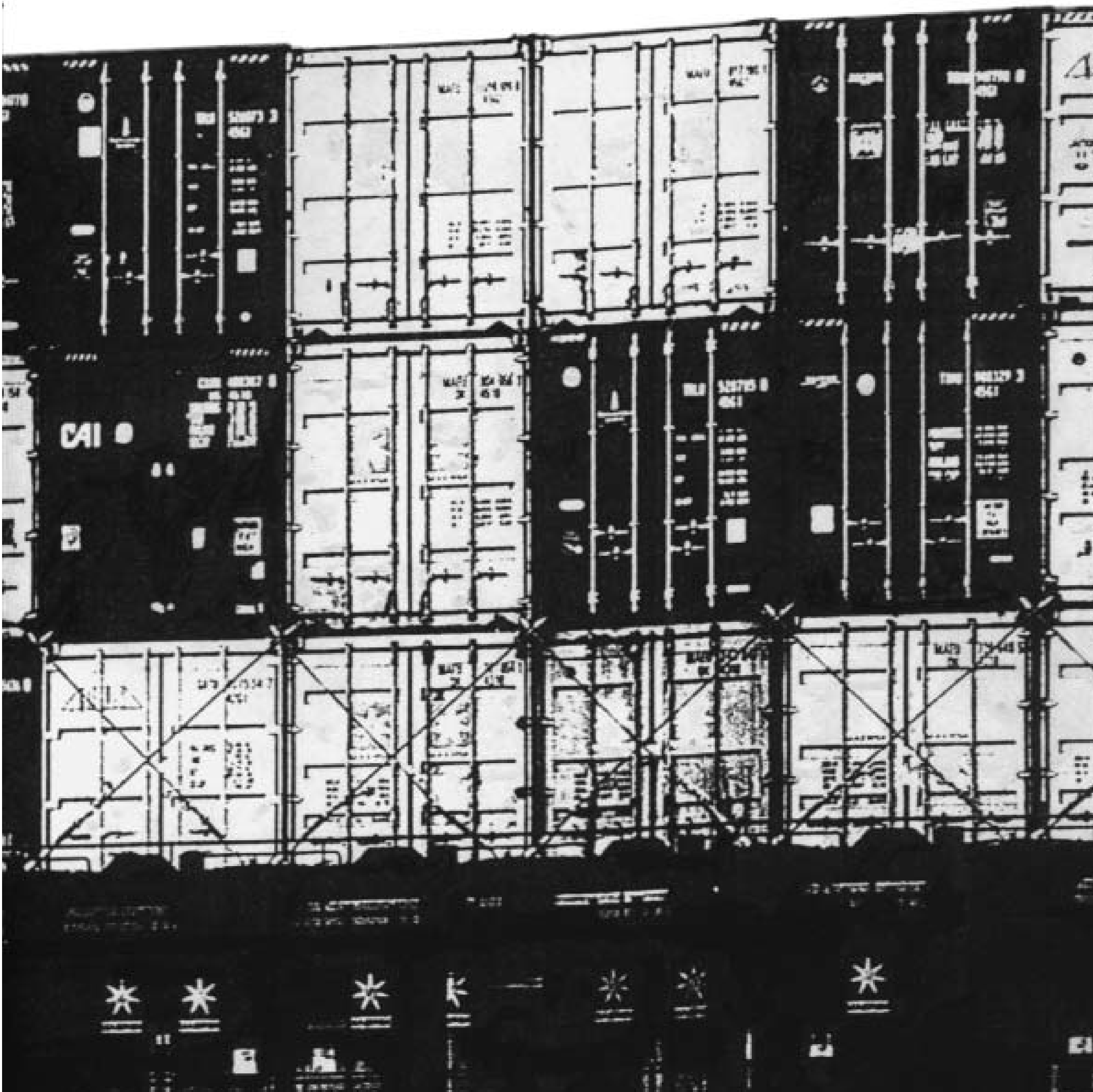
Trencor Limited is a holding company quoted on the JSE Securities Exchange South Africa. Its core businesses are:

- the owning, financing, leasing-out and managing of marine cargo containers worldwide;
- finance related activities; and
- supply chain management services to enable the controlled movement of goods, by providing and integrating the use of equipment, services, knowledge and information.



TRENCOR LIMITED

TRENCOR

ANNUAL REPORT

2003

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DIRECTORS	N I JOWELL	CHAIRMAN	☐	EXECUTIVE COMMITTEE	N I JOWELL	CHAIRMAN	
	H R VAN DER MERWE	MANAGING	☐		C JOWELL		
	H A GORVY	INDEPENDENT			J E McQUEEN		
	J E HOELTER	USA, INDEPENDENT			H R VAN DER MERWE		
	C JOWELL			AUDIT COMMITTEE	E OBLOWITZ	CHAIRMAN	1
	J E McQUEEN		☐		H A GORVY		
	D M NUREK	INDEPENDENT			J E HOELTER		2
	E OBLOWITZ	INDEPENDENT			D M NUREK		3
		Executive	☐	REMUNERATION COMMITTEE	D M NUREK	CHAIRMAN	
					N I JOWELL		
				NOMINATION COMMITTEE	D M NUREK	CHAIRMAN	
					H A GORVY		
					C JOWELL		4

1 APPOINTED 3 MARCH 2004
2 APPOINTED 3 MARCH 2003
3 RESIGNED AS COMMITTEE CHAIRMAN 3 MARCH 2004
4 APPOINTED 23 DECEMBER 2003 IN PLACE OF N I JOWELL

BRIEF RÉSUMÉS OF THE DIRECTORS ARE PRESENTED ON PAGE 57.

HIGHLIGHTS

		2003	2002	2001*
REVENUE (EXCLUDING REALISED AND UNREALISED EXCHANGE LOSSES AND GAINS)	RM	**1 586**	2 009	2 315
TRADING INCOME AFTER NET FINANCE COSTS (CONTINUING OPERATONS)	RM	**273**	248	128
(LOSS)/INCOME BEFORE TAXATION	RM	**(101)**	(455)	1 150
HEADLINE (LOSS)/INCOME ATTRIBUTABLE TO SHAREHOLDERS	RM	**(166)**	(352)	711
TOTAL ASSETS	RM	**7 481**	8 967	10 406
HEADLINE (LOSS)/EARNINGS PER SHARE (UNDILUTED)	SA CENTS	**(108)**	(230)	465
NET ASSET VALUE PER SHARE	SA CENTS	**980**	1 132	1 521
NET ASSET VALUE PER SHARE	US CENTS	**148**	131	126
GEARING [1]				
WITH TEXTAINER AND BLI CONSOLIDATED	%	**174**	205	173
WITH TEXTAINER AND BLI EQUITY ACCOUNTED [2]	%	**24**	38	41

[1] RATIO OF INTEREST-BEARING DEBT, EXCLUDING CONVERTIBLE DEBENTURES, TO AGGREGATE OF TOTAL SHAREHOLDERS' FUNDS AND CONVERTIBLE DEBENTURES.
[2] DEBT IN THE TEXTAINER GROUP AND BLI (BREWERS LOGISTICS INTERNATIONAL) IS RING-FENCED, WITHOUT RECOURSE TO TRENCOR.

* 18 MONTHS. CHANGE OF YEAR-END FROM 30 JUNE TO 31 DECEMBER.

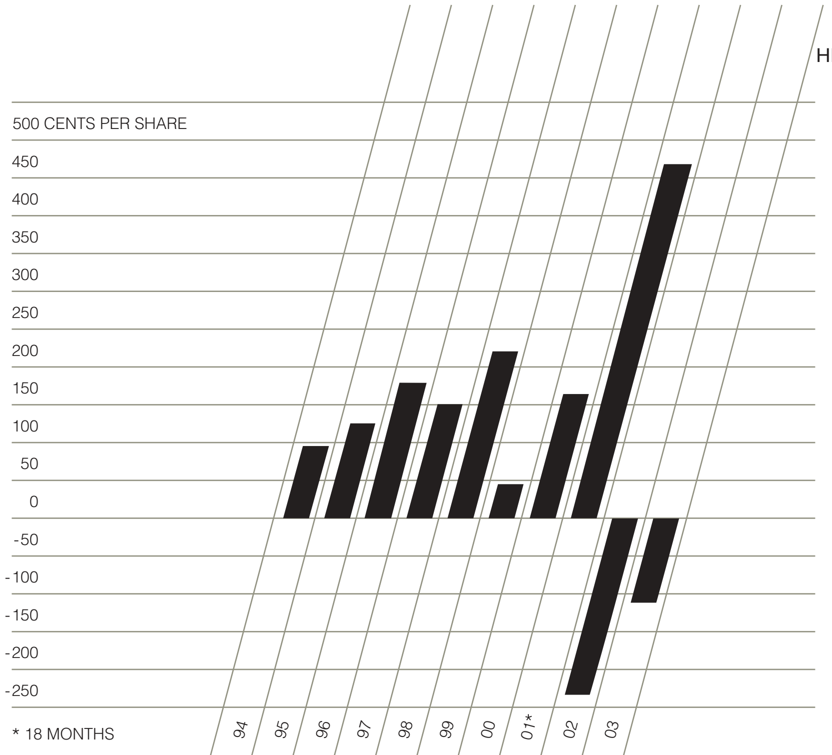
GROUP CHART

MOBILE INDUSTRIES

TRENCOR 47%

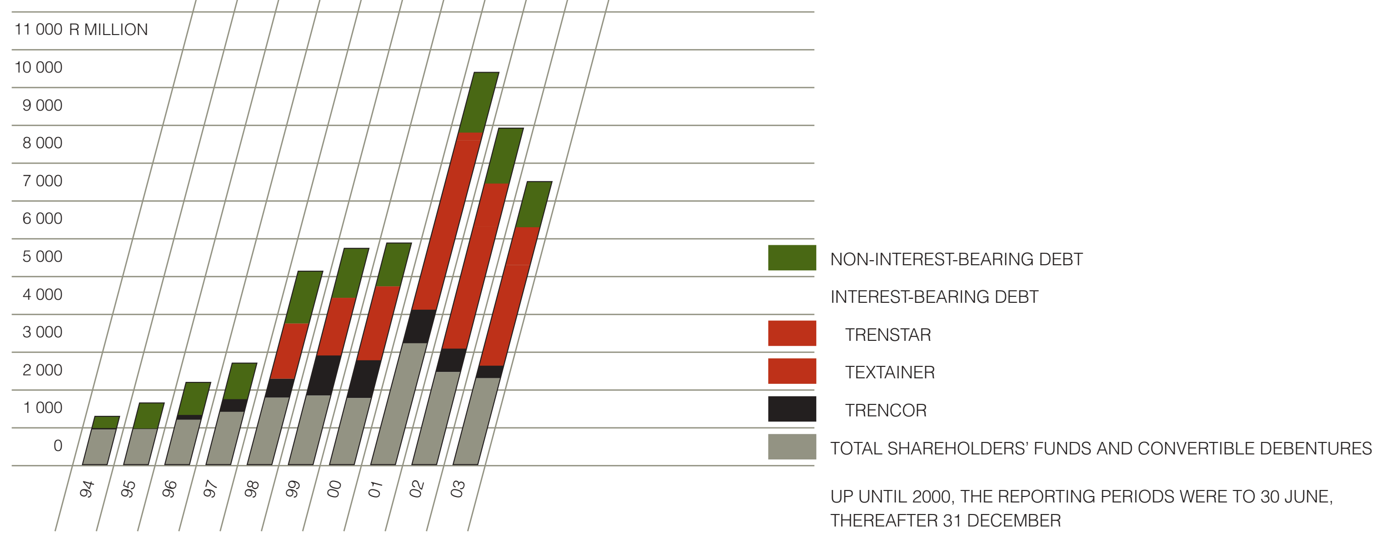
CONTAINERS	TEXTAINER 73%	*The Textainer group companies own, manage and lease out dry freight marine containers worldwide.*
	TRENCOR SERVICES 100%	*Exporting, marketing and financing of containers.*
	TAC 44%	*Owning of containers.*
	TRENCOR CONTAINERS 100%	*Manufacturing and exporting of stainless steel tank containers.*
SUPPLY CHAIN MANAGEMENT SERVICES	TRENSTAR SA 100%	*Development of solutions for managing the movement of mobile assets (such as returnable packaging) utilising track and trace technology, and the manufacture and rental of intermediate bulk containers and other forms of containers and re-usable packaging units.*
	TRENSTAR 53%	*A global business, incorporating MicroStar Logistics Inc in the USA and TrenStar UK, which owns, manages and leases out returnable packaging equipment and provides technology and software solutions in transportation logistics.*
TRAILERS	HENRED-FRUEHAUF/ SA TRUCK BODIES GROUP 40%	*Manufacturing of truck trailers, road tankers and trailer components, refurbishing and trading in used trailers and servicing of trailers throughout Southern Africa.*

HEADLINE EARNINGS PER SHARE (UNDILUTED)



* 18 MONTHS

FUNDING OF TOTAL ASSETS



UP UNTIL 2000, THE REPORTING PERIODS WERE TO 30 JUNE, THEREAFTER 31 DECEMBER

TEN YEAR REVIEW

	03 RM	02 RM	01* RM	00 RM	99 RM	98 RM	97 RM	96 RM	95 RM	94 RM
OPERATING RESULTS										
REVENUE	**732**	589	4 436	1 780	1 464	1 550	1 415	1 317	1 194	922
(LOSS)/INCOME BEFORE TAXATION	**(101)**	(455)	1 150	(144)	23	483	316	371	221	201
(LOSS)/INCOME ATTRIBUTABLE TO SHAREHOLDERS (HEADLINE)	**(166)**	(352)	711	248	65	335	224	261	182	134
BALANCE SHEET SUMMARY										
SHAREHOLDERS' EQUITY	**1 506**	1 733	2 324	1 313	1 418	1 370	1 105	895	655	613
OUTSIDE SHAREHOLDERS' INTEREST	**522**	460	635	186	148	139	26	24	13	47
TOTAL SHAREHOLDERS' FUNDS	**2 028**	2 193	2 959	1 499	1 566	1 509	1 131	919	668	660
CONVERTIBLE DEBENTURES	**261**	261	261	261	261	261	261	261	261	261
INTEREST-BEARING DEBT	**3 981**	5 026	5 566	2 978	2 606	1 984	339	131	20	39
FUNDING OF TOTAL NET ASSETS	**6 270**	7 480	8 786	4 738	4 433	3 754	1 731	1 311	949	960
PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTIES	**4 789**	5 653	6 113	2 684	2 364	2 018	232	197	178	166
OTHER NON-CURRENT ASSETS	**1 842**	2 270	3 177	2 376	2 291	2 242	1 846	1 319	883	536
CURRENT ASSETS	**850**	1 044	1 116	848	1 111	918	628	676	583	585
TOTAL ASSETS	**7 481**	8 967	10 406	5 908	5 766	5 178	2 706	2 192	1 644	1 287
NON-INTEREST-BEARING LIABILITIES	**1 211**	1 487	1 620	1 170	1 333	1 424	975	881	695	327
TOTAL NET ASSETS	**6 270**	7 480	8 786	4 738	4 433	3 754	1 731	1 311	949	960
STATISTICS										
NUMBER OF ISSUED SHARES (MILLION)	**154**	153	153	153	153	153	151	149	146	145
EQUITY BOOK VALUE PER SHARE (CENTS)	**980**	1 132	1 521	859	928	896	731	600	448	422
HEADLINE (LOSS)/EARNINGS PER SHARE (CENTS) – UNDILUTED	**(108)**	(230)	465	162	43	220	149	177	125	93
DIVIDENDS PER SHARE (CENTS)	**–**	–	–	–	28	48	43	43	34	25
DIVIDEND COVER (TIMES)	**–**	–	–	–	1	5	4	4	4	4
LIQUIDITY (%)										
RATIO TO AGGREGATE OF TOTAL SHAREHOLDERS' FUNDS AND CONVERTIBLE DEBENTURES										
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	**227**	265	223	236	216	193	94	86	77	40
INTEREST-BEARING DEBT EXCLUDING CONVERTIBLE DEBENTURES	**174**	205	173	169	143	112	24	11	2	4
CURRENT RATIO (TIMES)	**0,9**	0,9	0,9	1,0	1,3	1,3	1,6	1,6	1,6	2,3
PROFITABILITY BASED ON HEADLINE EARNINGS (%)										
TAXED (LOSS)/INCOME TO TOTAL SHAREHOLDERS' FUNDS	**(3)**	(12)	24	19	5	26	22	34	29	23
TAXED (LOSS)/INCOME BEFORE INTEREST TO TOTAL ASSETS	**2**	–	10	9	5	11	11	13	14	13
TAXED (LOSS)/INCOME BEFORE INTEREST TO TOTAL NET ASSETS	**3**	–	12	11	7	15	17	22	21	17
(LOSS)/INCOME ATTRIBUTABLE TO SHAREHOLDERS TO SHAREHOLDERS' EQUITY	**(10)**	(17)	26	18	5	27	22	34	29	23
NUMBER OF EMPLOYEES	**702**	687	591	1 263	2 676	2 542	5 126	5 475	5 192	5 043

*18 months
Up until 2000, the reporting periods were to 30 June, thereafter 31 December

Trencor performed well during the year to December 2003. Despite the adverse effect of the strengthening rand on our mainly US dollar based earnings, the group achieved an increase of 10% to R273 million in trading income from continuing operations after net interest expense (R248 million last year). In US$ terms, trading income after interest increased by 47% to US$36,2 million from US$24,6 million in 2002.

However, in addition to translating our trading income into rand, we are required, as noted in previous reports, to translate our dollar denominated loans, long-term receivables and related provisions into rand at the year-end R/US$ rate and take account of the unrealised gain or loss in reporting headline earnings. The net pre-tax effect in 2003 is an unrealised translation loss of R435 million, which is largely responsible for the group's total headline loss of R165,7 million for the year.

As reported last year "while the queries from South African Revenue Service ('SARS') remain unresolved, the issues arising from the closure of two of our container factories and the consequent restructuring costs are now behind us and the results for the year under review testify to the sound business base that has been established".

After the disposals of the past few years, the group is now directly and almost exclusively exposed to international business – Textainer to physical trade flows and TrenStar to the supply chain management of major corporates.

The dominant contribution to our trading income has been the outstanding results of Textainer. Its headline earnings for the year are up by 81% to US$29,5 million. These results are a testimony to the President and CEO, John Maccarone, and an outstanding and dedicated management team.

Textainer has over the last two years improved the quality of its earnings by reducing the volatility that is inherent in a commodity-like business such as container leasing. It has done so by increasing the proportion of the fleet under long-term lease and by limiting the points where containers may be dropped off at the end of a lease. We believe this will result in future benefits of higher utilisation and reduced repositioning costs, albeit at lower rates.

The prospects in the short-term remain positive. Industry forecasts reflect a 20% increase in new container vessel capacity entering service in 2004 compared to last year and that trade growth is expected to exceed fleet growth. Container prices in the first quarter are also up by about 20% and are continuing to rise due to a severe global shortage of steel. This will reduce the gap between the average cost of existing fleets and the current price and hopefully lead to increased lease rates for both new transactions and for existing inventory.

TrenStar has continued its excellent product development and the conclusion of initial and pilot contracts with major international corporates reflects further market acceptance and validation of TrenStar's business model. This validation is also confirmed by the investment of Carlyle Venture Partners, a prestigious Washington firm, in TrenStar.

TrenStar had to establish an adequate infrastructure and, in particular, a well qualified personnel complement to develop and market its products and then implement the business it is gaining. Unfortunately revenue targets for 2003 were not achieved and the financial performance this year has not met our expectations. This shortfall was exacerbated by problems encountered during the acquisition and integration of KTP (now known as TrenStar UK) – a small business purchased to facilitate implementation of the beer keg contracts the company has won in the UK. Revenue is now picking up and we anticipate TrenStar will become profitable in the second half of 2004.

Subsequent to the year-end, the 60% shareholder in our trailer manufacturing business exercised its option effective 31 March 2004 to acquire our 40% interest in the Henred-Fruehauf/SA Truck Bodies group for a cash consideration of R47,5 million.

FORECAST

As indicated above, we anticipate an improvement in trading conditions for the marine freight shipping industry. For the leasing sector, we see similar performance or, at best, very modest growth from the high base of 2003.

TrenStar should continue its progress and a move from a loss to becoming profitable by the end of the year will be an important step. We remain confident that the market TrenStar is addressing has very attractive potential.

Accordingly, we expect an increase in our trading income for 2004 in US dollar terms. After translation, the rand amount, of course, will depend on the average rand/dollar exchange rate for the year. Rand headline earnings may be further impacted when the net dollar-denominated long-term receivables are translated into rand at the prevailing exchange rate on 31 December 2004.

LEVERAGE

At present, the group's borrowings are mainly asset-based in Textainer (R2,65 billion of the group's total of R4,0 billion). This is also the case in TrenStar where borrowings are R1,1 billion. Textainer's leverage is 237%, conservative for the leasing industry. Excluding Textainer and TrenStar, Trencor's leverage is less than 20%.

GROUP RETURNS AND PERFORMANCE

The volatility in the exchange rate and the fact that most of the group's earnings are derived in US dollars, complicates the calculation of traditional performance ratios. We believe that the growth in our net asset value per share in US dollars is a more realistic indicator of the soundness of our operations. Trencor's net asset value per share has increased by 13% in 2003 to US$1,48 (2002: US$1,31), benefiting from internal growth and improved performance.

DIRECTORATE

I am pleased to welcome Mr Eddy Oblowitz to our board. As a former international partner of Andersens, he has a long association with and detailed knowledge of Trencor and wide general experience of our business environment. We are confident he will make a valuable contribution to the group.

The board now consists of a majority of non-executives, four out of five of whom are independent, and I thank them for their valued support, independence and meaningful role they play in the affairs of the group.

To all of Trencor's people, many of whom are located outside South Africa, I thank them for the outstanding contribution they have made to our businesses.

N I JOWELL 30 MARCH 2004

TEXTAINER

www.textainer.com

Textainer Group Holdings Ltd, our 73% offshore subsidiary is primarily engaged in owning and leasing-out standard and special dry freight marine cargo containers to global transportation companies. The company achieved excellent results for the year under review and further strengthened its position as a reliable and a leading worldwide lessor of standard dry freight containers. Average fleet utilisation for the year was 88%, the highest since we achieved 90% in 1995.

Textainer's customers include virtually all of the leading international shipping lines. They are served by their own offices, agents and depots strategically located in markets throughout the world. Textainer's carefully designed specifications, in-house production quality control, depot selection and audit programme are all part of a system built to control customers' costs and provide a high-quality container service.

In addition to its own fleet, Textainer manages containers for more than twenty other owners. These include six United States public limited partnerships (which initially raised almost US$500 million and currently own approximately 14% of the containers managed by Textainer), as well as TAC, a container owner associated with the Trencor group. Management fees and sales commissions stemming from these arrangements and, in particular, managing the fleet of containers owned by Xtra International, a large transportation equipment rental company, continue to contribute significantly to operating results. The success of this arrangement and the improvement in performance of the Xtra fleet under Textainer's management confirms that Textainer is an excellent candidate to manage fleets for independent owners. With 64% of the total fleet managed for other owners, fee revenue helps ensure financial stability even in cyclical downturns.

An average of 78 000 TEU (20-foot equivalent unit) of new containers have been added to the fleet annually over the past twelve years (a total of 265 652 TEU in the last three years). The total fleet under management at 31 December 2003 numbered nearly 1,1 million TEU of which 62% were on long-term lease. The portion of the fleet owned by Textainer itself is now 388 000 TEU, of which 78% is on long-term lease, resulting in higher utilisation and less volatile revenues. The average age of Textainer's owned fleet is just four years, and of the whole fleet, 5,9 years.

The Equipment Resale Division improves the return to container owners by maximising the value received at the end of the economic life of the equipment. The Division also purchases second-hand containers across the globe, often repositions them, then sells them in the world's major demand markets. Textainer is a major supplier of used containers to several leading domestic and on-site storage companies in the US and Europe.

The Logistics Division ensures that the repositioning of containers from surplus locations to demand locations is completed in the most cost-efficient manner possible. During the year, a total of US$18 million was spent (across the entire fleet) in repositioning empty containers to areas of high demand.

Textainer's headline earnings amounted to US$29,5 million for the year to 31 December 2003, up from US$16,2 million in 2002. Its contribution to Trencor's earnings for the same period was R161 million (2002: R124 million). A summarised balance sheet and income statement for Textainer appear on pages 54 and 55.

