

TRENCOR

TRENCOR LIMITED REG NO 1955/002869/06

("Trencor")

SHARE CODE: ISIN:
TRE ZAE000007506
TED2 ZAE000007282

MOBILE

MOBILE INDUSTRIES LIMITED REG NO 1968/014997/06

("Mobile")

SHARE CODE: ISIN:
MOB ZAE000004602
MBN ZAE000012274
MOBD ZAE000004610

Highlights

TRENCOR: GROUP

- Condensed income statements and balance sheets for Trencor are also presented in US dollars for a better appreciation of the group's results as virtually all of its revenue and assets and much of its expenditure are denominated in that currency. The US dollar statements have not been reviewed by the auditors.
- Trading profit** from continuing operations after net financing costs increased by 34% from US\$35,2 million in 2003 to US\$47,3 million. In rand terms, trading profit has grown at a slower rate (from R273 million to R305 million) due to the negative effect of the much stronger rand on translation of income from Trencor's predominantly US dollar based operations.
- Valuation provision against the long-term receivables has been reduced by a net R155 million in recognition of the favourable conditions currently being experienced in the container leasing industry and the improved outlook for the collectability and timing of receipts from the long-term receivables.
- Once-off financial effect of the settlement of the dispute with the South African Revenue Service ("SARS") over the tax treatment of our export partners has been brought to account.
- Stronger rand again resulted in unrealised losses on translation of net receivables of R232 million (2003: R519 million).
- Discount rate applied to rand amounts attributable to third parties in respect of long-term receivables reduced from 12% p.a. to 10% p.a. which had an adverse effect of R42 million on pre-tax income.
- Headline earnings**, after taking account of the above, were 20,1 US cents per share (2003: 5,6 US cents). Expressed in rand, headline earnings per share were 61,8 cents per share (2003: 108,2 cents loss).
- Dividend declared:** 12 SA cents per share (2003: nil).

TEXTAINER

- Headline income increased by 57% to US\$46,4 million. This follows an 81% increase in 2003.
- Average fleet utilisation in 2004 was 93%; utilisation at 31 December 2004, excluding new production in manufacturers' yards, was 97%.
- 150 000 TEU (20-foot equivalent unit) of new containers added to the fleet in 2004.
- Textainer purchased 79 000 units owned by Xtra International and which were being managed by Textainer, for US\$85,3 million.
- 67% of the total managed fleet of 1,14 million TEU is on long-term lease.
- Almost 70% of the 484 000 TEU owned by Textainer itself is on long-term lease.

TRENSTAR

- Acquired the beer keg fleet of Coors UK in June 2004, increasing the number of kegs owned and managed in the UK by TrenStar to 4,1 million.
- Despite revenue increasing by 28% to US\$51 million in 2004, delays in closing certain significant contracts adversely affected attainment of profitability.

Settlement of tax matter

As reported on 22 December 2004, Trencor and SARS concluded an agreement that disposed of the income tax queries raised by SARS on some of the group's export partners relating to the tax treatment of their participation in the container export trade through export partnerships. The agreement did not involve any admission by either SARS or Trencor and its partners as to the correctness of the other parties' contentions.

