



Moving onwards and upwards

In a move designed to boost the growth of the Cargo Carriers' mining business, and diversify its earnings through sub-Saharan Africa, Cargo Carriers, has acquired a 55% stake in Zambian-based BHL.

Cargo Carriers will bring a high-level SHEQ (Safety, Health, Environment and Quality) capability and access to capital to enable BHL's growth, while BHL will increase Cargo Carriers' footprint in sub-Saharan Africa.

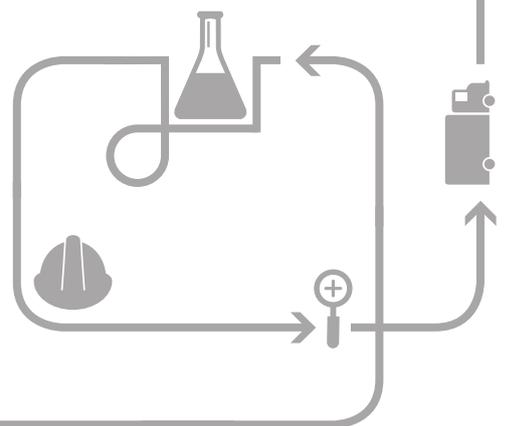
BHL's primary business is the transportation of copper concentrate, lime and sulphuric acid in Zambia and the DRC. It also provides logistics solutions in the manufacturing and agricultural sectors. This fits because Cargo Carriers



Tom Mennie (Cargo Carriers), Murray Bolton (Cargo Carriers), Buks van Rensburg (BHL), Elrick de Klerk (BHL), Garth Bolton (Cargo Carriers)

has logistics operations in both Agriculture and Mining.

Zambia is in the middle of the East African sugar belt. Cargo Carriers' long-stated intention to compete in this zone by extending our operations from Swaziland, Mpumalanga and Zimbabwe will be strengthened by a presence on the ground in Zambia.



Unfurling our value creation

As a Cargo Carriers stakeholder, you have joined us over the past few years on our journey towards sustainable value creation. We are happy to report that the operating results are starting to reap the rewards of this effort.

The 2012 results reflect a turnaround performance showing a growth in operating profit, reflecting a shift in some of our business and that during the previous fiscal we won a sizable amount of new business.

For over a decade now, we have been improving on our standards and performance to ensure competitive advantage for our clients and the sustainability of our model. Despite the choppy seas that the industry has been forced to contend with, Cargo Carriers has shown improved operating results.

The contract gains in the Powders business last year have now come through. Profits have increased and prospects for growth are good. Much like Powders, our Steel division has benefited from a recovery in the market place and improved demand for steel products. In both Chemicals and Gas, we can report profit improvement. This is mainly due to the bedding down of large contracts won in the previous fiscal. We also had a pleasing improvement in the results of the Fuel division, with an increase in profitability thanks to local distribution business in the Eastern Cape. Success in this sector has in large part been driven by our continually improving scores for B-BBEE and SHEQ. As one of the few players able to comply with the high standards set in the industry, we are confident of future growth in volumes and profitability. In Mining, we have expanded our business beyond our borders and acquired a 55% stake in Zambian-based BHL. Our Sugar business continues to do well in Zimbabwe.

In Swaziland, inconsistent weather patterns and high costs continue to hamper the profitable loading and transportation of cane, reinforcing our determination to mitigate climate risk by spreading our sugar footprint through the east African sugar belt. We have made significant progress in the development of a strategic marketing network. These new partnerships have already resulted in some sales success for our pure consulting business, and they also stand to benefit our CargoWare range of IT solutions for the transportation industry.

Transformation - In a few short years we have improved our B-BBEE rating from a Level 7 to a Level 4 with Value-Adding Supplier status. These scores have been crucial to gaining new business in the fuel sector, but our view is that they will become increasingly important to all sectors. As the government seeks to leverage its transformation and job creation agendas, our challenge is to maintain and improve on this level through our transformation processes. We have embarked on an ambitious skills and capacity building programme with diversity management programmes held across the country. Various workshops on race, gender, age and skills are assisting employees from all walks of life. In our quest to become an employer of choice in the industry, we will be rolling out an employee engagement strategy during 2012/2013.