TRENSTAR

www.trenstar.com

TrenStar Inc, our US subsidiary (established in August 2001 and headquartered in Denver, Colorado) and TrenStar SA (Pty) Ltd in South Africa and their subsidiaries (collectively 'TrenStar') manage the mobile assets of their customers with the aim of improving the visibility and control of these assets as they carry goods through the supply chain.

The main services offered are radio frequency identification (RFID) and barcode tracking technology and logistics/business analysis. We also provide predominantly larger customers with advice on the design and sourcing of mobile assets as well as procuring such assets (by leasing or selling them to such customers). Mobile assets include durable returnable containers such as gas bottles, beer kegs, tanks, chemical containers, cages, air cargo and intermediate bulk containers.

In short, TrenStar provides mobile asset management solutions, enabling customers to outsource to TrenStar their requirements in this area with the ability to lighten their balance sheets and receive enhanced data regarding their products.

An attractive feature of the TrenStar business model is the long-term nature of its contracts, in many cases with minimum usage guarantees, resulting in more reliable revenue streams and more predictable growth.

During the year under review TrenStar extended its early successes in establishing its business. Specific examples are:

- In 2002 TrenStar attained a 42% market share within the UK beer keg market. Negotiations to acquire the fleet of another large UK brewer thereby increasing this market share to approximately 65% have taken longer than anticipated, but are now at an advanced stage. We plan to create an industry-wide pool of beer kegs, and invite other users in the UK to join the pool and share in the gains in efficiency and savings from the pool. To facilitate the inclusion of other UK brewers, the 25% shareholding in TrenStar's UK subsidiary, Brewers Logistics International Ltd ('BLI'), previously held by Scottish Courage Ltd, was exchanged for a shareholding in TrenStar Inc, thus resulting in BLI becoming a wholly-owned subsidiary of TrenStar;
- Discussions with large brewers outside the UK, mainly in Europe, aimed at similar transactions in their areas are progressing well;
- In the US, the number of smaller beer brewers that obtain the kegs they use for distributing their products from the TrenStar fleet increased to over 100;
- A 10-year service agreement was concluded with the Chemical Division of Goodyear Tire and Rubber Company in the US. This provides for the purchase and supply of aluminum containers for the transportation of synthetic rubber and certain repair, maintenance and technology services, and has the potential to the agreement to Goodyear's existing fleet of these units. TrenStar is now positioned to seek to create a pool for use by other producers in this industry;
- In the US healthcare industry, trials of the TrenStar information management

system for the tracking and management of high-value medical equipment were successful and a pilot service agreement was concluded with the Bon Secours hospital group for the installation of the TrenStar system in three of its hospitals;
- In December 2003 TrenStar entered a joint venture with Lufthansa for a new company, Jettainer GmbH, to take over the air cargo containers used by Lufthansa and to manage and make them available to Lufthansa. Jettainer commenced operations on 1 January 2004. Initially, Lufthansa will own 67% and TrenStar 33% with the opportunity for TrenStar to increase its shareholding as the fleet grows in size. The business plan of Jettainer is to obtain containers from other airlines thus establishing an industry-wide pool for use by participating airlines.

TrenStar now has meaningful positions in the brewing, food and beverage, synthetic rubber, automotive, healthcare and air cargo industries. It counts amongst its customers Scottish Courage Breweries, Carlsberg-Tetley Brewing Company, Kraft, Goodyear, Burberry, Prada Stores, Lufthansa Cargo AG, ExxonMobil, Ford, Toyota, DaimlerChrysler and Dow Chemical.

This early progress reflects further market acceptance of TrenStar's business model. Coming at a time when customers seek greater efficiencies, better information management, outsourcing of non-core activities and lighter balance sheets, the TrenStar model, which allows clients to deploy our product while avoiding significant upfront implementation costs, is finding increasing acceptance.

Revenue grew from US$23,1 million in 2002 to US$39,7 million in 2003. Loss before net interest expense in 2003 was US$20 000 (2002: loss US$2,7 million). This improvement during what was only TrenStar's second full year of operation is pleasing. However, start-up costs and expenses associated with creating the infrastructure including highly qualified manpower to handle this growth, resulted in TrenStar not achieving our goal of contributing positively to earnings in 2003. We now anticipate that TrenStar will become profitable in the second half of 2004.

FUNDING OF TRENSTAR

In last year's annual report we noted TrenStar's need to raise additional capital to provide funding for further IT development and investment in asset purchase transactions where an element of equity would be required. New capital of US$33,5 million was raised during 2003/4. This included Trencor converting into equity its own shareholder loan of US$10,6 million and committing to invest an additional US$4,9 million. Carlyle Venture Partners, a Washington-based investment group with some US$16 billion of investment funds under management, invested US$17,5 million. Smaller investments came from manufacturers of products that will form part of TrenStar's asset fleets, such as beer kegs and other stainless steel containers. In the result, Trencor now holds 53% of TrenStar.

LONG-TERM RECEIVABLES

The aggregate amount of outstanding long-term receivables at 31 December 2003 was US$497 million (2002: US$539 million). The discount rate applied in the valuation of long-term receivables remains unchanged at 8,5% per annum, and the present value of these receivables before any valuation adjustments totalled R2,72 billion (2002: R3,74 billion). An exchange rate of US$1 = R6,62 was used to translate dollar amounts into rand at 31 December 2003 (2002: US$1 = R8,66). In compliance with the requirement of South African statements of Generally Accepted Accounting Practice, the resulting translation loss, amounting to R854 million at net present value (2002: loss of R1,4 billion), has been charged against income before tax.

The increase in the value of the rand resulted in a gain of R335 million (2002: R541 million) on translation of the dollar-denominated valuation adjustment against the receivables. The amount of the valuation adjustment in dollar terms remains unchanged; it is considered prudent to maintain the valuation adjustment at its existing level because the positive cash flow effects of the high fleet utilisations presently being enjoyed by container owners may be offset by current lower values of used container equipment which could have an effect on the ultimate collectability and timing of receipts from the long-term container export receivables.

At 31 December 2003, the net present value of long-term receivables after valuation adjustments amounted to R1,6 billion (2002: R2,3 billion) and the net present value of the amounts attributable to third parties, after adjustments, was R420 million (2002: R444 million).

TAC

The TAC group, in which Trencor has a 44% shareholding, currently owns about 228 000 TEU of dry freight containers of various types and more than 2 500 stainless steel tank containers, which are managed by a number of equipment managers. Textainer manages the largest portion of the TAC dry freight container fleet and Exsif Worldwide Inc manages most of the tank containers. During the year under review, container fleet utilisations (which vary between managers), were on average 85% across the whole fleet. Resale prices for used containers increased slightly during the year under review, but retirements from the fleets were markedly lower due to the continuing strong demand for containers. The stronger market, coupled with low new container prices, again made it attractive for TAC to purchase new containers during the year. Approximately 10 900 TEU of dry freight containers costing US$13,2 million were acquired during the year from manufacturers in China; these purchases were financed out of TAC's existing facilities. Virtually all of the new equipment was placed into long-term leases. The company will continue investing in new container equipment as long as it is economically viable to do so.

Amounts owing by TAC for containers acquired in the past from South Africa on extended credit terms are included in long-term receivables.

TANK CONTAINERS
www.trencortankcontainers.net

Following the closure of our dry freight marine container factory in Isithebe at the end of 1999, we reported from time to time that the future of our tank container manufacturing plant in Parow in the Western Cape would remain under constant review. Last year we advised that although the plant had entered 2003 with a good forward order position, the stronger rand could exert downward pressure on demand and rand-based margins. Since then, the strengthening rand has placed prices under severe pressure and the position was exacerbated by more aggressive pricing of new Chinese manufacturers. Thus it was no longer possible to keep the production line at our plant reasonably full at acceptable prices or to achieve a reasonable return.

We announced on 27 November 2003 that (subject to certain suspensive conditions) the equipment, machinery and intellectual property of the tank container plant would be sold effective 15 April 2004 to Chang Sheng Trading Co Inc, a Chinese container manufacturer. These conditions have been fulfilled, and the sale will be implemented upon completion of all existing orders. The purchaser intends shipping the equipment and machinery to China. As a result, manufacturing activities at the tank container plant will cease and the factory will be closed. The sale does not include the land and buildings that house the factory and we will seek a purchaser for these assets.

Taking into account the costs and write-downs associated with the closure, as well as the sale proceeds and prior provisions, the group did not suffer any losses as a result of the closure. The disposal will not have an effect on earnings, save for avoiding the continuation of losses suffered in the past in respect of this manufacturing operation.

TRAILERS

With effect from 1 December 2001, Trencor's trailer manufacturing business was merged with the trailer businesses of the SA Truck Bodies Group in exchange for a 40% shareholding in the merged entity, Marlio Beleggings Sewe (Pty) Ltd. As anticipated at the time, the merger created a more sustainable operation with increased financial strength and improved profitability, and the merged entity has become a major force in the Southern African trailer manufacturing and retailing industry. During the year to 31 December 2003, the business continued to trade satisfactorily and to make a positive contribution to group earnings.

Subsequent to the year-end the 60% shareholder in Marlio Beleggings Sewe exercised its option to acquire Trencor's 40% interest.

PROPERTY INTERESTS

Trencor has a 15% interest in the companies that own the land at and operate Grand Central Airport and a 31% interest in a property development in Midrand known as Midrand Town Centre. These interests are regarded as non-core investments and we intend disposing of them when a suitable opportunity arises. Due to the state of the property market in that area, this was not possible during the year under review.

Our aggregate exposure to these property interests is R20 million. The airport continues to provide satisfactory returns on our investment and the Midrand Town Centre is substantially let, producing a good positive cash flow.

FINANCE

The principal financial ratios at 31 December 2003 and the comparative figures for 2002 are reflected in the table below. In order to demonstrate the impact of the consolidation of Textainer Group Holdings Ltd and Brewers Logistics International Ltd ('BLI'), the wholly-owned subsidiary of TrenStar Inc which at year-end owned the beer keg fleets used by two major UK brewers, the ratios are also stated on the basis of notionally accounting for Trencor's interests in these companies using the equity accounting method. It should be noted that Textainer's liabilities are secured by its own balance sheet and without recourse to Trencor. In the case of BLI, its liabilities are ring-fenced and without recourse to Trencor or to TrenStar.

	2003	2002
RATIO TO THE AGGREGATE OF TOTAL SHAREHOLDERS' FUNDS AND CONVERTIBLE DEBENTURES:		
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES		
– WITH TEXTAINER AND BLI CONSOLIDATED	227%	265%
– WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	71%	85%
INTEREST-BEARING LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES		
– WITH TEXTAINER AND BLI CONSOLIDATED	174%	205%
– WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	24%	38%
CURRENT RATIO (TIMES)		
– WITH TEXTAINER AND BLI CONSOLIDATED	0,9	0,9
– WITH TEXTAINER AND BLI NOTIONALLY EQUITY ACCOUNTED	0,9	0,9

As at 31 December 2003, the capital owing on the US dollar-denominated loan raised in 2002 was US$32 million (2002: US$48 million). The loan, originally US$56,3 million, is repayable in equal quarterly instalments of US$4 027 500 each, the final instalment being due for payment on 20 October 2005. The outstanding balance bears interest at LIBOR plus 1,95% per annum. The effective interest rate payable at 31 December 2003 was 3,06% per annum.

Capital expenditure during the year amounted to R831,7 million, of which R136 million was incurred by TrenStar (including BLI), and R687 million by Textainer in replacing and expanding its fleet of containers. These amounts were all funded out of existing facilities.

CORPORATE GOVERNANCE

Trencor endorses the Code of Corporate Practices and Conduct in the King II Report on Corporate Governance. Ongoing enhancement of corporate governance principles is a global movement, fully supported by the board which, together with senior management, will continue to adopt, as appropriate, existing and new principles which advance good corporate governance and add value to the group's business activities.

The board is of the opinion that the group has, in all material respects and where relevant, complied with the Code during the year under review.

The salient features of the group's corporate governance are set out below.

BOARD OF DIRECTORS

COMPOSITION

The names of the directors appear on page 3.

The board currently comprises eight directors, three of whom are executive and five non-executive of which four qualify as independent non-executive directors in terms of the King II Report. The directors have considerable experience and an excellent understanding of the group's business.

During the first half of the year, a board effectiveness review was conducted and certain comments in regard to the composition of the board were referred to the nomination committee for consideration. Further board effectiveness reviews will be conducted as and when the board deems it necessary.

Nominations for appointment to the board are submitted to the nomination committee and then to the full board for consideration.

Brief résumés of the directors are published on page 57.

CHAIRMAN/CEO

The roles of chairman and chief executive officer were, with the full support of all board members, combined until 23 December 2003, when the chairman relinquished the position of CEO.

The board is satisfied that no one individual or block of individuals has undue power on decision-making. It is the intention of the board to appoint a lead non-executive director.

PROFESSIONAL ADVICE

All directors have access to the company secretary and management and are entitled to obtain independent professional advice, at the company's expense, if required and considered to be in the interest of the group and approved by the board.

MEETINGS

The board meets regularly on a scheduled quarterly basis and at such other times as circumstances may require. During the year ended 31 December 2003, there were no unscheduled meetings and of the four scheduled meetings held, all members attended in person or by video link.

Board papers are timeously issued to all directors prior to each meeting and contain relevant detail to inform members of the financial and trading position of the company and each of its operating subsidiaries.

The chairman also meets with non-executive directors, either individually or collectively, on an ad-hoc basis to apprise them of any significant matters that may require their input and guidance. In addition, the independent non-executive directors hold separate meetings as and when they deem it appropriate.

DIRECTORS' SERVICE CONTRACTS

None of the directors are bound by any service contracts. All executive directors have an engagement letter which provides for a notice period of between one and three months to be given by either party.

In terms of the articles of association, not less than one-third of the directors are required to retire by rotation at each annual general meeting of the company and may offer themselves for re-election. The appointment of new directors during the year is required to be confirmed at the next annual general meeting and such new directors are required to retire at such annual general meeting, but may offer themselves for re-election.

DIRECTORS' REMUNERATION

The remuneration paid to the directors during the years ended 31 December 2003 and 2002 was as follows:

2003	GUARANTEED REMUNERATION INCL. ALLOWANCES R	CONTRIBUTIONS TO MEDICAL AND RETIREMENT FUNDS R	INCENTIVE BONUSES R	OTHER BENEFITS R	TOTAL REMUNERATION R
NON-EXECUTIVE DIRECTORS					
H A GORVY	50 000	–	–	–	50 000
J E HOELTER	886 685	–	–	–	886 685
C JOWELL[1]	591 266	56 801	117 600	–	765 667
D M NUREK	75 000	–	–	–	75 000
	1 602 951	56 801	117 600	–	1 777 352
EXECUTIVE DIRECTORS					
N I JOWELL	1 427 100	22 956	294 000	–	1 744 056
J E McQUEEN	1 591 296	161 642	–	–	1 752 938
H R VAN DER MERWE	2 105 495	218 326	200 000	81 717	2 605 538
	5 123 891	402 924	494 000	81 717	6 102 532
AGGREGATE REMUNERATION 2003	6 726 842	459 725	611 600	81 717	7 879 884

[1] Part-time executive until 23 December 2003.
No fees are paid for services as director.

2002	GUARANTEED REMUNERATION INCL. ALLOWANCES R	CONTRIBUTIONS TO MEDICAL AND RETIREMENT FUNDS R	INCENTIVE BONUSES R	OTHER BENEFITS R	TOTAL REMUNERATION R
NON-EXECUTIVE DIRECTORS					
A M BROWN[1]	930 642	23 537	–	–	954 179
H A GORVY	45 000	–	–	–	45 000
J E HOELTER[2]	50 517	–	–	–	50 517
D M NUREK	60 000	–	–	–	60 000
G M C RYAN[3]	–	–	–	–	–
	1 086 159	23 537	–	–	1 109 696
EXECUTIVE DIRECTORS					
C JOWELL[4]	567 169	58 703	140 000	–	765 872
N I JOWELL	1 477 354	22 646	350 000	10 000	1 860 000
J E McQUEEN	1 456 290	144 439	–	17 500	1 618 229
H R VAN DER MERWE	1 906 750	202 587	–	86 717	2 196 054
	5 407 563	428 375	490 000	114 217	6 440 155
AGGREGATE REMUNERATION 2002	6 493 722	451 912	490 000	114 217	7 549 851

[1] Part-time executive, resigned 19 November 2002.
[2] Appointed 2 December 2002.
[3] Resigned 6 March 2002.
[4] Part-time executive.
No fees are paid for services as director.

SHARE OPTIONS

The following share options in terms of The Trencor Share Option Plan have been granted to and accepted by executive directors and/or their family trusts, effective 30 June 2001:

	NUMBER OF SHARES AT 31/12/2003	OFFER PRICE PER SHARE	EXERCISABLE AS FOLLOWS BETWEEN	AND
J E McQUEEN	250 000	R5,25	11/07/02	30/06/09
	250 000	R5,25	30/06/03	30/06/09
	500 000	R5,25	30/06/04	30/06/09
	1 000 000			
H R VAN DER MERWE	400 000	R5,25	11/07/02	30/06/09
	400 000	R5,25	30/06/03	30/06/09
	800 000	R5,25	30/06/04	30/06/09
	1 600 000			

No options were granted during the year and none of the above options have been exercised.

DIRECTORS' INTERESTS

The number of shares held by the directors in the issued share capital of the company, other than indirect interests through Mobile Industries Ltd, at 31 December 2003 and 2002 were as follows:

	BENEFICIAL		NON-BENEFICIAL		TOTAL
	DIRECT	INDIRECT	DIRECT	INDIRECT	
H A GORVY	–	–	–	–	–
J E HOELTER	–	–	–	–	–
C JOWELL	41 210	20 904	–	–	62 114
N I JOWELL	41 808	20 904	–	–	62 712
J E McQUEEN	49 649	102 133	–	–	151 782
D M NUREK	–	–	–	–	–
H R VAN DER MERWE	–	–	–	–	–
	132 667	143 941	–	–	276 608

None of the directors held any interest in the 6% convertible debentures in issue in the company (2002: nil).

Mr J E Hoelter has an indirect beneficial interest in 1 038 873 shares (2002: 1 038 873 shares) representing 5,5% (2002: 5,6%) in the issued common stock of Textainer Group Holdings Ltd, Trencor's 73% (2002: 74%) subsidiary.

Mr E Oblowitz, who was appointed as a director after the year-end, has no holding in the issued securities of the company.

SUB-COMMITTEES OF THE BOARD

Several sub-committees exist, each with specific terms of reference, to assist the board in discharging its responsibilities. The names of the members of the sub-committees appear on page 3.

NOMINATION COMMITTEE

During 2002 the board appointed a nomination committee, comprising two non-executive directors and the chairman to identify and recommend to the board, suitable competent candidates for appointment as independent non-executive directors. On 23 December 2003, Mr C Jowell was appointed to serve on the committee in the place of Mr N I Jowell. On a proposal by the committee, the board appointed Mr E Oblowitz as an independent non-executive director with effect from 3 March 2004.

The composition of this committee, as well as the other sub-committees of the board, is reviewed on an ongoing basis.

The committee meets on an ad-hoc basis. During the year, the committee held three meetings which were attended by all members.

EXECUTIVE COMMITTEE

The executive committee, comprising the three executive directors and one non-executive director, meets formally on a monthly basis and informally on a weekly basis. During the year, eleven formal monthly meetings were held which were attended by all members.

This committee has the authority of the board, which is subject to annual review, to take decisions on matters involving financial risk management and matters requiring immediate action (subject to the approval of the committee chairman or his nominee) and passing of enabling resolutions, which:

- do not have major policy implications for the group, or
- have been discussed with and the support obtained from a majority of board members, save that any dissenting director has the right to call a board meeting, or
- if requiring significant capital expenditure, are in the normal course of business of the existing divisions and operations of the group.

AUDIT COMMITTEE

An audit committee, formally established by the board in the early 1990s, presently consists of four independent non-executive directors and normally meets at least twice a year, prior to the finalisation of the group's interim results and reviewed annual results, and at such other times as may be required. The committee is primarily responsible for assisting the board in carrying out its duties in regard to accounting policies, internal controls and audit, financial reporting, identification and monitoring of risk, and the relationship with the external auditors.

In addition to the committee members, the chairman of the board, the financial director and certain other group executives are normally invited to attend meetings of the committee. The external auditors attend all meetings and have direct and unrestricted access to the audit committee at all times.

During the year, the committee met on two occasions. The meetings were fully attended by the members.

The audit committee is satisfied that the external auditors are independent in the discharge of their duties. The use of the services of the external auditors for significant non-audit services is considered by the committee on an ad-hoc basis.

The main group operating entities, Textainer Group Holdings Ltd and TrenStar Inc, each have their own audit committees comprising persons who are not executives within those entities. These committees submit minutes and reports to the Trencor audit committee after each meeting. The external auditors of these group entities have direct and unrestricted access to the respective audit committees.

The internal audit function is primarily outsourced to suitably qualified independent external parties which are contracted on an ad-hoc basis to perform certain internal audit functions in terms of specified terms of reference and to report thereon to the executive committee and, if required, the main audit committee. The internal auditors have direct and unrestricted access to the respective audit committees.

REMUNERATION COMMITTEE

The remuneration committee of the board has been in existence since the early 1990s and was formalised in 1996. It reports directly to the board and comprises one independent non-executive director as committee chairman and the chairman of the board. The committee's task is to review the compensation of executive and non-executive directors and senior management and to grant options, upon recommendations from the board, in terms of The Trencor Share Option Plan. Members of the remuneration committee are not eligible for participation under The Trencor Share Option Plan.

During the year, two committee meetings were held, which were attended by both members.

The committee may, if required, seek the advice of external independent consultants.

SUCCESSION PLANNING

During the year under review, the nomination committee and the board received a report on succession planning at the group's major subsidiaries and at Trencor. The board is satisfied that adequate succession planning is in place.

BOARD AND BOARD COMMITTEE CHARTERS

The board is ultimately accountable and responsible for the performance and affairs of the company. In essence, it provides strategic direction to the group, monitors and evaluates operational performance and executive management of the company and its subsidiary and associate companies, determines policies and processes to ensure effective risk management and internal controls, determines policies regarding communication and is responsible for ensuring an effective composition of the board.

Formal detailed terms of reference for the nomination, executive, audit and remuneration sub-committees have been approved and formally implemented and are reviewed by the board on a regular basis.

RISK MANAGEMENT

Responsibility for managing the company's risk lies ultimately with the board of directors. However, the executive committee and management at operating levels assist the board in discharging its responsibilities in this regard by identifying, monitoring and managing risk on an ongoing basis and within the authority conferred upon them by the board. The identification and mitigation of risk is a key responsibility of management throughout the group and of the executive committee.

The following significant risk exposures within our businesses and the possible impacts and the measures taken to mitigate such risks have been identified:

EXCHANGE RATE FLUCTUATIONS

Most of our businesses are dollar-based and, accordingly, changes in the R/US$ exchange rate can and do significantly affect the translation of assets, liabilities and profits into South African currency. As noted previously, Trencor converted all of its rand borrowings into US dollar loans. These loans are repayable out of the proceeds from the collection of the long-term dollar export receivables and are thus effectively hedged. The long-term export receivables are all denominated in US dollars. The board has decided that these receivables should remain in dollars and should not be hedged into any other currency, save that the executive committee is authorised to sell limited amounts due to be collected forward, into rand, if it believes that it would enhance the rand receipts to do so. Unrealised gains and losses arising on the translation at reporting dates of the "unhedged" portion of the long-term receivables are included in income and changes in the R/US$ exchange rate results in volatility in earnings.

INTEREST RATES

Virtually all of the group's borrowings are denominated in foreign currency, principally US dollars. Textainer has a firm policy that long-term lease business should be financed with fixed rate debt and master lease (short-term) business should be financed with floating rate debt. Interest on loans raised to purchase containers leased out under long-term leases (usually of five years' duration at fixed rates) is swapped into fixed interest rate contracts of a similar term, while loans raised to purchase containers for master lease (leases of shorter term) are at variable rates. Furthermore, the company enters into interest-rate cap contracts to guard against unexpected increases in interest rates on such variable interest-rate loans. During 2002, Trencor effectively converted all of its rand-based debt into dollars by drawing down against a Letter of Credit facility granted by its foreign banks. The interest rate profiles in South Africa and the US made it beneficial for Trencor to have these borrowings in US dollars (bearing interest at a rate of approximately 3,06% per annum at 31 December 2003) rather than in rands.

