TRENCOR

TRENCOR LIMITED REG NO 1955/002869/06

SHARE CODE:	ISIN:
TRE	ZAE000007506
TED2	ZAE000007282

REVIEWED I

for the year ended 31

The current reporting period is for the year ended 31 December 2002
30 June to 31 December in 2001, the previous rep

Abridged income statements

R MILLION	TRENCOR REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	TRENCOR AUDITED 18 MONTHS ENDED 31 DECEMBER 2001	MOBILE REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	MOBILE AUDITED 18 MONTHS ENDED 31 DECEMBER 2001
Revenue (including certain exchange differences) (Note 2)	**589,0**	4 436,1	**19,7**	49,5
Trading income before items listed below:	**563,0**	616,4	**15,4**	42,5
Exchange (losses)/gains:				
Translation of long-term receivables included in revenue	**(1 420,4)**	2 120,8	**–**	–
Translation of borrowings and investments (net)	**70,8**	(11,6)	**–**	–
Changes in discount rates relating to long-term receivables	**132,9**	(88,0)	**–**	–
Net long-term receivable revaluation adjustment	**545,2**	(1 075,2)	**–**	–
(Loss)/Income from operations	**(108,5)**	1 562,4	**15,4**	42,5
Net interest expense – Textainer	**(225,7)**	(286,8)	**–**	–
– Other	**(105,9)**	(187,6)	**(14,5)**	(38,7)
	(440,1)	1 088,0	**0,9**	3,8
Attributable income/(loss) of associate companies	**4,9**	(15,5)	**(163,8)**	344,2
(Loss)/Income before abnormal items	**(435,2)**	1 072,5	**(162,9)**	348,0
Abnormal items (Note 3)	**(19,9)**	77,3	**(11,4)**	37,1
(Loss)/Income before taxation	**(455,1)**	1 149,8	**(174,3)**	385,1
Taxation	**(165,4)**	269,3	**0,5**	1,9
(Loss)/Income after taxation	**(289,7)**	880,5	**(174,8)**	383,2
Outside shareholders' interest	**80,3**	77,2	**0,2**	0,6
Net (loss)/income attributable to shareholders	**(370,0)**	803,3	**(175,0)**	382,6
Number of shares in issue (million)	**153,0**	152,8	**897,8**	897,8
Weighted average number of shares in issue (million)	**152,9**	152,8	**897,8**	897,8
Undiluted (loss)/earnings per share (cents)	**(242,0)**	525,7	**(19,5)**	42,6
Diluted (loss)/earnings per share (cents) (Note 4.1)	**–**	451,6	**–**	36,6
Undiluted headline (loss)/earnings per share (cents) (Note 4)	**(230,3)**	465,1	**(18,2)**	38,4
Diluted headline (loss)/earnings per share (cents) (Note 4.1)	**–**	400,6	**–**	33,0
Period-end rate of exchange: SA rand to US dollar	**8,66**	12,06	**8,66**	12,06