The environment we work in is becoming more and more challenging and SHEQ demands in the transport industry are increasing.

Throughout the coming year we will strive to uphold and improve upon our high SHEQ standards, intensify our driver training and vehicle maintenance, and take all necessary precautions to avoid possible accidents on the road.

Sustainability - Cargo Carriers commissioned Global Carbon Exchange (GCX) to conduct its third consecutive carbon footprint analysis of our operations for the financial year 2012. While our increase in business activity has led to growth in the trucking fleet resulting in additional kilometres travelled compared to 2011, emissions per 1000 kilometres traveled are down by 7,73%.

Prospects for 2013 - The new business that we won over the last two years is now firmly bedded down and we will continue to build on our success. Promising opportunities in the Fuel, Chemical, Gas, Mining, Steel and Powders markets are opening up as a result of our competitive offerings. Our Sugar division is now also positioned for improved performance. All in all, we are excited about the year ahead.

We recognise that the improvements of this year would not have been possible without the hard work, dedication and passion of our staff, and the constructive collaboration of our clients.

Together, we will continue down the road of progress.

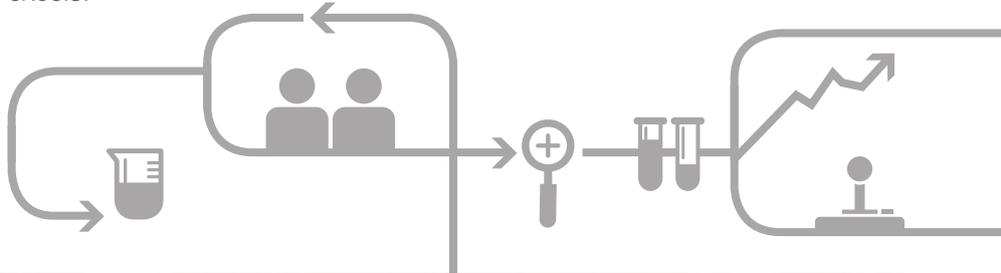
Garth & Murray Bolton

Chemicals of Distinction

After 15 years of transporting for Senmin International, Cargo Carriers have further extended their long-standing relationship.

At the beginning of the relationship, the distribution contract with Senmin hardly warranted the full use of even one vehicle. However, as the business has begun to flourish, the Senmin dedicated fleet has increased substantially.

Further, the increase in business has brought with it the need to handle both liquid and powder chemicals – two areas in which Cargo Carriers excels.



Water – Our most valuable resource

Cargo Carriers, as a logistics partner in the Western Cape’s greater water purification supply chain, by virtue of its role, must comply with the highest health and safety standards.

The logistics partnership between NCP Chlorchem and Cargo Carriers has now been in place for over a decade, and the trust between all parties has been earned through stringent compliance with SHEQ requirements.

When transporting liquid chlorine, drivers need to know what they are doing in any given scenario. Continually raising the bar in driver training and support is literally a 24-hour job. To do it correctly requires a lot of capacity in terms of fleet as well as safety provisioning.





Flexing our Fleet

Cargo Carriers has recognised the changing economic climate and offers a more flexible solution.

When demand is at a moderate-to-low level, a core fleet (which Cargo Carriers provides) handles transportation with little-to-none of the waste or risk that comes with fully dedicated fleets in precarious times.

But with the volatile downside comes periods of restocking and recovery, and it's important in these times for clients to deliver every last order – on time, every time.