DECREASE IN CONTAINER FLEET UTILISATION

A decline in utilisation, for example, due to a reduction in world trade or in container traffic on particular routes or an oversupply of competitors' containers, could result in reduced revenue, increased storage expenses and thus lower income. In order to reduce volatility in revenue and earnings, Textainer has increased the proportion of its overall fleet on long-term lease to 62% of the total. 78% of Textainer's owned containers are on long-term lease. Textainer has also developed a very active used-container trading operation and thus has an effective infrastructure to dispose of containers that have reached the end of their economic lives on the best available terms.

CONTAINER OFF-HIRES IN LOW DEMAND LOCATIONS

A build up of off-hire containers in low demand locations where they cannot easily be on-hired again, could lead to decreased utilisation, reduced revenue, higher storage costs and the possibility of having to ship the equipment, at considerable cost, to positions where they can be leased out. To reduce this exposure, Textainer is increasingly placing containers into long-term leases and also negotiating more favourable lease terms that limit the number of containers which lessees may off-hire in low demand areas. It also regularly repositions containers from low to high demand locations.

NEW CONTAINER PRICES

Changes in the prices of new container equipment have an impact on lease rates. In general, declining new container prices lead to softening in rates, while increasing prices may result in upward pressure on lease rates.

DECLINING RESIDUAL VALUES OF CONTAINERS

The ultimate return from the ownership of a container will depend, in part, upon the residual value at the end of its economic life. The market value of a used container depends upon, among other things, its physical condition, supply and demand for containers of its type and remaining useful life in relation to the cost of a new container at the time of disposal and the location where it will be sold. A decline in residual values of containers can adversely affect returns from container ownership and cash flows.

DECREASE IN ACTIVITY – EFFECT ON LONG-TERM RECEIVABLE COLLECTIONS

Declines in lease rates, utilisation and residual values of equipment in the container industry can adversely affect the cash flows of container owners and could impair the ability of these companies to meet their obligations to the group and its export partners under the long-term export contracts. Trencor's in-depth understanding of the industry and many of the main participants enable the company to closely monitor the activities of these entities and, where necessary, take whatever actions may be required to protect the group's and its export partners' interests. This notwithstanding, adverse conditions in the industry in recent years have necessitated the company making significant valuation adjustments to recognise the changes in the timing and possible non-receipt of instalments due under these long-term export funding contracts.

RISK AREAS IN TRENSTAR'S ACTIVITIES

TrenStar partly relies on information systems that support the core functions of managing asset movements. Accurate tracking of returnable packaging units between depots and various manufacturers and suppliers within the supply chain is necessary to (a) provide customers with added value in the form of visibility of returnable packaging units, (b) ensure that transaction costs are correctly apportioned between the various users of the service and (c) to bill clients accurately and efficiently. The TrenStar mobile asset management system is a web-enabled tool that translates physical movements into billing and location data that is then passed through to the ERP system for further financial processing. Typical risk areas associated with enterprise systems such as

TrenStar are within the domains of application and database design, technical architecture, software development methodology, configuration management, information security and IT continuity/disaster management.

SOUTH AFRICAN REVENUE SERVICE ('SARS') TAX QUERY

The very protracted enquiry by SARS into the tax treatment of Trencor and its export partners in the long-term credit container export business has entered its sixth year. The tax principles underlying the tax treatment of the participation of our partners in this export trade have been the subject of numerous supportive legal opinions, including from various Senior Counsel, over many years. We remain confident that the extensive legal advice received and the history built up over two decades of trading will prevail should SARS seek to challenge the tax treatment. A successful challenge by SARS may result in the acceleration of the payment of certain amounts attributable to third parties (ie our export partners) which are carried at their net present values, and which would otherwise be paid over periods of up to twelve years. Such an outcome would have an adverse effect on the cash flow and profitability of the group. It is not possible to quantify these effects, as it is not known what form any possible challenge from SARS may take. Details of amounts attributable to third parties arising from this export trade appear in note 10.4 to the financial statements.

INFORMATION RESOURCES MANAGEMENT

The proliferation of internet-based business activities has over the past few years prompted a spate of new legislation that has necessitated various actions to maintain compliance while protecting the interests of the company. The changing legal environment has made it necessary to monitor the legal implications of transacting electronically. Structures are in place to track developments and establish appropriate responses as required.

INFORMATION SECURITY

Compliance with legislative requirements contributes towards the protection of corporate information, but in itself only addresses a small part of the total number of threats posed to the business arising from its dependencies on information technology and the internet. Security policies and procedures for employees and the use of technologies such as enterprise and personal firewalls, antivirus systems, intrusion monitoring and detection are applied, as well as frequent application of software security "patches" issued by vendors as and when vulnerabilities are discovered.

BUSINESS CONTINUITY

Trencor head office has established procedures that when invoked enable a complete recovery of the IT network and business systems within specified time limits. Textainer and TrenStar have their own business continuity plans.

GROUP STRATEGY

During 2002 the board reconfirmed the strategy statement of the group and issued the following statement:

1. The Trencor group's business is to enable the controlled movement of goods by providing and integrating the use of equipment, services, knowledge and information.
2. We aim to do this by:
   - concentrating on managing/leasing of assets owned by others and by ourselves through providing a global and integrated set of offerings;
   - the increasing use of, and investment in, information technology, business to business e-commerce and other forms of information management and electronic trading;
   - remaining in the business of asset-owning, subject to aggressively testing key underlying assumptions, and only adding to ownership where the business risks inherent therein can be reasonably assessed and are on the lower side;
   - remaining involved in manufacturing from a financial perspective rather than a strategic one.
3. It is emphasised that this strategy is intended to contribute to the improvement of those existing businesses already involved in the movement of goods, and to include in our activities businesses in the supply chain that have the potential to render higher returns.

CODE OF ETHICS

The board, management and staff agreed a formal code of ethical conduct in 1998 which seeks to ensure high ethical standards. All directors, managers and employees are expected to strive at all times to adhere to this code, and to enhance the reputation of the group. The code has been signed by all directors, managers and senior employees and is reconfirmed at least every two years.

Any transgression of the code is required to be brought to the attention of the audit committee.

RESTRICTION ON TRADING IN SECURITIES

A formal policy, implemented some years ago, prohibits directors, officers and employees from dealing in the company's securities and those of Mobile Industries Ltd, from the date of the end of an interim reporting period until after the interim results have been published and similarly from the end of the financial year until after the reviewed annual results have been published. Directors and employees are reminded of this policy prior to the commencement of any restricted period.

In addition, no dealing in the company's securities is permitted by any director, officer or employee whilst in possession of information which could affect the price of the company's securities and which is not in the public domain.

Directors of the company and of its subsidiaries are required to obtain clearance from Trencor's chairman prior to dealing in the company's securities, and to timeously disclose to the company full details of any transaction for notification to and publication by the JSE Securities Exchange South Africa.

INFORMATION RESOURCES

Trencor, like other organisations, is reliant on information technology to effectively and efficiently conduct its business. The group's IT systems, policies and procedures are reviewed on an ongoing basis to ensure that effective internal controls are in place to manage risk and promote efficiencies, and as far as possible to comply with universally accepted standards and methods, such as (amongst others) CobiT (Control Objectives for Information Technology Resources), as endorsed by the IT Governance Institute.

STAKEHOLDER COMMUNICATION

Members of the executive committee of the board meet on an ad-hoc basis with institutional investors, investor analysts, individuals and members of the financial media. Discussions at such meetings are restricted to matters that are in the public domain.

Shareholders are informed, by means of press announcements and releases in South Africa and/or printed matter sent to such shareholders, of all relevant corporate matters and financial reporting as required in terms of prevailing legislation. In addition, such announcements are communicated via a broad range of channels in both the electronic and print media. The company maintains a corporate website (http://www.trencor.net) containing financial and other information, including interactive interim, reviewed and annual results. The site has links to the websites of each major operating subsidiary company.

EMPLOYMENT EQUITY

In compliance with the Employment Equity Act, the group's South African operating entities have each developed their own employment equity policies and plans in consultation with their employees. The elected employment equity committees at the respective operations are responsible for ensuring and monitoring the achievement of the employment equity goals within their business units.

TRAINING

Skills development committees at each South African operation are charged with the responsibility to comply with the requirements of the Skills Development Act, so as to develop and improve the knowledge, skills and capabilities of their employees as far as is reasonably possible.

SAFETY, HEALTH AND ENVIRONMENT

The group is committed to providing and maintaining a safe and healthy risk-free working environment and continually strives to prevent workplace accidents, fatalities and occupational health and safety related incidents.

At 31 December 2003 the group had 702 employees (2002: 687) of which 341 (2002: 343) were based in South Africa and 361 (2002: 344) outside South Africa.

Based on the existing demographics of the group's staff complement and the various geographical locations throughout the world, the board is of the opinion that the impact on the group as a result of the HIV and AIDS epidemic within South Africa and elsewhere, although unquantifiable at this time, will not be significant.

There are no significant environmental impact issues caused by the group's operations and all group entities are, where relevant, at the very least fully compliant with the environmental legislation in their particular jurisdictions.

ACCESS TO INFORMATION

The company and all of its South African subsidiaries are compliant with the provisions of the Promotion of Access to Information Act. The manual in terms of this legislation is available from the registered office of the company and on the company's website.

FINANCIAL INTELLIGENCE CENTRE ACT

Group companies within South Africa are in the process of ensuring that all administrative measures will be in place prior to the coming into operation of the anti-money laundering regulations of the Financial Intelligence Centre Act on 1 July 2004.

COMMUNITY INVESTMENTS

Financial support is primarily allocated to selected educational institutions and assistance in the form of bursaries is granted to students without employment obligations. The group also assists various community and welfare organisations.

DECLARATION BY THE COMPANY SECRETARY

It is hereby certified that for the year ended 31 December 2003, the company has lodged, with the Registrar of Companies, all returns as are required by a public company in terms of the Companies Act in South Africa and that such returns are true, correct and up to date.

TRENCOR SERVICES (PTY) LTD
SECRETARIES
PER: G W NORVAL
CAPE TOWN 30 MARCH 2004

TRENCOR LIMITED AND SUBSIDIARIES ANNUAL FINANCIAL STATEMENTS

RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The board of directors is responsible for the preparation of financial statements, on a consistent basis and supported by reasonable and prudent judgements and estimates, that fairly present the state of affairs of the company and of the group in accordance with South African statements of Generally Accepted Accounting Practice, the South African Companies Act and the Listings Requirements of the JSE Securities Exchange South Africa.

The board is satisfied that adequate internal accounting controls and systems are maintained, aimed at providing reasonable assurance that assets are adequately safeguarded, based on established policies and procedures implemented by competent personnel who are required to maintain the highest ethical standards at all times.

GOING CONCERN STATEMENT

The annual financial statements of the company and of the group for the year ended 31 December 2003 are prepared on the going concern basis. In the opinion of the directors, the company and the group will continue as a going concern for the foreseeable future.

BOARD APPROVAL

The annual financial statements and group annual financial statements for the year ended 31 December 2003, which have been approved by the board of directors, are attached:

PAGE	
18	Directors' report
21	Balance sheets
22	Income statements
23	Statements of changes in shareholders' equity
24	Cash flow statements
25	Notes to the financial statements

Signed on behalf of the board

N I JOWELL CHAIRMAN

D M NUREK DIRECTOR
CAPE TOWN 30 MARCH 2004

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF TRENCOR LIMITED

We have audited the annual financial statements and group annual financial statements of Trencor Limited, as set out on pages 18 to 51, for the year ended 31 December 2003. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements.

SCOPE

We conducted our audit in accordance with South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

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

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 31 December 2003 and the results of their operations and cash flows for the year then ended, in accordance with South African statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

KPMG Inc.

KPMG INC
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (SA)
CAPE TOWN 30 MARCH 2004

GENERAL REVIEW

The nature of the company's business is described on page 1. The financial results are reflected in the financial statements on pages 21 to 51.

The net loss attributable to the various classes of business of the group was as follows:

	2003 RM	2002 RM
CONTAINER OPERATIONS		
SALES AND FINANCE	56,7	237,9
TEXTAINER	161,2	124,7
EXCHANGE RATE LOSSES	(598,1)	(994,3)
NET LONG-TERM RECEIVABLE ADJUSTMENT	234,6	381,6
SUPPLY CHAIN MANAGEMENT SERVICES	(68,2)	(91,3)
TRAILERS	5,5	1,3
INTEREST AND OTHER CORPORATE ITEMS	48,1	2,1
EXCEPTIONAL ITEMS – CONTINUING OPERATIONS	70,0	(30,4)
– DISCONTINUING OPERATIONS	(8,3)	(1,6)
	(98,5)	(370,0)

DIRECTORS AND SECRETARY

The names of the directors appear on page 3 and that of the secretary on page 56. Mr E Oblowitz was appointed as an independent non-executive director with effect from 3 March 2004.

In terms of the articles of association Messrs H A Gorvy, C Jowell and H R van der Merwe retire by rotation at the forthcoming annual general meeting and Mr E Oblowitz, who was appointed after the preceding annual general meeting, also retires. These retiring directors are eligible and offer themselves for re-election.

Brief résumés of the directors are presented on page 57.

DIRECTORS' INTERESTS

The aggregate of the direct and indirect interests of the directors in the issued securities of the company at 31 December 2003 and 2002 were as follows:

	2003	2002
BENEFICIAL %	13,6	13,7

The direct and indirect interests of each director who held in excess of 1% of the issued securities at 31 December 2003 and 2002 were as follows:

BENEFICIAL %	2003	2002
C JOWELL	6,7	6,7
N I JOWELL	6,8	6,9

The above dilutions are as a result of the increase in the number of issued shares following the exercise of options in terms of The Trencor Share Option Plan. There have been no changes in these interests between the financial year-end and the date of this report.

INCOME TAX QUERIES

As previously reported, during September and October 1999 the South African Revenue Service ('SARS') issued queries to some of the group's export partners relating to the tax treatment of their participation in the container export trade through export partnerships. The process is continuing but it is not possible to anticipate when this matter will be concluded.

The income tax principles underlying the tax treatment of the participation of our partners in the export trade have been the subject of a number of supportive legal opinions, including from various Senior Counsel, and we remain confident that the legal advice received will prevail should SARS seek to challenge the tax treatment.

A successful challenge by SARS may result in the acceleration of the payment of certain amounts attributable to third parties (ie our export partners) which are carried at their net present values and which would otherwise be paid over periods of up to twelve years. Such an outcome would have an adverse effect on the cash flow and profitability of the group. It is not possible to quantify these effects as it is not known what form any possible challenge from SARS may take. Details of the total amounts owing to our export partners and the net present value thereof are the amounts reflected as attributable to third parties in note 10.4 to the financial statements.

DIVIDENDS

The board of directors has decided not to declare a dividend at this time.

6% CONVERTIBLE DEBENTURE INTEREST PAYMENTS

PAYMENT NUMBER	RECORD DATE	PAYMENT DATE	AMOUNT PER DEBENTURE	TOTAL
			CENTS	RM
23	20/06/03	30/06/03	27,3	7,8
24	19/12/03	31/12/03	27,3	7,8

STRATE

Holders of securities are again reminded that paper certificates are no longer good for delivery and those who have not yet dematerialised their holdings are urged to surrender their paper certificates to a selected Central Securities Depository Participant, bank or qualifying stockbroker for conversion into an electronic record, to render them eligible for settlement in the STRATE system of electronic settlement on the JSE Securities Exchange South Africa.

CORPORATE GOVERNANCE

The report on corporate governance is presented on pages 11 to 16.

INTEREST IN MATERIAL SUBSIDIARIES

	ISSUED CAPITAL '000	EFFECTIVE INTEREST 2003 %	EFFECTIVE INTEREST 2002 %	SHARES AT COST OR VALUATION 2003 RM	SHARES AT COST OR VALUATION 2002 RM	AMOUNT OWING TO COMPANY 2003 RM	AMOUNT OWING TO COMPANY 2002 RM
INDIRECT:							
TEXTAINER GROUP HOLDINGS LTD (INCORPORATED IN BERMUDA)	US$190	73 [1]	74	–	–	–	–
OWNING, LEASING-OUT AND MANAGING OF CONTAINERS							
TRENSTAR INC (INCORPORATED IN DELAWARE, USA)	US$29 551	53 [2]	61	–	–	–	–
OWNING AND LEASING-OUT OF RETURNABLE PACKAGING UNITS, TRACKING AND MOBILE ASSET MANAGEMENT SOLUTIONS							
DIRECT:							
TRENCOR CONTAINER HOLDINGS (PTY) LTD (INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA)	R4 200	100	100	50,7	50,7	–	–
MANUFACTURING							
TRENCOR SERVICES (PTY) LTD (INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA)	R595	100	100	1 003,6	923,9	129,0	124,9
EXPORTING AND FINANCING OF CONTAINERS AND MANAGEMENT SERVICES							
TRENCOR SOLUTIONS (PTY) LTD (INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA)	R3	100	100	9,0	9,0	–	–
MANUFACTURING AND RENTAL OF MINI-CONTAINERS,							
TRACKING AND MOBILE ASSET MANAGEMENT SOLUTIONS							
				1 063,3	983,6	129,0	124,9
AGGREGATE OF OTHER SUBSIDIARIES				1,3	1,3	–	–
				1 064,6	984,9	129,0	124,9

[1] PURSUANT TO THE EXERCISE OF OPTIONS IN TERMS OF THE TEXTAINER SHARE OPTION PLAN, TRENCOR'S INTEREST HAS BEEN DILUTED TO 73%.
[2] PURSUANT TO THE CAPITAL RAISING BY TRENSTAR, TRENCOR'S INTEREST HAS BEEN DILUTED TO 53%.

A complete list of subsidiary companies is available on request. The interest of the company in their aggregate profits and losses after taxation is as follows:

	2003 RM	2002 RM
PROFITS	284,0	129,3
LOSSES	(382,1)	(465,1)
	98,1	(335,8)

SPECIAL RESOLUTION

At the annual general meeting held on 23 May 2003, shareholders passed a special resolution, which was registered on 30 May 2003, to grant the company a general authority for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority is valid until the earlier of the next annual general meeting, provided that it shall not extend beyond fifteen months from the date of passing of the resolution or revocation of such general authority by special resolution by any subsequent general meeting of the company.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

During the year under review, Trencor Solutions (SA) (Pty) Ltd passed a special resolution to change its name to TrenStar SA (Pty) Ltd, which became effective on 13 January 2003. No special resolutions were passed by the company's other South African subsidiaries during the year under review.

Resolutions of material interest passed by the company's non-South African subsidiaries during the year under review were as follows:

PASSED BY	SUBJECT	EFFECTIVE DATE
KTP LTD	CHANGE OF NAME TO TRENSTAR UK LTD	21 MAY 2003
TRENSTAR INC	ADOPTION OF AN ENTIRELY NEW CERTIFICATE OF INCORPORATION (I.E. ARTICLES OF ASSOCIATION)	8 SEPTEMBER 2003

MAJOR TRANSACTIONS

During the year under review, the following major transactions were concluded:

- TrenStar Inc raised US$33,5 million in its first institutional round of financing to expand its mobile asset management solutions business. Just more than half of the funding came from Carlyle Venture Partners, the venture capital arm of The Carlyle Group, a US-based global private equity firm with more than US$16 billion under management, and the balance from other strategic investors and Trencor. After the funding, the largest shareholders of TrenStar are Trencor with 53% (reduced from 61%) and The Carlyle Group with 20%.
- It was announced on 27 November 2003 that Trencor's wholly-owned subsidiary, Trencor Containers (Pty) Ltd, had resolved that (subject to certain suspensive conditions) the equipment, machinery and intellectual property of its stainless steel tank container manufacturing facility at Parow, Cape Town, be sold effective 15 April 2004 to a Chinese container manufacturer. The sale excludes the land and buildings that house the factory. Subsequent to the year-end, these conditions were fulfilled and the manufacturing activities will cease and the factory will be permanently closed. The sale allows for the completion of all existing tank container orders.

TERMINATION OF EXECUTIVE SHARE PURCHASE SCHEME

During 2002 the board resolved that the Executive Share Purchase Scheme introduced in 1983, which had become outdated and which had not had any participants for some years, be terminated and that the 156 992 Trencor shares held by the Trust in terms of the Scheme be sold at an appropriate time. On 22 October 2003, these shares were sold at the ruling market price of R10,30 per share. The surplus funds remaining in the Trust will be distributed in terms of the provisions of the Trust Deed.

THE TRENCOR SHARE OPTION PLAN

In terms of The Trencor Share Option Plan, options were granted effective 30 June 2001 to certain executive directors and employees amounting in aggregate to 6 340 000 ordinary shares in the unissued share capital of the company.

In October 2002 options in respect of 202 500 shares were exercised at the offer price of R5,25 per share.

In September 2003 options in respect of a further 470 000 shares were exercised at the offer price of R5,25 per share and, accordingly, the issued share capital of the company was increased to R767 573 comprising 153 514 592 ordinary shares of 0,5 cent each, by the allotment and issue of an additional 470 000 shares.

In December 2003 options in respect of 125 000 shares were exercised at the offer price of R5,25 per share and, accordingly, the issued share capital of the company was increased to R768 198 comprising 153 639 592 ordinary shares of 0,5 cent each, by the allotment and issue of an additional 125 000 shares.

MAXIMUM SHARES AVAILABLE FOR UTILISATION UNDER THE PLAN AT THE BEGINNING OF YEAR	9 094 209
OPTIONS GRANTED DURING THE YEAR (WHETHER EXERCISED OR UNEXERCISED)	NIL
MAXIMUM SHARES AVAILABLE FOR THE PLAN IN RESPECT OF WHICH OPTIONS HAVE NOT BEEN GRANTED AT THE END OF THE YEAR	9 094 209

ANALYSIS OF SHARE AND DEBENTURE HOLDERS

An analysis of share and debenture holders and of holders who held 5% or more of the issued securities at 19 December 2003 is presented on page 56.

SUBSEQUENT EVENT

Subsequent to 31 December 2003, the 60% shareholder in Marlio Beleggings Sewe (Pty) Ltd exercised its option to acquire Trencor's 40% interest in that company for a cash consideration of R47,5 million. The effective date of the exercise of the option is 31 March 2004. The unamortised carrying value of goodwill related to this interest will be written off in 2004. The company has been released of all securities given in regard to facilities enjoyed by Marlio.

Options to acquire the properties owned by Trencor and occupied by businesses operated by the Marlio group, for an additional cash consideration of R15,7 million, have also been exercised. Payment for these properties will be effected against registration of transfer.