Abridged balance sheets

	TRENCOR REVIEWED 31 DECEMBER 2002	TRENCOR AUDITED 31 DECEMBER 2001	MOBILE REVIEWED 31 DECEMBER 2002	MOBILE AUDITED 31 DECEMBER 2001
Assets				
Non-current assets				
Property, plant and equipment	**5 619,4**	6 078,9	**–**	–
Investment properties	**33,7**	33,7	**–**	–
Intangible assets and goodwill	**16,1**	35,6	**–**	–
Investments	**102,5**	141,9	**936,4**	1 217,8
Long-term loans	**20,0**	28,5	**–**	–
Net investment in direct finance leases	**66,1**	70,9	**–**	–
Participation in export partnerships	**–**	–	**6,6**	7,0
Long-term receivables	**2 065,1**	2 900,4	**24,4**	57,2
	7 922,9	9 289,9	**967,4**	1 282,0
Current assets (Note 6)	**1 043,8**	1 116,4	**21,1**	75,5
Total assets	**8 966,7**	10 406,3	**988,5**	1 357,5
Equity and liabilities				
Capital and reserve				
Share capital and premium	**165,6**	164,5	**66,5**	66,5
Reserves	**1 567,2**	2 159,4	**755,6**	1 036,9
Shareholders' equity	**1 732,8**	2 323,9	**822,1**	1 103,4
Interest of outside shareholders in subsidiaries	**460,4**	635,0	**3,7**	3,5
Total shareholders' funds	**2 193,2**	2 958,9	**825,8**	1 106,9
Convertible debentures	**260,5**	260,5	**127,6**	127,6
Other non-current liabilities				
Interest-bearing borrowings	**4 488,8**	4 763,9	**18,3**	51,9
Amounts attributable to third parties in respect of long-term receivables	**397,4**	431,6	**–**	–
Derivative instruments	**171,0**	130,9	**–**	–
Deferred taxation	**273,7**	594,2	**5,8**	6,2
	7 784,6	9 140,0	**977,5**	1 292,6
Current liabilities (Note 7)	**1 182,1**	1 266,3	**11,0**	65,0
Total equity and liabilities	**8 966,7**	10 406,3	**988,5**	1 357,6

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D RESULTS

ed 31 December 2002

December 2002. Following a change in the financial year-ends from
he previous reporting period was for 18 months.

MOBILE

MOBILE INDUSTRIES LIMITED REG NO 1968/014997/06

SHARE CODE:	ISIN:
MOB	ZAE000004602
MBN	ZAE000012274
MOBD	ZAE000004610

Abridged cash flow statements

	TRENCOR		MOBILE	
	REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	AUDITED 18 MONTHS ENDED 31 DECEMBER 2001	REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	AUDITED 18 MONTH ENDED 31 DECEMBER 2001
Cash generated from operations	**879,8**	656,1	**88,1**	119,1
Interest received	**21,4**	28,7	**7,7**	14,7
Interest paid	**(346,3)**	(502,8)	**(14,5)**	(38,7)
Dividends received	**–**	0,1	**–**	–
Dividends paid to outside shareholders	**(20,0)**	(23,4)	**–**	–
Taxation paid	**(24,3)**	(24,6)	**(6,0)**	(0,7)
Net cash inflow from operating activities	**510,6**	134,1	**75,3**	94,4
Cash flows from investing activities	**(1 972,0)**	(1 216,4)	**–**	(0,1)
Cash flows from financing activities	**1 792,3**	962,0	**(78,8)**	(83,9)
Net increase/(decrease) in cash and cash equivalents before exchange rate changes	**330,9**	(120,3)	**(3,5)**	10,4
Net cash and cash equivalents at the beginning of the period	**128,1**	67,0	**8,6**	(1,8)
Effects of exchange rate changes on cash and cash equivalents	**(90,4)**	181,4	**–**	–
Net cash and cash equivalents at the end of the period	**368,6**	128,1	**5,1**	8,6

Notes to the abridged financial statements

1. These consolidated abridged financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies used in the preparation of the provisional financial statements are consistent with those used in the annual financial statements for the 18 months ended 31 December 2001, except for the adoption of AC 135 Investment Properties for the first time during 2002.

	REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	AUDITED 18 MONTHS ENDED 31 DECEMBER 2001	REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	AUDITED 18 MONTHS ENDED 31 DECEMBER 2001
2. Revenue				
Invoiced sales – goods and services	**203,1**	756,8	**–**	–
Leasing income	**1 176,8**	1 168,1	**–**	–
Management fees	**276,8**	219,3	**–**	–
Finance income	**352,7**	171,1	**19,7**	49,5
Realised and unrealised exchange differences	**(1 420,4)**	2 120,8	**–**	–
	589,0	4 436,1	**19,7**	49,5
3. Abnormal items				
Profit on sale of investments	**–**	163,1	**–**	–
Profit on sale of property	**–**	1,2	**–**	–
Premium paid on acquisition of shares from outside shareholders	**(0,4)**	(13,4)	**–**	–
Impairment of goodwill	**(11,7)**	(10,3)	**–**	–
Amortisation of goodwill	**(4,0)**	–	**–**	–
Discontinued operations	**14,1**	2,8	**–**	–
Impairment of available for sale investment	**(20,6)**	(38,3)	**–**	–
Write down of properties to open market value	**–**	(10,3)	**–**	–
Reversal of impairment of plant	**2,7**	(17,5)	**–**	–
Attributable share of abnormal items of associate company	**–**	–	**(11,4)**	37,1
	(19,9)	77,3	**(11,4)**	37,1
4. Headline (loss)/earnings				
(Loss)/Earnings	**(370,0)**	803,3	**(175,0)**	382,6
Discontinuing operations	**–**	(2,0)	**–**	–
Losses incurred up to date of discontinuance	**–**	(1,6)	**–**	–
Profit on disposal of fixed assets	**(6,3)**	(10,4)	**–**	–
Abnormal items, net of taxation	**24,2**	(78,6)	**–**	–
Attributable share of headline earnings adjustments of associate company	**–**	–	**11,4**	(37,8)
Headline (loss)/earnings	**(352,1)**	710,7	**(163,6)**	344,8
Weighted average number of shares in issue (million)	**152,9**	152,8	**897,8**	897,8
Headline (loss)/earnings per share (cents)	**(230,3)**	465,1	**(18,2)**	38,4

4.1 The dilution arises as a result of any future conversion of convertible debentures. 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 current year as this would be anti-dilutive.

5. Segmental reporting

Revenue

Derivative instruments	**171,0**	130,9	**–**	–
Deferred taxation	**273,7**	594,2	**5,8**	6,2
	7 784,6	9 140,0	**977,5**	1 292,6
Current liabilities (Note 7)	**1 182,1**	1 266,3	**11,0**	65,0
Total equity and liabilities	**8 966,7**	10 406,3	**988,5**	1 357,6
Capital expenditure incurred during the period	**1 993,9**	1 467,5	**–**	–
Capital expenditure committed and authorised, but not yet incurred	**201,6**	7,8	**–**	–
Market value of listed investments	**14,7**	49,1	**749,7**	881,8
Directors' valuation of unlisted investments	**87,8**	92,8	**–**	–
Ratio to aggregate of total shareholders' funds and convertible debentures				
Total liabilities excluding convertible debentures (%)	**265,4**	223,2	**3,7**	10,0
Interest-bearing debt excluding convertible debentures (%)	**204,8**	172,9	**2,8**	8,6

Abridged statements of changes in shareholders' funds

	TRENCOR		MOBILE	
	REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	AUDITED 18 MONTHS ENDED 31 DECEMBER 2001	REVIEWED 12 MONTHS ENDED 31 DECEMBER 2002	AUDITED 18 MONTHS ENDED 31 DECEMBER 2001
Balance at the beginning of the period	**2 323,9**	1 312,9	**1 103,4**	645,0
Proceeds on issue of shares	**1,1**	–	**–**	–
Movements in distributable reserves	**(370,0)**	804,1	**(175,0)**	382,6
Net (loss)/income for the period	**(370,0)**	803,3	**(175,0)**	382,6
Transfer from non-distributable reserves	**–**	0,8	**–**	–
Movements in non-distributable reserves	**(222,2)**	206,9	**(106,3)**	75,8
Currency translation differences	**(210,6)**	275,5	**–**	–
Change in holding in associate company	**–**	–	**(1,1)**	–
Realisation on sale of property	**–**	2,2	**–**	–
Unrecognised loss on derivative instruments (in Textainer)				
Cumulative effect due to change in accounting policy	**–**	(21,9)	**–**	–
Net change in unrecognised loss – current period	**(11,6)**	(48,1)	**–**	–
Fair-value adjustment – available for sale investment	**(20,6)**	(38,3)	**–**	–
Reserves of associate companies	**–**	(0,8)	**(105,2)**	75,8
Impairment of available for sale investment transferred to income statement	**20,6**	38,3	**–**	–
Balance at the end of the period	**1 732,8**	2 323,9	**822,1**	1 103,4

Comments

Holders of securities in Trencor and Mobile are reminded that the comparative figures are for the eighteen months ended 31 December 2001.