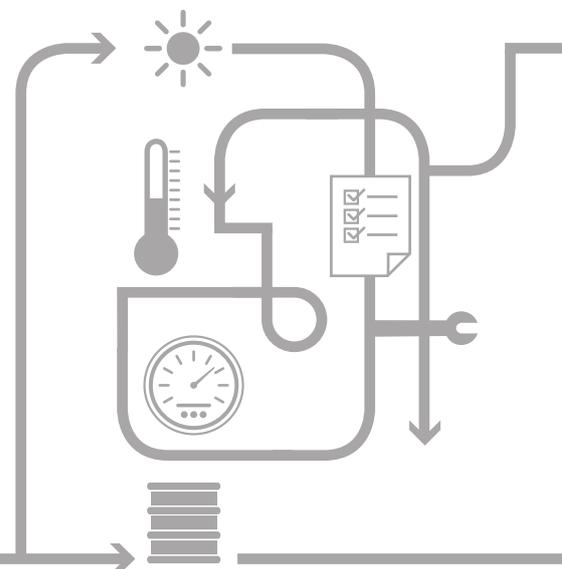
Cargo Carriers has one of South Africa's largest and most reliable sub-contractor fleet, trained to meet Cargo Carriers' high standards. We 'flex the fleet', keeping the supply chain running smoothly, giving clients low risk and high levels of responsiveness.

The steel industry is a good example of the validity of a flexible fleet used by Cargo Carriers. The sub-contractors utilised in the flexible fleet are a number of smaller, black-owned logistics businesses, often comprising no more than one man and his truck - but they are businessmen and drivers of the highest order.

All sub-contractors are rigorously inspected, trained and kitted with the tools and expertise to match the high standards set by Cargo Carriers. Vehicles are all given a 100-point check and are fitted with a Cargo Carriers' trailer

that matches the industry they transport in.

With all this in place, there are over 40 sub-contractors in reserve, trained and ready to take on the excess loads. Our flexible fleet and experience are key to the success of our partner-clients in the steel supply chain as the industry undergoes re-structuring and world supply cycles put our integrity to the test.





Reinforcing our Southern African footprint

A division of the Omnia Group, BME is a leading supplier of explosives for open pit mining and the quarrying industry, and has previously worked with Cargo Carriers in running product from Sasolburg to Namibia.

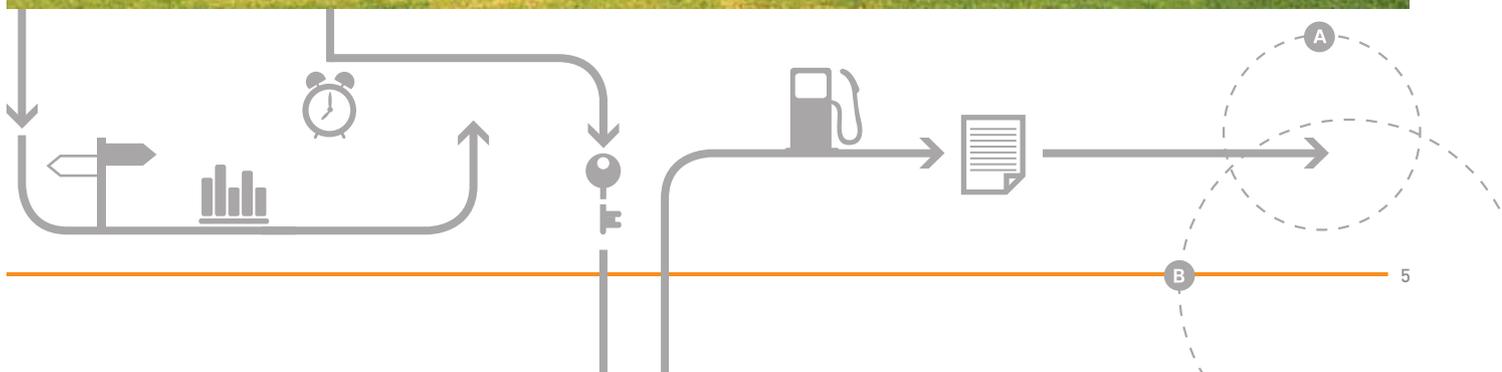
Cargo Carriers are now delivering high energy fuel (HEF) to Basetho mine in Maun, Botswana for BME. This contract presents a great opportunity for the company to expand in to Botswana.