BALANCE SHEETS at 31 December 2003

	NOTES	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
ASSETS					
Non-current assets					
Property, plant and equipment	2	**4 759,8**	5 619,4	**–**	–
Investment properties	3	**29,3**	33,7	**–**	–
Intangible assets	4	**21,9**	10,4	**–**	–
Goodwill	5	**21,2**	5,7	**–**	–
Investment in associates	6	**64,9**	59,4	**–**	–
Investments	7	**36,2**	43,1	**10,2**	14,7
Interest in subsidiaries	8	**–**	–	**1 193,6**	1 109,8
Long-term loans	9	**27,7**	20,0	**–**	–
Long-term receivables	10	**1 446,6**	2 065,1	**4,1**	4,4
Net investment in direct finance leases	11	**34,9**	66,1	**–**	–
Deferred taxation	12	**188,8**	–	**–**	–
		6 631,3	7 922,9	**1 207,9**	1 128,9
Current assets					
Inventories	13	**50,8**	51,3	**–**	–
Accounts receivable	14	**459,9**	612,3	**–**	0,3
Current portion of long-term loans	9	**8,5**	11,6	**–**	–
Cash and cash equivalents	29.3	**330,5**	368,6	**–**	–
		849,7	1 043,8	**–**	0,3
TOTAL ASSETS		**7 481,0**	8 966,7	**1 207,9**	1 129,2
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and premium	15	**168,7**	165,6	**168,7**	165,6
Reserves		**1 337,5**	1 567,2	**773,1**	698,3
Shareholders' equity		**1 506,2**	1 732,8	**941,8**	863,9
Interest of outside shareholders in subsidiaries		**522,1**	460,4	**–**	–
Total shareholders' funds		**2 028,3**	2 193,2	**941,8**	863,9
Convertible debentures	16	**260,5**	260,5	**260,5**	260,5
Other non-current liabilities					
Interest-bearing borrowings	17	**3 548,8**	4 488,8	**–**	–
Amounts attributable to third parties in respect of long-term receivables	10	**380,0**	397,4	**–**	–
Derivative instruments	18	**87,0**	171,0	**–**	–
Deferred taxation	12	**276,8**	273,7	**2,3**	2,5
		6 581,4	7 784,6	**1 204,6**	1 126,9
Current liabilities					
Accounts payable		**300,1**	439,2	**3,2**	1,7
Provisions	19	**75,8**	75,8	**–**	–
Taxation		**64,2**	90,5	**0,1**	0,6
Current portion of interest-bearing borrowings	17	**432,1**	537,5	**–**	–
Deferred income		**27,4**	39,1	**–**	–
		899,6	1 182,1	**3,3**	2,3
TOTAL EQUITY AND LIABILITIES		**7 481,0**	8 966,7	**1 207,9**	1 129,2

INCOME STATEMENTS
for the year ended 31 December 2003

		GROUP		COMPANY	
	NOTES	2003 RM	2002 RM	2003 RM	2002 RM
REVENUE	1,20	**731,8**	589,0	**–**	44,6
Less: Cost of goods sold before charging/(crediting) items below:		**200,3**	239,9	**–**	–
Container leasing: Direct expenses		**142,4**	195,2	**–**	–
Staff costs		**214,7**	217,6	**–**	–
Depreciation	2	**390,1**	468,1	**–**	–
Other administration and selling expenses		**50,2**	107,8	**1,6**	14,5
Net long-term receivable valuation adjustment		**(335,2)**	(545,2)	**–**	–
INCOME/(LOSS) FROM OPERATIONS	21	**69,3**	(94,4)	**(1,6)**	30,1
Less: Net interest (expense)/income	22	**(244,0)**	(331,6)	**80,8**	114,3
Exceptional items	23	**68,5**	(30,4)	**–**	(20,6)
Attributable income of associate companies	6	**5,5**	1,3	**–**	–
(LOSS)/INCOME BEFORE TAXATION		**(100,7)**	(455,1)	**79,2**	123,8
Income tax	24	**(114,5)**	(165,4)	**(0,1)**	0,4
INCOME/(LOSS) AFTER TAXATION		**13,8**	(289,7)	**79,3**	123,4
Income attributable to outside shareholders in subsidiaries		**112,3**	80,3	**–**	–
NET (LOSS)/INCOME ATTRIBUTABLE TO SHAREHOLDERS		**(98,5)**	(370,0)	**79,3**	123,4
LOSS PER SHARE (CENTS)	25				
Undiluted		**(64,3)**	(242,0)		
Diluted		**(64,3)**	(242,0)		
HEADLINE LOSS PER SHARE (CENTS)	25				
Undiluted		**(108,2)**	(230,3)		
Diluted		**(108,2)**	(230,3)		

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2003

			NON-DISTRIBUTABLE RESERVES					
	SHARE CAPITAL	SHARE PREMIUM	REVALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	UNRECOGNISED LOSS ON DERIVATIVE INSTRUMENTS	GAIN ON DILUTION OF INTEREST IN SUBSIDIARIES	RETAINED INCOME	TOTAL
GROUP	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 31 December 2001	0,8	163,7	–	388,4	(70,0)	–	1 841,0	2 323,9
Fair value adjustment on available-for-sale investment			(20,6)					(20,6)
Unrealised losses on translation of foreign entities, not recognised in the income statement				(210,6)				(210,6)
Proceeds on issue of shares	–	1,1						1,1
Net change in unrecognised loss on derivative instruments					(11,6)			(11,6)
Impairment of available-for-sale investment transferred to income statement (refer note 23)			20,6					20,6
Net loss for the year							(370,0)	(370,0)
Balance at 31 December 2002	0,8	164,8	–	177,8	(81,6)	–	1 471,0	1 732,8
Fair value adjustment on available-for-sale investment			**(4,5)**					**(4,5)**
Unrealised losses on translation of foreign entities, not recognised in the income statement				**(169,1)**				**(169,1)**
Proceeds on issue of shares	**–**	**3,1**						**3,1**
Net change in unrecognised loss on derivative instruments					**42,4**			**42,4**
Transfer of gain on dilution of interest in subsidiaries from distributable reserve to non-distributable reserve						**78,9**	**(78,9)**	**–**
Net loss for the year							**(98,5)**	**(98,5)**
Balance at 31 December 2003	**0,8**	**167,9**	**(4,5)**	**8,7**	**(39,2)**	**78,9**	**1 293,6**	**1 506,2**

			NON-DISTRIBUTABLE RESERVES			
	SHARE CAPITAL	SHARE PREMIUM	REVALUATION RESERVE	PREFERENCE SHARE AMORTISATION ADJUSTMENT	RETAINED INCOME	TOTAL
COMPANY	RM	RM	RM	RM	RM	RM
Balance at 31 December 2001	0,8	163,7	–	396,6	178,3	739,4
Transfer of amortisation adjustment on preference shares in subsidiary to non-distributable reserve				113,1	(113,1)	–
Proceeds on issue of shares		1,1				1,1
Fair value adjustment on available-for-sale investment			(20,6)			(20,6)
Impairment of available-for-sale investment transferred to income statement (refer note 23)			20,6			20,6
Net income for the year					123,4	123,4
Balance at 31 December 2002	0,8	164,8	–	509,7	188,6	863,9
Transfer of amortisation adjustment on preference shares in subsidiary to non-distributable reserve				**79,7**	**(79,7)**	**–**
Fair value adjustment on available-for-sale investment			**(4,5)**			**(4,5)**
Proceeds on issue of shares	**–**	**3,1**				**3,1**
Net income for the year					**79,3**	**79,3**
Balance at 31 December 2003	**0,8**	**167,9**	**(4,5)**	**589,4**	**188,2**	**941,8**

CASH FLOW STATEMENTS for the year ended 31 December 2003

	NOTES	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from/(utilised by) operations	29.1	**712,6**	886,6	**0,2**	(3,0)
Interest received		**14,5**	21,4	**26,7**	35,7
Interest paid		**(254,8)**	(346,3)	**(25,6)**	(34,5)
Dividends received		**–**	–	**–**	44,6
Dividends paid to outside shareholders		**(17,9)**	(20,0)	**–**	–
Taxation paid	29.2	**(71,8)**	(24,3)	**(0,6)**	(0,8)
Net cash inflow from operating activities		**382,6**	517,4	**0,7**	42,0
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment		**(831,7)**	(1 994,7)	**–**	–
Decrease in unlisted investments		**0,8**	2,8	**–**	–
Proceeds on disposal of property, plant and equipment		**40,5**	59,8	**–**	–
Additions to intangible assets		**(5,1)**	(9,2)	**–**	–
Additions to investment properties		**(0,1)**	–	**–**	–
Increase in loan to subsidiary		**–**	–	**(4,1)**	(19,3)
Decrease/(Increase) in direct finance leases		**17,4**	(18,2)	**–**	–
Decrease/(Increase) in long-term loans		**13,8**	(5,2)	**–**	–
Acquisition of outside shareholders' interest in subsidiaries		**(14,1)**	(8,3)	**–**	–
Net receipt from export partnerships		**–**	–	**0,3**	0,3
Net cash outflow from investing activities		**(778,5)**	(1 973,0)	**(3,8)**	(19,0)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest-bearing borrowings raised/(repaid)		**27,9**	1 336,5	**–**	(26,4)
Proceeds on issue of shares		**3,1**	1,1	**3,1**	1,1
Receipts from long-term receivables		**325,4**	528,2	**–**	–
Payments to third parties in respect of long-term receivables		**(51,4)**	(76,6)	**–**	–
Buy-back of shares by subsidiary, net of options exercised in subsidiary		**(7,0)**	–	**–**	–
Share issue expenses on additional equity raised by subsidiary		**(1,7)**	–	**–**	–
Increase in outside shareholders' interest in subsidiary		**133,6**	–	**–**	–
Net cash inflow/(outflow) from financing activities		**429,9**	1 789,2	**3,1**	(25,3)
Net increase/(decrease) in cash and cash equivalents		**34,0**	333,6	**–**	(2,3)
Cash and cash equivalents at the beginning of the year		**368,6**	128,1	**–**	2,3
Effect of exchange rate changes on cash and cash equivalents		**(72,1)**	(93,1)	**–**	–
Cash and cash equivalents at the end of the year	29.3	**330,5**	368,6	**–**	–

1 ACCOUNTING POLICIES

1.1 GENERAL

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year. The financial statements and group financial statements are prepared in accordance with South African statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act.

BASIS OF PREPARATION

The financial statements and group financial statements are prepared on the historical cost basis, except for certain property, investment properties, financial instruments and recognised assets and liabilities that are hedged.

1.2 BASIS OF CONSOLIDATION

INVESTMENT IN SUBSIDIARIES

Subsidiaries are those entities over whose financial and operating policies the group has the power to exercise control, so as to obtain benefits from their activities.

The group financial statements incorporate the assets, liabilities and results of the operations of the company and its subsidiaries. The results of subsidiaries acquired and disposed of during a financial year are included from the effective dates of acquisition and to the effective dates of disposal.

In the case of the company, investments in subsidiaries are carried at cost less amounts written off.

INVESTMENT IN ASSOCIATES

An associate is an enterprise over whose financial and operating policies the group has the ability to exercise significant influence and which is neither a subsidiary nor a joint venture of the group.

The equity method of accounting for associates is adopted in the group financial statements. In applying the equity method, account is taken of the group's share of accumulated retained earnings and movements in reserves from the effective date on which the enterprise became an associate and up to the effective date of disposal.

Goodwill arising on the acquisition of associates is treated in accordance with the group's accounting policy for goodwill.

The share of retained earnings and reserves of associates is generally determined from the latest audited financial statements of the associate but, in some instances, unaudited financial statements are used. Dividends received from associates have been credited against the carrying value of the investment.

Where the group's share of losses of an associate exceeds the carrying amount of the associate, the associate is carried at nil value. Further losses are recognised only to the extent that the group has incurred obligations or made payments on behalf of an associate.

In the case of the company, investments in associate companies are carried at cost less amounts written off.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

1.3 GOODWILL

Goodwill is any excess of the cost of an acquisition over the group's interest in the fair value of the identifiable assets and liabilities acquired at the date of acquisition.

Goodwill is carried at cost, less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its estimated useful life.

The calculation of the gain or loss on disposal of an entity includes the unamortised balance of the goodwill relating to the entity disposed of.

1.4 PROPERTY, PLANT AND EQUIPMENT

Land and buildings are stated at fair value. These items are revalued every five years by a sworn appraiser using the open market value method. The unrealised adjustments to carrying value arising on revaluation, so far as they concern the group, are taken directly to the revaluation reserve which is a non-distributable reserve. Deficits on revaluation are charged directly against the revaluation reserve only to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of the same asset. Other deficits are recognised in the income statement.

Plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Depreciation is provided on the straight-line basis, at rates calculated to amortise the cost of the assets to their estimated residual values over their estimated useful lives. Buildings on leasehold land are written-off over the initial lease periods.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

Gains or losses on the disposal of property, plant and equipment are credited/charged to income. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset.

1.5 LEASE OBLIGATIONS

FINANCE LEASES

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the group are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the balance sheet. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

OPERATING LEASES

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are charged against income as incurred.

1.6 INVESTMENT PROPERTIES

Investment properties are properties held for the purposes of earning rental income or for capital appreciation, and are initially recorded at cost, and subsequently stated at fair value as determined on a periodic basis by an independent registered valuer. Any gain or loss arising from a change in the fair value of the investment property is credited/charged to income in the year in which it arises.

Gains or losses on the disposal of investment properties are credited/charged to income, and are calculated as the difference between the sale price and the fair value of the property. Investment properties are not depreciated.

1.7 INTANGIBLE ASSETS

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and expenditure on internally generated goodwill and brands are charged to the income statement in the year in which they are incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for self-developed computer software, is capitalised if the software is technically and commercially feasible and the group has sufficient resources to complete such development. The expenditure capitalised includes the direct labour and an appropriate proportion of overheads. Other development expenditure is charged to the income statement in the year in which it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangible assets acquired by the group are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is expensed as incurred. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets.

The difference between the net disposal proceeds and the carrying amount of an intangible asset is the gain or loss on disposal of that asset. These gains or losses are recognised in income.

1.8 IMPAIRMENT

The carrying amounts of the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows that are largely independent of those from other assets the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in the income statement whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. For goodwill a recognised impairment loss is not reversed, unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and the increase relates clearly to the reversal of the effect of that specific event.

1.9 INVENTORIES

Inventories are carried at the lower of first-in, first-out cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less any related costs of completion and disposal. Work-in-progress and finished goods are valued at raw material cost plus direct labour and an appropriate share of manufacturing overhead costs.

1.10 FINANCIAL INSTRUMENTS

RECOGNITION AND DE-RECOGNITION

Financial instruments are recognised on the balance sheet when a group company becomes a party to the contractual provisions of the particular instrument.

Financial assets are de-recognised when a group company loses control of the contractual rights that comprise the asset, for instance where those rights are realised, expire or are surrendered.

Financial liabilities are de-recognised when the obligations under the contract are discharged, cancelled or expire.

All financial instruments are recognised and de-recognised using trade date accounting.

MEASUREMENT

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

INVESTMENTS

Listed investments classified as available-for-sale financial assets are measured at market value, which is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Unlisted investments classified as available-for-sale financial assets are measured at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses.

LOANS AND ADVANCES

Loans and advances originated by the group are measured at amortised cost.

TRADE AND OTHER RECEIVABLES

Trade and other receivables originated by the group are measured at cost less provision for doubtful debts.

CASH AND CASH EQUIVALENTS

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

LONG-TERM RECEIVABLES

The group's long-term receivables are designated as held-for-trading financial assets and are measured at fair value. Sales under long-term credit agreements are discounted to their net present value at rates considered appropriate, having regard to their terms and the currency in which they are written. The deferred portion of income is allocated over the year of the agreements on a basis which produces a constant periodic rate of return. Sales denominated in foreign currencies are recorded at the rates of exchange ruling at the date of the transactions. At the financial year-end, receivables denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Any gains or losses arising from this translation are included in income.

In the case of the company the long-term receivable represents the participation in export partnerships and is measured at amortised cost. Amortised cost is the company's cost of the original participation plus its share of the gross profit less the share of the subsequent net amounts received as partner in the partnerships.

AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES

The amounts attributable to third parties in respect of long-term receivables are designated as held-for-trading financial liabilities and are measured at fair value. The amounts are discounted to their net present value at a rate considered appropriate, having regard to their term. The deferred portion of expenditure is allocated over the period of the agreements on a basis which produces a constant periodic rate of return.

OTHER FINANCIAL LIABILITIES

Other non-derivative financial liabilities are measured at amortised cost.

DERIVATIVE INSTRUMENTS

Derivative instruments are measured at fair value.

GAINS AND LOSSES ON SUBSEQUENT MEASUREMENT

Gains and losses arising on available-for-sale financial assets are recognised directly in equity until the financial asset is sold, collected, or otherwise disposed of, or until the financial asset is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in income.

Gains and losses from measuring the hedging instruments relating to a fair value hedge at fair value are recognised immediately in income.

Gains and losses from remeasuring the hedging instruments relating to a cash flow hedge to fair value are initially recognised directly in equity. If the hedged firm commitment or forecast transaction results in the recognition of an asset or a liability, the cumulative amount recognised in equity up to the transaction date is adjusted against the initial measurement of the asset or liability. For other cash flow hedges, the cumulative amount recognised in equity is credited/charged to income in the year when the commitment or forecast transaction affects income.

Where the hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised in the income statement immediately.

OFFSET

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.11 PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.12 REVENUE

Revenue comprises net invoiced sales, leasing income, management fees received for equipment management and in the case of long-term credit sale agreements, the appropriate income allocation and foreign currency translation gains or losses. Leasing income arises principally from operating and finance leases. Under operating leases container equipment owned by group companies is rented to various shipping lines and revenue is recorded when earned according to the terms of the contracts.

These contracts are typically for terms of five years or less. Under direct finance leases, containers are leased for the remainder of the container's useful life with a purchase option at the end of the lease term. Revenue is earned and recognised over the lease term so as to produce a constant periodic rate of return on the net investment in the lease. Management fees consist of fees earned by group companies for services related to the management of container equipment, reimbursements of administrative services necessary to the operation and management of equipment and net acquisition fees and sales commissions earned on the acquisition and sale of equipment.

In the case of the company, revenue comprises dividend income and is recognised when the right to receive payment is established.

1.13 INTEREST INCOME

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective interest rates over the periods to maturity, where it is probable such income will accrue to the group.

1.14 TAXATION

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.15 FOREIGN CURRENCIES

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated at rates of exchange ruling at the transaction date. Gains and losses arising from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities are translated at rates of exchange ruling at the balance sheet date. Unrealised differences arising on the translation of monetary assets and liabilities are recognised in the income statement.

TRANSLATION OF FOREIGN ENTITIES

Assets and liabilities of foreign entities are translated at rates of exchange ruling at the balance sheet date. Income statement items are translated at rates of exchange ruling at the transaction date or at an appropriate average exchange rate. Gains and losses on the translation of foreign entities are taken directly to the foreign currency translation reserve which is a non-distributable reserve.

1.16 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of all short-term employee benefits is recognised during the year in which the employee renders the related service. The provisions for employee entitlements to remuneration and annual leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current remuneration rates.

POST-RETIREMENT BENEFITS

Provision for post-retirement medical aid subsidies is calculated based on periodic actuarial valuations performed.

RETIREMENT BENEFITS

Certain of the company's subsidiaries contribute to defined contribution retirement funds. Contributions to these funds are charged against income as incurred.

EQUITY COMPENSATION BENEFITS

The company and certain of its subsidiaries grant share options to certain employees under employee share option plans. Other than costs incurred in administering the plans which are expensed as incurred, the plans do not result in any expense to the group.

1.17 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits held on call with banks, bank overdrafts and short-term loans all of which are available for use by the group unless otherwise stated.

1.18 DISCONTINUING OPERATION

A discontinuing operation results from the abandonment of an operation that represents a separate major line of business and of which the assets, net profit or loss and activities can be distinguished physically, operationally and for financial reporting purposes.

1.19 EARNINGS/LOSS PER SHARE

Earnings/Loss per share is based on earnings/losses attributable to shareholders and calculated on the weighted average number of shares in issue during the financial year. Headline earnings/loss per share is based on earnings/losses attributable to shareholders and is calculated in accordance with circular 7/2002: Headline earnings, issued by the South African Institute of Chartered Accountants.

1.20 SEGMENT REPORTING

The group is engaged in the provision of equipment and services mainly in the transportation industry. On a primary basis, the group is organised on a worldwide basis into various major operating divisions:

- Container sales and finance
- Container owning, leasing-out and management
- Container manufacturing
- Supply chain management services
- Trailer manufacturing
- Other operations

Segment results include revenue and expenses which are directly attributable to a segment. Segment revenue, expenses and results include transfers between the business segments. These transfers are eliminated on consolidation.

Segment assets and liabilities include all operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities do not include income tax items.

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

1.21 COMPARATIVES

GROUP

Where necessary, comparative figures have been reclassified to conform with current year presentation. The following table summarises the reclassification of the December 2002 amounts.

INCOME STATEMENT ITEMS

	AS RESTATED	AS ORIGINALLY STATED	DIFFERENCE
	RM	RM	RM
OTHER ADMININSTRATION AND SELLING EXPENSES	107,8	121,9	14,1
EXCEPTIONAL ITEMS	(30,4)	(16,3)	(14,1)

The comparative amounts relating to the activities of the tank container business, discontinued in the current year, have been restated to accord with the disclosure requirements relating to discontinued operations.

BALANCE SHEET ITEMS

Investment in associates has been separately disclosed on the face of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

In note 20: Revenue, note 26: Discontinuing operations, note 29: Notes to the cash flow statements and note 33: Segmental report, the comparative amounts have been restated to accord with the disclosure requirements relating to discontinued operations in respect of the activities of the tank container business.

COMPANY

The company comparatives have been amended to reflect the amortisation adjustment on preference shares (refer note 22), previously recognised directly in non-distributable reserves, in interest income and then transferred to non-distributable reserves. There is no financial effect on the group financial statements.

2 PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	LEASING EQUIPMENT CONTAINERS	LEASING EQUIPMENT KEGS	PLANT AND MACHINERY	OTHER EQUIPMENT AND MOTOR VEHICLES	TOTAL
	RM	RM	RM	RM	RM	RM
2003						
COST OR VALUATION						
BALANCE AT THE BEGINNING OF THE YEAR	**52,1**	**5 682,4**	**1 134,4**	**60,4**	**109,7**	**7 039,0**
ADDITIONS	**0,1**	**686,8**	**135,3**	**2,7**	**6,8**	**831,7**
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	**(6,5)**	**(1 462,7)**	**(189,4)**	**(5,1)**	**(23,1)**	**(1 686,8)**
DISPOSALS	**–**	**(95,9)**	**(0,2)**	**(1,4)**	**(4,8)**	**(102,3)**
BALANCE AT THE END OF THE YEAR	**45,7**	**4 810,6**	**1 080,1**	**56,6**	**88,6**	**6 081,6**
ACCUMULATED DEPRECIATION						
BALANCE AT THE BEGINNING OF THE YEAR	**6,5**	**1 290,6**	**22,8**	**32,7**	**67,0**	**1 419,6**
DEPRECIATION	**1,0**	**318,5**	**54,1**	**3,7**	**12,8**	**390,1**
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	**(1,8)**	**(391,7)**	**(6,4)**	**(0,6)**	**(16,9)**	**(417,4)**
REVERSAL OF IMPAIRMENT LOSS (REFER NOTE 2.5)	**–**	**–**	**–**	**(8,8)**	**–**	**(8,8)**
DISPOSALS	**–**	**(56,1)**	**–**	**(1,3)**	**(4,3)**	**(61,7)**
BALANCE AT THE END OF THE YEAR	**5,7**	**1 161,3**	**70,5**	**25,7**	**58,6**	**1 321,8**
NET BOOK VALUE	**40,0**	**3 649,3**	**1 009,6**	**30,9**	**30,0**	**4 759,8**
NET BOOK VALUE OF ASSETS ENCUMBERED AS SECURITY FOR INTEREST-BEARING BORROWINGS INCLUDING FINANCE LEASES (REFER NOTE 17)	**17,3**	**3 391,0**	**976,7**	**6,9**	**12,6**	**4 404,5**
2002						
COST OR VALUATION						
BALANCE AT THE BEGINNING OF THE YEAR	61,4	7 278,3	181,0	76,7	135,0	7 732,4
ADDITIONS	3,6	768,7	1 200,4	2,1	19,9	1 994,7
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	(12,9)	(2 220,2)	(247,0)	(12,1)	(40,7)	(2 532,9)
DISPOSALS	–	(144,4)	–	(6,3)	(4,5)	(155,2)
BALANCE AT THE END OF THE YEAR	52,1	5 682,4	1 134,4	60,4	109,7	7 039,0
ACCUMULATED DEPRECIATION						
BALANCE AT THE BEGINNING OF THE YEAR	8,3	1 523,9	3,5	37,6	80,2	1 653,5
DEPRECIATION	1,6	419,0	24,2	4,2	19,1	468,1
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	(3,0)	(556,5)	(4,9)	(3,0)	(28,1)	(595,5)
IMPAIRMENT LOSS	–	(2,7)	–	–	–	(2,7)
DISPOSALS	(0,4)	(93,1)	–	(6,1)	(4,2)	(103,8)
BALANCE AT THE END OF THE YEAR	6,5	1 290,6	22,8	32,7	67,0	1 419,6
NET BOOK VALUE	45,6	4 391,8	1 111,6	27,7	42,7	5 619,4
NET BOOK VALUE OF ASSETS ENCUMBERED AS SECURITY FOR INTEREST-BEARING BORROWINGS INCLUDING FINANCE LEASES (REFER NOTE 17)	21,4	4 361,8	1 111,6	7,8	20,3	5 522,9

2.1 Property, plant and equipment are depreciated over the following number of years:

Owner occupied buildings	50
Leasing equipment:	
Containers	12
Kegs	15–20
Plant and machinery	9
Motor vehicles	4–5
Other	3–10

2 PROPERTY, PLANT AND EQUIPMENT continued

2.2 Capitalised leased assets included above comprise:

	COST OR VALUATION RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
2003			
LEASING EQUIPMENT:			
– CONTAINERS	**9,6**	**5,9**	**3,7**
– KEGS	**753,4**	**48,0**	**705,4**
OTHER EQUIPMENT	**3,5**	**1,2**	**2,3**
PLANT AND MACHINERY	**2,9**	**1,6**	**1,3**
	769,4	**56,7**	**712,7**
2002			
LEASING EQUIPMENT:			
– CONTAINERS	12,4	6,7	5,7
– KEGS	860,1	10,7	849,4
OTHER EQUIPMENT	4,2	1,4	2,8
PLANT AND MACHINERY	1,4	0,5	0,9
	878,1	19,3	858,8

2.3 The net book value of buildings situated on leased premises amounts to R4,7 million (2002: R6,2 million).

2.4 A register containing details of land and buildings is available for inspection at the registered office of the company.

