

# UNAUDITED INTERIM RESULTS

for the six months ended 30 June 2003



ISIN: ZAE000004602 ZAE000012274 SHARE CODE: ZAE000004610

## **Highlights**

- Trading income was R254 million (2002: R272 million) despite the adverse effect of the stronger rand on translation of these mainly foreign currency earnings into rand
- Textainer's taxed income improved from US\$4,5 million to US\$12 million
- Utilisation of Textainer's expanding container fleet (1 024 000 TEU at 30 June 2003) remained high at 89%
- 57% of Textainer's fleet now on long-term lease, resulting in less volatile revenue
- TrenStar made good progress, securing contracts with high profile international companies in the US in the tyre, automotive and food industries
- Implementation of TrenStar's beer keg contracts in the UK is going well and management systems go 'live' on 1 September 2003
- Trailer business (40% held) continued to perform well
- The tank container factory at Parow traded satisfactorily in difficult trading conditions but did not achieve
- Strong rand resulted in an unrealised loss of R327 million (2002: unrealised loss R394 million) on translation of net receivables, partially mitigated by gains of R54 million (2002: R11 million) on translation of dollar loans
- · Headline attributable loss, after unrealised translation gains and losses, was 88,4 cents per share (2002: loss 140,7 cents)
- · Consolidated gearing ratio was 201% (2002: 210%) ratio with Textainer and Brewers Logistics International notionally equity accounted was 24% (2002: 44%)
- The boards of Trencor and Mobile have decided not to declare a dividend at this time

#### Tax queries

The inquiry 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 now been open for almost five years. We have reason to believe that SARS has completed its enquiries and we are hopeful that it will come to its conclusions in the near future. 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 the net present values, and which would otherwise be paid over an average period of about nine 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 challenge from SARS may take.

#### ON BEHALF OF THE BOARDS

CHAIRMAN TRENCOR LIMITED NI JOWELL C JOWELL CHAIRMAN MOBILE INDUSTRIES LIMITED

21 AUGUST 2003

Registered Office: Transfer Secretaries: Computershare Limited Standard Bank Centre 70 Marshall Street Johannesburg 2001 (PO Box 61051 Marshalltown 2107) Cape Town 8001

Deferred income

Trencor: NI Jowell\* (Chairman/CEO), HR van der Merwe\* (Managing), HA Gorvy, JE Hoelter (USA), C Jowell\*, JE McQueen\*, DM Nurek

Mobile: C Jowell (Chairman), HA Gorvy, NI Jowell, DM Nurek (all non-executive)
Secretaries to Trencor and Mobile: Trencor Services (Pty) Ltd (Reg No 1967/004868/07)

THESE RESULTS CAN BE VIEWED ON THE WEBSITES:

Abridged each flow statements

HTTP://WWW.TRENCOR.NET AND HTTP://MOBILE-INDUSTRIES.NET

Abridged income statements		TRENCO	R		MOBILE	
	UNAUDITED AUDITED				JDITED	AUDITED
	6 MONTHS ENDED 30 IUNE 31 DE		YEAR		ONTHS	YEAR
			ENDED DECEMBER	ENDED 30 IUNE		ENDED 31 DECEMBER
R MILLION	2003 2002 2002		2003	2002	2002	
Revenue (including exchange differences) (Note 2)	288,8	267,9	589,0	8,0	11,0	19,6
Trading income before items listed below:	254,3	272,3	563,0	6,9	9,8	15,4
Exchange (losses)/gains						
Translation of long-term receivables included in revenue	(541,5)	(663,8)	(1 420,4)	_	-	_
Translation of borrowings and investments (net)	54,3	(11,0)	70,8	-	-	-
Net long-term receivable revaluation adjustment	215,0	270,0	545,2	-	-	-
Changes in discount rates relating to long-term receivables	-	-	132,9	-	-	-
Exceptional items (Note 3)	(1,7)	5,3	(16,3)	-	-	-
(Loss)/Income from operations	(19,6)	(127,2)	(124,8)	6,9	9,8	15,4
Net interest expense – Textainer	(89,8)	(117,1)	(225,7)	-	-	-
- Other	(38,7)	(46,2)	(105,9)	(5,6)	(8,8)	(14,5
	(148,1)	(290,5)	(456,4)	1,3	1,0	0,9
Attributable income of associate company	0,7	1,1	1,3	(67,5)	(100,7)	(175,2
Loss before taxation	(147,4)	(289,4)	(455,1)	(66,2)	(99,7)	(174,3
Income tax expense	(64,9)	(99,4)	(165,4)	0,5	0,3	0,5
Loss after taxation	(82,5)	(190,0)	(289,7)	(66,7)	(100,0)	(174,8
Income attributable to outside shareholders in subsidiaries	(60,2)	(22,6)	(80,3)	(0,3)	(0,2)	(0,2
Net loss attributable to shareholders	(142,7)	(212,6)	(370,0)	(67,0)	(100,2)	(175,0
Number of shares in issue (million)	153,0	152,8	153,0	897,8	897,8	897,8
Weighted average number of shares in issue (million)	153,0	152,8	152,9	897,8	897,8	897,8
Undiluted loss per share (cents)	(93,3)	(139,1)	(242,0)	(7,5)	(11,2)	(19,5
Diluted loss per share (cents) (Note 4)	(93,3)	(139,1)	(242,0)	(7,5)	(11,2)	(19,5
Undiluted headline loss per share (cents) (Note 4)	(88,4)	(140,7)	(230,3)	(7,1)	(10,8)	(18,2
Diluted headline loss per share (cents) (Note 4)	(88,4)	(140,7)	(230,3)	(7,1)	(10,8)	(18,2
Period-end rate of exchange: SA rand to US dollar	7,38	10,36	8,66	_	_	_

	TRENCOR			MOBILE			
		UDITED	AUDITED		UDITED	AUDITEI	
	2003	JUNE 2002	31 DECEMBER 2002	2003	JUNE 31 2002	DECEMBEI 200:	
Assets							
Non-current assets							
Property, plant and equipment	5 067,0	6 263,3	5 619,4	-	-	-	
Investment properties	29,2	33,7	33,7	-	-	-	
Intangible assets and goodwill	13,4	30,0	16,1	-	-	-	
Investments	97,0	108,4	102,5	825,8	1 054,4	936,4	
Long-term loans	32,6	31,6	20,0	-	-	-	
Net investment in direct finance leases	48,2	94,2	66,1	-	-	-	
Participation in export partnerships	-	-	-	6,3	6,7	6,6	
Long-term receivables	1 684,7	2 449,0	2 065,1	12,6	41,8	24,4	
	6 972,1	9 010,2	7 922,9	844,7	1 102,9	967,4	
Current assets (Note 6)	921,4	1 076,6	1 043,8	10,7	25,8	21,2	
Total assets	7 893,5	10 086,8	8 966,7	855,4	1 128,7	988,6	
Equity and liabilities							
Capital and reserves							
Share capital and premium	165,6	164,5	165,6	66,5	66,5	66,5	
Reserves	1 333,6	1 814,2	1 567,2	645,6	873,9	755,6	
Shareholders' equity	1 499,2	1 978,7	1 732,8	712,1	940,4	822,	
Interest of outside shareholders in subsidiaries	435,1	526,7	460,4	4,0	3,7	3,7	
Total shareholders' funds	1 934,3	2 505,4	2 193,2	716,1	944,1	825,8	
Convertible debentures	260,5	260,5	260,5	127,6	127,6	127,6	
Other non-current liabilities							
Interest-bearing borrowings	3 924,2	5 206,2	4 488,8	1,8	26,1	18,3	
Amounts attributable to third parties in respect of long-term receivables	389,9	408,2	397,4	_	-	-	
Derivative instruments	155,2	131,0	171,0	-	-		
Deferred taxation	162,6	469,6	273,7	5,5	5,9	5,8	
	6 826,7	8 980,9	7 784,6	851,0	1 103,7	977,	
Current liabilities (Note 7)	1 066,8	1 105,9	1 182,1	4,4	25,0	11,	
Total equity and liabilities	7 893,5	10 086,8	8 966,7	855,4	1 128,7	988,6	
Capital expenditure incurred during the period	489,0	1 336,6	1 994,7	-	-	-	
Capital expenditure committed and authorised, but not yet incurred	261,2	56,1	201,6	-	-	-	
Market value of listed investments	9,1	17,2	14,7	741,6	752,3	749,7	
Directors' valuation of unlisted investments	87,9	91,2	87,8	-	-	-	
Ratio to aggregate of total shareholders' funds and convertible debentures:							
Total liabilities excluding convertible debentures (%)	259,6	264,7	265,4	1,4	5,3	3,7	
Interest-bearing debt excluding convertible debentures (%)	201,1	210,4	204,8	0,4	4,6	2,8	