In transporting the HEF to the Basetho mine, Cargo Carriers will be making a round trip of over 2,300km. The vehicles are equipped with mild steel tankers that accommodate HEF according to both sets of legislation.



The vehicles are also fitted with a unique pumping system (a requirement of the Botswana Explosives Act) in order to lawfully offload the product at the mine.

Cargo Carriers constantly looks to expand its horizons, especially in Southern Africa. This new contract with BME is an ideal opportunity for Cargo Carriers to establish a firm foothold in Botswana.



Sitanani Carriers



Together with Caltex Mpumalanga North Marketers (CMPM), Cargo Carriers has once again founded an empowered fuel transport company.

Sitanani, which in isiSwazi means 'to help one another', is structured along similar lines to Cargo Carriers' highly successful Uzuko Carriers in the Eastern Cape.

The joint venture, in which CMPM chose Cargo Carriers to be its transport management and 50%

equity partner, will initially service 27 outlets in Northern Mpumalanga, and parts of Limpopo.

CMPM is charged by Chevron with marketing and distributing the Caltex brand in the region, and with ensuring its growth.

Sitanani Carriers' fleet comprises newly designed, specialised Sealed Parcel Delivery (SPD) vehicles. The SPDs are also kitted with electronic temperature compensated metres. This gives

Sitanani Carriers the flexibility to make metre-based and non-metre based drops, as well as straight drops and multi-drops.

The launch of Sitanani Carriers and the geographical extension of the Uzuko Carriers contract include the major Eastern Cape cities, and are proof of the success of the Cargo Carriers strategy to add volume in the fuel market through high performance in the B-BBEE, SHEQ and IT components of our fuel marketing offering.

Fuelling the future

Uzuko Carriers

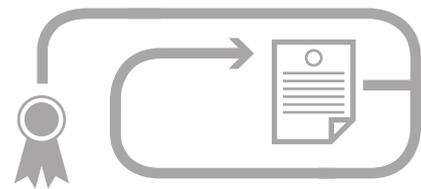
Two years ago Uzuko Carriers Ltd was formed as the result of an empowered joint venture between Caltex Eastern Cape Marketer and Cargo Carriers.

The Eastern Cape-based transport company was established in June 2010 to handle the 'last mile' distribution of the Caltex brand in the province, and to help grow the Caltex footprint. Since then it has increased its annual volumes by 260%.

The company now supplies 48 filling stations in the rural areas of the Transkei, the platteland towns of the Karoo, as well as the Nelson Mandela and Buffalo City Metros.



Branded transporter of the year



Cargo Carriers recently won AfriSam’s annual Branded Transporter of the Year Award in light of outstanding customer service. The score: 99.86% on-time deliveries over the year.

The AfriSam Branded Transporter of the Year award is awarded to the transporter who achieves the highest aggregate score from three contributing category awards – those being the Safety Award, the Corporate Image Award, and the Customer Service Award. Cargo Carriers won the Customer Service award, and our high levels of safety and Corporate Identity left Cargo Carriers in good standing to win the overall Branded Transporter of the Year.

We have been in business with AfriSam since 1992 and recently renewed our contract and now execute all bulk deliveries in the Northern Cape and Free State. Cargo Carriers has also been involved in transporting cement to AfriSam’s dam construction sites in Lesotho, namely on the Katse dam, and the Mohale dam construction project for which Cargo Carriers was the sole transporter.



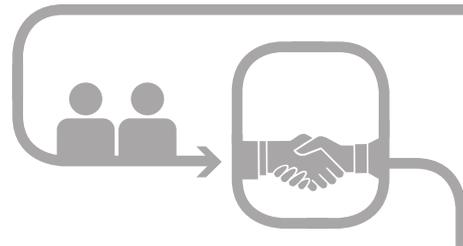
Nico and his team have once again made us proud – not only walking away with one award but three is quite an achievement

Cementing the deal

Cargo Carriers best in its class.