TRENCOR

Trading income from our core businesses for the year ended 31 December 2002 showed an improving trend to R563 million compared to R616 million over the previous 18-month period.

Headline earnings were, however, unfavourably impacted by the influence of the significantly stronger rand on the translation of long-term receivables and the related provision. The rand weakened from R6,78 to R12,06 against the US dollar in the 18-month period ended 31 December 2001, but recovered to R8,66 at 31 December 2002. The effect of this change is that the company reported an unrealised exchange gain on the translation of its long-term receivables (net of provisions) of approximately R1,2 billion in 2001 whilst, during the year under review, a net R870 million of this gain has effectively been reversed. A net gain of R71 million on translation of certain dollar-denominated loans and investments was also recorded.

In recognition of the sustained period of lower US dollar interest rates, the discount rate applied in the valuation of long-term receivables has been reduced by 1% to 8,5% per annum with effect from 1 January 2002. After adjusting for currency differences and debtor provisions, the net positive impact on pre-tax income of this change is R53 million.

Pursuant to the above, the aggregate loss before tax for the year was R455 million (18 months to 31 December 2001: profit R1,15 billion) and the undiluted headline loss per share was 230 cents (2001: headline earnings of 465 cents).

Trading

Textainer performed well, particularly in the second half of the year during which its contribution to group earnings amounted to R88 million; its contribution for the full year was R124 million. Its container fleet utilisation at the end of the year was 89%, compared to 71% at the same time in the previous period. The size of the fleet under management was 962 000 TEU (twenty foot equivalent unit) at the end of the year, of which more than half were leased-out under long-term leases. The fleet under management exceeded one million TEU by the end of January 2003. 77% of the 462 600 TEU of containers owned by Textainer itself are in long-term leases.

TrenStar Inc, our 61% US subsidiary, successfully established its international business activities, particularly in the US and the UK, and opened up new opportunities for TrenStar SA (formerly Trencor Solutions) to export equipment manufactured by itself and others in South Africa. During the year under review, TrenStar, through Brewers Logistics International Ltd ("BLI"), its 75% UK subsidiary, purchased, in two separate transactions, the beer keg fleets of the UK breweries Scottish Courage Ltd and Carlsberg-Tetley Brewing Ltd, and so obtained a 42% market share within the UK beer keg market. On the successful conclusion of pending negotiations with other breweries within the UK that should rise to 65%. These transactions have been fully debt-funded by UK banks at reasonable rates without any monetary guarantee from, or other recourse against, Trencor or TrenStar. After having absorbed significant start-up costs in the year under review, we expect TrenStar to start contributing positively to earnings in 2003.

The rate of production at our stainless steel tank container manufacturing plant in Parow, near Cape Town, increased steadily during the year and we have started 2003 with the best forward order position we have enjoyed for some time. The stronger rand has put pressure on margins and sales, but the facility operated satisfactorily during the year under review.

The trailer business, in which the group now has a 40% interest, traded satisfactorily during the year and made a positive contribution to group earnings. This is in pleasing contrast to the R27 million loss reported in the period prior to the merger which took effect on 1 December 2001.

4.1 The dilution arises as a result of any future conversion of convertible debentures. 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 current year as this would be anti-dilutive.

