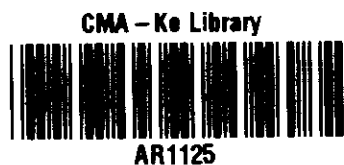


C O N T E N T S

Directorate and Administration	2
Notice of the Annual General Meeting to Shareholders	3
Tangazo la Mkutano Mkuu wa kila Mwaka kwa Wenye-hisa	4
Report of the Directors	5
Chairman's Report	6-7
Report of the Auditors to the Members of Express Kenya Limited	8
Taarifa ya Wakaguzi wa hesabu kwa Wenye-hisa wa Express Kenya Limited	9
Consolidated Profit and Loss Account	10
Balance Sheet	11
Consolidated cash flow Statement	12
Consolidated Statement of Changes in Equity	13
Notes to the Consolidated Financial Statements	
Proxy Form	
Fomu ya Uwakilishi	27



H#
2/2/00
AT 10/04
10/07

Express Kenya Limited
In light of the Shareholder's meeting held on 10/07/00

DIRECTORATE AND ADMINISTRATION

DIRECTORS

C.W.Obura (Dr.)	-	Chairman
R.B. Markham		
G. Serobe**		
M. Nuesch*		
P.T. Kanyago	-	Resigned 31 December 1999
E. Habermacher*	-	Resigned 2 November 1999
H. Ralefeta**		
K.H. Balzer***	-	Appointed 2 November 1999
Hon. M. Too		

*Swiss

**South African

***German

COMPANY SECRETARY

Salim Wa-Mwawaza

AUDITORS

KPMG Peat Marwick
Jubilee Insurance Exchange
PO Box 40612
Nairobi

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Etcoville
Off Enterprise Road
Industrial Area
PO Box 40433
Nairobi

BANKERS

Barclays Bank of Kenya Limited
Enterprise Road Branch
PO Box 18060
Nairobi

Citibank N.A
Citibank House
Upperhill Road
PO Box 30711
Nairobi

Commercial Bank of Africa
Wabera Street
PO Box 30437
Nairobi

2007/11/25

NOTICE OF THE ANNUAL GENERAL MEETING TO SHAREHOLDERS

The Twenty Ninth Annual General Meeting of Express Kenya Limited will be held at the Norfolk Hotel, Harry Thuku Road, Nairobi on Monday 8th May 2000 at 12.00 Noon.

AGENDA

ORDINARY BUSINESS

1. To receive and consider the balance sheet and accounts, together with the Auditors' report thereof and the report of the Directors for the year ended 31st December 1999.

- 2(a) To re-elect Directors in accordance with the Company's Articles of Association. Dr. C.W. Obura and Hon. Mark Too retire by rotation as per Article 113 of Articles of Association and being eligible, offer themselves for re-election.

- 2(b) Mr. Karl-Heinz Balzer retires in accordance with Article 90 of the Articles of Association and being eligible, offer himself for re-election.

3. To re-appoint KPMG Peat Marwick as auditors and to authorise the Directors to fix their remuneration.

By order of the Board

SALIM WA-MWAWAZA

Secretary

Nairobi

4th April 2000

TANGAZO LA MKUTANO WA KILA MWAKA KWA WENYEHISA

Mkutano Mkuu wa Mwaka, kikao cha Ishirini na Tisa wa Express Kenya Limited, utafanyika Norfolk Hotel, Harry Thuku Road, Nairobi, Jumatatu, Mei nane, Mwaka wa 2000 saa sita mchana.

AJENDA

SHUGHULI ZA KAWAIDA

1. Kupokea na kujadili taarifa ya hesabu za fedha pamoja na akaunti, pamoja na taarifa ya Wakurugenzi kuhusu mwaka uliomalizika Desemba 31, 1999.
- 2(a) Kuwachagua tena Wakurugenzi, kwa Mujibu wa Kanuni za Makampuni, Daktari C.W. Obura na Mheshimiwa Mark Too wanastaafu kwa zamu kwa mujibu wa kifungu cha 113 cha kanuni za Makampuni na wakiwa wanastahili, wanajitolea kuchaguliwa tena.
- 2(b) Bwana Karl-Heinz Balzer anastaafu kwa mujibu wa Kifungu cha 90 cha Kanuni za Makampuni na kwa kuwa anastahili, amejitolea kuchaguliwa tena.
3. Kuwateua upya KPMG Peat Marwick kama Wakaguzi wa Hesabu na Kuidhinisha Wakurugenzi kuamua ujira wao.