Condensed income statements FOR THE YEAR ENDED 31 DECEMBER 2004

R MILLION	TRENCOR		MOBILE	
	REVIEWED 2004	AUDITED 2003	REVIEWED 2004	AUDITED 2003
Revenue (including exchange differences) (Note 2)	1 119,9	731,8	8,6	12,1
Trading profit before items listed below:	554,3	503,5	11,0	10,3
Continuing operations	554,3	516,5		
Discontinuing operations	–	(13,0)		
Exchange (losses)/gains				
Translation of long-term receivables included in revenue	(393,7)	(854,5)		
Translation of borrowings	21,2	84,0		
Net long-term receivable valuation adjustment	316,9	335,2		
Reduction due to translation of dollar amount	161,9	335,2		
Reduction in valuation provision	155,0	–		
Change in discount rate relating to amount attributable to third parties in respect of long-term receivables	(42,2)	–		
Goodwill amortisation – subsidiary	(2,1)	(3,6)		
Impairment of goodwill	(3,5)	(0,8)		
Discontinuing operations (Note 3)	7,2	1,1		
Profit from operating activities	458,1	64,9	11,0	10,3
Net interest expense – Textainer	(146,4)	(165,8)		
– Other	(102,7)	(78,2)	(7,8)	(8,5)
Share of profit/(loss) of associate company	2,3	5,5	27,9	(46,6)
Exceptional items (Note 4)	(38,8)	72,9	(0,1)	(0,6)
Profit/(Loss) before taxation	172,5	(100,7)	31,0	(45,4)
Income tax	1,9	(114,5)	3,6	0,7
Continuing operations	(5,1)	(110,9)		
Discontinuing operations (Note 3)	7,0	(3,6)		
Profit/(Loss) after taxation	170,6	13,8	27,4	(46,1)
Minority interest	111,5	112,3	0,1	0,4
Net profit/(loss) for the year	59,1	(98,5)	27,3	(46,5)
Number of shares in issue (million)	154,0	153,6	897,8	897,8
Weighted average number of shares in issue (million)	153,8	153,2	897,8	897,8
Undiluted earnings/(loss) per share (cents)	38,4	(64,3)	3,0	(5,2)
Diluted earnings/(loss) per share (cents)	37,7	(64,3)	3,0	(5,2)
Headline earnings/(loss) per share (cents) (Note 5)	61,8	(108,2)	4,9	(8,6)
Year-end rate of exchange: SA rand to US dollar	5,61	6,62		

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REVIEWED RESULTS

AND DECLARATION OF DIVIDENDS

In terms of the agreement, the tax treatment of the export partners up to and including their 2004 tax years will be as contended for by Trecor and its export partners. At the end of each of their respective first tax years ending on or after 1 January 2005, the export partners collectively will, in effect, accelerate payment of approximately R305 million in aggregate to SARS, being a portion of the amount which Trecor and its partners had contended should be paid over the following four to five years. Beyond the four to five year period, the tax treatment of the partners will continue on the basis contended for by Trecor and its export partners. It should be noted that of the amount of R305 million to be paid in 2005, approximately R68 million would have been paid in that year in any event.

Declaration of dividends

Dividends in respect of the year ended 31 December 2004 have been declared as follows:

TRENCOR	NO 78	12 CENTS PER SHARE
MOBILE	NO 63	0,9 CENTS PER SHARE

The salient dates pertaining to the dividend payments are as follows:

Last day to trade cum the dividend	Friday, 1 April 2005
Trading commences ex the distribution	Monday, 4 April 2005
Record date	Friday, 8 April 2005
Payment date	Monday, 11 April 2005

Share certificates may not be dematerialised or rematerialised between Monday, 4 April 2005 and Friday, 8 April 2005, both days inclusive.

It is the intention of the boards to consider paying dividends on an annual basis.

Review opinion

These results, other than the figures stated in US dollars, 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
28 FEBRUARY 2005

C JOWELL CHAIRMAN MOBILE INDUSTRIES LIMITED

Directors:

Trecor: NI Jowell* (Chairman), HR van der Merwe* (Managing), HA Gorvy, JE Hoelter (USA), C Jowell, JE McQueen*, DM Nurek, E Oblowitz (*executive)

Mobile: C Jowell (Chairman), HA Gorvy, NI Jowell, E Oblowitz (all non-executive)

Secretaries to Trecor and Mobile: Trecor Services (Pty) Ltd

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

Transfer Secretaries: Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107)

Sponsors: Rand Merchant Bank (A division of FirstRand Bank Ltd) Corporate Finance

