



BUSINESS TRUST

Together, we will.

Progress Report December 2002



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Highlights for the quarter

International arrivals up 14%

International tourist arrivals were up by 14.1%, (for the year to September) the largest increase since 1999 and more than four times the world average of 3.1%

8 000 jobs secured

The Tourism Enterprise project beat its targets for the 9th straight quarter and increased the person days of work supported to over 1,5million which equates to just under 8000 jobs

Primary school project results acclaimed

In addition to the teacher training provided to 12000 teachers, almost three million books have now been provided to the 957 schools in which the project works around the country and statistically significant improvements in reading and writing ability of the one million pupils in those schools is being shown.

Secondary school project proves value

Working in the historically worst performing districts in South Africa, the Quality Learning Project has shown significantly faster rates of improvement in pupil performance than the provincial averages in 8 out of 9 provinces

Malaria programme secures global funding

The malaria programme initiated with Business Trust funding (R5m subsequently increased to R18m) has secured a R260m contract from the Global Fund to fight AIDS, Tuberculosis and Malaria

Trust awarded world record

The Guinness Book of Records has accredited the Business Trust world 1000 mile record of 99 hrs, 3 minutes and 27 seconds for the run from Cape Town to Johannesburg as part of the Business Trust long run.



Tourism Marketing

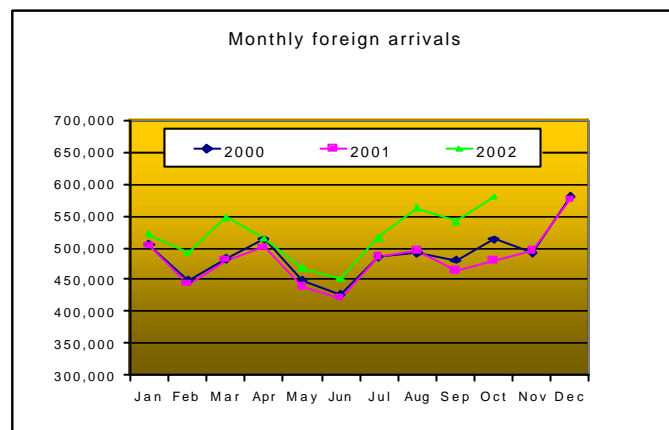
Partner	54 Months Project	R200m Trust funding	R1000m Total funding
SA Tourism	Launched Jan 2000 Elapsed 36 Months	Budget R200m To Date R165m	R650m DEAT R150m TBCSA

Programme

The Tourism marketing programme has required the restructuring of SA Tourism, the acquisition of improved market intelligence, the development of a refined strategy, improved operational capacity to implement the strategy and a means of measuring its impact. The objectives are to: attract increasing numbers of tourists, increase the length of stay and level of spend, improve geographic distribution and empower the communities in which tourism operates and thus enhance tourism's contribution to GDP, job creation and black economic empowerment.

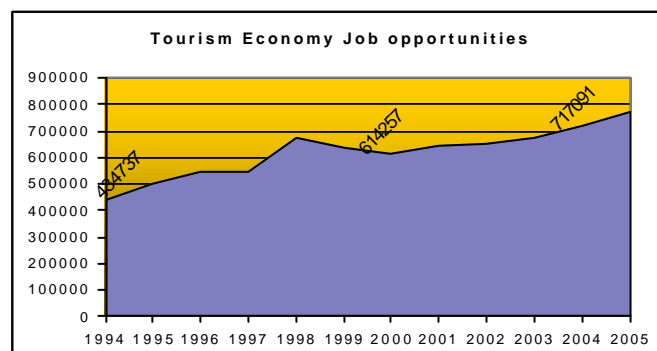
Arrivals

The relative attractiveness of SA as a safe destination, Rand values that make visiting SA attractive and an improved marketing campaign have all contributed to a year to September that has seen a 14% increase in overseas arrivals. Compared to the 3.1% world wide growth for 2002.



Job Opportunities

By 2000, Dept of Environmental Affairs and Tourism estimated that 614 257 jobs were sustained by Tourism activity. If that ratio obtains to 2004, 100 000 job opportunities will have been created between 2000 and 2004 which is consistent with the Original Business Trust target of creating 100 000 job opportunities





Tourism Training

Partner	54 Months Project	R80m Trust funding	R133m Total funding
THETA	Launched Jan 2000 Elapsed 36 months	Budget R80m To Date R46m	R35 m DOL R18m THETA

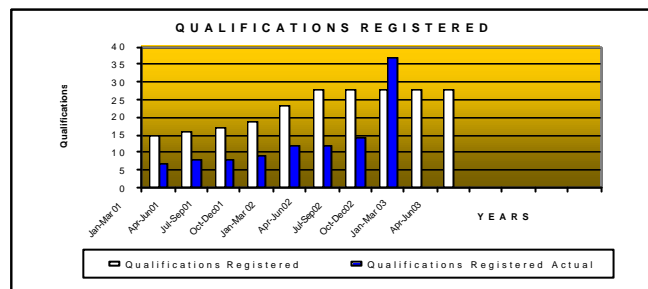
Programme

For the employed the TLP aims to: Accredite the skills of 12000 people against registered qualifications; Provide skills improvement programmes for 6000 people; Take 2000 people through a "host programme"; Take 3000 people through learnership programmes For the unemployed the TLP aims to take 5000 people through learnerships.

By the end of December 2002, the necessary qualifications had all been registered, 3913 people were registered on the learnership programme for the unemployed and 10 500 employees had been assessed competent against hospitality standards.