Kwa amri ya Halmashauri

SALIM WA-MWAWAZA

Katibu

Nairobi

Aprili 4, 2000

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1999

The directors have pleasure in submitting their report together with the audited accounts for the year ended 31 December 1999.

1. Results

The results of the group are set out on Page 10.

2. Dividend

The directors do not recommend the payment of a dividend (1998 - KShs.8,160,000).

3. Directors

The directors who served during the year are set out on page 2.

4. Auditors

The auditors, KPMG Peat Marwick will continue in office in accordance with Section 159(2) of the Companies Act (Cap. 486).

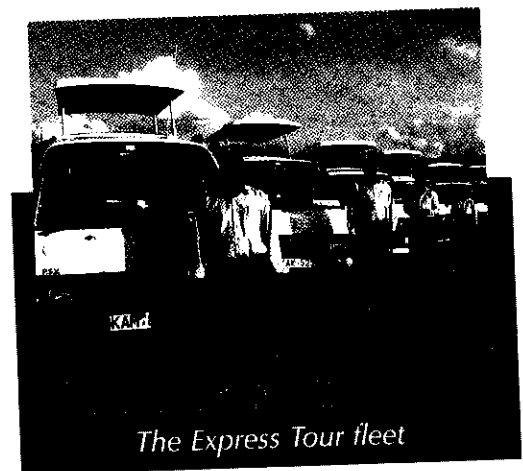
5. Approval of accounts

The accounts were approved at a meeting of the directors held on 4th April 2000.

BY ORDER OF THE BOARD

Secretary

4th April 2000



tise needed to operate in this market niche are being developed within the company.

The railway department expanded in a very competitive market. There is a drive to develop improved strategies with Kenya Railways, which would allow for the development of joint products.

Packing and Removals

The department functioned well under difficult circumstances and is well positioned for future growth.

TRAVEL DIVISION

The Travel Division continues to significantly contribute towards Group profits, in spite of a difficult trading year and the harsh economic climate. The Express Travel Group



is recognised as one of the leading suppliers of travel services in East Africa.

Travel

Department

Ticket sales were ahead of budget and the previous year by over

11%. We remain one of the leading travel agencies in the country. A personal and professional level of service has ensured we retain our customer base despite fierce competition.

American Express

The year 2000 celebrates 35 years of Express Kenya holding this prestigious franchise. We continue to look after American Express card member requirements, issue travellers cheques in eight different currencies including the Euro, and service establishments who accept the American Express card.

Europcar Department

Competition was intense during the year resulting in a decrease in the total number of car days sold. We have streamlined the fleet to ensure maximum utilisation. We



continue to offer a superior product, and the advantages of the 24 hour office at Jomo Kenyatta International Airport remains a unique selling point.

Touring Department

Kenya's tourism industry continues to be adversely affected by negative publicity, although there are encouraging signs for the future. A general fear of the Millennium Bug, and the high hotel rates over this period meant that the country, in general, had less visitors than previous years. We are a major producer for the leading hotel chains, and the overall performance was ahead of budget and the previous year.

UGANDA

This has been a very difficult year for our Uganda office though sales of airline tickets were above average, and we are rated within the top three travel agencies in the country. Total revenue, however, was no quite as expected, and various measures have been taken to reduce overheads. It is envisaged that Uganda will perform better in 2000.

DIRECTORATE

Messrs. P.T. Kanyago and E. Habermacher resigned from the board at the end of the year after 28 and 11 years respectively. Mr. Karl-Heinz Balzer was appointed to the board.

Our gratitude is extended to the outgoing directors.

PERSONNEL

Thanks is extended to the entire management and staff for their efforts in this trying period.

Focus will be placed this year on optimising and rationalising the company structures. This will be supported by emphasis placed on training and development.

THE FUTURE

Your company will follow the following strategies:-

- Improve the current customer service levels.
- Develop market share in identified profitable market niches.
- Implement cost control measures and improve company liquidity.
- Restructure to better meet market needs.