In the latter part of 2011 leading cement producer Lafarge hosted its annual Supplier of the Year award, measuring its suppliers according to four pillars: financial performance (cost management and financial stability), customer performance (product or service quality), leadership and growth (BEE and SHEQ development) and business compatibility (functional, cultural and corporate) and Cargo Carriers was honoured to receive the prestigious ‘Supplier of the Year’ award.

Cargo Carriers’ contract with Lafarge began in July 2010. A fleet of 33 vehicles is utilised, with ad hoc capability for peaks in demand, in the transportation of bulk cement from Lichtenburg, Kaalfontein, and Randfontein to various destinations across the country.



Carbon Crusade

Greening the Supply Chain

Cargo Carriers has become a front-runner for environmental responsibility with the results of the third consecutive carbon footprint analysis conducted by Global Carbon Exchange (GCX) proving that our emission reduction initiatives have borne considerable fruit.

In reducing our emissions through various efforts, we have gained new business and have been awarded various tenders. This proves that high levels of environmental responsibility are synonymous with increased competitive advantage.

The Group's highest emitting source of GHG, as expected, stems from the revenue earning fleet at 31,865.09 tonnes CO₂e, followed by non-revenue earning fleet at 1,051.92 tonnes CO₂e and electricity at 933.66 tonnes CO₂e.

The overall carbon footprint for 2012 increased by 1.32% from the previous year. The largest single emission source, fuel to power, the vehicle showed a 1.85% increase. This is due to the increase in general business activity with the trucking fleet driving more kilometres.

The distance driven by the fleet increased by 6.4% and as such the carbon intensity per 1,000 kilometres driven decreased by 7.73%. This shows the efficiency gains as the company grows and does more business.

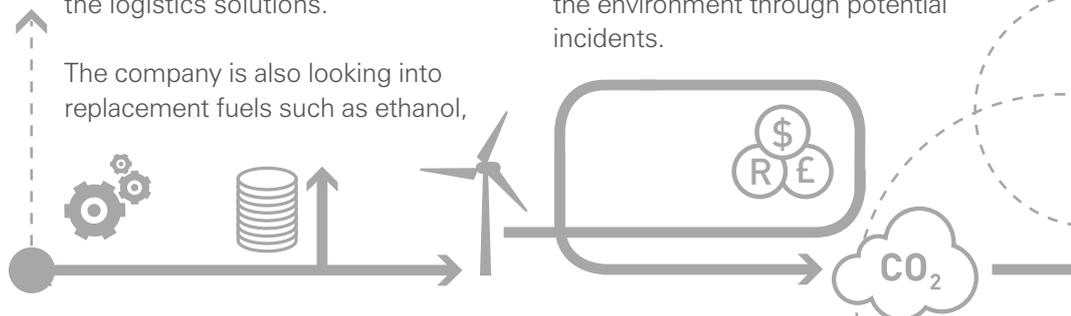


In order to further reduce our carbon footprint in the years to come, CargoSolutions has undertaken the task of researching and developing more practical solutions to implement measures that will result in quantifiable emission reductions. These solutions will not be found in the technical design of the vehicles we use but in the optimal design of the logistics solutions.

biodiesel, liquid petroleum gas or compressed natural gas, which will be investigated and tested over the coming year.

We also seek to increase the frequency and level of driver training programmes in order to optimise operational efficiency, and thereby the company's impact on the environment through potential incidents.

The company is also looking into replacement fuels such as ethanol,



Empowering our people

Enabling business growth through skills development

South Africa's skills crisis has been exacerbated by the closure of traditional training facilities, which has led to a sharp decline in the number of qualified apprentices.

This has created a large technical skills gap in the country and impacts the wider logistics industry in terms of sourcing suitable skills and resources. But Cargo Carriers has identified training and capacity building as key to organisational competitiveness.

As a performance-driven company, we believe in recognising good performance and career counselling. Mandatory internal training, such as defensive driving and in-cab assessments, are done on an annual basis to assess and enhance the competencies of drivers. This training is constantly reviewed and updated to ensure that drivers are aware of the changes in legislation and all aspects of their responsibilities. The drivers are evaluated by skilled driver trainers both on the road and in the classroom.