Qualifications registered

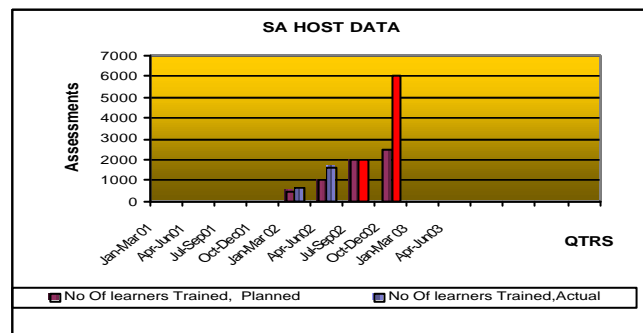
With a major input from the conservation SGB the quarter to December 2002 saw the registration of qualifications increased from 14 to 37 over the quarter. The key task of developing and registering qualifications is now almost complete and the process of review envisaged in the SAQA legislation will ensure that it remains current at all times.



Host programme

The SA Host programme was launched during 2002. Due to two major events that South Africa hosted recently, the World Summit in August 2002 and the Cricket World Cup in February 2003, this project has received a major boost and volunteer learners trained have far exceed the target set.

By December 2002, 6050 volunteers had been trained on Customer services and Frontline relations courses.

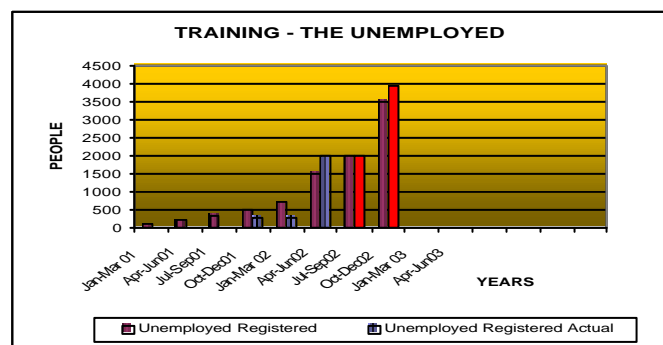


Training the unemployed

Registration of unemployed persons on learnerhips has continued at a steady rate with 3913 learners now registered for the various learnerhips.

These learnerhips were in the fields of;

- Event management
- Hospitality: Hospital receptions
- Hospitality: Food and Beverage services
- Tourism: Event support
- General travel
- Conservation & Guiding





Tourism Enterprise

Partner	48 months Project	R60m Trust funding	R129m total funding
ECI	Launched July 2000 Elapsed 30 months	Budget R60m To Date R32m	R69m Various

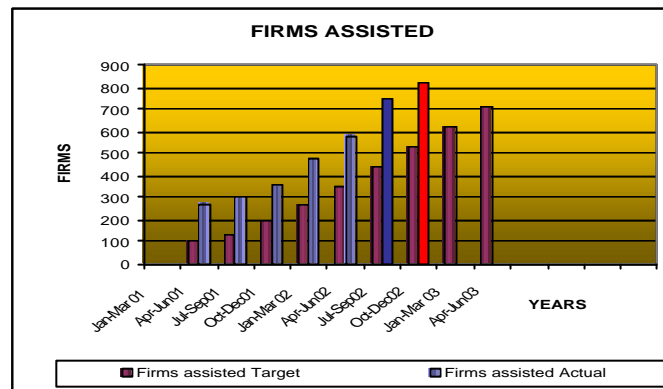
Programme

The TEP aims to assist 1000 enterprises (75% historically disadvantaged) to conclude R450m of transactions and thereby generate employment activity equivalent to the creation of 10,000 jobs. The core of the process used to do this identifies marketing opportunities for emerging firms, usually by forging linkages with established firms. To forge the transaction, services are procured from banks, trainers, investors, support agencies and donors.

Firms Assisted

The number of firms assisted increased from 750 to 820 over the quarter. This will continue to increase over the remaining period, exceeding the target by far. Examples of selected deals that were concluded during the quarter are;

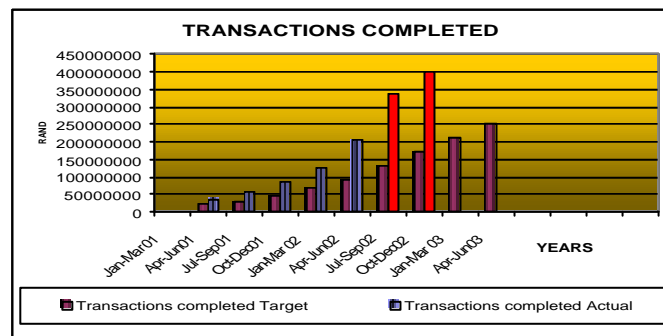
- Vuka in the Addo National park
- Intende Travel and Tours
- Lalakoi Travel and Tours
- Uniglobe Ngikhona Travel
- Maogo Interiors



Transactions Completed

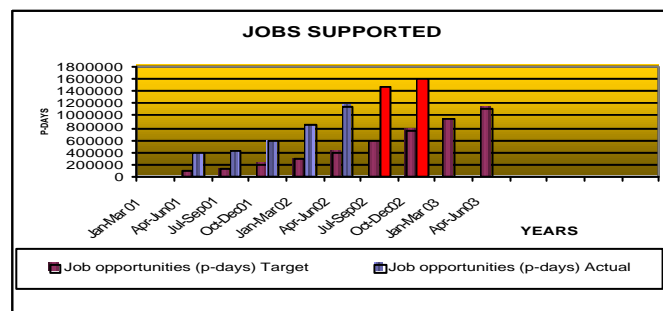
This indicates the value of incremental transactions in the hands of TEP beneficiaries since the project was launched in July 2001.