These processes will be implemented over the next financial year and will begin to bear fruit in the second half of this year.

It is my belief that the company is now better positioned to take advantage of any improvements in the local market as well as becoming more competitive. This will lead to the regaining of profit levels enjoyed previously.

CMA - LIBRARY

REPORT OF THE AUDITORS

TO THE MEMBERS OF EXPRESS KENYA LTD

We have audited the financial statements set out on pages 10 to 26 which have been prepared on the basis of the accounting policies set out in Note 1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and to provide a reasonable basis for our opinion. The balance sheet of the company is in agreement with the books of account.

The directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company and the group and of the operating results of the group. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the company and the group as at 31 December 1999 and of the operating results and cash flows of the group for the year then ended in accordance with International Accounting Standards and comply with the requirements of the Companies Act.

KPMG PEAT MARWICK

Certified Public Accountants

P.O. Box 40612,
NAIROBI.

4th April 2000



TAARIFA YA WAKAGUZI WA HESABU

KWA WANACHAMA WA EXPRESS KENYA LTD

Tumekagua taarifa za fedha kama ilivyoonyeshwa kwenye ukurasa wa 10 hadi 26 ambazo zimetayarishwa kuambatana na maongozi ya uhasibu yalioonyeshwa katika Muhtasari wa 1. Tumepata habari na maelezo kamili, ambayo kwa kadiri ya imani na maarifa yetu, yalikuwa ni muhimu kwa minajili ya ukaguzi wetu na kuwa msingi unaofaa wa maoni yetu. Hesabu za kampuni zinalingana na vitabu vya akaunti.

Wakurugenzi wanahusika na matayarisho ya taarifa za fedha, yanayoonesha ukweli na usawa wa mambo ya Kampuni pamoja na ya kundi, na matokeo ya shughuli za kundi. Wajibu wetu ni kutoa maoni huru juu ya taarifa za fedha, tukizingatia ukaguzi wetu, na kukwaarifu maoni yetu.

Tulifanya ukaguzi wetu kulingana na Viwango vya Kimataifa vya Ukaguzi wa Hesabu. Viwango hivyo vinatuhitaji tupange na tutekeleze ukaguzi wetu ili tupate thibitisho kwamba hesabu hazina kasoro yoyote. Ukaguzi uhusu uchunguzi, kuambatana na majaribio, ya ushahidi unaounga mkono kiasi cha pesa na ufichuaji kwenye taarifa ya fedha. Ukaguzi pia uhusu makadirio ya maongozi ya uhasibu yaliyotumiwa na makisio muhimu yaliyofanywa na wakurugenzi, mkiwamo uthamini wa kuwasilisha taarifa za fedha. Tunatumaini ya kwamba uhasibu wetu ulionyesha kiwango cha maoni yetu.

Kwa maoni yetu, vitabu, vya hesabu vimehifadhiwa sawa. Na taarifa za fedha zinaonyesha ukweli na usawa wa mambo ya kampuni pamoja na kundi kufikia Desemba 31, 1999, na ya mapato halisi ya kundi kwa kipindi hicho kilichokwisha kulingana na Viwango vya Uhasibu vya Kimataifa kuambatana na Sheria za Makampuni.

KPMG PEAT MARWICK

Wahasibu wa umma Waliothibitishwa

S.L.P. 40612

NAIROBI.