5. Segmental reporting				
Revenue				
Trailers	**–**	434,2		
Supply chain management	**274,3**	59,5		
Container operations – sales and finance	**(1 068,3)**	2 279,7		
Container operations – owning, leasing-out and management	**1 299,9**	1 497,8		
Container operations – manufacturing	**81,7**	153,6		
Other	**1,4**	11,3		
	589,0	4 436,1		
(Loss)/Income from operations				
Trailers	**–**	(38,4)		
Supply chain management	**(43,0)**	(38,2)		
Container operations – sales and finance	**(545,0)**	1 192,6		
Container operations – owning, leasing-out and management	**469,0**	553,4		
Container operations – manufacturing	**(16,4)**	14,2		
Other	**26,9**	(121,2)		
	(108,5)	1 562,4		
6. Current assets				
Inventories	**51,3**	93,8	**–**	–
Accounts receivable	**612,3**	714,1	**0,1**	0,2
Current portion of long-term loans	**11,6**	1,0	**13,6**	58,0
Amount owing by affiliated company	**–**	–	**2,3**	8,7
Cash and cash equivalents	**368,6**	307,5	**5,1**	8,6
	1 043,8	1 116,4	**21,1**	75,5
7. Current liabilities				
Accounts payable	**439,2**	359,2	**0,9**	4,5
Provisions	**75,8**	76,1	**–**	–
Taxation	**90,5**	9,0	**1,5**	6,7
Bank overdrafts and short-term loans	**–**	179,4	**–**	–
Current portion of interest-bearing borrowings	**537,5**	623,5	**8,6**	53,8
Deferred income	**39,1**	19,1	**–**	–
	1 182,1	1 266,3	**11,0**	65,0

Finance

The stronger rand has resulted in a gain of R85 million on translation of the outstanding balance of the US dollar loans, most of which were raised by the company during the year under review. The proceeds of the loan raised in 2002 were applied in repaying rand obligations to South African lenders. The amount outstanding under this facility at 31 December 2002 was US$48,3 million and the interest rate was 3,55% per annum.

The ratio of interest-bearing debt to permanent capital increased from 173% at 31 December 2001 to 205% at 31 December 2002, mainly as a result of increased borrowings to fund the beer keg purchases. However, with Textainer and BLI notionally equity accounted (the debt of these companies is without recourse to Trencor) this ratio was 38% compared to 41% at 31 December 2001.

Tax queries

The enquiry by the South African Revenue Service (“SARS”) into the tax treatment of the group’s export partners’ participation in the export of cargo containers (in respect of transactions entered into in prior years) has entered its fifth year. We have reason to believe that SARS has completed its enquiries, but it is not possible to anticipate when they will come to any conclusion. 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.

As previously reported, a successful challenge by SARS may result in the acceleration of the payment of a portion of the amounts attributable to third parties (i.e. our export partners) which are carried at their net present values, and which would otherwise be paid over periods of up to thirteen years.

Dividend

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

Directorate

Mr AM Brown resigned as a non-executive director on 19 November 2002. Mr JE Hoelter, formerly CEO of Textainer Group Holdings Ltd, was appointed as an independent non-executive director with effect from 2 December 2002.

MOBILE

As Mobile’s net income is almost entirely dependent upon the receipt of dividends from Trencor, the non-declaration of a dividend by Trencor at this stage has, in turn, caused the board of Mobile not to declare a dividend.

REVIEW OPINION

These results have been reviewed by the auditors, KPMG Inc, and their unmodified review reports are available for inspection at the registered office.

ON BEHALF OF THE BOARDS

NI JOWELL **CHAIRMAN TRENCOR LIMITED**
C JOWELL **CHAIRMAN MOBILE INDUSTRIES LIMITED**

10 MARCH 2003

Registered Office:
1313 Main Tower
Standard Bank Centre
Heerengracht
Cape Town 8001

Registrars:
Computershare Investor Services Limited
70 Marshall Street
Johannesburg 2001
(PO Box 61051 Marshalltown 2107)

THESE RESULTS CAN BE VIEWED ON THE WEBSITES:
HTTP://WWW.TRENCOR.NET AND HTTP://MOBILE-INDUSTRIES.NET

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