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

Condensed balance sheets AT 31 DECEMBER 2004

R MILLION	TRENCOR		MOBILE	
	REVIEWED 2004	AUDITED 2003	REVIEWED 2004	AUDITED 2003
Assets				
Non-current assets				
Property, plant and equipment	5 596,1	4 759,8		
Investment properties	–	29,3		
Intangible assets and goodwill	30,4	43,1		
Investment in associates	0,3	64,8	820,8	829,5
Other investments	38,4	36,3		
Long-term loans	8,3	27,7		
Net investment in direct finance leases	19,0	34,9		
Participation in export partnerships			5,6	6,1
Long-term receivables	1 341,3	1 446,6	–	6,3
Deferred taxation	257,1	188,8		
	7 290,9	6 631,3	826,4	841,9
Current assets (Note 7)	934,0	849,7	9,5	11,1
Total assets	8 224,9	7 481,0	835,9	853,0
Equity and liabilities				
Capital and reserves				
Share capital and premium	170,8	168,7	66,5	66,5
Reserves	1 310,5	1 337,5	633,7	647,1
Shareholders' equity	1 481,3	1 506,2	700,2	713,6
Minority interest	553,2	522,1	–	4,1
Total shareholders' funds	2 034,5	2 028,3	700,2	717,7
Convertible debentures	260,5	260,5	127,6	127,6
Other non-current liabilities				
Interest-bearing borrowings	3 947,5	3 548,8		
Amounts attributable to third parties in respect of long-term receivables	458,6	380,0		
Derivative instruments	25,4	87,0		
Deferred taxation	295,1	276,8	5,6	5,3
	7 021,6	6 581,4	833,4	850,6
Current liabilities (Note 8)	1 203,3	899,6	2,5	2,4
Total equity and liabilities	8 224,9	7 481,0	835,9	853,0
Capital expenditure incurred during the year	2 206,5	831,7		

Headline earnings/(loss) per share (cents) (Note 5)	61,8	(108,2)	4,9	(8,6)
Year-end rate of exchange: SA rand to US dollar	5,61	6,62		

Condensed statements of changes in shareholders' equity FOR THE YEAR ENDED 31 DECEMBER 2004

R MILLION	TRENCOR		MOBILE	
	REVIEWED 2004	AUDITED 2003	REVIEWED 2004	AUDITED 2003
Balance at the beginning of the year	1 506,2	1 732,8	713,6	822,1
Proceeds on issue of shares	2,1	3,1	–	–
Movements in distributable reserves	51,4	(177,4)	23,8	(83,2)
Net profit/(loss) for the year	59,1	(98,5)	27,3	(46,5)
Gain on dilution of interest in subsidiaries transferred to non-distributable reserve	(7,7)	(78,9)		
Loss on dilution of interest in associate transferred to non-distributable reserve			0,1	0,6
Gain on dilution of associate's interest in subsidiaries transferred to non-distributable reserve			(3,6)	(37,3)
Movements in non-distributable reserves	(78,4)	(52,3)	(37,2)	(25,3)
Currency translation differences	(123,8)	(169,1)		
Unrecognised profit on derivative instruments (in Textainer)	29,0	42,4		
Fair-value adjustment – available for sale investments	0,2	(4,5)		
Transfer from distributable reserves (see above)	7,7	78,9	3,5	36,7
Impairment of available for sale investment transferred to income statement	8,5	–		
Share of decrease in non-distributable reserve of associate company			(40,7)	(62,0)
Balance at the end of the year	1 481,3	1 506,2	700,2	713,6

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Capital expenditure incurred during the year	2 206,5	831,7		
Capital expenditure committed and authorised, but not yet incurred	126,4	152,4		
Market value of listed investments	6,1	10,2	1 257,1	886,2
Directors' valuation of unlisted investments	32,4	26,1		
Ratio to aggregate of total shareholders' funds and convertible debentures:				
Total liabilities excluding convertible debentures (%)	258,4	226,9	1,0	0,9
Interest-bearing debt excluding convertible debentures (%)	187,1	173,9		