Transaction valued R398,4M have been completed to date. This far exceeds the target of R171M set for December 2002 and is fast approaching the target for the full project period of R450M.



Jobs supported

The number of person days work created increased from 1 457 630 to 1 585 814 over the quarter. That is the equivalent of just under 8000 jobs. In terms of the Business Trust Investment in the project, the cost per job is R3 582



Primary Education



Partner	59 month project	R153m Trust funding	R153m Total funding
READ	Launched Aug 99 Elapsed 41 Months	Budget R153m To Date R116m	

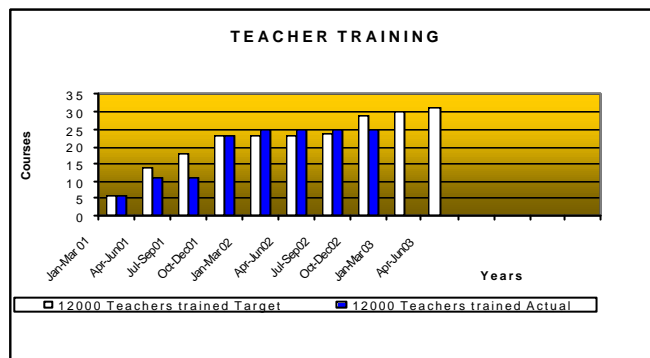
Programme

The primary school Learning for Living programme was established to improve the reading and writing ability of one million primary school pupils throughout the country. The programme develops courses, trains trainers and teachers, provides materials and undertakes school based monitoring of learner, trainer and teacher performance.

The graph shows that 25 of the planned 29 planned courses had been completed by 12000 teachers at the foundation and intermediate phases by December 2002.

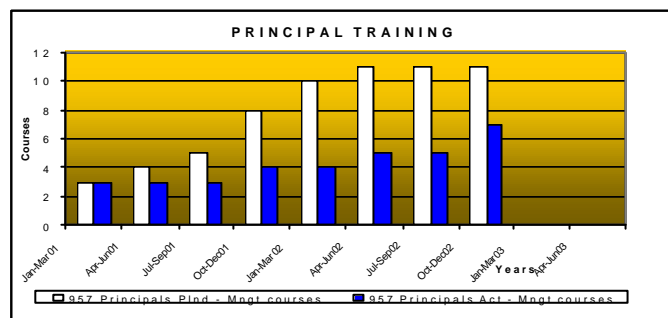
The courses completed by the teachers include;

- Using classroom material
- Emergent reading and writing
- Using non-fiction books
- Classroom management



Principals Trained

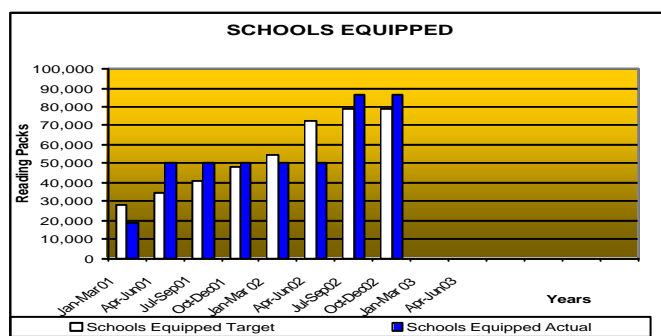
The programme, encourages principals to monitor teaching in class rooms and to establish financial systems in the school. This is critical to sustaining the benefits of the project once the training of teachers is complete. The number of courses completed increased from 4 to 7 over the quarter against the target of 11.



Schools Equipped

The provision of reading packs to every grade 1 to 7 classroom in the 957 schools was completed in September 2002.

The graph shows that the 86 980 reading packs (Some 3 million books) were provided to the schools exceeding the original target of 79000.





Secondary Education

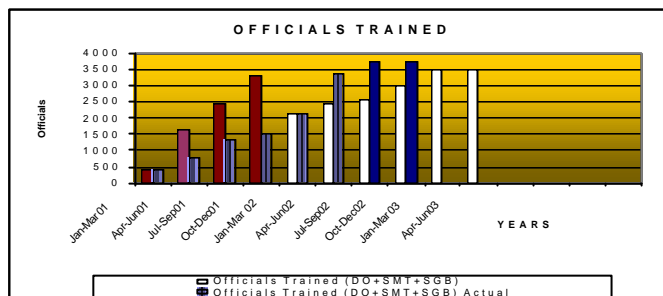
Partner	54 month project	R139m Trust funding	R139m total funding
JET education Services	January 2000 Elapsed 36 months	Budget R139m To Date R76m	

Programme

The QLP set out to improve the management capacity of district offices and schools while enhancing teacher competence, particularly in maths and language, and developing useful assessment mechanisms. This was all designed to improve the overall performance of secondary schools measured by pupil performance (with at least a 10% point improvement in maths, language and final year results after five years). An analysis of the 2002 matric. results shows the QLP schools to produce significantly better results than the provincial norm in eight of the nine provinces.

Training of officials

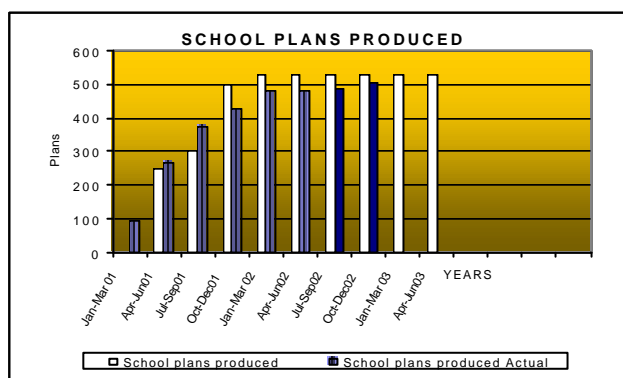
The 3 760 officials trained by December 2002 exceeds the target of 3 500 set for the full period. The officials trained include district management and administration staff, School governing bodies(SGB) and school management officials. The training given is designed to improve the management and governance of schools.