2.5 The balance of the impairment loss raised in respect of the tank plant and equipment in 2001 has been reversed to income (refer note 26).

3 INVESTMENT PROPERTIES

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
BALANCE AT THE BEGINNING OF THE YEAR	**33,7**	33,7	**–**	–
ADDITIONS	**0,1**	–	**–**	–
DISPOSALS	**(4,5)**	–	**–**	–
BALANCE AT THE END OF THE YEAR	**29,3**	33,7	**–**	–

The open market valuation of these properties was performed by JHI Real Estate Ltd in November 2001.

4 INTANGIBLE ASSETS

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
PURCHASED INTANGIBLE ASSETS:				
LONG-TERM KEG CONTRACT	**12,1**	–	**–**	–
INTERNALLY GENERATED INTANGIBLE ASSETS:				
COMPUTER SOFTWARE DEVELOPMENT COSTS	**9,8**	10,4	**–**	–
	21,9	10,4	**–**	–

RECONCILIATION OF CARRYING AMOUNTS

	LICENCE AGREEMENT RM	COMPUTER SOFTWARE RM	LONG-TERM KEG CONTRACT RM	OTHER RM	TOTAL RM
2003					
CARRYING AMOUNT AT THE BEGINNING OF THE YEAR	**–**	**10,4**	**–**	**–**	**10,4**
ADDITIONS	**–**	**4,2**	**12,2**	**0,9**	**17,3**
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	**–**	**(1,7)**	**–**	**–**	**(1,7)**
AMORTISATION	**–**	**(3,1)**	**(0,1)**	**(0,1)**	**(3,3)**
IMPAIRMENT	**–**	**–**	**–**	**(0,8)**	**(0,8)**
CARRYING AMOUNT AT THE END OF THE YEAR	**–**	**9,8**	**12,1**	**–**	**21,9**
2002					
CARRYING AMOUNT AT THE BEGINNING OF THE YEAR	20,6	7,0	–	–	27,6
ADDITIONS	–	9,2	–	–	9,2
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	–	(3,0)	–	–	(3,0)
AMORTISATION	(20,6)	(2,8)	–	–	(23,4)
CARRYING AMOUNT AT THE END OF THE YEAR	–	10,4	–	–	10,4

Intangible assets are amortised over the following number of years:

Computer software	4
Long-term keg contract	14

5 GOODWILL

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
RECONCILIATION OF CARRYING AMOUNT OF GOODWILL				
BALANCE AT THE BEGINNING OF THE YEAR	**38,3**	38,2	**–**	–
COST	**64,4**	48,6	**–**	–
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	**(26,1)**	(10,4)	**–**	–
ARISING ON ACQUISITION OF ADDITIONAL INTEREST IN SUBSIDIARY	**9,9**	–	**–**	–
ADJUSTMENT TO GOODWILL FOR PREVIOUS ACQUISITIONS	**12,4**	17,7	**–**	–
ASSOCIATE COMPANY (REFER NOTE 6)	**–**	6,0	**–**	–
SUBSIDIARIES	**12,4**	11,7	**–**	–
AMORTISATION	**(7,2)**	(4,0)	**–**	–
WRITE-OFF ON DILUTION OF INTEREST IN SUBSIDIARIES	**(1,5)**	–	**–**	–
COST	**(3,2)**	–	**–**	–
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	**1,7**	–	**–**	–
IMPAIRMENT	**–**	(11,7)	**–**	–
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	**(1,7)**	(1,9)	**–**	–
BALANCE AT THE END OF THE YEAR	**50,2**	38,3	**–**	–
COST	**81,8**	64,4	**–**	–
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	**(31,6)**	(26,1)	**–**	–
CARRYING VALUE OF GOODWILL RELATING TO INVESTMENT IN ASSOCIATES	**(29,0)**	(32,6)	**–**	–
	21,2	5,7	**–**	–
GOODWILL AROSE ON INVESTMENTS IN:				
SUBSIDIARIES	**21,2**	5,7	**–**	–
ASSOCIATES (REFER NOTE 6)	**29,0**	32,6	**–**	–
	50,2	38,3	**–**	–

Goodwill has an estimated useful life of 10 years.

6 INVESTMENT IN ASSOCIATES

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
UNLISTED INVESTMENTS				
MARLIO BELEGGINGS SEWE (PTY) LTD ('MARLIO')	**64,6**	59,1	**–**	–
TRENCOR AND CORONATION FINANCIAL SERVICES (PTY) LTD ('TRENCORO')	**0,3**	0,3	**–**	–
	64,9	59,4	**–**	–
6.1 Directors' valuation of investment in associates	**64,9**	59,4	**–**	–

6.2 Carrying value of investments in associates

	MARLIO 2003 RM	MARLIO 2002 RM	TRENCORO 2003 RM	TRENCORO 2002 RM	TOTAL 2003 RM	TOTAL 2002 RM
CARRYING VALUE AT THE BEGINNING OF THE YEAR	**59,1**	58,2	**0,3**	0,3	**59,4**	58,5
COST	**54,2**	58,2	**–**	–	**54,2**	58,2
NET ASSET VALUE	**21,6**	28,0	**–**	–	**21,6**	28,0
GOODWILL	**32,6**	30,2	**–**	–	**32,6**	30,2
POST-ACQUISITION RESERVES	**4,9**	–	**0,3**	0,3	**5,2**	0,3
NET ADJUSTMENT TO ACQUISITION VALUES, RECLASSIFIED TO LOANS	**–**	(0,4)	**–**	–	**–**	(0,4)
NET ASSET VALUE	**–**	(6,4)	**–**	–	**–**	(6,4)
GOODWILL	**–**	6,0	**–**	–	**–**	6,0
SHARE OF CURRENT YEAR INCOME	**5,5**	1,3	**–**	–	**5,5**	1,3
ATTRIBUTABLE SHARE OF RETAINED INCOME	**9,1**	4,9	**–**	–	**9,1**	4,9
AMORTISATION OF GOODWILL ARISING ON ACQUISITION	**(3,6)**	(3,6)	**–**	–	**(3,6)**	(3,6)
CARRYING VALUE AT THE END OF THE YEAR	**64,6**	59,1	**0,3**	0,3	**64,9**	59,4
COST	**50,6**	54,2	**–**	–	**50,6**	54,2
NET ASSET VALUE	**21,6**	21,6	**–**	–	**21,6**	21,6
GOODWILL	**29,0**	32,6	**–**	–	**29,0**	32,6
POST-ACQUISITION RESERVES	**14,0**	4,9	**0,3**	0,3	**14,3**	5,2
INTEREST IN ASSOCIATES	**40%**	40%	**50%**	50%		

6.3 The following summary of the consolidated balance sheet of Marlio at 31 December 2003 and of the consolidated income statement for the 12 months to that date have been derived from the unaudited management accounts for the year ended 31 December 2003 (2002: 13 months from 1 December 2001 to 31 December 2002).

BALANCE SHEET
as at 31 December

	2003 RM	2002 RM
GOODWILL	**11,6**	6,0
PROPERTY, PLANT AND EQUIPMENT	**20,2**	20,9
DEFERRED TAXATION	**3,1**	–
CURRENT ASSETS	**173,3**	177,7
	208,2	204,6
SHARE CAPITAL	**53,9**	53,9
RETAINED EARNINGS	**34,8**	12,2
SHAREHOLDERS' LOANS	**17,0**	45,8
CURRENT LIABILITIES	**102,5**	92,7
	208,2	204,6

INCOME STATEMENT
for the period ended 31 December 2003

	12 MONTHS	13 MONTHS
REVENUE	**579,7**	623,9
INCOME BEFORE TAXATION	**35,6**	17,4
TAXATION	**13,0**	5,2
INCOME AFTER TAXATION	**22,6**	12,2

6.4 Marlio is the holding company of companies involved in the manufacturing of truck trailers, road tankers and trailer components, refurbishment and trading in used trailers and servicing of trailers.

6.5 Rental and interest earned from associates during the year amounted to R4,0 million (2002: R4,9 million) (refer notes 21 and 22).

6.6 Subsequent to the year-end, the 60% shareholder in Marlio exercised its option to acquire Trencor's 40% interest in that company for a cash consideration of R47,5 million. The effective date of the exercise of the option is 31 March 2004. The unamortised carrying value of goodwill related to the interest will be written off in 2004. Options to acquire the properties owned by Trencor and occupied by the Marlio group, for an additional cash consideration of R15,7 million, have also been exercised. Trencor has been released of all securities given in regard to facilities enjoyed by Marlio (refer note 9).

7 INVESTMENTS

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
UNLISTED INVESTMENTS	**26,0**	28,4	**–**	–
LISTED INVESTMENT AT MARKET VALUE	**10,2**	14,7	**10,2**	14,7
	36,2	43,1	**10,2**	14,7

7.1 Valuation of investments:

UNLISTED INVESTMENTS (DIRECTORS' VALUATION)	**26,0**	28,4	**–**	–
LISTED INVESTMENT	**10,2**	14,7	**10,2**	14,7

7.2 A detailed list of investments is available on request from the registered office of the company.

7.3 Shareholders' loans of R16,0 million (2002: R16,0 million) included in unlisted investments have been ceded to a bank as security for mortgage bond finance granted to Midrand Town Centre (Pty) Ltd, a company in which the group holds a 31% interest.

8 INTEREST IN SUBSIDIARIES

COST	**–**	–	**475,2**	475,2
AMORTISATION ADUSTMENT ON PREFERENCE SHARES IN SUBSIDIARY	**–**	–	**589,4**	509,7
	–	–	**1 064,6**	984,9
LOANS	**–**	–	**129,0**	124,9
	–	–	**1 193,6**	1 109,8

8.1 Included in the above are amounts paid for preference shares issued by a subsidiary in March 2002 and February 2003 as well as preference shares to be issued in February 2004. The amounts paid represent the present value of the future subscription price. These amounts are written up to the subscription price through the income statement using the amortised cost method.

8.2 The shares held in Textainer Group Holdings Ltd have been pledged as security for loans (refer note 17). At 31 December 2003 the group's attributable share of the net asset value of Textainer was R684,1 million (2002: R735,0 million).

8.3 Income earned from subsidiaries during the year amounted to R26,7 million (2002: R62,4 million) (refer notes 21 and 22).

9 LONG-TERM LOANS

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
SECURED LOANS				
LOAN BEARING INTEREST AT PRIME LESS 1% REPAYABLE IN MONTHLY INSTALMENTS OF R110 000, WITH A FINAL PAYMENT OF R2 750 000 DUE 31 DECEMBER 2004	**4,0**	–	**–**	–
LOANS ADVANCED TO EMPLOYEES OF A GROUP COMPANY IN RESPECT OF THE EXERCISE OF SHARE OPTIONS, REPAYABLE ON SALE OF THE SHARES OR ON TERMINATION OF EMPLOYMENT. AT 31 DECEMBER 2003 THE INTEREST RATE APPLICABLE TO THE LOANS WAS 6,13% P.A.	**12,7**	–	**–**	–
TOTAL SECURED LOANS	**16,7**	–	**–**	–
UNSECURED LOANS				
ASSOCIATE COMPANIES	**19,5**	25,8	**–**	–
INTEREST FREE LOAN WITH NO TERMS OF REPAYMENT	**6,8**	6,8	**–**	–
LOAN BEARING INTEREST AT PRIME LESS 2% REPAYABLE IN 24 MONTHLY INSTALMENTS, COMMENCING 31 AUGUST 2004	**11,1**	11,6	**–**	–
LOAN BEARING INTEREST AT PRIME LESS 2% REPAYABLE IN 24 MONTHLY INSTALMENTS, WHICH COMMENCED ON 31 AUGUST 2002	**1,6**	4,2	**–**	–
LOAN BEARING INTEREST AT PRIME LESS 1%	**–**	3,2	**–**	–
INTEREST FREE LOAN	**–**	5,8	**–**	–
TOTAL UNSECURED LOANS	**19,5**	31,6	**–**	–
TOTAL LONG-TERM LOANS	**36,2**	31,6	**–**	–
LESS: CURRENT PORTION INCLUDED IN CURRENT ASSETS	**8,5**	11,6	**–**	–
	27,7	20,0	**–**	–

Loans totalling R16,8 million have been ceded to a bank as continuing security for facilities granted to Marlio Beleggings Sewe (Pty) Ltd (refer note 6.6).

10 NET INVESTMENT IN LONG-TERM RECEIVABLES

Net investment in long-term receivables comprises:

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
LONG-TERM RECEIVABLES	**1 446,6**	2 065,1	**4,1**	4,4
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**(380,0)**	(397,4)	**–**	–
	1 066,6	1 667,7	**4,1**	4,4
REPRESENTED BY:				
TOTAL RECEIVABLES	**3 286,7**	4 667,2	**–**	–
LESS: DEFERRED INCOME	**566,6**	929,1	**–**	–
NET PRESENT VALUE OF LONG-TERM RECEIVABLES	**2 720,1**	3 738,1	**–**	–
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**714,5**	719,3	**–**	–
TOTAL AMOUNT	**982,0**	1 042,5	**–**	–
LESS: DEFERRED EXPENDITURE	**267,5**	323,2	**–**	–
NET PRESENT VALUE OF NET INVESTMENT IN LONG-TERM RECEIVABLES	**2 005,6**	3 018,8	**–**	–
VALUATION ADJUSTMENT TO NET INVESTMENT, RELATING TO:				
LONG-TERM RECEIVABLES	**1 120,1**	1 432,3	**–**	–
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**(294,2)**	(275,6)	**–**	–
	1 179,7	1 862,1	**–**	–
CURRENT PORTION OF NET INVESTMENT INCLUDED IN:				
ACCOUNTS RECEIVABLE	**153,4**	240,7		
ACCOUNTS PAYABLE	**(40,3)**	(46,3)	**–**	–
	1 066,6	1 667,7	**–**	–

10.1 Total receivables in base currency amounted to US$496,5 million (2002: US$538.9 million).

10.2 Long-term receivables are valued by discounting future cash flows. The discount rate applied to the receivables (denominated in US$) is 8,5% p.a. (2002: 8,5% p.a.). An appropriate valuation adjustment is made to the net investment for the timing of receipt and the possible non-collectability of these receivables and the related payment to third parties.

10.3 The amounts attributable to third parties in respect of the long-term receivables are denominated in SA rands and are valued by discounting future cash flows at 12% p.a. (2002: 12% p.a.). These are payable only as and when the proceeds from the related long-term receivables are received.

10.4 The amounts attributable to third parties in respect of the long-term receivables are made up as follows:

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
TOTAL AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**982,0**	1 042,5	**–**	–
LESS: DEFERRED EXPENDITURE	**267,5**	323,2	**–**	–
NET PRESENT VALUE OF AMOUNTS ATTRIBUTABLE TO THIRD PARTIES (AS ABOVE)	**714,5**	719,3	**–**	–
VALUATION ADJUSTMENT (AS ABOVE)	**(294,2)**	(275,6)	**–**	–
NET PRESENT VALUE OF AMOUNTS ATTRIBUTABLE TO THIRD PARTIES	**420,3**	443,7	**–**	–
CURRENT PORTION INCLUDED IN ACCOUNTS PAYABLE (AS ABOVE)	**(40,3)**	(46,3)	**–**	–
	380,0	397,4	**–**	–

11 NET INVESTMENT IN DIRECT FINANCE LEASES

GROSS INVESTMENT	**64,4**	116,1	**–**	–
UNEARNED FINANCE INCOME	**(15,0)**	(31,8)	**–**	–
PRESENT VALUE OF MINIMUM LEASE PAYMENTS RECEIVABLE	**49,4**	84,3	**–**	–
CURRENT PORTION INCLUDED IN ACCOUNTS RECEIVABLE	**(14,5)**	(18,2)	**–**	–
RECEIVABLES DUE BETWEEN ONE AND FIVE YEARS	**34,9**	66,1	**–**	–

Investment in finance leases represents containers leased to shipping lines. The containers are usually leased for the remainder of their useful lives with purchase options at the end of the lease term.

12 DEFERRED TAXATION

DEFERRED TAXATION COMPRISES:				
DEFERRED TAX LIABILITIES	**276,8**	273,7	**2,3**	2,5
DEFERRED TAX ASSETS	**(188,8)**	–	**–**	–
	88,0	273,7	**2,3**	2,5
RECONCILIATION OF CARRYING AMOUNTS:				
BALANCE AT THE BEGINNING OF THE YEAR	**273,7**	594,1	**2,5**	2,7
CURRENT YEAR TEMPORARY DIFFERENCES	**(162,2)**	(238,1)	**(0,2)**	(0,2)
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**1,5**	(28,5)	**–**	–
DERIVATIVE INSTRUMENTS	**1,1**	(1,7)	**–**	–
OTHER	**1,3**	1,0	**–**	–
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN ENTITIES	**(27,4)**	(53,1)	**–**	–
BALANCE AT THE END OF THE YEAR	**88,0**	273,7	**2,3**	2,5
COMPRISING:				
DEFERRED TAX LIABILITIES				
CAPITAL ALLOWANCES	**156,8**	84,2	**–**	–
DEBTORS ALLOWANCES	**108,6**	79,7	**–**	–
INCOME STATEMENT ACCRUALS	**167,1**	192,4	**–**	–
EXPORT PARTNERSHIPS	**2,3**	2,5	**2,3**	2,5
	434,8	358,8	**2,3**	2,5
DEFERRED TAX ASSETS				
TAX LOSSES	**(108,3)**	(51,9)	**–**	–
PROVISIONS	**(23,5)**	(29,5)	**–**	–
DEBTORS ALLOWANCES	**(213,2)**	–	**–**	–
DERIVATIVE INSTRUMENTS	**(1,8)**	(3,7)	**–**	–
	(346,8)	(85,1)	**–**	–
NET DEFERRED TAX LIABILITY	**88,0**	273,7	**2,3**	2,5

13 INVENTORIES

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
RAW MATERIALS	**13,5**	14,6	**–**	–
WORK-IN-PROGRESS	**4,9**	6,2	**–**	–
FINISHED GOODS	**28,6**	4,0	**–**	–
CONTAINER EQUIPMENT HELD FOR RESALE	**3,5**	10,0	**–**	–
MERCHANDISE, CONSUMABLE STORES AND MAINTENANCE SPARES	**0,3**	16,5	**–**	–
	50,8	51,3	**–**	–

13.1 Inventory in the amount of R19,1 million (2002: R21,7 million) has been pledged as security for a loan (refer note 17).

13.2 Certain raw materials and finished goods have been written down and are now carried at their net realisable value of R11,8 million and R17,3 million respectively.

14 ACCOUNTS RECEIVABLE

Accounts receivable of a group company amounting to R16,9 million (2002: R28,7 million) have been pledged as security for a loan (refer note 17).

15 SHARE CAPITAL AND PREMIUM

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
SHARE CAPITAL				
AUTHORISED				
ORDINARY SHARES OF 0,5 CENT EACH 200 000 000 (2002: 200 000 000)	**1,0**	1,0	**1,0**	1,0
ISSUED				
ORDINARY SHARES OF 0,5 CENT EACH 153 639 592 (2002: 153 044 592)	**0,8**	0,8	**0,8**	0,8
SHARE PREMIUM	**167,9**	164,8	**167,9**	164,8
BALANCE AT THE BEGINNING OF THE YEAR	**164,8**	163,7	**164,8**	163,7
PREMIUM ON SHARES ISSUED DURING THE YEAR	**3,1**	1,1	**3,1**	1,1
	168,7	165,6	**168,7**	165,6

15.1 595 000 shares (2002: 202 500 shares) were issued by the company during the year pursuant to the exercise of certain options under The Trencor Share Option Plan (refer note 32).

15.2 In terms of the Executive Share Purchase Scheme, 5 442 300 unissued shares were placed at the disposal of the directors. Options were granted and exercised and shares issued in prior years in respect of 4 005 167 shares. At 31 December 2003, 1 437 133 shares (2002: 1 437 133 shares) previously reserved for the Scheme remained unissued and are under the control of the directors until the forthcoming annual general meeting. No shares (2002: no shares) were sold during the year. During 2002, the board resolved that the Scheme be terminated and that the 156 992 shares held by the trust in terms of the Scheme be sold at an appropriate time. These shares were sold on 22 October 2003 at the then ruling market price of R10,30 per share and the trust is being terminated.

15.3 The remaining unissued shares are under the control of the directors until the forthcoming annual general meeting.

16 CONVERTIBLE DEBENTURES

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
28 626 800 UNSECURED AUTOMATICALLY CONVERTIBLE SUBORDINATED DEBENTURES OF R9,10 EACH	**260,5**	260,5	**260,5**	260,5

The debentures bear interest at 6% p.a. payable in arrears in June and December. The debentures will be automatically converted into shares on the basis of one share for each debenture converted on the last Friday of the fifth month of the financial year following the financial year in respect of which the total dividend declared in cents per share is equal to or exceeds 54,6 cents. The directors are currently of the opinion that the debentures are unlikely to automatically convert in the foreseeable future.

17 INTEREST-BEARING BORROWINGS

	GROUP							
					FOREIGN AMOUNT			
	INTEREST RATE % P.A.	INTEREST FIXED OR INDEXED TO	REPAYMENT TERMS	FINAL MATURITY	2003 US$M	2002 US$M	2003 RM	2002 RM
SECURED (REFER NOTE 17.1)								
LOANS								
BORROWINGS DENOMINATED IN US$								
BONDS PAYABLE	2,08	LIBOR	MONTHLY	NOV 2016	**237,5**	267,5	**1 572,2**	2 316,5
DEBT FACILITY	2,13	NOTE 17.2	MONTHLY	DEC 2019	**164,0**	111,4	**1 085,5**	964,8
LOAN – AFFILIATE	3,06	LIBOR	QUARTERLY	OCT 2005	**32,2**	48,3	**213,3**	418,5
LOAN – AFFILIATE	3,09	LIBOR	ANNUALLY	NOV 2005	**15,3**	20,8	**101,1**	179,7
BANK LOAN					**–**	1,8	**–**	15,2
BANK LOAN	5,75	US PRIME	ON MATURITY	JUN 2005	**9,8**	7,1	**64,8**	61,6
LOAN FROM MINORITY SHAREHOLDER					**–**	1,2	**–**	10,2
BORROWINGS DENOMINATED IN UK£					UK£M	UK£M		
BANK LOAN	5,50	UK PRIME	MONTHLY	FEB 2016	**3,9**	3,6	**45,7**	50,1
BANK LOAN	6,37	FIXED	MONTHLY	SEP 2017	**16,0**	10,4	**189,3**	144,2
FINANCE COMPANY LOAN	8,73	FIXED	MONTHLY	MAR 2006	**0,1**	0,1	**0,5**	1,3
INSTALMENT SALE FACILITY DENOMINATED IN UK£	8,04	FIXED	MONTHLY	JAN 2008	**0,3**	0,7	**3,5**	9,1
FINANCE LEASE OBLIGATIONS								
AMOUNTS DENOMINATED IN US$	9,10	FIXED	MONTHLY	NOV 2007	**US$0,3**	US$0,5	**2,0**	4,0
AMOUNTS DENOMINATED IN UK£	5,62	FIXED	MONTHLY	MAR 2017	**UK£59,8**	UK£62,2	**706,1**	866,5
							3 984,0	5 041,7
UNSECURED								
LOAN DENOMINATED IN US$	2,15	LIBOR	ON MATURITY	JUL 2004	**US$3,2**	US$3,1	**21,2**	27,1
TOTAL							**4 005,2**	5 068,8
LESS: UNAMORTISED DEBT ISSUANCE COSTS							**(24,3)**	(42,5)
							3 980,9	5 026,3
LESS: CURRENT PORTION INCLUDED IN CURRENT LIABILITIES							**(432,1)**	(537,5)
LOANS							**(394,2)**	(483,4)
FINANCE LEASE OBLIGATIONS							**(37,9)**	(54,1)
							3 548,8	4 488,8

17.1 The secured loans are secured by way of a pledge against certain of the group's property, plant, equipment, shares in Textainer Group Holdings Ltd and certain inventory and accounts receivable (refer notes 2, 8, 13 and 14 respectively).