While we believe in creating opportunity for staff to pursue bigger and better



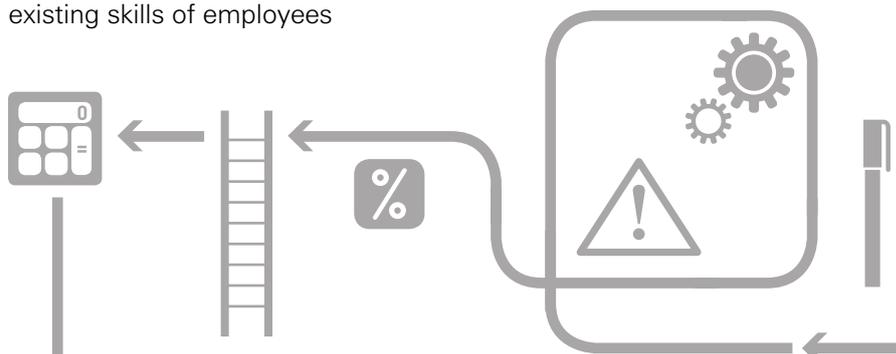
things, positioning ourself as an employer of choice in the industry, we appreciate our role in bringing previously disadvantaged individuals into the mainstream economy. Training programmes include:

- A management trainee programme for transport management and logistics graduates
- A learnership programme for internal audit and risk training (in partnership with the Institute of Internal Auditors – South African Chapter)
- Disabled learnership programme (in partnership with the Production Management Institute)
- General training to enhance the existing skills of employees

The opening of Cargo Carriers' R1m training centre in Sasolburg is the culmination of the company's firm commitment to and compliance with Safety, Health, Environment and Quality (SHEQ) policies.

The first intake of individuals was initiated in 2010 and comprised seven four-year apprenticeships in the technical field and ten drivers, who were trained and licensed to operate specialised loads and vehicles over a period of nine months.

The training division is headed by long-serving Cargo Carriers employees, making it a genuine apprenticeship with hands-on input from people who have been in the industry for years.



Buhle Betfu - Celebrates 10 years of SUCCESS



Back in 2002, Cargo Carriers approached a small group of sugar cane growers in the Malelane/ Komatipoort region and established a broad-based empowerment transport company called Buhle Betfu.

Initially, Cargo Carriers injected 5 vehicles into the Buhle Betfu Carriers fleet with a plan for the empowered company to buy back 60% of company shares over 5 years. Today, Buhle Betfu Carriers is the majority shareholder, owns a fleet of over 60 vehicles and employs over 200 people. And of course, now, they own 60% of the business due to genuine broad-based empowerment involving job creation, skills transfer and increased standards. Now this is real empowerment.

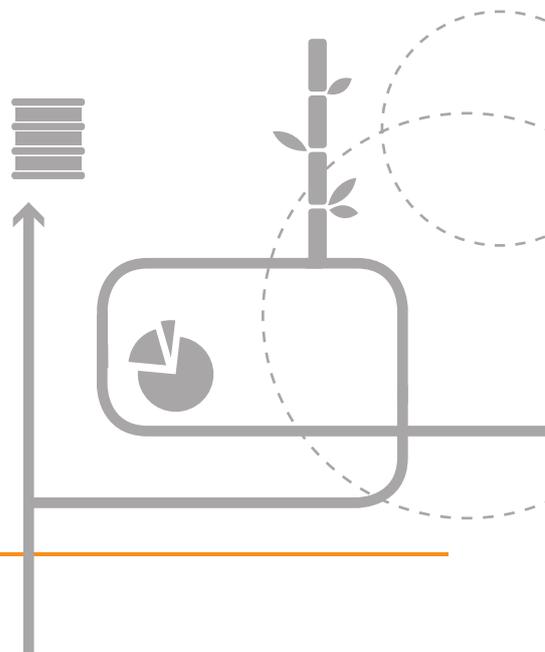
Buhle Betfu Carriers has now established itself as a reliable, competitive and professional service provider in the Mpumalanga province. It humbly began in the sugar industry, attached to small-scale growers, and in 2006, expanded into the timber industry by supplying transportation for Sappi with an initial 15 vehicles.