Preparing development plans

503 development plans have been approved by the Department.

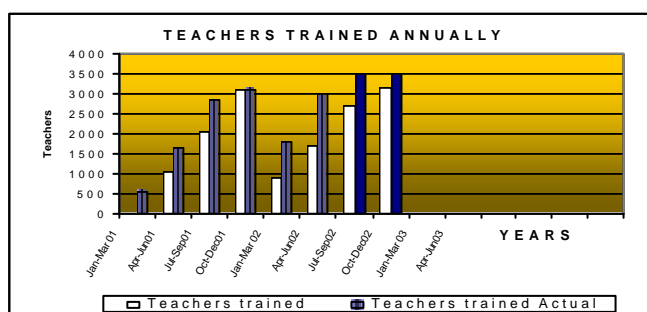
This task is slightly behind schedule because both officials and school management needed training and support to develop a comprehensive plan that includes both short and long term objectives of the school.



Teachers Trained

In 2002, 3 510 Teachers were trained. In turn they trained, 2 655 teachers through In-service Training. 2 078 classroom visits were made to give teachers classroom support.

All Maths teachers in project schools receive intensive training and support on subject content, curriculum management, assessment and use of learner support materials.





Further Education

Partner	60 month project	R85 Trust funding	R85m Total funding
National Business Initiative	Launched July '99 Elapsed 42 months Remaining 18 months	Budget R85m To Date R43m	

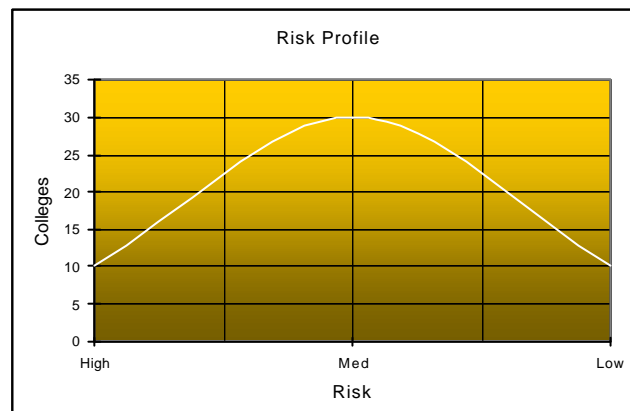
Programme

The development of a responsive technical college sector in South Africa requires: the development of plans for the development of colleges in each province, the merger of the original 152 colleges into 50 viable institutions and the creation of sustainable funding for the new system; the enhancement of leadership and management in the colleges and; raising the profile of technical education.

Financial Review

KPMG who was awarded the tender to produce financial audit reviews of the 50 colleges have completed these reports. (provincial and a consolidated national report are in the final stages).

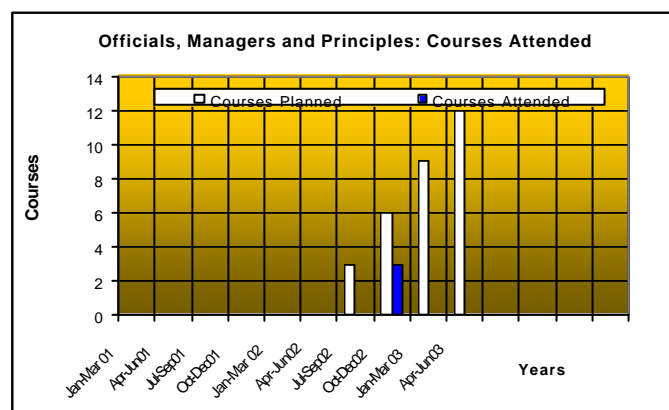
The findings indicate that 40 of the 50 colleges are of a moderate and low risk in terms of their systems and liquidity while 10 are at high risk. Customised responses are currently being prepared for intervention.



Training- Courses

Following the delay in the last quarter, training has commenced for the key officials. By December 2002, three of the planned six courses had been completed. Courses completed are on change management and strategic planning .

The training will be accelerated in the coming months 4 months because it is critical in preparing colleges for the development of strategic plans over the next 6 months.





Crime Reduction

Partner	Timing 58 months	R30m Trust funding	Total funding
Business Against Crime	Launched Sept '99 Elapsed 40 months Remaining 18 months	Budget R30m To Date R21m	

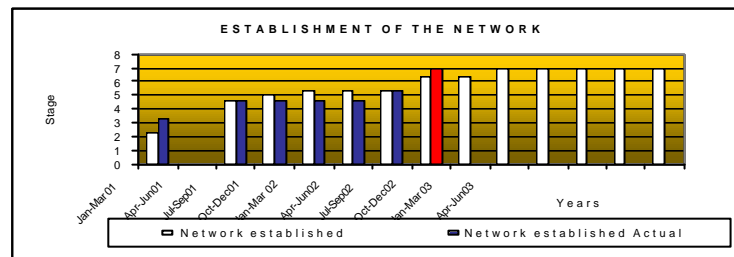
Programme

The integration of the justice system is the cornerstone of the national crime prevention strategy. The South African Government has committed over 2 billion rand to integrate the functions of the police, courts, prisons and welfare. This aims to produce effective, accessible, swift and efficient justice. The Business Trust funds the project office, managed by Business Against Crime, which provides support and assist Departments in managing and developing skills and competencies to: establish a technology network that links the four departments; install a criminal identification system; develop a case flow management system; and improve the operations of the courts.