17.2 The debt facility bears interest at a daily variable rate indexed to commercial paper issued by the bank, one month LIBOR or US prime depending on the bank's sources of finance and the term of the borrowings.

17 INTEREST-BEARING BORROWINGS continued

17.3 In terms of the company's articles of association its borrowing powers are unlimited. Details of borrowings are as follows:

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
TOTAL BORROWING FACILITIES	**5 048,3**	6 866,4	**–**	–
ACTUAL BORROWINGS AT THE END OF THE YEAR	**4 005,2**	5 068,8	**–**	–
UNUTILISED FACILITIES	**1 043,1**	1 797,6	**–**	–

17.4 Certain loans have restrictive covenants including minimum net worth requirements, minimum working capital requirements and maintenance of minimum levels of profitability. The borrowing companies are currently in compliance with the covenants.

17.5 Certain group companies lease property, plant and equipment in terms of finance leases. In terms of the lease agreements, the group has the option to acquire ownership of the property, plant and equipment for a nominal payment at the end of the leases. Details of the commitments under the finance leases are as follows:

	GROUP		COMPANY	
TOTAL MINIMUM LEASE PAYMENTS	**991,3**	1 176,9	**–**	–
LESS: FINANCE CHARGES	**283,2**	306,4	**–**	–
PRESENT VALUE OF FINANCE LEASE OBLIGATION	**708,1**	870,5	**–**	–

	GROUP				COMPANY			
	TOTAL MINIMUM LEASE PAYMENTS		PRESENT VALUE		TOTAL MINIMUM LEASE PAYMENTS		PRESENT VALUE	
	2003 RM	2002 RM	2003 RM	2002 RM	2003 RM	2002 RM	2003 RM	2002 RM
DUE:								
WITHIN ONE YEAR	**77,1**	84,7	**37,9**	54,1	**–**	–	**–**	–
BETWEEN ONE AND FIVE YEARS	**298,9**	332,1	**162,8**	254,7	**–**	–	**–**	–
AFTER FIVE YEARS	**615,3**	760,1	**507,4**	561,7	**–**	–	**–**	–
	991,3	1 176,9	**708,1**	870,5	**–**	–	**–**	–

18 DERIVATIVE INSTRUMENTS

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
INTEREST RATE CAP AND SWAP CONTRACTS	**87,0**	171,0	**–**	–

18.1 The interest rate cap and swap contracts in Textainer have been recorded at fair value and the related fair value adjustments recorded in equity due to cash flow hedge effectiveness being demonstrated.

18.2 At 31 December 2003, Textainer had total variable interest rate debt principal outstanding in the amount of R2 657,7 million (2002: R3 281,4 million) of which R2 175,5 million (2002: R2 971,1 million) in notional value was covered by interest rate cap and swap contracts. The following is a summary of the group's various interest rate caps and swaps at 31 December 2003:

	NOTIONAL AMOUNT		FAIR VALUE (LIABILITY)	
	2003 RM	2002 RM	2003 RM	2002 RM
INTEREST RATE CAPS – EFFECTIVE THROUGH TO NOVEMBER 2004	**430,3**	649,5	**–**	–
INTEREST RATE SWAPS – EFFECTIVE THROUGH TO MARCH 2008	**1 745,2**	2 321,6	**(87,0)**	(171,0)
	2 175,5	2 971,1	**(87,0)**	(171,0)

19 PROVISIONS

	GROUP						
	CARRYING VALUE AT THE BEGINNING OF THE YEAR	ADDITIONAL PROVISIONS	AMOUNTS USED	AMOUNTS REVERSED	INTEREST ADJUSTMENT	EXCHANGE DIFFERENCES	CARRYING VALUE AT THE END OF THE YEAR
	RM	RM	RM	RM	RM	RM	RM
2003							
WARRANTY PROVISION	**17,9**	**0,3**	**(3,9)**	**–**	**–**	**(0,5)**	**13,8**
DAMAGE PROTECTION PLAN	**18,7**	**18,9**	**(4,6)**	**–**	**–**	**(5,9)**	**27,1**
POST-RETIREMENT MEDICAL AID BENEFITS	**2,5**	**–**	**(0,2)**	**–**	**0,3**	**–**	**2,6**
PROVISION AGAINST ACCOUNTS RECEIVABLE OF AN AFFILIATED COMPANY FOR WHICH RECOURSE EXISTS TO A GROUP COMPANY	**3,5**	**–**	**–**	**(2,5)**	**–**	**–**	**1,0**
PROVISION FOR LEASES AND OTHER COMMITMENTS	**33,2**	**–**	**(5,2)**	**–**	**3,3**	**–**	**31,3**
	75,8	**19,2**	**(13,9)**	**(2,5)**	**3,6**	**(6,4)**	**75,8**
2002							
WARRANTY PROVISION	15,2	4,4	(1,3)	–	–	(0,4)	17,9
DAMAGE PROTECTION PLAN	17,5	11,5	(4,2)	–	–	(6,1)	18,7
POST-RETIREMENT MEDICAL AID BENEFITS	2,8	–	(0,6)	–	0,3	–	2,5
PROVISION AGAINST ACCOUNTS RECEIVABLE OF AN AFFILIATED COMPANY FOR WHICH RECOURSE EXISTS TO A GROUP COMPANY	6,1	–	(2,6)	–	–	–	3,5
PROVISION FOR LEASES AND OTHER COMMITMENTS	34,5	–	(4,8)	–	3,5	–	33,2
	76,1	15,9	(13,5)	–	3,8	(6,5)	75,8

19.1 The warranty provision has been raised for possible warranty claims on products sold. The group warrants certain of its products for periods up to seven years.

19.2 The damage protection plan provision is raised for certain repairs to containers leased out and covered in terms of the plan. The rental contracts are typically for terms of five years or less.

19.3 The group provides for post-retirement medical aid benefits in respect of certain employees.

19.4 The provision for leases and other commitments is in respect of the leases on the closed dry freight marine container factory which terminate in August 2008. The provision has been calculated by discounting the future rental payments at a rate of 12% p.a. An appropriate amount has been provided to reinstate the property to the satisfaction of the lessor on termination of the leases.

20 REVENUE

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
INVOICED SALES – GOODS AND SERVICES	**70,5**	121,3	**–**	–
LEASING INCOME	**1 117,5**	1 176,8	**–**	–
MANAGEMENT FEES	**232,3**	276,8	**–**	–
FINANCE INCOME	**109,5**	352,7	**–**	–
DIVIDENDS	**–**	–	**–**	44,6
	1 529,8	1 927,6	**–**	44,6
DISCONTINUED OPERATIONS (REFER NOTE 26)	**56,5**	81,8	**–**	–
	1 586,3	2 009,4	**–**	44,6
NET REALISED AND UNREALISED EXCHANGE LOSSES	**(854,5)**	(1 420,4)	**–**	–
	731,8	589,0	**–**	44,6

21 INCOME/(LOSS) FROM OPERATIONS

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
Income/(Loss) from operations is arrived at after taking into account:				
INCOME				
DIVIDENDS FROM SUBSIDIARIES	**–**	–	**–**	44,6
NET GAIN ON DISPOSAL OF PLANT AND EQUIPMENT	**–**	8,4	**–**	–
REALISED AND UNREALISED EXCHANGE GAINS/(LOSSES), NOT INCLUDED IN REVENUE	**79,2**	53,4	**–**	(13,8)
CONTINUING OPERATIONS	**84,1**	64,5	**–**	(13,8)
DISCONTINUING OPERATIONS	**(4,9)**	(11,1)	**–**	–
RENTAL INCOME – INVESTMENT PROPERTIES	**3,2**	3,4		
ASSOCIATE COMPANY	**2,0**	2,4	**–**	–
OTHER	**1,2**	1,0	**–**	–
CHARGES				
AMORTISATION OF INTANGIBLE ASSETS	**3,3**	23,4	**–**	–
AUDITORS' REMUNERATION	**4,2**	6,7	**0,3**	–
AUDIT FEE	**3,2**	5,6	**0,1**	–
CURRENT YEAR	**3,2**	4,9	**0,1**	–
PRIOR YEAR	**–**	0,6	**–**	–
OTHER AUDIT RELATED EXPENSES	**–**	0,1	**–**	–
TAX CONSULTANCY SERVICES	**1,0**	1,1	**0,2**	–
DIRECTORS' EMOLUMENTS	**7,9**	7,5	**0,4**	–
EXECUTIVE DIRECTORS				
GUARANTEED REMUNERATION, BONUSES AND COMPANY CONTRIBUTIONS	**6,1**	6,4	**–**	–
NON-EXECUTIVE DIRECTORS				
GUARANTEED REMUNERATION AND COMPANY CONTRIBUTIONS	**1,8**	1,1	**0,4**	–
OPERATING LEASES – PREMISES	**19,3**	21,4	**–**	–
CONTINUING OPERATIONS	**15,4**	17,9	**–**	–
DISCONTINUING OPERATIONS	**3,9**	3,5	**–**	–
LOAN WRITTEN OFF – ASSOCIATE COMPANY	**–**	3,5	**–**	–
LOANS	**–**	87,2	**–**	–
PROVISION REVERSED	**–**	(83,7)	**–**	–
OPERATING EXPENSES – INVESTMENT PROPERTIES	**2,6**	1,3	**–**	–
RETIREMENT BENEFIT CONTRIBUTIONS	**7,5**	7,8	**–**	–
NET LOSS ON DISPOSAL OF PLANT AND EQUIPMENT	**0,1**	–	**–**	–

22 NET INTEREST EXPENSE/(INCOME)

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
INTEREST EXPENSE	**258,5**	353,0	**25,6**	34,5
TEXTAINER	**167,5**	228,2	**–**	–
TRENSTAR	**60,1**	62,5	**–**	–
OTHER	**30,9**	62,3	**15,6**	16,7
PAID TO SUBSIDIARY	**–**	–	**10,0**	17,8
INTEREST INCOME	**14,5**	21,4	**106,4**	148,8
FROM SUBSIDIARY	**–**	–	**26,7**	35,7
AMORTISATION ADJUSTMENT ON PREFERENCE SHARES IN SUBSIDIARY	**–**	–	**79,7**	113,1
FROM ASSOCIATE	**2,0**	2,5	**–**	–
OTHER	**12,5**	18,9	**–**	–
	244,0	331,6	**(80,8)**	(114,3)

23 EXCEPTIONAL ITEMS

PREMIUM PAID ON ACQUISITION OF SHARES FROM OUTSIDE SHAREHOLDERS	**(5,1)**	(0,4)	**–**	–
IMPAIRMENT OF GOODWILL	**–**	(11,7)	**–**	–
AMORTISATION OF GOODWILL – SUBSIDIARY	**(3,6)**	(0,4)	**–**	–
GOODWILL WRITTEN OFF PURSUANT TO CHANGE OF INTEREST IN SUBSIDIARY	**(1,5)**	–	**–**	–
GAIN ON SALE OF INVESTMENT PROPERTY	**0,6**	–	**–**	–
IMPAIRMENT OF INTANGIBLE ASSET	**(0,8)**	–	**–**	–
GAIN ON DILUTION OF INTEREST IN SUBSIDIARIES	**78,9**	–	**–**	–
IMPAIRMENT OF PLANT	**–**	2,7	**–**	–
IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENT	**–**	(20,6)	**–**	(20,6)
	68,5	(30,4)	**–**	(20,6)

24 INCOME TAX

SOUTH AFRICAN NORMAL	**54,3**	62,7	**0,1**	0,6
CURRENT	**51,4**	62,7	**0,1**	0,6
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**2,9**	–	**–**	–
FOREIGN NORMAL	**0,3**	46,9	**–**	–
CURRENT	**0,3**	17,3	**–**	–
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**–**	29,6	**–**	–
ASSOCIATED TAX CREDIT	**(8,4)**	(8,4)	**–**	–
SOUTH AFRICAN DEFERRED	**(180,0)**	(228,3)	**(0,2)**	(0,2)
CREDIT FOR THE YEAR	**(181,5)**	(229,4)	**(0,2)**	(0,2)
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**1,5**	1,1	**–**	–
FOREIGN DEFERRED	**19,3**	(38,3)	**–**	–
CHARGE/(CREDIT) FOR THE YEAR	**19,3**	(8,7)	**–**	–
ADJUSTMENT IN RESPECT OF PRIOR YEAR	**–**	(29,6)	**–**	–
	(114,5)	(165,4)	**(0,1)**	0,4

The effective tax rate is reconciled as follows:	%	%	%	%
STATUTORY TAX RATE	**30,0**	30,0	**30,0**	30,0
NON-TAXABLE INCOME	**4,0**	0,8	**(30,2)**	(38,2)
NON-TAX PAYING ENTITIES	**(1,2)**	(0,3)	**–**	–
NON-DEDUCTIBLE EXPENSES	**21,2**	2,4	**0,1**	3,5
FOREIGN DIFFERENTIAL	**66,2**	10,8	**–**	–
PRIOR YEAR ADJUSTMENT	**(3,8)**	(0,1)	**–**	–
LOSSES	**(24,7)**	(8,9)	**–**	–
ATTRIBUTABLE INCOME OF ASSOCIATE COMPANIES	**1,6**	0,3	**–**	–
EXCEPTIONAL ITEMS	**20,4**	1,3	**–**	5,0
EFFECTIVE TAX RATE	**113,7**	36,3	**(0,1)**	0,3

24 INCOME TAX continued

Certain group companies participate in export partnerships. As these companies are liable to the partnerships for the tax effect of their participation, the amount thereof is disclosed as an associated tax charge. In years subsequent to the participation, the partnerships become liable to the companies for the tax effect of their receipts and the amount thereof is disclosed as an associated tax credit.

25 LOSS AND HEADLINE LOSS PER SHARE

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
LOSS PER SHARE				
UNDILUTED				
LOSS ATTRIBUTABLE TO SHAREHOLDERS	**(98,5)**	(370,0)	**–**	–
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)	**153,2**	152,9	**–**	–
LOSS PER SHARE (CENTS)	**(64,3)**	(242,0)	**–**	–
DILUTED				
LOSS ATTRIBUTABLE TO SHAREHOLDERS	**(98,5)**	(370,0)	**–**	–
INTEREST NOT PAYABLE ON DEBENTURES TO BE CONVERTED	**10,9**	10,9	**–**	–
DILUTED LOSS	**(87,6)**	(359,1)	**–**	–
NUMBER OF SHARES IN ISSUE FOR DILUTED LOSS PER SHARE (MILLION)	**187,3**	187,6	**–**	–
NUMBER OF SHARES IN ISSUE FOR UNDILUTED LOSS PER SHARE (MILLION)	**153,2**	152,9	**–**	–
SHARES TO BE ISSUED ON CONVERSION OF DEBENTURES (MILLION)	**28,7**	28,7	**–**	–
OUTSTANDING SHARE OPTIONS (MILLION)	**5,4**	6,0	**–**	–
DILUTED LOSS PER SHARE (CENTS)	**(64,3)**	(242,0)	**–**	–
DILUTION PER SHARE (CENTS)	**–**	–	**–**	–

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
HEADLINE LOSS PER SHARE				
UNDILUTED				
LOSS ATTRIBUTABLE TO SHAREHOLDERS	**(98,5)**	(370,0)	**–**	–
DISCONTINUING OPERATIONS – CURRENT YEAR	**9,1**	–	**–**	–
DISCONTINUED OPERATIONS – PRIOR YEARS	**(0,8)**	(9,9)	**–**	–
LOSSES INCURRED UP TO DATE OF DISCONTINUANCE	**(9,3)**	–	**–**	–
EXCEPTIONAL ITEMS	**(68,5)**	30,4	**–**	–
AMORTISATION OF GOODWILL RELATING TO ASSOCIATE COMPANY	**3,6**	3,6	**–**	–
LOSS/(GAIN) ON SALE OF PLANT AND EQUIPMENT	**0,2**	(6,3)	**–**	–
OUTSIDE SHAREHOLDERS' ATTRIBUTABLE SHARE OF EXCEPTIONAL ITEMS	**(1,5)**	–	**–**	–
HEADLINE LOSS	**(165,7)**	(352,2)	**–**	–
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE (MILLION)	**153,2**	152,9	**–**	–
HEADLINE LOSS PER SHARE (CENTS)	**(108,2)**	(230,3)	**–**	–
DILUTED				
UNDILUTED HEADLINE LOSS ATTRIBUTABLE TO SHAREHOLDERS AS ABOVE	**(165,7)**	(352,2)	**–**	–
INTEREST NOT PAYABLE ON DEBENTURES TO BE CONVERTED	**10,9**	10,9	**–**	–
DILUTED HEADLINE LOSS	**(154,8)**	(341,3)	**–**	–
NUMBER OF SHARES IN ISSUE FOR DILUTED LOSS PER SHARE (MILLION)	**187,3**	187,6	**–**	–
DILUTED HEADLINE LOSS PER SHARE (CENTS)	**(108,2)**	(230,3)	**–**	–
DILUTION PER SHARE (CENTS)	**–**	–	**–**	–

The dilution would arise as a result of any future conversion of debentures referred to in note 16 and outstanding share options. The directors are of the opinion that the debentures will not be converted in the foreseeable future and therefore no dilution is anticipated for the foreseeable future. No dilutive effect has been presented in respect of the loss per share and headline loss per share in respect of either instrument as this would be anti-dilutive.

26 DISCONTINUING OPERATIONS

The discontinuing operations relate to the tank container factory at Parow for which an agreement has been entered into to dispose of the equipment, machinery and intellectual property relating to the tank container business, as well as the dry freight marine container factory at Isithebe, KwaZulu-Natal, which was closed in December 1999. The results relating to these operations are set out below:

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
REVENUE	**56,5**	81,8	**–**	–
LESS:				
COST OF GOODS SOLD BEFORE CHARGING ITEMS BELOW:	**51,4**	78,7	**–**	–
STAFF COSTS	**17,3**	16,5	**–**	–
DEPRECIATION	**1,6**	3,9	**–**	–
OTHER ADMINISTRATION AND SELLING (INCOME)/EXPENSES	**(1,5)**	3,1	**–**	–
REALISED AND UNREALISED EXCHANGE LOSSES	**4,9**	11,1	**–**	–
AMOUNT RECOVERED ON DISPOSAL OF PLANT	**(5,3)**	(27,8)	**–**	–
EMPLOYEE RETRENCHMENT COSTS INCURRED/(RECOVERED)	**6,1**	(1,3)	**–**	–
REVERSAL OF IMPAIRMENT OF PLANT	**(8,8)**	–	**–**	–
WRITE-DOWN OF INVENTORY	**2,3**	–	**–**	–
LEASES AND OTHER COMMITMENTS	**0,4**	–	**–**	–
LOSS BEFORE TAXATION	**(11,9)**	(2,4)	**–**	–
INCOME TAX	**(3,6)**	(0,8)	**–**	–
NET LOSS AFTER TAXATION	**(8,3)**	(1,6)	**–**	–
TOTAL ASSETS	**68,3**	41,2	**–**	–
TOTAL LIABILITIES	**62,1**	53,8	**–**	–

27 CAPITAL COMMITMENTS

For container leasing equipment and beer kegs authorised by the board

CONTRACTED	**79,6**	201,6	**–**	–
NOT YET CONTRACTED	**72,8**	–	**–**	–
	152,4	201,6	**–**	–

This expenditure will be financed from normal cash flow and existing facilities.

28 CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

28.1 A group company has issued a guarantee, in respect of export finance granted to customers, to the Industrial Development Corporation of South Africa Ltd under which the total potential liability at 31 December 2003 was R13,3 million (2002: R21,6 million).

28.2 A group company is on recourse to an affiliated company in respect of amounts receivable under instalment credit agreements by such affiliated company to the value of R9,7 million (2002: R34,0 million). An appropriate provision has been raised against possible doubtful debts which may arise (refer note 19).

28.3 The company and a subsidiary company have provided guarantees for utility service charges and premises rental of R1,4 million (2002: R1,4 million) of other subsidiary companies.

28.4 A group company has entered into various agreements with third parties for the purchase of containers for resale which expire in March and April 2004 amounting to R81,4 million (2002: nil). The amount outstanding under these agreements at 31 December 2003 was R66,5 million (2002: nil).

28 CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS continued

28.5 The company has warranted the performance and obligations of certain subsidiary companies in terms of a number of partnership agreements entered into with third parties. The partnerships were established for the purposes of purchasing and selling marine cargo containers. At 31 December 2003, the aggregate amount attributable to third parties in terms of these arrangements and payable to them over the remaining term of the underlying contracts was R982,0 million (2002: R1 042,5 million) (refer note 10). A successful challenge by the South African Revenue Service in respect of the tax treatment of the participation of our export partners in the container export trade, as disclosed in the directors' report on page 18, may result in the acceleration of certain of these amounts.

28.6 Obligations under the group's operating leases at 31 December 2003 were as follows:

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
DUE:				
WITHIN ONE YEAR	**13,2**	15,6	**–**	–
BETWEEN ONE AND FIVE YEARS	**38,4**	49,5	**–**	–
AFTER FIVE YEARS	**26,0**	44,9	**–**	–
	77,6	110,0	**–**	–

29 NOTES TO THE CASH FLOW STATEMENTS

29.1 Reconciliation of (loss)/income before taxation to cash generated from/(utilised by) operations:

	GROUP		COMPANY	
	2003 RM	2002 RM	2003 RM	2002 RM
(LOSS)/INCOME BEFORE TAXATION	**(100,7)**	(455,1)	**79,2**	123,8
ADJUSTED FOR:				
INTEREST EXPENSE	**258,5**	353,0	**25,6**	34,5
ATTRIBUTABLE INCOME OF ASSOCIATE COMPANIES	**(5,5)**	(1,3)	**–**	–
UNREALISED FOREIGN EXCHANGE LOSSES	**783,0**	1 222,4	**–**	13,8
NET DECREASE IN VALUATION ADJUSTMENT IN RESPECT OF NET INVESTMENT IN LONG-TERM RECEIVABLES	**(330,8)**	(549,5)	**–**	–
OTHER NON-CASH FLOW ADJUSTMENTS TO THE NET INVESTMENT IN LONG-TERM RECEIVABLES	**(106,3)**	(349,8)	**–**	–
DEPRECIATION	**390,1**	468,1	**–**	–
INCREASES IN PROVISIONS	**20,3**	19,7	**–**	–
LOSS/(GAIN) ON SALE OF PLANT AND EQUIPMENT	**0,1**	(8,4)	**–**	–
EXCEPTIONAL ITEMS	**(68,5)**	30,4	**–**	20,6
REVERSAL OF IMPAIRMENT LOSS ON PLANT	**(8,8)**	–	**–**	–
PROVISION AGAINST LOANS	**–**	3,5	**–**	–
AMORTISATION OF INTANGIBLE ASSETS	**3,3**	23,4	**–**	–
DEFERRED INCOME	**(2,9)**	30,1	**–**	–
WRITE-DOWN OF INVENTORY	**2,3**	–	**–**	–
INVESTMENT INCOME	**(14,5)**	(21,4)	**(106,4)**	(193,4)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**819,6**	765,1	**(1,6)**	(0,7)
WORKING CAPITAL CHANGES	**(107,0)**	121,5	**1,8**	(2,3)
(INCREASE)/DECREASE IN INVENTORY	**(8,7)**	25,3	**–**	–
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	**(26,2)**	(72,2)	**0,3**	–
(DECREASE)/INCREASE IN ACCOUNTS PAYABLE	**(72,1)**	168,4	**1,5**	(2,3)
CASH GENERATED FROM/(UTILISED BY) OPERATIONS	**712,6**	886,6	**0,2**	(3,0)

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
29.2 TAXATION PAID				
AMOUNTS UNPAID AT THE BEGINNING OF THE YEAR	**90,5**	9,0	**0,6**	0,8
EXCHANGE DIFFERENCES	**(9,1)**	(3,8)	**–**	–
CHARGE PER INCOME STATEMENT	**54,6**	109,6	**0,1**	0,6
AMOUNTS UNPAID AT THE END OF THE YEAR	**(64,2)**	(90,5)	**(0,1)**	(0,6)
	71,8	24,3	**0,6**	0,8

29.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
BANK BALANCES AND CASH	**330,5**	368,6	**–**	–
	330,5	368,6	**–**	–

29.3.1 RESTRICTED CASH BALANCES

Held as additional collateral for interest-bearing borrowings in respect of (refer note 17):

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
SECURED DEBT FACILITY	**28,8**	37,3	**–**	–
UK BANK FACILITY	**9,9**	–	**–**	–
REVOLVING CREDIT FACILITY	**5,5**	–	**–**	–
OTHER:				
PLEDGED AS SECURITY FOR A LETTER OF CREDIT	**–**	14,3	**–**	–
PLEDGED AS SECURITY FOR A GUARANTEE	**–**	8,6	**–**	–
IN RESPECT OF A GROUP COMPANY'S OFFICE LEASE	**3,5**	–	**–**	–
INSURANCE ESCROW ACCOUNT	**–**	3,5	**–**	–
	47,7	63,7	**–**	–

29.4 DISCONTINUING OPERATION

The following cash (outflows)/inflows are attributable to the discontinuing operation:

	GROUP 2003 RM	GROUP 2002 RM	COMPANY 2003 RM	COMPANY 2002 RM
OPERATING ACTIVITIES	**(19,2)**	10,3	**–**	–
INVESTING ACTIVITIES	**(0,3)**	(0,9)	**–**	–
	(19,5)	9,4	**–**	–

29.5 NON CASH FLOW TRANSACTIONS

29.5.1 Trencor Services disposed of its investment property for R5,1 million. The transaction was settled by means of a loan granted to the purchaser (refer note 9).