Condensed cash flow statements FOR THE YEAR ENDED 31 DECEMBER 2004

R MILLION	TRENCOR		MOBILE	
	REVIEWED 2004	AUDITED 2003	REVIEWED 2004	AUDITED 2003
Cash generated from operations	1 338,2	712,6	11,7	35,5
Interest received	8,9	14,5	7,5	7,8
Interest paid	(255,7)	(254,8)	(7,8)	(8,5)
Dividends paid to minorities	(36,2)	(17,9)	(3,1)	–
Taxation paid	(70,1)	(71,8)	(3,3)	(1,1)
Net cash inflow from operating activities	985,1	382,6	5,0	33,7
Cash flows from investing activities	(2 005,3)	(778,5)	(5,3)	(2,3)
Cash flows from financing activities	1 182,7	429,9	–	(26,9)
Net increase/(decrease) in cash and cash equivalents before exchange rate changes	162,5	34,0	(0,3)	4,5
Net cash and cash equivalents at the beginning of the year	330,5	368,6	9,6	5,1
Effects of exchange rate changes on cash and cash equivalents	(53,3)	(72,1)		
Net cash and cash equivalents at the end of the year (Note 7)	439,7	330,5	9,3	9,6

for the year ended 31 Dec

Notes to the condensed financial statements FOR THE YEAR ENDED 31 DECEMBER 2004

1. These consolidated condensed financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies used in the preparation of the reviewed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2003.

R MILLION	TRENCOR		MOBILE	
	REVIEWED 2004	AUDITED 2003	REVIEWED 2004	AUDITED 2003
2. Revenue				
Invoiced sales – goods and services	60,1	70,5		
Leasing income	1 210,3	1 117,5		
Management fees	193,2	232,3		
Finance income	6,9	109,5	8,6	12,1
	1 470,5	1 529,8	8,6	12,1
Discontinuing operation – container manufacturing	43,1	56,5		
	1 513,6	1 586,3	8,6	12,1
Realised and unrealised exchange differences	(393,7)	(854,5)		
	1 119,9	731,8	8,6	12,1
3. Discontinuing operations – container manufacturing				
Operating profit/(loss)	7,2	(11,9)		
Interest expense	0,4	–		
Profit/(Loss) before taxation	6,8	(11,9)		
Income tax	7,0	(3,6)		
Net loss after taxation	(0,2)	(8,3)		
4. Exceptional items				
Premium paid on acquisition of shares from outside shareholders	–	(5,1)		
Goodwill written off pursuant to change of interest in subsidiary	(0,1)	(1,5)		
(Loss)/Gain on sale of investment properties	(2,2)	0,6		
Net gain on dilution of interest in subsidiaries	9,2	78,9		
Loss on sale of interest in associate	(37,2)	–		
Impairment of available for sale investment	(8,5)	–		
Loss on dilution of interest in associate			(0,1)	(0,6)
	(38,8)	72,9	(0,1)	(0,6)
5. Headline earnings/(loss)				
Net profit/(loss) for the year	59,1	(98,5)	27,3	(46,5)
Amortisation of goodwill in respect of associate company	0,9	3,6		
Amortisation of goodwill in respect of subsidiary	2,1	3,6		
Impairment of goodwill	3,5	0,8		
(Gain)/Loss on sale of property, plant and equipment	(9,0)	0,2		
Exceptional items (Note 4)	38,8	(72,9)	0,1	0,6
Discontinuing operations	0,2	(1,0)		
Minority share of exceptional items	(0,6)	(1,5)		
Attributable share of headline earnings adjustments of associate company			17,0	(31,7)
Headline earnings/(loss)	95,0	(165,7)	44,4	(77,6)
6. Segmental reporting				
Revenue				
Containers – sales and finance (including exchange differences)	(387,3)	(752,5)		
Containers – owning, leasing and management	1 103,6	1 097,1		
Mobile asset management services	358,9	327,5		
Other	1,6	3,2		
	1 076,8	675,3		
Discontinuing operations	43,1	56,5		
	1 119,9	731,8		
Profit/(Loss) from operating activities				
Containers – sales and finance	(82,6)	(433,6)		
Containers – owning, leasing and management	538,6	465,5		
Mobile asset management services	(12,7)	(16,3)		
Other	7,6	61,2		

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In order to provide a better appreciation of the results of the group's activities, condensed income statements and balance sheets are also presented in US dollars, as virtually all of the group's revenue and assets and much of its expenditure are denominated in that currency. The amounts stated in US dollars have been prepared by management, are unaudited and have not been reviewed by the company's auditors.