The sub projects typically move through 7 stages: project identification; specification approval; tender issue; tender award; pilot initiation; pilot completion; and roll out completion.

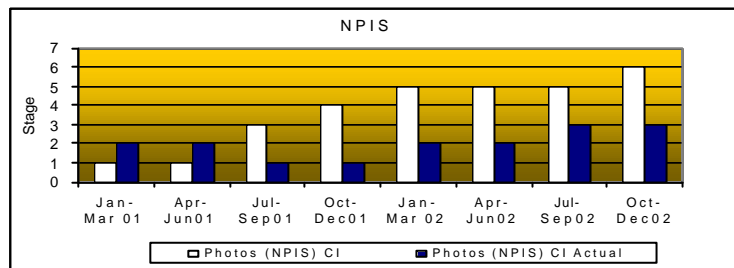
Establishment of the Network

Establishment of all the technology projects making up the network have been completed. Departments are developing the capacity to maintain and improve systems.



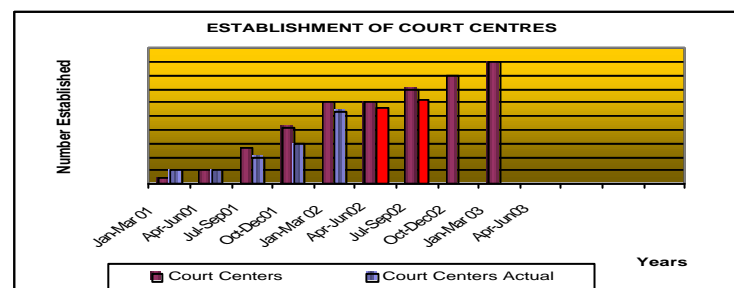
Identification System

The electronic fingerprint identification system has been rolled out nationally. The national photo identification system is behind schedule. However, a successful vendor will be appointed by April 2003.



Court Centers

The project is slightly behind schedule due to lack of provincial capacity. 31 court centres have been established against a target of 35. SAPS and Justice are jointly addressing the issue. At the end of quarter, the existing centres recorded improvements in swiftness and efficiency of justice system.



- Average case preparation time, has reduced from 135 to 77 days.
- Average Court hours has increased by 24 minutes per day.
- Percentage of awaiting trial cases has decreased by 18,8%.

Malaria Control



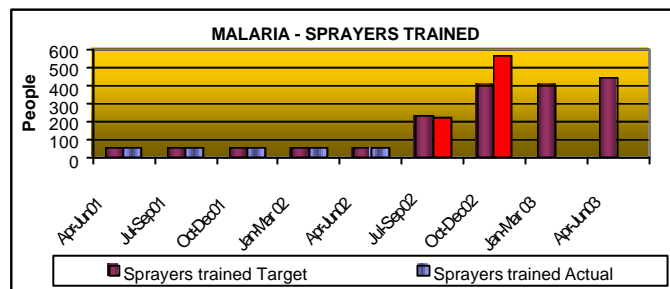
Partner	60 month project	R18m Trust funding	R52m total funding
Medical Research council	July 1999 Elapsed 36 months	Budget R18m To Date R10m	SA Gov R14,0m Mozbique Gov R 4,4m Mozal R15,0m

Programme

Malaria is the primary impediment to the effective tourism development of the high potential Lubombo tourism area. It discourages investors and tourists and undermines the health and welfare of the local population. The Business Trust agreed to initiate a malaria control programme in Northern KwaZulu Natal, Swaziland and Mozambique with a concentrated programme in southern Mozambique. In 2002 the Trust agreed to extend the programme and approved a further R6,5m for 2002/3 and reserved a similar sum for 2003/04 so that the area covered could be extended to cover the Maputo Corridor extending to Kruger Park in Mpumalanga Province could be controlled.

Training sprayers

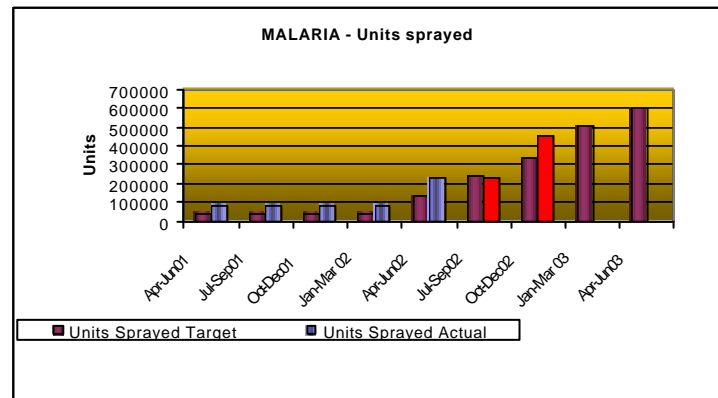
The number of people trained was 564 by December 2002, This figure is increasing and exceeding the target for the full period. This is due to high number of dwellings in areas that have to be sprayed



Spraying units

The 2nd spraying round of 2002 was started during the quarter. This activity will run into January 2003.

The 457 035 units sprayed is higher than initially anticipated. This is due to population movements and poor statistical data that was available on the areas that were recently added to the project.