29.5.2 Textainer issued shares pursuant to its share option plan. The transactions were settled by means of loans granted to the employees amounting to R12,7 million (refer note 9).

29.5.3 TrenStar acquired the remaining 25% outside shareholder's interest in Brewers Logistics International Ltd. The purchase price of R19,9 million was settled by the issue of shares by TrenStar. The amount paid in excess of the fair value of the interest acquired was allocated to the carrying value of a long-term keg contract included in intangible assets (refer note 4).

30 FINANCIAL INSTRUMENTS

Treasury committees in group companies, consisting of senior executives, meet as required to consider current currency and interest rate exposures and treasury management strategies. Compliance with group policies and exposure limits are reviewed at quarterly meetings of the board.

CASH FLOW AND FUNDING RISK MANAGEMENT

The risk is managed through cash flow forecasts and ensuring that adequate borrowing facilities are maintained. In terms of the company's articles of association, its borrowing powers are unlimited.

FOREIGN CURRENCY RISK MANAGEMENT

The group enters into forward exchange contracts from time to time and as required to buy and sell specified amounts of various foreign currencies in the future at predetermined exchange rates. The contracts are entered into in order to manage the group's exposures to fluctuations in foreign currency exchange rates. The contracts are generally matched with anticipated future cash flows in foreign currencies primarily from sales and purchases.

INTEREST RATE RISK MANAGEMENT

As part of the process of managing the group's fixed and floating rate borrowings mix, the interest rate borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to anticipated movements in interest rates.

The group is exposed to interest rate risk as it borrows or places funds on the money market. This risk is managed by maintaining an appropriate mix of fixed and daily call placements with registered financial institutions which are subject to compliance with the relevant regulatory bodies.

The group's financial instruments that are subject to interest rate risk at 31 December 2003 were:

		MATURITY OF INTEREST-BEARING ASSET/LIABILITY				
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE % P.A.	ONE YEAR OR LESS RM	ONE TO FIVE YEARS RM	MORE THAN FIVE YEARS RM	NON-INTEREST-BEARING RM	TOTAL RM
ASSETS						
LONG-TERM LOANS						
– SA RAND	9,74	8,5	8,2	–	6,8	23,5
– US$	6,13	–	12,7	–	–	12,7
		8,5	20,9	–	6,8	36,2
CASH AND CASH EQUIVALENTS						
– SA RAND	5,52	23,9	–	–	–	23,9
– UK£	4,33	8,1	–	–	37,5	45,6
– US$	0,59	254,0	–	–	7,0	261,0
		286,0	–	–	44,5	330,5
LIABILITIES						
INTEREST-BEARING BORROWINGS						
– AT FIXED INTEREST RATES	5,79	52,3	216,0	640,7	(5,5)	903,5
– AT FLOATING INTEREST RATES	2,33	379,8	2 137,1	579,3	(18,8)	3 077,4
		432,1	2 353,1	1 220,0	(24,3)	3 980,9

The group makes use of interest rate derivatives as approved in terms of company policy limits in order to manage interest rate risk. Certain group companies have entered into various interest rate cap and swap agreements to hedge against interest rate exposure associated with its variable rate debt. The cap agreements, in general, involve the payment of certain premiums by the companies in exchange for reimbursement of certain interest rate payments, which exceed contractual fixed rate payment ceilings. The swap agreements involve payments by the companies to counterparties at fixed rates in return for receipts based upon variable rates indexed to LIBOR (refer notes 17 and 18).

CREDIT RISK MANAGEMENT

Financial assets which potentially subject the group to concentrations of credit risk consist principally of cash, long-term receivables and accounts receivable.

The group's cash equivalents are placed only with various registered financial institutions. Credit risk with respect to accounts receivable is mitigated due to the diverse customer base. The risk arising on short-term accounts receivable is also managed through a group policy on the granting of credit limits and continual review and monitoring of these limits. Accordingly, the group has no significant concentration of credit risk with respect to these financial assets.

Credit risk with respect to long-term receivables is determined by the creditworthiness of the international customers to whom containers are supplied. Management closely monitors the activities and performance of these customers. Long-term receivables are valued by discounting future cash flows and an appropriate adjustment is made to the net investment for the timing of receipt and possible non-collectability of these receivables and the related payment to third parties.

With respect to the derivative contracts, the group's exposure to credit risk is determined by the counterparties with which they contract and the markets and countries in which those counterparties conduct their business. Limits are established in advance for all credit exposures within strict company guidelines. Individual limits and the utilisation of those limits are continually reassessed. The group minimises such credit risk by limiting the counterparties to a group of major financial institutions, regulated by the relevant regulatory bodies, and does not expect to incur any losses as a result of non-performance by these counterparties.

FAIR VALUES

The fair values of all financial instruments are substantially similar to carrying amounts reflected in the balance sheet, except for the company's participation in export partnerships. The cash flows from the participation in export partnerships (refer note 10) which will be received by the company over the next 9 to 12 years, have not been discounted. For fair presentation purposes, it is noted that any impairment to the participation in export partnerships will result in a corresponding reduction in the related deferred taxation liability and thus there would be no impact on the net cash flow statement and the income statement of the company.

31 RELATED PARTY TRANSACTIONS

INTRA-GROUP TRANSACTIONS

Certain companies in the group advanced, received and repaid loans, bought and sold goods and services from/to other entities in the group and paid and received dividends during the year. These intra-group transactions, which have been eliminated on consolidation, were conducted at arm's length.

DIRECTOR TRANSACTIONS WITH GROUP ENTITIES

Mr D M Nurek is a non-executive director of certain South African listed companies, some of whose subsidiaries are partners in export partnerships with the group. No new export partnerships were concluded with these companies during the year under review.

Prior to the appointment of Mr H R van der Merwe as a director, a company in a family trust structure established by him issued 11% redeemable preference shares to a bank, which shares were subsequently acquired by a subsidiary company at a cost of R2,6 million. R1,3 million has been received by way of a partial redemption. The balance of R1,3 million is included in accounts receivable. Mr H R van der Merwe has provided a put option in favour of the subsidiary company should the redeemable preference shares not be redeemed. The shares are redeemable on 31 days notice at the instance of the company.

The group has entered into transactions for the supply of containers to its associate, TAC Ltd, in the normal course of business on an arm's-length basis.

Certain non-executive directors are also directors of other companies which have transactions with the group. The relevant directors do not believe they have the capacity to control or significantly influence the financial or operating policies of those companies. Those companies are therefore not considered to be director-related entities.

32 EMPLOYEE BENEFITS

32.1 RETIREMENT BENEFIT FUNDS

Membership of the Trencor Pension Fund, a defined contribution fund governed by the Pension Funds Act, is compulsory for all permanent employees in South Africa who are not members of industry funds. Certain categories of employees are members of industry funds within the industries in which they are employed.

At 31 December 2003 the Trencor Pension Fund had 253 members whose aggregate share of the Fund amounted to R119,7 million. The market value of the Fund's investments at the date was R173 million. The Fund has no liability in respect of pensions as all pensioners were transferred to an insurer and all new retirees purchase annuities from insurers.

Certain non-South African group companies offer defined contribution plans for their employees in the various jurisdictions in which they are employed. None of these plans have any liability in respect of pensioners.

32.2 POST-RETIREMENT BENEFITS

Certain employees' medical aid contributions, post-retirement, are subsidised by group companies. These subsidies have been fully provided for (refer note 19).

32.3 EQUITY COMPENSATION BENEFITS

SHARE OPTION PLANS

The company, and two of its subsidiaries, have share option plans for certain employees, including executive directors, to purchase shares in terms of the rules of their respective plans.

	NUMBER OF SHARES		
	TRENCOR	TEXTAINER	TRENSTAR
NUMBER OF SHARES AUTHORISED UNDER SHARE OPTION PLANS			
AT 31 DECEMBER 2001	15 284 209	1 525 000	1 000 000
DURING 2002	–	–	250 000
AT 31 DECEMBER 2002	15 284 209	1 525 000	1 250 000
DURING 2003	–	–	–
AT 31 DECEMBER 2003	15 284 209	1 525 000	1 250 000
WEIGHTED AVERAGE EXERCISE PRICE OF SHARES AUTHORISED IN 2002	–	–	US$4,31

SUMMARY OF ACTIVITY IN SHARE OPTION PLANS	NUMBER OF SHARES UNVESTED	VESTED	TOTAL	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE (R)	WEIGHTED AVERAGE EXPIRATION YEAR
TRENCOR					
BALANCE AT 31 DECEMBER 2001	6 340 000	–	6 340 000	5,25	2009
OPTIONS GRANTED DURING THE YEAR	–	–	–	–	–
OPTIONS VESTED DURING THE YEAR	(1 316 250)	1 316 250	–	5,25	2009
OPTIONS FORFEITED DURING THE YEAR	(150 000)	–	(150 000)	5,25	2009
OPTIONS EXERCISED DURING THE YEAR	–	(202 500)	(202 500)	5,25	2009
BALANCE AT 31 DECEMBER 2002	4 873 750	1 113 750	5 987 500	5,25	2009
OPTIONS GRANTED DURING THE YEAR	**–**	**–**	**–**	**–**	**–**
OPTIONS VESTED DURING THE YEAR	**(1 421 250)**	**1 421 250**	**–**	**5,25**	**2009**
OPTIONS FORFEITED DURING THE YEAR	**–**	**–**	**–**	**–**	**–**
OPTIONS EXERCISED DURING THE YEAR	**–**	**(595 000)**	**(595 000)**	**5,25**	**2009**
BALANCE AT 31 DECEMBER 2003	**3 452 500**	**1 940 000**	**5 392 500**	**5,25**	**2009**

	NUMBER OF SHARES UNVESTED	VESTED	TOTAL	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE (US$)	WEIGHTED AVERAGE EXPIRATION YEAR
TEXTAINER					
BALANCE AT 31 DECEMBER 2001	463 000	552 000	1 015 000	4,51	2008
OPTIONS GRANTED DURING THE YEAR	–	–	–	–	–
OPTIONS VESTED DURING THE YEAR	(163 000)	163 000	–	4,92	2009
OPTIONS EXERCISED DURING THE YEAR	–	(28 000)	(28 000)	4,33	2007
BALANCE AT 31 DECEMBER 2002	300 000	687 000	987 000	4,52	2008
OPTIONS GRANTED DURING THE YEAR	**–**	**–**	**–**	**–**	**–**
OPTIONS VESTED DURING THE YEAR	**(75 000)**	**75 000**	**–**	**5,62**	**2011**
OPTIONS EXERCISED DURING THE YEAR	**–**	**(477 000)**	**(477 000)**	**3,77**	**2006**
BALANCE AT 31 DECEMBER 2003	**225 000**	**285 000**	**510 000**	**5,22**	**2010**
TRENSTAR					
BALANCE AT 31 DECEMBER 2001	559 166	50 834	610 000	4,12	2011
OPTIONS GRANTED DURING THE YEAR	510 000	–	510 000	4,31	2012
OPTIONS VESTED DURING THE YEAR	(266 875)	266 875	–	4,20	2011
OPTIONS FORFEITED DURING THE YEAR	(50 000)	–	(50 000)	4,12	2011
OPTIONS EXERCISED DURING THE YEAR	–	–	–	–	–
BALANCE AT 31 DECEMBER 2002	752 291	317 709	1 070 000	4,21	2011
OPTIONS GRANTED DURING THE YEAR	**425 000**	**–**	**425 000**	**4,50**	**2012**
OPTIONS VESTED DURING THE YEAR	**(401 977)**	**401 977**	**–**	**4,30**	**2011**
OPTIONS FORFEITED DURING THE YEAR	**(215 000)**	**–**	**(215 000)**	**4,37**	**2011**
OPTIONS EXERCISED DURING THE YEAR	**–**	**–**	**–**	**–**	**–**
BALANCE AT 31 DECEMBER 2003	**560 314**	**719 686**	**1 280 000**	**4,28**	**2011**

33 SEGMENTAL REPORT

BUSINESS SEGMENTS

For management reporting purposes the group is organised into six major operating divisions, namely Container Operations which comprises Sales and Finance, Owning, Leasing-out and Management and Manufacturing; Supply Chain Management Services, Trailer Manufacturing, and Other Operations.

	CONTAINER OPERATIONS					
	SALES AND FINANCE		OWNING, LEASING-OUT AND MANAGEMENT		MANUFACTURING	
	2003 RM	2002 RM	2003 RM	2002 RM	2003 RM	2002 RM
REVENUE						
EXTERNAL	**(752,5)**	(1 068,3)	**1 097,1**	1 299,9	**56,5**	81,8
CONTINUING	**(752,5)**	(1 068,3)	**1 097,1**	1 299,9	**–**	–
DISCONTINUING	**–**	–	**–**	–	**56,5**	81,8
TOTAL REVENUE	**(752,5)**	(1 068,3)	**1 097,1**	1 299,9	**56,5**	81,8
SEGMENT RESULT						
NET INCOME BEFORE INTEREST AND ITEMS REFLECTED BELOW AND TAXATION	**(433,6)**	(545,0)	**465,5**	469,0	**(11,9)**	(2,4)
CONTINUING	**(433,6)**	(545,0)	**465,5**	469,0	**–**	–
DISCONTINUING	**–**	–	**–**	–	**(11,9)**	(2,4)
NET INTEREST EXPENSE						
EXCEPTIONAL ITEMS						
ATTRIBUTABLE INCOME OF ASSOCIATE COMPANY						
PROVISION AGAINST LOANS						
TAXATION						
CONTINUING OPERATIONS						
DISCONTINUING OPERATIONS						
INCOME AFTER TAXATION						
OTHER INFORMATION						
SEGMENT ASSETS	**1 599,3**	2 305,1	**4 075,1**	4 932,9	**86,3**	59,4
CONTINUING OPERATIONS	**1 599,3**	2 305,1	**4 075,1**	4 932,9	**18,0**	18,2
DISCONTINUING OPERATIONS	**–**	–	**–**	–	**68,3**	41,2
INVESTMENTS AND INVESTMENT IN ASSOCIATES						
LONG-TERM LOANS						
DEFERRED TAXATION						
CONSOLIDATED TOTAL ASSETS						
SEGMENT LIABILITIES	**420,7**	444,0	**247,4**	444,8	**62,3**	53,5
CONTINUING OPERATIONS	**420,7**	444,0	**247,4**	444,8	**0,2**	(0,3)
DISCONTINUING OPERATIONS	**–**	–	**–**	–	**62,1**	53,8
CONVERTIBLE DEBENTURES						
INTEREST-BEARING BORROWINGS						
DEFERRED TAXATION						
BANK OVERDRAFTS AND SHORT-TERM LOANS						
TAXATION						
CONSOLIDATED TOTAL LIABILITIES						
SUPPLEMENTARY INFORMATION						
CAPITAL EXPENDITURE	**–**	–	**687,2**	763,4	**0,3**	0,9
CONTINUING OPERATIONS	**–**	–	**687,2**	763,4	**–**	–
DISCONTINUING OPERATIONS	**–**	–	**–**	–	**0,3**	0,9
DEPRECIATION	**–**	–	**315,3**	421,9	**1,6**	1,6
CONTINUING OPERATIONS	**–**	–	**315,3**	421,9	**–**	–
DISCONTINUING OPERATIONS	**–**	–	**–**	–	**1,6**	1,6

SUPPLY CHAIN MANAGEMENT SERVICES		TRAILERS		OTHER (INCLUDING CORPORATE OVERHEADS)		CONSOLIDATED	
2003 RM	2002 RM	2003 RM	2002 RM	2003 RM	2002 RM	2003 RM	2002 RM
327,5	274,2	**–**	–	**3,2**	1,4	**731,8**	589,0
327,5	274,2	**–**	–	**3,2**	1,4	**675,3**	507,2
–	–	**–**	–	**–**	–	**56,5**	81,8
327,5	274,2	**–**	–	**3,2**	1,4	**731,8**	589,0
(11,9)	(43,0)	**–**	–	**61,2**	30,5	**69,3**	(90,9)
(11,9)	(43,0)	**–**	–	**61,2**	30,5	**80,7**	(88,5)
–	–	**–**	–	**–**	–	**(11,9)**	(2,4)
						(244,0)	(331,6)
						68,5	(30,4)
		5,5	1,3			**5,5**	1,3
						–	(3,5)
						(114,5)	(165,4)
						(110,9)	(164,6)
						(3,6)	(0,8)
						13,8	(289,7)
1 296,3	1 348,8	**–**	–	**97,9**	186,4	**7 154,9**	8 832,6
1 296,3	1 348,8	**–**	–	**97,9**	186,4	**7 086,6**	8 791,4
–	–	**–**	–	**–**	–	**68,3**	41,2
						101,1	102,5
						36,2	31,6
						188,8	–
						7 481,0	8 966,7
79,8	98,1	**1,0**	3,7	**59,1**	78,4	**870,3**	1 122,5
79,8	98,1	**1,0**	3,7	**59,1**	78,4	**808,2**	1 082,9
–	–	**–**	–	**–**	–	**62,1**	39,6
						260,5	260,5
						3 980,9	5 026,3
						276,8	273,7
						–	–
						64,2	90,5
						5 452,7	6 773,5
143,6	1 229,2	**–**	–	**0,6**	1,2	**831,7**	1 994,7
143,6	1 229,2	**–**	–	**0,6**	1,2	**831,4**	1 993,8
–	–	**–**	–	**–**	–	**0,3**	0,9
70,6	41,5	**–**	–	**2,6**	3,1	**390,1**	468,1
70,6	41,5	**–**	–	**2,6**	3,1	**388,5**	466,5
–	–	**–**	–	**–**	–	**1,6**	1,6

ADDITIONAL INFORMATION

Balance sheet at 31 December 2003

In order to supplement the information provided in the annual financial statements, the following additional information is supplied:

Summarised consolidated balance sheet (page 52) and income statement (page 53) of Trencor Ltd and subsidiaries for the year ended 31 December 2003, with comparatives for the previous year, on the basis that Textainer Group Holdings Ltd and Brewers Logistics International Ltd ('BLI') are accounted for on the equity method and are not consolidated. BLI is wholly-owned by TrenStar Inc and all of its borrowings are ring-fenced and without recourse to TrenStar or Trencor. These statements are unaudited and have been prepared by management based on the financial statements of the group, Textainer and BLI respectively.

	2003 RM	2002 RM
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	**250,3**	249,0
INVESTMENT PROPERTIES	**29,3**	33,7
INTANGIBLE ASSETS	**21,9**	10,4
GOODWILL	**21,2**	5,7
INVESTMENTS AND INVESTMENT IN ASSOCIATES	**795,7**	838,2
LONG-TERM LOANS	**15,1**	20,0
LONG-TERM RECEIVABLES	**1 446,6**	2 065,1
DEFERRED TAXATION	**188,8**	–
	2 768,9	3 222,1
CURRENT ASSETS		
INVENTORIES	**47,4**	41,3
ACCOUNTS RECEIVABLE	**212,5**	311,6
CURRENT PORTION OF LONG-TERM LOANS	**8,5**	11,6
CASH AND CASH EQUIVALENTS	**114,1**	127,3
TOTAL ASSETS	**3 151,4**	3 713,9
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
SHARE CAPITAL AND PREMIUM	**168,7**	165,6
RESERVES	**1 337,5**	1 567,2
SHAREHOLDERS' EQUITY	**1 506,2**	1 732,8
INTEREST OF OUTSIDE SHAREHOLDERS IN SUBSIDIARIES	**75,0**	19,7
TOTAL SHAREHOLDERS' FUNDS	**1 581,2**	1 752,5
CONVERTIBLE DEBENTURES	**260,5**	260,5
OTHER NON-CURRENT LIABILITIES		
INTEREST-BEARING BORROWINGS	**263,9**	558,8
AMOUNTS ATTRIBUTABLE TO THIRD PARTIES IN RESPECT OF LONG-TERM RECEIVABLES	**380,0**	397,4
DEFERRED TAXATION	**233,5**	218,0
	2 719,1	3 187,2
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	**152,9**	159,9
PROVISIONS	**48,8**	57,2
TAXATION	**39,4**	79,3
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	**181,2**	211,8
DEFERRED INCOME	**10,0**	18,5
TOTAL EQUITY AND LIABILITIES	**3 151,4**	3 713,9
LIQUIDITY		
RATIO TO AGGREGATE OF TOTAL SHAREHOLDERS' FUNDS AND CONVERTIBLE DEBENTURES		
TOTAL LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	**71,1%**	84,5%
INTEREST-BEARING LIABILITIES EXCLUDING CONVERTIBLE DEBENTURES	**24,2%**	38,3%

ADDITIONAL INFORMATION

Income statement for the year ended 31 December 2003

	2003 RM	2002 RM
REVENUE (EXCLUDING EXCHANGE LOSSES)	**332,1**	628,8
NET INCOME BEFORE CHARGING ITEMS BELOW:	**195,5**	448,4
STAFF COSTS	**135,1**	112,7
DEPRECIATION	**29,3**	32,6
OTHER ADMINISTRATION AND SELLING (INCOME)/ EXPENSES	**(10,6)**	60,1
INCOME BEFORE VALUATION OF RECEIVABLES	**41,7**	243,0
ADJUSTMENTS TO VALUATION OF LONG-TERM RECEIVABLES	**(519,3)**	(875,2)
UNREALISED EXCHANGE LOSSES	**(854,5)**	(1 420,4)
NET LONG-TERM RECEIVABLE ADJUSTMENT	**335,2**	545,2
LOSS FROM OPERATIONS	**(477,6)**	(632,2)
NET INTEREST EXPENSE	**(30,4)**	(64,4)
ATTRIBUTABLE INCOME OF ASSOCIATE COMPANIES	**180,3**	132,6
LOSS BEFORE EXCEPTIONAL ITEMS	**(327,7)**	(564,0)
EXCEPTIONAL ITEMS	**73,5**	(16,0)
LOSS BEFORE TAXATION	**(254,2)**	(580,0)
INCOME TAX	**(146,9)**	(192,8)
LOSS AFTER TAXATION	**(107,3)**	(387,2)
LOSS ATTRIBUTABLE TO OUTSIDE SHAREHOLDERS IN SUBSIDIARIES	**8,8**	17,2
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS	**(98,5)**	(370,0)

ADDITIONAL INFORMATION

Balance sheet at 31 December 2003

In order to supplement the information provided in the annual financial statements, the following additional information is supplied:

Summarised consolidated balance sheet (page 54) and income statement (page 55) of Textainer Group Holdings Ltd and subsidiaries for the year ended 31 December 2003 with comparatives for the previous year. These statements are unaudited but have been extracted from the audited financial statements of Textainer Group Holdings Ltd for the year ended 31 December 2003.