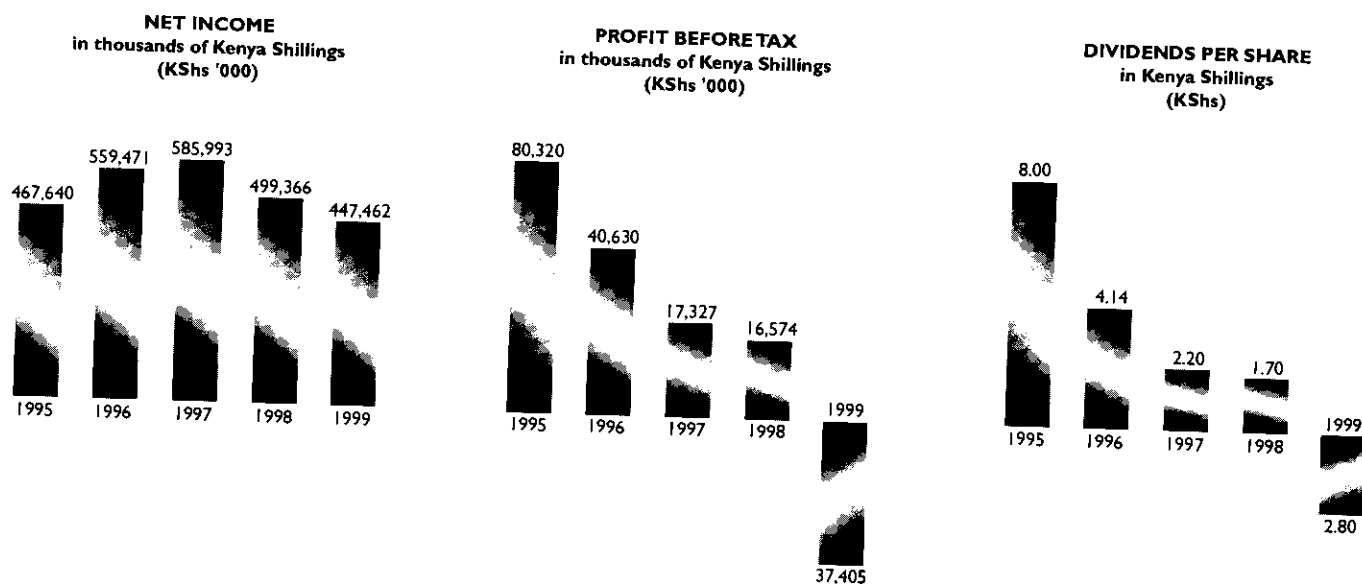
Aprili 4, 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	1999 KShs '000	1998 KShs '000
Revenue	2	3,221,241	2,826,711
Cost of sales	2	(2,775,777)	(2,328,630)
Gross profit		445,464	498,081
Other operating income	3	1,998	1,285
Administrative expenses		(394,705)	(401,139)
Other operating expenses	4	(57,543)	(45,592)
(Loss)/Profit from operations	5	(4,786)	52,635
Net finance cost	6	(32,619)	(36,061)
(Loss)/Profit before tax		(37,405)	16,574
Income tax expense	7	24,006	(8,263)
(Loss)/Profit after tax		(13,399)	8,311
Basic (loss)/earnings per shares	8	(KShs2.79)	KShs1.73

The consolidated statement of profit and loss account is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 26.



BALANCE SHEET

AS AT 31 DECEMBER 1999

		GROUP		COMPANY	
	Note	1999 KShs '000	1998 KShs '000	1999 KShs '000	1998 KShs '000
ASSETS					
Non current assets					
Property, plant and equipment	9	430,553	389,900	392,215	348,567
Investment in subsidiaries	10	-	-	10,105	10,105
Other investments	11	20	20	20	20
		430,573	389,920	402,340	358,692
CURRENT ASSETS					
Stocks	12	2,521	2,545	2,521	2,545
Debtors	13	414,851	464,921	409,552	439,913
Taxation recoverable		7,680	-	6,817	-
Cash and cash equivalents	14	16,697	2,918	2,571	2,101
		441,749	470,384	421,461	444,559
TOTAL ASSETS		872,322	860,304	823,801	803,251
EQUITY AND LIABILITIES					
Capital and Reserves	15				
Share capital		24,000	24,000	24,000	24,000
Reserves		292,563	305,911	234,969	235,405
		316,563	329,911	258,969	259,405
NON CURRENT LIABILITIES					
Interest bearing loan and borrowings	17	3,564	-	3,564	-
Deferred tax	16	2,267	26,288	4,696	26,478
		5,831	26,288	8,260	26,478
CURRENT LIABILITIES					
Interest bearing loan and borrowings	17	73,108	147,826	71,417	147,787
Creditors	18	476,820	345,107	485,155	357,607
Tax payable		-	3,012	-	3,814
Proposed dividend		-	8,160	-	8,160
		549,928	504,105	556,572	517,368
TOTAL EQUITY AND LIABILITIES		872,322	860,304	823,801	803,251