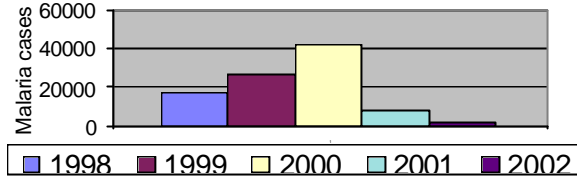
Impact

The reduction in malaria cases in South Africa since 2000 are attributed to ;

1. the introduction of an effective drug
2. insecticide policy changes
3. the regional approach to malaria control

The area around Ndumu, in the far North KZN, is still a challenge as the average reduction has been slow compared to other areas. Special efforts and attention will be put here in the future.

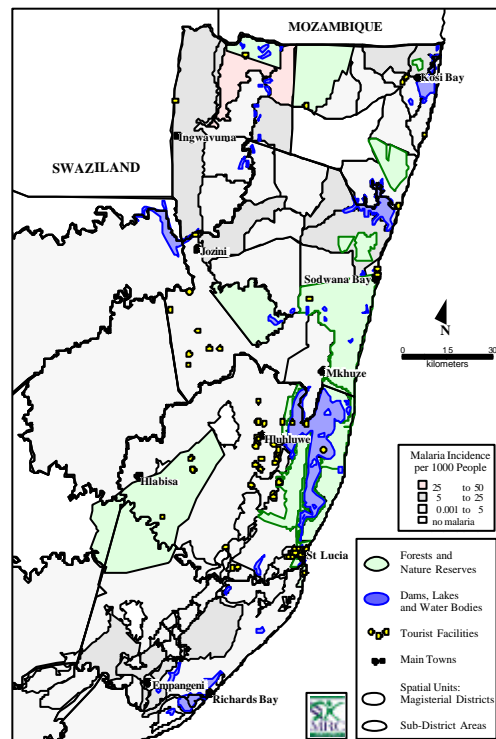
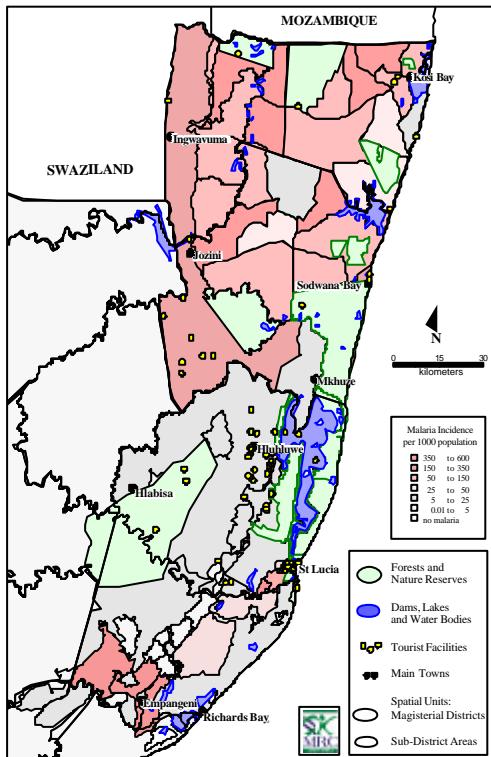
The Figure shows that Malaria cases in South Africa have drastically decreased from 42 395 in 2000, to 1646 in 2002



Impact on Tourist facilities

When the project started, 57% of tourist facilities were in areas of > 50 malaria cases per 1000 people, and 42% were in areas where 5-25 malaria cases per 1000 people were recorded. Since the intervention, 3% of tourist facilities remain where 5-25 malaria incidences per 1000 people were recorded.

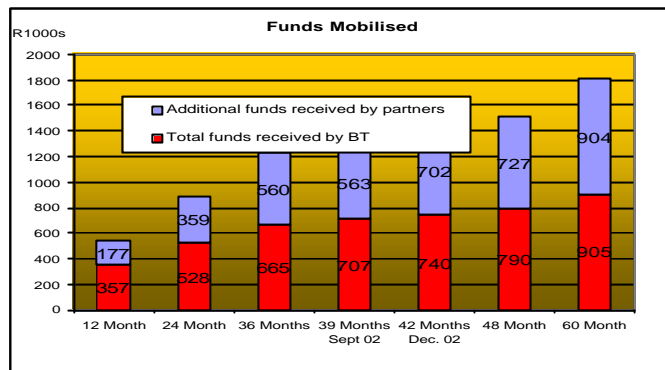
The figures below indicate the location of the tourist facilities with regard to small-scale variations in malaria incidence in KwaZulu-Natal. Since the project started, there has been an increase in the development of Tourist facilities. Areas with low malaria incidence show more development activity.



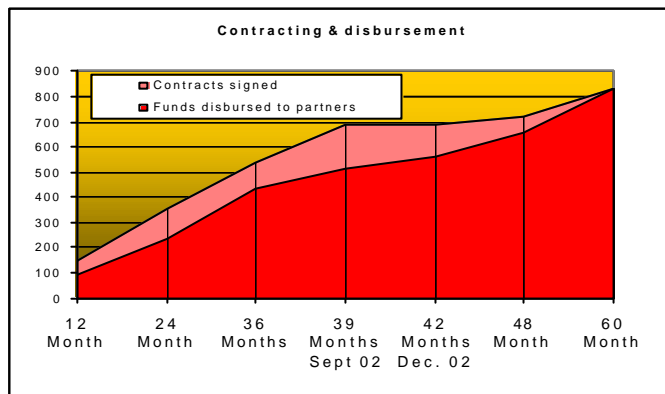
Management Ratios

The Trust was designed to be managed with a small infrastructure at a low cost and in a manner that makes most efficient use of the funds. Key income and expenditure ratios are monitored quarterly to ensure efficient throughput and effective management. In September 02, the cumulative value of funds spent, taking account of all sources of funding, exceeded R1bn. for the first time