Unaudited Trenchor condensed income statement FOR THE YEAR ENDED 31 DECEMBER 2004

US\$ MILLION	UNAUDITED	
	2004	2003
Revenue	243,1	192,8
Trading profit before items listed below:	86,4	66,5
Continuing operations	86,4	68,3
Discontinuing operations	–	(1,8)
Exchange losses arising on translation	(12,0)	(15,0)
Net long-term receivable valuation adjustment	25,0	–
Change in discount rate relating to amount attributable to third parties in respect of long-term receivables	(6,0)	–
Goodwill amortisation – subsidiary	(0,3)	(0,3)
Impairment of goodwill	(0,7)	(0,1)
Discontinuing operations	1,1	0,2
Profit from operating activities	93,5	51,3
Net interest expense – Textainer	(23,0)	(22,5)
– Other	(16,1)	(10,6)
Share of profit of associate company	0,4	0,7
Exceptional items	(5,1)	9,9
Profit before taxation	49,7	28,8
Income tax expense	6,0	(2,8)
Continuing operations	4,9	(2,3)
Discontinuing operations	1,1	(0,5)
Profit after taxation	43,7	31,6
Minority interest	(17,6)	(15,1)
Net profit for the year	26,1	16,5
Number of shares in issue (million)	154,0	153,6
Weighted average number of shares in issue (million)	153,8	153,2
Undiluted earnings per share (US cents)	17,0	10,8
Diluted earnings per share (US cents)	14,1	9,3
Headline earnings per share (US cents)	20,1	5,6
Year-end rate of exchange: SA rand to US dollar	5,61	6,62
Trading profit from continuing operations comprises:		
Textainer	84,7	63,0
TrenStar	(1,1)	(1,7)
Other	2,8	7,0
	86,4	68,3

Unaudited Trenchor condensed balance sheet AT 31 DECEMBER 2004

US\$ MILLION	UNAUDITED	
	2004	2003
Assets		
Property, plant and equipment	997,5	723,4
Long-term receivables	239,1	218,5
Other non-current assets	63,0	61,0
	1 299,6	1 002,9
Current assets	166,6	127,1
Inventory	1,7	7,7
Accounts receivable	86,5	69,5
Cash and cash equivalents	78,4	49,9

Advertisement printing, leasing and management	7,6	61,2		
Mobile asset management services	(12,7)	(16,3)		
Other	7,6	61,2		
	450,9	76,8		
Discontinuing operations	7,2	(11,9)		
	458,1	64,9		
7. Current assets				
Inventories	9,3	50,8		
Accounts receivable	485,0	459,9	0,2	1,1
Current portion of long-term loans	–	8,5		
Amount owing by affiliated company			–	0,4
Cash and cash equivalents	439,7	330,5	9,3	9,6
Restricted cash balances	156,8	47,7		
Unrestricted cash balances	282,9	282,8	9,3	9,6
	934,0	849,7	9,5	11,1
8. Current liabilities				
Accounts payable	752,4	300,1	1,0	0,8
Provisions	42,4	75,8		
Taxation	37,9	64,2	1,5	1,6
Current portion of interest-bearing borrowings	347,5	432,1		
Deferred income	23,1	27,4		
	1 203,3	899,6	2,5	2,4

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Accounts receivable	86,5	69,5
Cash and cash equivalents	78,4	49,9
Total assets	1 466,2	1 130,0
Shareholders' equity	264,3	227,5
Minority interest	98,6	78,8
Total shareholders' funds	362,9	306,3
Convertible debentures	46,4	39,4
Interest-bearing borrowings	703,7	536,1
Amounts attributable to third parties in respect of long-term receivables	81,7	57,4
Derivative instruments	4,5	13,1
Deferred taxation	52,6	41,8
	1 251,8	994,1
Current liabilities	214,4	135,9
Accounts payable	148,4	66,5
Current portion of interest-bearing borrowings	61,9	65,3
Deferred income	4,1	4,1
Total equity and liabilities	1 466,2	1 130,0
Ratio to aggregate of total shareholders' funds and convertible debentures:		
Total liabilities excluding convertible debentures (%)	258,2	226,9
Interest-bearing debt excluding convertible debentures (%)	187,1	174,0