The accounts on pages 10 to 26 were approved by the Board of Directors and were signed on 4th April 2000 on its behalf by:

Director: H. Ralefeta

Director: K.H. Balzer

The balance sheets are to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 10 to 26.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	1999 KShs '000	1998 KShs '000
Net cash inflow from operating activities	19(a)	166,287	10,833
Investing activities			
Goodwill paid on acquisition of business		-	(5,000)
Purchase of fixed assets		(97,881)	(41,299)
Proceeds from sale of fixed assets		24,687	5,945
Net cash outflows from investing activities		(73,194)	(40,354)
Net cash flow before financing activities		93,093	(29,521)
Financing activities			
Dividend paid		(8,160)	(10,560)
Loan received		12,500	-
Loan repaid		(1,026)	-
Net cash flow from financing activities		3,314	(10,560)
Net increase/(decrease) in cash and cash equivalents	19(b)	96,407	(40,081)

The consolidated cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 26.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 1999

	Share Capital KShs '000	Revaluation Reserve KShs '000	Retained Earnings KShs '000	Total KShs '000
Balance at 1 January 1999	24,000	205,450	126,749	356,199
Changes in accounting policy (with respect to deferred tax)	-	-	(26,288)	(26,288)
Restated balance	24,000	205,450	100,461	329,911
Net loss for the year	-	-	(13,399)	(13,399)
Exchange gain arising on translation of a foreign subsidiary	-	-	51	51
Excess depreciation transfer	-	(4,966)	4,966	-
Balance at 31 December 1999	24,000	200,484	92,079	316,563

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) *Basis of preparation*

The financial statements are prepared in accordance with and comply with International Accounting Standards which have been adopted with effect from 1 January 1999. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment

With the exception of IAS 12, Income Taxes, there are no other changes in accounting policy that affect operating profit resulting from the adoption of International Accounting Standards.

(b) *Consolidation principles*

The consolidated financial statements include the company and subsidiaries in which the Group holds more than 50% of the voting rights. A listing of the Group's significant subsidiaries is set out in note 10.

All inter-company balances and transactions, including unrealised inter-company profits, are eliminated.

(c) *Revenue recognition*

Sales are recognised upon delivery of services, and are stated net of VAT and discount.

(d) *Translation of foreign currencies*

Transactions in foreign currencies during the year are converted into Kenya Shillings at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate ruling at the balance sheet date. Resulting exchange differences are recognised in the income statement for the year. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate ruling at the date of transaction.

(e) *Segment reporting*

Segmental information is based on two segment formats. The primary format represents two business segments - freight division and travel division. The secondary format represents the Group's two geographical markets.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from external transactions or from transactions with other segments of the Group. Unallocated items mainly comprise corporate expenses.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the Group's balance sheet. Segment assets and liabilities do not include income tax items.

Capital expenditure represents the total cost incurred during the year to acquire segment assets that are expected to be used during more than one period (property, plant and equipment).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999 *Continued*

(f) Property, plant and equipment

Items of property, plant and equipment are stated at purchase price less accumulated depreciation.

Depreciation is charged on a straight line basis over the estimated useful lives of the assets. The rates of depreciation used are based on the following estimated useful lives:

- Buildings 40 years
- Plant and equipment 5 to 12 years
- Fixtures and fittings 5 to 10 years

(g) Investments

Other investments comprise participation in a company in which the Group neither holds, directly or indirectly, 20 % or more of the voting powers nor exercises significant influence. The investments are carried at cost less any amounts written off to recognise other than temporary declines in the value of the investment.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value.

(i) Trade and other debtors

Trade and other receivables are stated at nominal value, less writedowns for any amounts expected to be irrecoverable.

(j) Post-employment benefits

Majority of the Company's employees are eligible for retirement benefits under a defined contribution plan. Contributions to the defined contribution plan are charged to the income statement as incurred. Any difference between the charge to the income statement and the annual contributions paid is recorded in the balance sheet under other payables.

(k) Taxation

Tax on the profit or loss for the year comprises current tax and the change in deferred tax. Current tax is provided on the results in the year as shown in the accounts adjusted in accordance with tax legislation.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

The tax value of losses expected to be available for utilisation against future taxable income is set off against the deferred tax liability. Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is calculated on the basis of the tax rate applicable in future accounting periods.