	2003 US$M	2002 US$M
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH OF US$4,4 MILLION AND US$4,7 MILLION IN 2003 AND 2002, RESPECTIVELY	**26,1**	24,0
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL DEBTS OF US$2,2 MILLION AND US$1,0 MILLION IN 2003 AND 2002, RESPECTIVELY	**27,0**	24,4
NET INVESTMENT IN DIRECT FINANCE LEASES	**2,2**	2,1
CONTAINERS HELD FOR RESALE	**0,5**	1,2
PREPAID EXPENSES	**1,7**	2,0
DUE FROM AFFILIATES, NET	**0,4**	0,4
	57,9	54,1
NON-CURRENT ASSETS		
CONTAINERS, NET	**547,4**	503,7
NET INVESTMENT IN DIRECT FINANCE LEASES	**5,3**	7,6
INVESTMENTS IN AFFILIATES	**0,6**	0,6
FIXED ASSETS, NET	**1,8**	1,9
OTHER ASSETS	**5,5**	5,6
TOTAL ASSETS	**618,5**	573,5
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	**14,7**	13,9
CONTAINER CONTRACTS PAYABLE	**4,0**	15,6
DAMAGE PROTECTION PLAN RESERVE	**4,1**	2,2
DUE TO OWNERS, NET	**5,2**	4,7
OBLIGATIONS UNDER CAPITAL LEASES	**0,3**	0,1
BONDS PAYABLE	**30,0**	30,0
TOTAL CURRENT LIABILITIES	**58,3**	66,5
NON-CURRENT LIABILITIES		
OBLIGATIONS UNDER CAPITAL LEASES	**–**	0,3
SECURED DEBT FACILITY	**164,0**	111,4
BONDS PAYABLE	**207,5**	237,5
CASH FLOW HEDGING DERIVATIVES	**13,1**	19,7
DEFERRED INCOME TAXES, NET	**6,4**	2,6
TOTAL LIABILITIES	**449,3**	438,0
MINORITY INTEREST	**29,3**	20,8
STOCKHOLDERS' EQUITY	**139,9**	114,7
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**618,5**	573,5

ADDITIONAL INFORMATION

Income statement for the year ended 31 December 2003

	2003 US$M	2002 US$M
REVENUES		
LEASE RENTAL INCOME	**122,3**	100,1
MANAGEMENT FEES	**16,8**	14,4
TRADING CONTAINER SALES PROCEEDS	**9,3**	9,8
GAIN ON SALES OF ASSETS, NET	**–**	0,6
OTHER, NET	**1,8**	1,6
TOTAL REVENUES	**150,2**	126,5
OPERATING EXPENSES		
DIRECT CONTAINER EXPENSES	**17,6**	15,1
COST OF TRADING CONTAINERS SOLD	**7,2**	9,2
DEPRECIATION	**42,7**	40,8
GENERAL AND ADMINISTRATIVE EXPENSE	**19,6**	16,1
TOTAL OPERATING EXPENSES	**87,1**	81,2
INCOME FROM OPERATIONS	**63,1**	45,3
OTHER EXPENSE		
NET INTEREST EXPENSE	**(22,5)**	(21,8)
MINORITY INTEREST IN NET INCOME OF SUBSIDIARY	**(8,1)**	(5,0)
NET OTHER EXPENSE	**(30,6)**	(26,8)
INCOME BEFORE INCOME TAX EXPENSE	**32,5**	18,5
INCOME TAX EXPENSE	**(3,0)**	(2,3)
NET INCOME	**29,5**	16,2

- **COMPANY REGISTRATION**
  TRENCOR LIMITED
  INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA
  ON 28 SEPTEMBER 1955
  REGISTRATION NUMBER 1955/002869/06
- **YEAR LISTED**
  1955
- **REGISTERED OFFICE AND POSTAL ADDRESS**
  1313 MAIN TOWER STANDARD BANK CENTRE
  HEERENGRACHT CAPE TOWN 8001
  TEL 021 421 7310 FAX 021 419 3692
  INTERNATIONAL +27 21
- **SECRETARY**
  TRENCOR SERVICES (PTY) LTD
- **INTERNET ADDRESS**
  http://www.trencor.net
- **E-MAIL**
  info@trencor.net investorrelations@trencor.net
- **TRANSFER SECRETARIES**
  COMPUTERSHARE LTD
  70 MARSHALL STREET JOHANNESBURG 2001
  PO BOX 61051 MARSHALLTOWN 2107
  TEL 011 370 5000 FAX 011 688 7721
  CALL CENTRE 0861 100950 (WITHIN RSA) OR +27 11 370 5000 (OUTSIDE RSA)
  http://www.computershare.com
- **PRINCIPAL BANKERS**
  FORTIS BANK (NEDERLAND) NV – NETHERLANDS
  WACHOVIA SECURITIES – USA
- **SOUTH AFRICAN COMMERCIAL BANK**
  FIRSTRAND BANK LTD
- **AUDITORS**
  KPMG INC
- **ATTORNEYS**
  SONNENBERG HOFFMANN GALOMBIK
- **SPONSORS**
  HSBC INVESTMENT SERVICES (AFRICA) (PTY) LTD
- **FTSE/JSE SECTOR CLASSIFICATION**
  CYCLICAL SERVICES, TRANSPORT – SHIPPING & PORTS
- **MARKET NAME**
  TRENCOR
- **JSE SHARE CODES**
  ORDINARY SHARES TRE ISIN: ZAE000007506
  6% CONVERTIBLE DEBENTURES TED2 ISIN: ZAE000007282

ANALYSIS OF SHARE AND DEBENTURE HOLDERS AT 19 DECEMBER 2003

	ORDINARY SHARES				6% CONVERTIBLE DEBENTURES			
	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES	% INTEREST	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF DEBENTURES	% INTEREST
MOBILE INDUSTRIES	1	0,1	72 609 828	47,3	1	0,4	13 730 780	48,0
BANKS AND INSURANCE COMPANIES	29	2,6	18 967 994	12,3	5	2,2	3 085 444	10,8
INDIVIDUALS	732	65,6	4 534 284	2,9	111	48,9	1 602 816	5,6
INVESTMENT COMPANIES	12	1,1	2 782 824	1,8	3	1,3	3 063 675	10,7
MUTUAL FUNDS	75	6,7	33 360 266	21,7	26	11,5	4 477 970	15,6
NOMINEE COMPANIES OR TRUSTS	145	13,0	1 994 768	1,3	46	20,3	726 395	2,5
OTHER CORPORATE BODIES	62	5,6	1 481 403	1,0	16	7,0	485 853	1,7
RETIREMENT FUNDS	60	5,3	17 908 225	11,7	19	8,4	1 453 867	5,1
TOTAL	1 116	100,0	153 639 592	100,0	227	100,0	28 626 800	100,0
SHAREHOLDER SPREAD								
PUBLIC SHAREHOLDERS	**1 112**	**99,6**	**80 753 156**	**52,5**	**225**	**99,2**	**11 896 020**	**41,6**
NON-PUBLIC SHAREHOLDERS	**4**	**0,4**	**72 886 436**	**47,5**	**2**	**0,8**	**16 730 780**	**58,4**
DIRECTORS AND ASSOCIATES	3	0,3	276 608	0,2	–	–	–	–
PERSONS INTERESTED, DIRECTLY OR INDIRECTLY, IN 10% OR MORE	–	–	–	–	1	0,4	3 000 000	10,4
MOBILE INDUSTRIES	1	0,1	72 609 828	47,3	1	0,4	13 730 780	48,0
TOTAL	1 116	100,0	153 639 592	100,0	227	100,0	28 626 800	100,0

MAJOR SHARE AND DEBENTURE HOLDERS

The direct and indirect interests of ordinary shareholders and holders of 6% convertible debentures who, in so far as is known, held 5% or more of the issued securities at 19 December 2003 were as follows:

	SHARES			6% CONVERTIBLE DEBENTURES	
	DIRECT	INDIRECT THROUGH MOBILE		DIRECT	INDIRECT THROUGH MOBILE
	ORDINARY	ORDINARY	'N' ORDINARY		
	%	%	%	%	%
OLD MUTUAL GROUP	13,7	8,1	12,2	22,6	14,7
NEDCOR	6,9			5,1	
PUBLIC INVESTMENT COMMISSIONER	5,1				
CORONATION	5,1				
	30,8	8,1	12,2	27,7	14,7
MOBILE INDUSTRIES	47,3			48,0	
	78,1			75,7	

EXECUTIVE

NEIL IAN JOWELL (70)

B Com LLB (UCT) MBA (Columbia) is chairman of the board and of the executive committee. He is the elder son of Trencor's founder, Joe Jowell, and joined the company on 1 January 1956. He was appointed to the board on 30 December 1966 and, following the death of his father in 1973, he was appointed as chairman. He is also a member of the remuneration committee. In 1987 he was voted Cape Times Business Man of the Year and in 1991 as one of Business Times' Top Five Businessmen.

JAMES (JIMMY) ERNEST MCQUEEN (59)

B Com (UCT) CA (SA) is in charge of finance. He was appointed as an alternate director on 18 April 1984 and as a full director on 15 May 1996. He is a member of the executive committee. Prior to joining Trencor on 10 June 1976, he was an accountant in public practice.

HENDRIK (HENNIE) ROUX VAN DER MERWE (56)

BA Law LLB (Stellenbosch) LLM (Tax) (Wits) is managing director, responsible for corporate affairs and the group's mobile asset management operations. He joined Trencor on 1 July 1997 and was appointed to the board on 20 May 1998 and as managing director on 4 April 2003. He previously practised as an attorney at law followed by various senior executive positions in the banking sector and was a deputy chairman of Waco International Ltd before transferring to Trencor. He is a member of the executive committee.

NON-EXECUTIVE

CECIL JOWELL (68)

B Com LLB (UCT) is a non-executive director. He is the younger son of the company's founder and joined Trencor on 1 November 1958 and was appointed as an executive director on 2 October 1962. He assumed a part-time executive role from 15 March 2002 and a non-executive role from 23 December 2003. He serves on the executive committee in an advisory capacity and is a member of the nomination committee. In 1991 he was voted as one of Business Times' Top Five Businessmen.

INDEPENDENT NON-EXECUTIVE

HAROLD AUBREY GORVY (76)

B Com (UCT) CA (SA) FCA has been a non-executive director of the company since 18 April 1984. He is an executive director of Stonehage Group, an international financial services group and was previously chairman of Andersens in South Africa. He relocated to the UK in 1987. He is a member of the audit and nomination committees and serves as an executive and non-executive director on the boards of several unlisted companies.

JAMES (JIM) EDWARD HOELTER (64)

B Bus Admin (Wisconsin) MBA (Harvard) was appointed as a non-executive director on 2 December 2002. He was President and CEO of Textainer Group Holdings Ltd in the USA until his retirement in December 1998. He joined Textainer in 1987 and currently serves as a non-executive director on the boards and committees of various unlisted companies in the USA. He is a member of the audit committee and chairman of the audit committees of Textainer and TrenStar.

DAVID MORRIS NUREK (54)

Dip Law (UCT) Grad Dip Company Law (UCT) is an executive of Investec Bank Ltd. He was appointed as an alternate director of Trencor on 30 November 1992 and as a full director on 24 July 1995. Prior to joining Investec in June 2000, he practised as an attorney at law with Sonnenberg Hoffmann Galombik for 32 years. He is chairman of the remuneration and nomination committees and a member of the audit committee and serves on the boards of numerous listed and unlisted companies in a non-executive capacity.

EDWIN (EDDY) OBLOWITZ (46)

B Com (UCT) CA (SA) CPA (Isr) was appointed as a non-executive director and as chairman of the audit committee on 3 March 2004. He was previously an international partner of Andersens in South Africa before becoming an independent financial and business consultant. He serves on the boards of various listed and unlisted companies in a non-executive capacity and as a trustee of various trusts.

DIARY

	19 MAY 2004	ANNUAL GENERAL MEETING
	31 DECEMBER	FINANCIAL YEAR-END
ANNOUNCEMENTS	AUGUST	INTERIM REPORT
	MARCH	REVIEWED ANNUAL RESULTS
	MARCH/APRIL	ANNUAL FINANCIAL STATEMENTS
6% CONVERTIBLE DEBENTURES	JUNE AND DECEMBER	INTEREST PAID

Notice is hereby given that the forty-eighth annual general meeting of shareholders of Trencor Limited ('the company') will be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Wednesday, 19 May 2004 at 15:00 for the following purposes:

1 To consider and adopt the annual financial statements of the company and the Trencor group for the year ended 31 December 2003.

2 To consider, and if deemed fit, to re-elect, on an individual basis, the following directors who retire in terms of the articles of association but, being eligible, offer themselves for re-election:
Messrs H A Gorvy, C Jowell and H R van der Merwe who retire by rotation; and
Mr E Oblowitz, who was appointed as a director after the preceding annual general meeting, who retires as a new appointee.
(Brief résumés of the directors are presented on page 57 of the annual report.)

3 To place the 9 094 209 unissued authorised ordinary shares of the company, reserved for The Trencor Share Option Plan ('the Plan'), under the control of the directors and to specifically authorise the directors to issue such shares, if required, in accordance with the Plan until the next annual general meeting, subject to the provisions of the Companies Act, No 61 of 1973 (as amended) (the 'Act') and the Listings Requirements of the JSE Securities Exchange South Africa ('JSE').

4 To place the remaining unissued shares of the company under the control of the directors subject to the provisions of the Act and the Listings Requirements of the JSE until the next annual general meeting, provided that no issue will be made that will result in a change in control of the company without prior approval of shareholders in general meeting. At present the directors are not contemplating the issue of shares but it is expedient to have the authority should it be necessary or desirable to issue any of them before the next annual general meeting.

5 To confirm, in terms of the articles of association of the company, the directors' remuneration paid for the year ended 31 December 2003, as set out on page 12 of the annual report.

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

"Resolved that the company hereby approves, as a general approval contemplated in sections 85 and 89 of the Companies Act, No 61 of 1973 (as amended) ('the Act'), the acquisition by the company or any of its subsidiaries from time to time of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the articles of association of the company, the provisions of the Act and the Listings Requirements of the JSE Securities Exchange South Africa ('JSE') as presently constituted and which may be amended from time to time, and provided that:

6.1 any such acquisition of shares shall be effected through the order book operated by the JSE trading system or other manner approved by the JSE;

6.2 this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond fifteen months from the date of passing of this special resolution;

6.3 a paid press announcement containing full details of the acquisitions will be published as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% of the number of shares of the class of shares acquired in issue at the time of granting of this general authority, and each time the company acquires a further 3% of such shares thereafter;

6.4 acquisitions by the company and its subsidiaries of shares in the share capital of the company may not, in the aggregate, exceed in any one financial year 20% (or 10% where such acquisitions relate to the acquisition by a subsidiary) of the company's issued share capital of the class of shares acquired from the date of the grant of this general authority;

6.5 in determining the price at which the company's shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% above the weighted average of the market price at which such shares are traded on the JSE, as determined over the five business days immediately preceding the date of the acquisition of such shares by the company or its subsidiaries."

REASON AND EFFECT

The reason for this special resolution is to grant the company a general authority in terms of the Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not exceed beyond fifteen months from the date of this annual general meeting. The effect of the passing and registration of this special resolution will be to authorise the company or any of its subsidiaries to acquire shares issued by the company.

STATEMENT BY THE BOARD OF DIRECTORS OF THE COMPANY

Pursuant to and in terms of the Listings Requirements of the JSE, the board of directors of the company hereby states that:

a the intention of the directors of the company is to utilise the general authority to acquire shares in the company if at some future date the cash resources of the company are in excess of its requirements or there are other good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company;

b in determining the method by which the company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the company will only make the acquisition if at the time of the acquisition they are of the opinion that:
- the company and its subsidiaries will, after the acquisition of the shares, be able to pay their debts as they become due in the ordinary course of business for the next twelve months after the date of this notice of the annual general meeting;
- the consolidated assets of the company and its subsidiaries, fairly valued in accordance with South African statements of Generally Accepted Accounting Practice and recognised and measured in accordance with the accounting policies used in the latest audited financial statements will, after the acquisition, be in excess of the consolidated liabilities of the company and its subsidiaries for the next twelve months after the date of this notice of the annual general meeting;
- the issued share capital and reserves of the company and its subsidiaries will, after the acquisition, be adequate for ordinary business purposes of the company or any acquiring subsidiary for the next twelve months after the date of this notice of the annual general meeting; and
- the working capital available to the company and its or any acquiring

- subsidiaries will, after the repurchase, be sufficient for its ordinary business requirements for the next twelve months after the date of this notice of the annual general meeting; and
- a working capital statement will be obtained from the company's sponsors as and when any acquisition of its shares is contemplated.

7 To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:

"Resolved that, subject to not less than 75% of the votes cast by those shareholders of the company present in person or represented by proxy to vote at this annual general meeting voting in favour of this ordinary resolution, the directors of the company be and are hereby authorised by way of a general authority to issue for cash all or any of the authorised but unissued shares in the capital of the company for cash, as and when they in their discretion deem fit, subject to the Companies Act, No 61 of 1973 (as amended), the articles of association of the company, the Listings Requirements of the JSE Securities Exchange South Africa ('JSE') as presently constituted and which may be amended from time to time and the following limitations:

7.1 the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

7.2 that this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond fifteen months from the date of passing of this ordinary resolution;

7.3 that a paid press announcement will be published giving full details, including the expected effect on the net asset value and earnings per share, at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares in issue prior to the issue;

7.4 that issues in the aggregate in any one financial year may not exceed 15% of the number of shares in the company's issued share capital of the class of shares issued before such issue;

7.5 that in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price on the JSE of those shares over the thirty business days prior to the date that the price of the issue is determined or agreed by the directors of the company;

7.6 that any such issue will only be made to 'public shareholders' as defined by the Listings Requirements of the JSE, and not to related parties;

7.7 at any point in time, the company will only appoint one agent to effect any acquisition(s) on its behalf;

7.8 the company will only undertake an acquisition of the company's shares if, after such acquisition, it will still comply with the Listings Requirements of the JSE concerning shareholder spread requirements; and

7.9 the company or its subsidiary may not acquire shares during a prohibited period as defined in the Listings Requirements of the JSE."

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

GENERAL INSTRUCTIONS AND INFORMATION

The annual report to which this notice of this annual general meeting is attached provides details of:

- the directors and secretary of the company on pages 3 and 56 respectively;
- the major shareholders of the company on page 56;
- the directors' shareholding in the company on page 13;
- the share capital of the company in note 15 on page 36, and an analysis of the shareholders on page 56.

There are no material changes to the group's financial or trading position (other than as disclosed in the accompanying annual report), nor are there any legal or arbitration proceedings that may affect the financial position of the group between 11 April 2003 and the reporting date.

The directors, whose names are given on page 3 of the annual report collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice requires all information required by law and the JSE Listings Requirements.

All shareholders are encouraged to attend, speak and vote at the annual general meeting.

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Security Depositories Participant ('CSDP') to hold your shares in your own name on the company's sub-register), then:

- you may attend and vote at the annual general meeting; alternatively
- you may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy and returning it to the office of the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the meeting.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, STRATE Limited ('STRATE'), held through a CSDP or broker and are not registered as an 'own name' dematerialised shareholder you are not a registered shareholder of the company, but appear on the sub-register of the company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by it.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the meeting.

By order of the board

TRENCOR SERVICES (PTY) LTD
SECRETARIES
PER: G W NORVAL
CAPE TOWN 30 MARCH 2004

ANNUAL GENERAL MEETING 19 MAY 2004

TRENCOR LIMITED

FORM OF PROXY

(Incorporated in the Republic of South Africa)
(Registration number 1955/002869/06)
('the company')
Ordinary shares (Share code: TRE ISIN: ZAE000007506)

For use at the annual general meeting of shareholders of the company to be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Wednesday, 19 May 2004 at 15:00.

Not to be used by beneficial owners of shares who have dematerialised their shares ('dematerialised shares') through a Central Securities Depository Participant ('CSDP') or broker, as the case may be, unless they are recorded on the sub-register as 'own name' dematerialised shareholders ('own name dematerialised shareholders'). Generally, you will not be an own name dematerialised shareholder unless you have specifically requested the CSDP to record you as the holder of the shares in your own name in the company's sub-register.

Only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the company's sub-register as the holder of dematerialised shares.

Each shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and vote in place of that member at the annual general meeting.

Refer to notes on reverse side hereof.

TO BE RETURNED TO: THE TRANSFER SECRETARIES TRENCOR LIMITED
COMPUTERSHARE LIMITED
70 MARSHALL STREET JOHANNESBURG 2001
PO BOX 61051 MARSHALLTOWN 2107

AS SOON AS POSSIBLE TO BE RECEIVED NOT LATER THAN 24 HOURS BEFORE THE MEETING.

I/WE (FULL NAMES)

OF (ADDRESS)

TELEPHONE: WORK (   )   TELEPHONE: HOME (   )

BEING A MEMBER(S) OF THE COMPANY, HOLDING   ORDINARY SHARES IN THE COMPANY

HEREBY APPOINT (REFER NOTE 1):

OR FAILING HIM/HER

OR FAILING HIM/HER

or failing him/her the chairperson of the annual general meeting as my/our proxy to act for me/us on my/our behalf at the aforementioned annual general meeting of shareholders of the company and at any adjournment thereof in accordance with the following instructions: Insert an 'X' in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of votes in respect of which you desire to vote (one vote per ordinary share) (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.		VOTES		
		FOR	AGAINST	ABSTAIN
1. Approval of the adoption of annual financial statements.				
2. Re-election of directors:	H A GORVY			
	C JOWELL			
	H R VAN DER MERWE			
	E OBLOWITZ			
3. Placing the unissued shares of the company reserved for The Trencor Share Option Plan ('the Plan') under the control of the directors and granting them authority to issue such shares in terms of the Plan.				
4. Placing the remaining unissued shares of the company under the control of the directors.				
5. Confirmation of directors' remuneration for 2003 as set out in the annual financial statements.				
6. Proposed special resolution granting a general authority to the company or its subsidiaries to acquire the issued shares of the company upon such terms and conditions and in such amounts as the directors may from time to time determine.				
7. Granting a general authority to the directors to issue shares for cash.				

SIGNED AT   ON THIS   DAY OF   2004

SIGNATURE   ASSISTED BY (WHERE APPLICABLE) SIGNATURE

NAME OF SIGNATORY: NAME OF ASSISTANT:

CAPACITY: CAPACITY:

(AUTHORITY OF SIGNATORY TO BE ATTACHED IF APPLICABLE – SEE NOTE 6)

NOTES:

1 A certificated or own name dematerialised shareholder or CSDP or broker registered as a shareholder in the company's sub-register may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting 'the chairperson of the annual general meeting', but any such deletion must be initialled by the shareholder. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairperson shall be deemed to be appointed as the proxy.

2 A shareholder's instructions to the proxy must be indicated in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the shareholder.

3 Proxy forms must be lodged with the company's transfer secretaries, Computershare Limited, 70 Marshall Street, Johannesburg, 2001 or posted to Computershare Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy must be received or lodged by no later than 24 hours before the annual general meeting (i.e. 15:00 on Tuesday, 18 May 2004).

4 The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.

5 Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.

6 Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company's transfer secretaries or waived by the chairperson of the annual general meeting. CSDPs or brokers registered as shareholders in the company's sub-register voting on instructions from owners of shares registered in the company's sub-sub-register, are requested that they identify the owner in the sub-sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the company's transfer secretaries together with this form of proxy.

7 Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but may not be accepted by the chairperson.

8 A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.

9 Certificated shareholders which are a company or body corporate may by resolution of their directors, or other governing body, in terms of section 188 of the Companies Act, No 61 of 1973 (as amended), authorise any person to act as their representative.

10 The chairperson of the annual general meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.

11 If required, additional forms of proxy are available from the company's transfer secretaries or the registered office of the company.

12 If you are the owner of dematerialised shares held through a CSDP or broker and are not an own name dematerialised shareholder, you are not a shareholder of the company, but appear on the sub-register of the company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:
- if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries not less than 24 hours prior to the time appointed for the holding of the meeting.