The Buhle Betfu timber division has now extended its fleet size to a fully-functional 48 vehicle operation – operating across the province from various Sappi branches. The company has won various awards which include Sappi's 2010 Most Innovative Contractor and 2011 Contractor of the Year.

In 2006 Buhle Betfu also won the Logistics Achiever Award's highest honour – The Platinum Award – the

most prestigious award in South African logistics.

Buhle Betfu is a great example of how empowerment can work and how big business can perpetuate small business growth across the board.



We maintain our level 4 B-BBEE rating

Since 2008 we have taken our B-BBEE score from Level 7 to Level 4, with a Value-Adding Supplier status.

This stems from the our long-term plan to raise our B-BBEE score, not just for the sake of compliance, but for the ability to win more business and create a greater capacity for growth. In order to do this, years ago we formed a B-BBEE committee to launch the company into a new age of compliance. Our diverse and extensive B-BBEE programme has placed Cargo Carriers in South Africa's top three listed and empowered transport companies.

The reason we now enjoy an increased score has a lot to do with our skills and enterprise development programmes, as well as our commitment to social development in the communities in which we operate.

Our challenge now is to maintain and improve on this level through the various transformation processes we have in place.

As a company that believes that South Africa's future can only be secured through real transformation, we continuously strive to improve our B-BBEE scores.

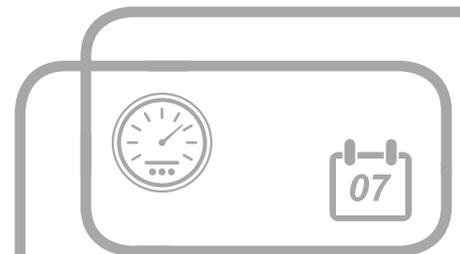
ePOD: Our drive to success

Cargo Carriers' new ePOD (Electronic Proof of Delivery) solution – an industry first and piloted through Uzuko Carriers during 2011 – was an important part of Cargo Carriers' offering to Sitanani Carriers.

A fully integrated web-based tool, ePOD enables total visibility across the supply chain for fleet managers and customers alike. It notifies service stations to prepare for deliveries; cuts lead-time from the transport process and provides instant PODs to enable more efficient management of working capital.

Beyond near-real time online tracking, ePOD eliminates debtor delays by transmitting signed Proof of Delivery the moment goods are received.

This system enables improved management control of drivers and fuel consumption and it eliminates the expensive paper trail.



Stuart McIlwraith - IT Manager - MIS Department

The spirit of 'UBUNTU' continues...

We recognise that there is no sustainable business without a focus on the wellbeing of our people. In collaboration with Trucking Wellness we continue to hold 'employee wellness days' at various branches.

The value offering of such events includes the provision of health screening tests such as cholesterol, blood pressure, blood sugar and HIV. The aim is to detect any illness as early as possible and proactively advise employees on their wellbeing and to encourage healthy habits.



Stephan Malherbe, Machiel Bresser, Cassie Lubbe



The passing of a legend

Esau Matolo, better known as 'Zorro', was a great driver. He was dependable, honest, intelligent, and had a dry sense of humour. He worked for Cargo Carriers from 1982 until 2008.

Due to his outstanding work record, Esau was one of the first drivers to be allocated the new model Peterbilt trucks when Cargo Carriers acquired them in the 1990s. These new trucks, with 450 horsepower Cummings engines, were new technology units that de-rated themselves to 300HP when the power demand became less, resulting in efficient use of fuel.

Esau did over a million miles

(1,652,000km), in this vehicle, Fleet no.3985, running mainly to Rossing mine in Namibia but also to the DRC and all over South Africa.