(l) Cash and Cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with the banks net of bank overdrafts. In the balance sheet, bank overdrafts are included under borrowings in current liabilities.

(m) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. In particular, the comparatives have been adjusted or extended to take into account the requirements of International Accounting Standards which the Group has implemented in the year ended 31 December 1999.

2 SEGMENTAL REPORTING

Primary Segments

	Travel		Freight		Consolidated	
	1999 KShs'000	1998 KShs'000	1999 KShs'000	1998 KShs'000	1999 KShs'000	1998 KShs'000
Revenue	1,016,771	905,367	2,204,470	1,921,344	3,221,241	2,826,711
Cost of Sales	(862,819)	(748,942)	(1,912,958)	(1,579,688)	(2,775,777)	(2,328,630)
Gross Profit	153,952	156,425	291,512	341,656	445,464	498,081
Expenses						
Manpower	49,757	58,343	106,381	94,547	156,138	152,890
Administration	10,979	14,564	11,709	16,574	22,688	31,138
Communication	6,140	6,302	11,589	10,285	17,729	16,587
Advertising/Travel	11,235	9,322	5,700	8,946	16,935	18,268
Vehicle	17,861	17,604	22,429	36,121	40,290	53,725
Depreciation	11,613	13,427	20,714	27,549	32,327	40,976
Equipment	772	973	4,768	4,729	5,540	5,702
Facilities	9,176	7,296	20,627	24,290	29,803	31,586
Bad debts	10,480	1,661	12,338	5,183	22,818	6,844
Total expenses	128,013	129,492	216,255	228,224	344,268	357,716
Segment result	25,939	26,933	75,257	113,432	101,196	140,365
Profit from operations					101,196	140,365
Unallocated Expenses					(105,982)	(87,730)
Net financing cost					(32,619)	(36,061)
Net (loss)/profit before tax					(37,405)	16,574

	Travel		Freight		Consolidated	
	1999 KShs'000	1998 KShs'000	1999 KShs'000	1998 KShs'000	1999 KShs'000	1998 KShs'000
Assets	178,719	187,096	693,603	673,208	872,322	860,304
Liabilities	(127,346)	(111,368)	(428,413)	(419,025)	(555,759)	(530,393)
Net Assets	51,373	75,728	265,190	254,183	316,563	329,911

Secondary Segments

	Kenya		Uganda		Consolidated	
	1999 KShs'000	1998 KShs'000	1999 KShs'000	1998 KShs'000	1999 KShs'000	1998 KShs'000
Revenue	442,840	488,578	2,624	9,503	445,464	498,081
Total revenue	442,840	488,578	2,624	9,503	445,464	498,081
Segment fixed assets	429,334	386,376	1,219	3,524	430,553	389,900
Capital expenditure	97,737	41,182	144	117	97,881	41,299

19. NOTES TO THE CASH FLOW STATEMENT

	1999 KShs'000	1998 KShs'000
a) Reconciliation of net (loss)/profit before tax to Cash flow from operating activities		
Group (loss)/profit before tax	(37,405)	16,574
Adjustments for:		
Profit on sale of fixed assets	(1,998)	(1,285)
Depreciation	34,725	38,748
Interest expense (Net)	21,730	35,988
Operating profit before working capital changes	17,052	90,025
Decrease/(Increase) in stocks	24	(608)
Decrease/(increase) in debtors	50,070	(3,576)
Increase/(Decrease) in creditors	131,713	(38,609)
Effect of exchange rate changes	(135)	1,303
Cash generated from operations	198,724	48,535
Interest paid (Net)	(21,730)	(35,988)
Tax paid	(10,707)	(1,714)
Cash flow from operating activities	166,287	10,833

b) Movement in cash and cash equivalent

	1999 KShs'000	1998 KShs'000	Change in the year KShs'000
Cash and bank balances	16,697	2,918	13,779
Bank overdraft	(65,198)	(147,826)	82,628
	(48,501)	(144,908)	96,407

20. CAPITAL COMMITMENTS

Group and company

	1999 KShs'000	1998 KShs'000
Contracted but not accounted for	125	2,064

21. CONTINGENT LIABILITIES

	Group		Company	
	1999 KShs'000	1998 KShs'000	1999 KShs'000	1998 KShs'000
Claims, guarantees and discounted bills	26,065	95,007	23,337	95,007

There are guarantees given by the group and the company in the normal course of business in connection with customs bonds of which some KShs.249,095,862 were overdue for cancellation at 31 December 1999 (1998 - KShs 417,268,000) in respect of which no material losses are expected.