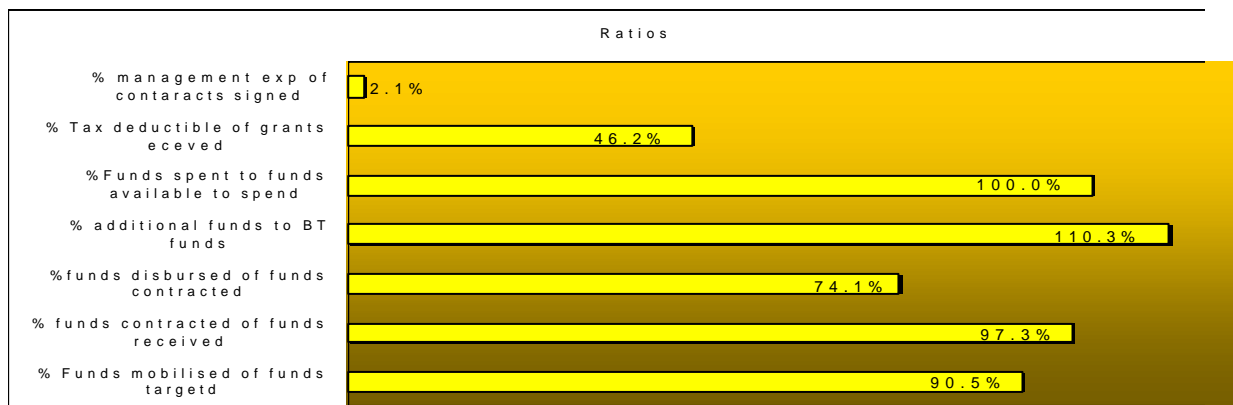
By the end of December 02 R740m had been received (up from R700m the previous quarter) and an additional R661 (R562m last quarter) committed to the identified projects, by the government and other funders..
Some 288m had been issued in tax certificates which accounts for just under 50% of the value of funds contracted to date.



Of the R722m (R688m) contracted by the Trust R551m (R510) had been disbursed at the end of December..
As the ratios below show 97% of funds received have been contracted, 74% of funds contracted have been disbursed and 100% of funds disbursed have been spent. At 2,1% of the value of contracts signed, management expenditure remains well within the 5% limit.



Spending by projects, exceeded R1bn for the first time in September (taking into account Business Trust and other funding)




Communication

Campaigns

The core communication campaigns were continued through December and into the new year. The web site was upgraded over the December period and the first Business Trust eNews letter for 2003 was prepared and released in February. The PR aimed at keeping the Trust in the news continued at a lower pace than during the long run but included an interview for Leadership magazine. The material produced on the Trust, especially the pocket size brochure has proved to be useful. An advertising campaign linking the Trust to major events was launched with an advert linked to the Presidents state of the nation address (shown below) run in a number of weekly papers. In the week of the address.

The President
makes the
speech, but...
The State of
the Nation
depends on all
of us.

By creating jobs, developing skills and building trust since 1999, the Business Trust and the companies that support it are contributing to the state of our country and, perhaps more importantly, to its long-term potential.

 BUSINESS TRUST
Together, we will.

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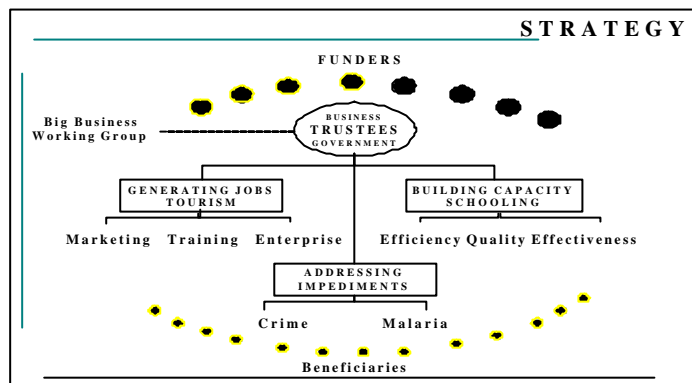
About the Trust

The Trust

The Business Trust is an initiative of companies in South Africa working in partnership with government. It undertakes targeted job creation and capacity building programmes, while the economy is put on a growth path that will provide sustained improvements in the lives of the majority of South Africans.

Strategy

The strategy is to focus on tourism for job creation and schooling for capacity building. It is underpinned by support for programmes that address critical impediments to job creation in the tourism sector: crime and malaria. A parallel consultative body has been established to assist business Government interaction on national issues.



An equitable contribution

Companies committed to South Africa become funding partners by contributing 0.15% of the company's total market capitalisation or 2% of after-tax earnings in the case of companies not listed on the JSE. The contribution to the Business Trust is over and above the normal social responsibility funding of private companies. To date, co funding mainly from government, has matched that of the corporate funders. The list of funders is shown at the end of the report.

