

## **SUMMARY ANNUAL REPORTS FOR HIGHWAY TRANSPORT, INC.**

This is a summary of the Annual Report for the benefit plans listed below for the 2001 plan year. The Annual Reports were filed with the Internal Revenue Service as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### **WATKINS ASSOCIATED INDUSTRIES, INC. GROUP LIFE INSURANCE AND HEALTH PROTECTION PLAN**

The Plan is a self-funded plan covering substantially all employees of Watkins Associated Industries, Inc. ("Watkins"), its subsidiaries, and certain of its affiliates (the "Companies"). The Plan was established under a plan agreement effective in 1970 to provide life insurance, hospital, physician services, drug expense, dental expense, and other medical care benefits for eligible employees of the Companies and for eligible dependents of such employees, as defined.

The Companies make monthly contributions to the Plan in amounts sufficient to fund benefits to plan participants. Contributions in excess of plan benefit payments are invested in short-term investments.

Generally, employees of the Companies who are employed for 30 to 90 continuous days are provided medical, prescription, dental and life benefit coverage.

The Plan's assets are invested in the Watkins Associated Industries, Inc. Group Life Insurance and Health Protection Plan Master Trust (the "Trust"). The operation and administration of the Plan and Trust are the responsibility of the administrative committee, which is appointed by the board of directors of Watkins. The administrative committee also serves as the trustee of the Trust. All expenses of the Plan are paid by the employer. Wachovia Bank, N.A. is the custodian of the Trust's assets.

**WATKINS ASSOCIATED INDUSTRIES, INC.  
GROUP LIFE INSURANCE AND HEALTH PROTECTION PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Modified Cash Basis)**

**ADDITIONS:**

Contributions:	
Employer	\$41,945,327
Participants	<u>6,476,883</u>
	48,422,210
Interest income	<u>4,825</u>
Total additions	<u>48,427,035</u>

**DEDUCTIONS:**

Benefits paid, net	37,237,705
Life insurance premiums	1,916,726
Administrative & Other Expenses	<u>4,205,355</u>
Total deductions	<u>43,359,786</u>

**INCREASE IN NET ASSETS** 5,067,249

**NET ASSETS, beginning of year** 875,566  
**NET ASSETS, end of year** \$ 5,942,815

**HIGHWAY TRANSPORT, INC.  
EMPLOYEES' INCENTIVE SAVINGS PLAN**

The Highway Transport, Inc. Employees' Incentive Savings Plan (the "Plan") was established by Highway Transport, Inc. (the "Employer") on January 1, 1990. The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974.

Employees are eligible to participate in the Plan following the completion of six months of service. Effective October 1, 2000, full-time employees became eligible upon the completion of 30 days of service.

Eligible employees may contribute up to 15% of their before-tax compensation, subject to a \$10,500 maximum. The Employer matches from 20% to 50% of employee contribution up to 6% of employee before-tax compensation, depending upon employee's length of service.

All contributions to the Plan by the Employer and voluntary contributions by participants, as well as all earnings on those contributions, are fully vested immediately.

The Plan is administered by a committee appointed by the board of directors of the Employer. Towers Perrin serves as the record keeper and USB Paine Webber, Salomon, Smith Barney (until April, 2001) and the committee jointly serve as investment managers for the Plan. The Plan Administrative Committee serves as trustee for the Plan. All legal, audit, and administrative expenses of the Plan are paid by the Employer.

The assets of the Plan are co-mingled in the Watkins Associated Industries and Affiliated Employers Master Trust Fund (the "MTF") with assets of other employer-affiliated employee incentive savings plans. Each plan owns a proportionate share of the investments of the MTF. The MTF's interest income and realized and unrealized gains and losses on investments are allocated monthly to the individual plans based on the proportionate net asset value of each plan in the MTF.