He would cover the 3,500km round trip to Rossing in five days, keeping to the 80kph speed limit with outstanding fuel consumption. Often, it would become so hot in Namibia that the tar road would begin to melt. Donkeys and wild game were an ever-present hazard in Botswana as well, especially at night. He kept his 22m-long, 56-ton vehicle, rumbling safely along, year after year.

When one takes into consideration that the movement and surge of



Esau Matolo, the Legendary 'Million Miler' driver

liquid in a tanker is not only difficult to safely control in uneven road conditions, but is the cause of severe drive line strain in a vehicle, Esau's achievements become all the more remarkable.

Esau went on well-deserved retirement in 2008 and sadly passed away in 2012. He was a truly the epitome of a 'professional' driver.





Sisters are doing it for themselves

Work Hard, Play Hard

The ladies at Vanderbijlpark and Sasolburg branches attended a team building event. The ladies took part in blindfold archery, quad biking, paintball and river paddling.



A great day of fun and female bonding



The Cargo Carriers team. From the left hand side: Natalie Martinson, Abby Jacobs and Lennette Bence. Middle from the back: Issie Booyens, Vani Pillay, Ruanda van Niekerk, Connie du Plessis and Margaret Sebuse.



Tour de Cargo

We are proud to see that our Cargo Carriers Cycling Team grows year on year – well done guys, you have certainly made us proud...



On The Green...



And our very own Mark 'Tiger' Quinn



Ian Stratton (Cargo Carriers), Hennie Fourie (Senmin), Willie van Tonder (Senmin), John Sprenger (Cargo Carriers)

The annual Cargo Carriers/Senmin Golf day was held once again at Parys Golf Country Estate.

A good game was played by all, whether it was a good putt, a straight shot, a bunker, a search for the ball in the rough, fun was had.



Onderberg Marathon

The annual TSB Onderberg Marathon 'Selati' 2012 was held this year on 12 May and was once again well supported by the Cargo Carriers Malelanelane team.



Cargo Carriers in action: Roelf Fritz – Branch Manager Malelanelane and his winning team

Another win for CARGO Sasolburg

Senmin vs Cargo Carriers Ten Pin took place on 21 June 2012. The trophy once again resides with Cargo Carriers.



WHAT A TEAM! CAN SENMIN RECLAIM THE TROPHY LATER THIS YEAR?

SAPICS 34th Annual Conference Sun City

South Africa 3-5 June 2012

Cargo Carriers' participation at this year's SAPICS Conference once again proved a success. The conference was attended by over 3,000 people – ranging from players within our own industry, IT & Solution specialists and many of our own customers too.



Blow the horn on...



Report wrong doing to

FreeCall: 0800 204 939
Email: cargo@ethics-line.com
Website: www.tip-offs.com
FreeFax: 0800 00 77 88
FreePost: KZN 138, Umhlanga Rocks 4320

Let your voice be heard. 24 hours a day. 7 days a week. 365 days a year.

Make that call and “Make A Difference”

Issues that you feel you cannot resolve by using the company’s normal communication channels should be reported to Tip-offs Anonymous. If you are not sure, report it anyway

What are some of the things I should report to Tip-Off’s Anonymous?

Any wrong doing

Theft, Fraud, Crime Syndicate Activities, use of Ghost Employees

Not obeying company policies or procedures

Over-riding controls
Sharing of user ID’s or access passwords or codes

Not obeying the law

Alcohol/Drug abuse
Use of Non-Roadworthy vehicles

Bribery and corruption

A supplier offers a kickback to the employee to gain the tender
Collusion with internal and external parties

Abuse of Company Property and Equipment

Excessive personal calls on company’s telephone
Use of the internet, fax machine and company equipment to run your own business
Abusing company tools, equipment, and chemicals

Theft of Time

Exaggerations or incorrect information on Timesheets, or Attendance Registers
Extended lunches
Prolonged personal calls
Running your own business during work hours

Highly sensitive issues

Sexual Harassment, Nepotism, Racism