22. GROUP NET ASSETS OUTSIDE KENYA

Group net assets outside Kenya are as follows:-

	1999 KShs'000	1998 KShs'000
Group net (liabilities)/assets in Uganda	5,435	901

The exchange rate applied into converting net liabilities of the subsidiary in Uganda was Ushs. 20.89 = 1 KShs

23 RELATED PARTY TRANSACTIONS

i) Directors and Staff

The Group has entered into transactions with its employees and directors:

	1999 KShs'000	1998 KShs'000
Balance at 1 January	1,420	1,420
Loans repayments received	(1,070)	-
Balance at 31 December	350	1,420

The related interest income in 1999 was KShs 198,589 (1998 - KShs 241,235).

ii) Loan from related parties

	1999 KShs'000	1998 KShs'000
Loan from Express Pension Scheme		
Balance at the beginning of the year	-	-
Loan received during the year	12,500	-
Loan repaid during the year	(1,026)	-
Balance at the end of the year	11,474	-

The above loan is unsecured and attracts interest at 15% per annum. The loan is repayable in equal monthly instalments of Kshs 297,000.

iii) Payments to related parties

The following transactions have been undertaken with Kuehne and Nagel Management AG, a related party under the terms of an agreement.

	1999 KShs'000	1998 KShs'000
Information Technology Support	-	11,590
Commissions	2,047	11,240
	2,047	22,830

24. ULTIMATE HOLDING COMPANY

The ultimate holding company is KN Viamax Investments Kenya Limited which is incorporated in Kenya.

25. INCORPORATION

The company is incorporated in Kenya under the Companies Act

26. CURRENCY

The accounts are presented in Kenya Shillings (Kshs.)

PROXY FORM

I/We _____
of _____
being a member(s) of the above named company hereby appoint _____

_____ of _____
or failing him _____
of _____

to vote for me/us/ on my/our behalf at 29th Annual General Meeting of the said company to be held at 12.00 noon on Monday 8th May, 2000 and at any adjournment thereof.

signed this _____ day of _____ 2000
signature _____

A member entitled to attend and vote at this meeting is entitled to appoint a proxy who need not be a member(s).
N.B. This proxy must be deposited at the Registered Office of the Company, P.O . Box 40433, Ectoville, Off Enterprise Road, Nairobi at least 48hours before the time of holding this meeting.

FOMU YA UWAKILISHI

Mimi/Sisi _____
wa _____
nikiwa/tukiwa/mwanachama wa kampuni hii iliyotajwa hapa juu namchagua/tunachagua _____

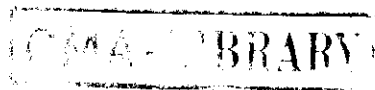
_____ wa _____
au akikosa yeye/wakikosa wao _____
wa _____

kupiga kura badala ya mimi/sisi kwa niaba yangu/yetu katika mkutano Mkuu wa Mwaka wa 29 wa Kampuni hii utakaofanywa saa sita aduhuri Jumatatu Mei 8, 2000 na katika mkutano wowote utakaoahirishwa.

Imetiwa sahihi leo _____ siku ya _____ 2000.
Sahihi _____

Mwanachama mwenye haki ya kuhudhuria na kupiga kura katika mkutano huu ana haki ya kumchagua Mwakilishi au Waakilishi ambaye/ambao si lazima kuwa Mshiriki au Washiriki.

TAZAMA: Fomu hii ya Uwakilishi lazima kufikishwa katika Afisi ya Kampuni hii, Sanduku la Posta 40433, Ectoville, karibu na Enterprise Road, Nairobi katika muda usiopungua masaa 48 kabla ya mkutano kufanyika.



The Company Secretary
Express Kenya Limited
P.O. Box 40433
Nairobi
Kenya