**HIGHWAY TRANSPORT, INC.  
EMPLOYEES' INCENTIVE SAVINGS PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**ADDITIONS:**

Contributions:	
Participants	\$ 549,380
Employer	<u>135,211</u>
Total Contributions	684,591
Investment loss	(392,081)
Interest income from participant Loans	10,637
Transfer in from related plan	<u>2,666</u>
Total additions	<u>305,813</u>

**DEDUCTIONS:**

Distributions to participants	<u>(473,348)</u>
Total deductions	<u>(473,348)</u>

**NET DECREASE** (167,535)

**NET ASSETS AVAILABLE FOR BENEFITS,  
beginning of year** 3,496,020

**NET ASSETS AVAILABLE FOR BENEFITS,  
end of year** \$ 3,328,485

## **HIGHWAY TRANSPORT, INC. PROFIT SHARING PLAN**

The Highway Transport, Inc. Profit Sharing Plan (the “Plan”) is a defined contribution plan that was established on January 1, 1975 to provide retirement, death, and disability benefits for eligible employees. The Plan includes eligible subsidiaries of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. Participants are not permitted to make contributions to the Plan. Highway Transport, Inc. (the “Company”) has agreed to make discretionary contributions to the Plan as determined by its board of directors.

Employees are eligible to participate effective January 1, following the date of employment with the Company. To receive a contribution, the employee must have worked 1,000 hours during the year as well as have been employed on the last day of the year.

The Plan provides that each participant have an individual account which reflects the participant’s interest in the Plan, resulting from contributions, forfeitures, interest, dividends, realized and unrealized gains, and other sources of income, less realized and unrealized losses, expenses, and other distributions. The allocation of the Company’s annual contribution and forfeitures is based on the percentage relationship of the participant’s annual compensation to the total compensation of all participants (two-thirds) and on the percentage relationship of the participant’s total years of service to the total years of service of all participants (one-third). Annual additions to a participant’s account shall not exceed the lesser of \$30,000 or 25% of the participant’s annual compensation.

Participants are eligible for distribution of their accounts upon reaching age 62 (normal retirement).

Active participants are fully vested in their account balance. Former participants who left the Company prior to January 1, 2000 were subject to vesting and are eligible to receive a partial distribution based on their percentage vested.

The assets of the Plan are co-mingled in the Watkins Associated Industries, Inc. Master Trust Fund (the “WMTF”) together with additional assets of other Watkins Associated Industries, Inc. (“Watkins”) affiliated profit-sharing plans.

The Plan’s investments are co-mingled in the WMTF. Each individual plan owns a proportionate share of the WMTF. The WMTF’s interest income, dividends, rental income, and realized and unrealized gains and losses on investments are allocated monthly to the individual plans based on the proportionate net asset value of each plan in the WMTF.

The Plan is administered by a committee appointed by the board of directors and all administrative expenses related to the WMTF are paid by the Company. SunTrust Bank serves as the custodian of the Plan’s assets and Towers Perrin serves as the record-keeper.

**HIGHWAY TRANSPORT, INC.  
PROFIT SHARING PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>EMPLOYER CONTRIBUTIONS</b>	\$ 0
<b>NET INVESTMENT LOSS-WATKINS ASSOCIATED INDUSTRIES, INC. MASTER TRUST FUND</b>	(29,691)
<b>BENEFITS PAID TO PARTICIPANTS</b>	<u>(132,024)</u>
<b>NET DECREASE</b>	(161,715)
<b>NET ASSETS AVAILABLE FOR BENEFITS, beginning of year</b>	<u>1,685,160</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS, end of year</b>	\$ <u>1,523,445</u>

**YOUR RIGHT TO ADDITIONAL INFORMATION**

1. Benefits from the following plans are provided in whole or in part through trust funds:

Watkins Associated Industries, Inc. Group Life Insurance and Health Protection Plan  
Highway Transport, Inc. Employees' Incentive Savings Plan  
Highway Transport, Inc. Profit Sharing Plan

You have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities for each of these Plans and accompanying notes, or a statement of income and expenses and accompanying notes, or both. The full Annual Report includes these two statements and the accompanying notes. The items listed below are also included in the Annual Report:

1. an accountant's report;
2. assets held for investment;
3. transactions in excess of 5 percent of plan assets;
4. fiduciary information; and
5. insurance information.

2. For all the plans:

You have the right to receive a copy of the full Annual Report, or any part thereof, on request.

To obtain a copy of the full Annual Report, or any part thereof, write or call Watkins Associated Industries, Inc., 1958 Monroe Drive, NE, Atlanta, GA 30324-4887. The telephone number is 404-872-3841.

You may also have the legally protected right to examine the Annual Report at the main office of the Plan Administrator (Watkins Associated Industries, Inc., 1958 Monroe Drive, NE, Atlanta, GA 30324-4887) and at the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210.