Trustees

Trustees: DC Brink (Co-chair), SJ Macozoma (Co-chair), G Aboobaker, K Asmal, DE Baloyi, ER Bosman, TA Didiza, LL Dippenaar, K Döring,

K Kalyan, C Köpke, AJ Lamprecht, RP Menell, MV Moosa, S Mthembu-Mahanyele, ML Ndlovu, J Newbury, JJ Ord, FT Phaswana, JT Radebe,

R Ramashia, FJ Robertson, JP Rupert, CML Savage, T Sexwale, SS Skhosana, MW Spicer, T van Wyk (*Alternate)

Advisors: NP van Heerden (SA Foundation), GZ Malele (Black Business Council)

Management: BD Whittaker (Chief Operating Officer), M Ndlovu (Deputy Chief Operating Officer)

Further Information

For further information see www.btrust.org.za

Or contact the Business Trust at 011 482 5317

Email Rochelle@btrust.org.za

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 ANGLO AMERICAN PLC
 ANGLOGOLD LIMITED
 ANGLO VAAL INDUSTRIES LTD
 ANGLOVAAL MINING LIMITED
 APOLLO BRICK (PTY) LTD
 ARDOV CLOTHING
 AVENG LTD
 B & A GROUP (PTY) LTD
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 BARLOWORLD LIMITED
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 BEARING MAN LIMITED
 BIDVEST GROUP LTD
 BKS GROUP (PTY) LTD
 BMW SOUTH AFRICA (PTY) LTD
 BoE LIMITED
 BP SOUTHERN AFRICA (PTY) LTD
 BRIMSTONE INVESTMENT CORPORATION LTD
 BUSINESS PARTNERS LIMITED
 CHIPKINS CATERING SUPPLIES
 CITY LODGE HOTELS LTD
 CONSOL (PTY) LIMITED
 3 CITIES GROUP
 CRAIG CONCRETE PRODUCTS (PTY) LTD
 DAIMLERCHRYSLER SOUTH AFRICA
 DE BEERS CONSOLIDATED MINES LIMITED
 DELOITTE & TOUCHE
 DELTA MOTOR CORPORATION (PTY) LTD
 DENEL
 DIMENSION DATA HOLDINGS PLC
 DISCOVERY HEALTH
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 ELGIN BROWN & HAMER (PTY) LTD
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 FOURWAY HAULAGE SA (PTY) LTD
 FRENCH ENGINEERING WORKS (PTY) LTD
 FUTURE KIDS
 G E HUDSON PACKAGING AND PRODUCTS
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 GRANT THORNTON KESSEL FEINSTEIN
 GRINAKER-LTA LIMITED
 GRINCOR MANAGEMENT SERVICES (PTY) LTD
 HA FALCHEM
 HARMONY GOLD MINING CO LTD.
 HOLLARD INSURANCE COMPANY LIMITED
 HOWDEN AFRICA HOLDINGS LIMITED
 HUNT LEUCHARS & HEPBURN
 ILLOVO SUGAR LIMITED
 INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA
 LTD (IDC)
 INFRASTRUCTURE FINANCE CORPORATION LIMITED (INCA)
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 IPROP LIMITED
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 ISCOR
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 KAGISO TRUST INVESTMENT (PTY) LTD
 KIRSCHMANN-HURRY INVESTMENTS LIMITED
 KLOOF GOLD MINING COMPANY LIMITED
 KPMG INC.
 LIBERTY LIFE ASSOCIATION OF AFRICA LIMITED
 LONMIN PLATINUM
 MACSTEEL SERVICE CENTRES S A (PTY) LTD
 MALBAK LIMITED
 MALULEKE SERITI MAKUME MATLALA
 MBB SERVICES INTERNATIONAL
 MEDI-CLINIC CORPORATION
 MKONDENI MOTOR GARAGE CC
 MOBIUS GROUP (PTY) LTD
 MOMENTUM LIFE
 MURRAY & ROBERTS HOLDINGS LIMITED
 MVELAPHANDA HOLDINGS (PTY) LTD
 NAMPAK LIMITED
 NASPERS LIMITED
 NATIONAL BRANDS LIMITED
 NEDCOR INVESTMENT BANK HOLDINGS LTD
 NEDCOR LIMITED
 NEXT CHIMICA (PROPRIETARY) LTD
 NUTRITIONAL FOODS (PTY) LTD
 OGIIVY AND MATHER RIGHTFORD, SEARLE-TRIPP &
 MAKIN
 OLD MUTUAL
 OPEN OUTCRY INVESTMENT HOLDINGS LTD
 PEOPLES BANK
 PRETORIA PORTLAND CEMENT LIMITED
 PRICEWATERHOUSECOOPERS INC
 RAINBOW CHICKENS
 RMB HOLDINGS LIMITED
 REMGRO LIMITED
 RENNIES TRAVEL
 REUNERT LIMITED
 RICKARD AIR DIFFUSION (PTY) LTD
 SABMiller plc
 S.A.F.I.C. (PTY) LTD
 SANLAM LIMITED
 SANTAM LIMITED
 SAPPI LIMITED
 SASOL LIMITED
 SG HAMBROS
 SHELL SOUTH AFRICA (PTY) LTD
 SIEMENS LTD
 SOUTHERN SUN HOLDINGS LIMITED
 SPOOR AND FISHER
 SRK CONSULTING (PTY) LTD
 STEINER HYGIENE SERVICES
 ST HELENA GOLD MINES LIMITED
 STELLENBOSCH FARMERS' WINERY
 SUN INTERNATIONAL
 TENTE CASTORS SA (PTY) LTD
 THE FEDICS GROUP LIMITED
 THE INVESTORS' GROUP (PTY) LTD
 THE OLD SHANGHAI FIRECRACKER FACTORY
 THE STANDARD BANK OF SOUTH AFRICA LIMITED
 THE TONGAAT-HULETT GROUP LIMITED
 TIMES MEDIA LIMITED
 TOURVEST
 TRANS HEX
 TRANSNET LIMITED
 TRIDENT STEEL (PTY) LTD
 UNILEVER SA (PTY) LTD
 UNITRANS LIMITED
 VENFIN LIMITED
 VOLKSWAGEN OF SA (PTY) LIMITED
 WALTONS STATIONERY
 WBHO CONSTRUCTION (PTY) LTD
 WESTERN AREAS LIMITED

