Under the authority granted to the directors at the annual general meeting of shareholders held on 8 December 2004 the directors have authorised a share buy-back programme. This programme is ongoing and, at the date of this notice, 814 971 shares, representing 0,91% of the company's issued share capital have been repurchased via a group subsidiary. An additional share buy-back programme 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 further 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 further 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.

When 3% of the initial number, ie the number of shares in issue at the time that the general authority from shareholders is granted, is cumulatively repurchased and for each 3% in aggregate of the initial number acquired thereafter, an announcement shall be made in accordance with the Listings Requirements.

General information relating to this special resolution

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

- a) 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.
- b) The following information, details of which are reflected in this annual report, of which this notice forms part, as indicated:
 - Directors and management of the company and its subsidiaries. Refer to pages 8 to 13;
 - Major shareholders of the company. Refer to page 65;
 - Directors' interest in the company's securities. Refer to page 66 (Interests of the directors in the share capital of the company) and to note 35 to the annual financial statements on pages 99 to 100;
 - Share capital of the company. Refer to note 12 to the annual financial statements on page 85.
- c) Directors' responsibility statement
The directors, whose names are given on pages 8 to 11 of this annual report, accept responsibility for 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.
- d) Material changes
There have been no material changes in the financial or trading position of the group since the publication on 23 August 2005 of the financial results for the year ended 30 June 2005.

e) 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, 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 which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- the shares so issued shall be issued only to public shareholders (as defined in paragraphs 4.25 to 4.27 of the Listings Requirements) 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.

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.

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. 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, 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, including but not limited to the requirements of schedule 24 thereto.

Notice to members (continued)

8. Directors' fees

8.1 Ratification of directors' fees

To ratify the aggregate sum of R578 942 in respect of fees paid to the non-executive directors for the six months ended 30 June 2005.

The directors' fees paid in respect of the financial year ended 30 June 2005 are disclosed on page 96 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 2005 to 31 December 2005 as detailed below.

To be approved for period
1 July 2005 to 31 December 2005

Board	R
Chairman	100 000
Non-executive director (see note below)	20 000
Audit and risk committee	
Chairman	47 500
Member	22 500
Remuneration, human resources and nominations committee	
Chairman	30 000
Member	17 500

Note

The fee payable to non-executive directors is a per meeting fee in respect of each of the scheduled board meetings and the budget briefing meeting. 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. Appointment of auditors

To consider the appointment of Deloitte & Touche as auditors of the company in terms of section 270 of the Act.

10. Amendment to the company's articles to allow for electronic delivery

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

"RESOLVED THAT

The company's articles of association be and they are hereby amended by the addition of the following article as article 143:

143 The company may, subject to the Companies Act No 61 of 1973 and to the Listings Requirements of JSE Limited, as amended from time to time, with the consent of a member of the company, effect electronic delivery of shareholder information such as circulars annual reports, interim reports, preliminary reports, listing particulars, dividend or interest notices, notices of meetings and proxy forms."

Explanatory note on special resolution number 2

Special resolution number 2 is proposed to afford the facility to the company to communicate with its members by electronic means, subject to the consent of a member thereto. The effect of this resolution will be to amend the articles of association of the company to allow for such means of communication between the company and its members.

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

By order of the board



JV Radnay
Secretary

Illovo
28 October 2005

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 inserted at the end of this annual report. 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 general 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 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 contact 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.



Shareholders' diary

Financial year-end		30 June
Reports and profit statements		
Announcement of audited results 2004/2005	Published	23 August 2005
Annual financial statements 2004/2005	Published	November 2005
Interim report 2005/2006	To be published	February 2006
Annual general meeting		28 November 2005
Distribution to shareholders		
	Declared	23 August 2005
	Record date	14 October 2005
Cash distribution number 1: 2004/5 (in lieu of dividend)	Payable	17 October 2005

Administration

UNITRANS LIMITED

Registration number 1967/003403/06
JSE code: UTR
ISIN code: ZEA000007670

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 7737

POSTAL ADDRESS

PO Box 615
Northlands
Johannesburg 2116

TRANSFER SECRETARIES

Computershare Investor Services 2004 (Pty) 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 Woodlands and Kelvin Drives
Woodmead 2199
Telephone: 011 806 5000
Telefax: 011 806 5003

LEGAL

Cliffe Dekker Attorneys
1 Protea Place/Off Fredman Drive
Sandown
Private Bag X7
Benmore 2010
Telephone: 011 290 7000
Telefax: 011 290 7300

SPONSOR

PSG Capital Limited
Building No 8
Woodmead Estate
1 Woodmead Drive, Woodmead, Rivonia
PO Box 987
Parklands 2121
Telephone: 011 797 8400
Telefax: 011 797 8435

WEBSITE

www.unitrans.co.za

Form of proxy

UNITRANS LIMITED

(Registration number 1967/003403/06)

JSE code: UTR

ISIN: ZAE000007670

("the company")

For use at the annual general meeting of the company to be held on Monday 28 November 2005 at 14:00.

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 Monday 28 November 2005 at 14:00 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 2005			
2. Directorate:			
2.1 The individual re-election of the following directors who retire by rotation in accordance with the company's articles of association: DC Brink MJ Jooste DM van der Merwe			
2.2 The individual re-election of the following directors who were appointed on 6 May 2005 and who retire in accordance with the company's articles of association: D Lockey KB Mosehla JHN van der Merwe			
3. Resolution to place 5 817 463 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 2005			
8.2 Resolution to approve the fees payable to non-executive directors for the six months ending 31 December 2005			
9. Appointment of auditors			
10. Special resolution to amend the articles of association of the company to provide for communication with shareholders by electronic means			

Signed this

day of

2005

Signature



Notes to the form of proxy

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

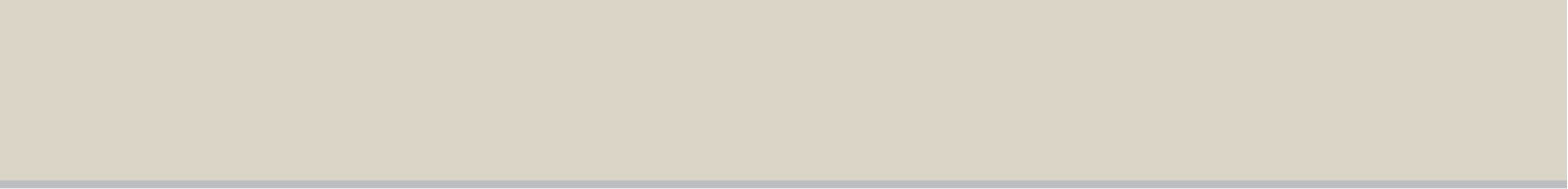
1. The following categories of shareholders are entitled to complete a form of proxy:
 - Certificated shareholders whose names appear on the company's register
 - Own name dematerialised electronic shareholders whose names appear on the sub-register of a Central Securities Depository Participant ("CSDP")
 - CSDPs with nominee accounts
 - 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 14:00 on Thursday 24 November 2005.
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.



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