Balance at the beginning of the period	1 732,8	2 323,9	2 323,9	822,1	1 103,4	1 103,4
Movements in distributable reserves	(142,7)	(212,6)	(370,0)	(67,0)	(100,2)	(175,0)
Net loss for the period	(142,7)	(212,6)	(370,0)	(67,0)	(100,2)	(175,0)
Movements in non-distributable reserves	(90,9)	(132,6)	(221,1)	(43,0)	(62,8)	(106,3)
Currency translation differences	(86,4)	(94,6)	(210,6)	-	-	-
Change in effective holding in associate company	-	-	-	-	-	(1,1)
Proceeds on issue of shares	-	_	1,1	-	-	_
Unrecognised loss on derivative instruments (in Textainer)	(1,6)	(13,0)	(11,6)	-	-	_
Fair-value adjustment – available for sale investments	(3,4)	(25,0)	(20,6)	-	-	_
Impairment of available for sale investment transferred to income statement	-	-	20,6	-	-	_
Change in effective holding of subsidiary company	0,5	-	_	-	-	-
Reserves of associate companies	_	-	-	(43,0)	(62,8)	(105,2)
P.1	4 400 0	1 070 7	1 700 0	740.4	040.4	000.4

Abridged statements of changes in shareholders' equity

Abriagea cash jiow statement	S				MOBILE	
- v	_	TRENCO	)R			
	UNA	UDITED	AUDITED	UNAU	DITED	AUDITED
	6 M	IONTHS	YEAR	6 MO	NTHS	YEAR
		NDED	ENDED	EN	NDED	ENDED
			1 DECEMBER			DECEMBER
R MILLION	2003	2002	2002	2003	2002	2002
Cash generated from operations	353,9	338,6	886,6	21,3	57,8	87,4
Interest received	10,3	11,0	21,4	3,8	4,4	8,4
Interest paid	(138,5)	(173,8)	(346,3)	(5,6)	(8,8)	(14,5)
Dividends paid to outside shareholders	(17,9)	(20,9)	(20,0)	-	-	-
Taxation paid	3,0	(1,6)	(24,3)	(0,3)	(5,7)	(6,1)
Net cash inflow from operating activities	210,8	153,3	517,4	19,2	47,7	75,2
Cash flows from investing activities	(459,2)	(1 346,8)	(1 973,0)	_	-	-
Cash flows from financing activities	262,5	1 439,7	1 789,2	(23,5)	(56,5)	(78,8)
Net increase/(decrease) in cash and cash equivalents before						
exchange rate changes	14,1	246,2	333,6	(4,3)	(8,8)	(3,6)
Net cash and cash equivalents at the beginning of the period	368,6	128,1	128,1	5,1	8,7	8,7
Effects of exchange rate changes on cash and cash equivalents	(41,2)	(40,2)	(93,1)	-	-	-
Net cash and cash equivalents at the end of the period	341,5	334,1	368,6	0,8	(0,1)	5,1

### Notes to the abridged financial statements

1. These consolidated abridged interim financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2002.

	TRENCOR			MOBILE		
	UNAUDITED AUDITED				JDITED	AUDITED
		NTHS DED	YEAR ENDED		ONTHS IDED	YEA ENDE
		UNE	31 DECEMBER			DECEMBE
	2003	2002	2002	2003	2002	20
Revenue						
Invoiced sales – goods and services	71,8	115,1	203,1	-	-	
Leasing income	575,5	539,6	1 176,8	_	_	
Management fees	123,2	147,4	276,8	_	_	
Finance income	59,8	129,6	352,7	8,0	11,0	19
	830,3	931,7	2 009,4	8,0	11,0	19
Realised and unrealised exchange differences	(541,5)	(663,8)	(1 420,4)	_	_	
	288,8	267,9	589,0	8,0	11,0	19
Exceptional items						
Premium paid on acquisition of shares from outside shareholders	-	-	(0,4)			
Impairment of goodwill	-	-	(11,7)			-
Amortisation of goodwill	(0,2)	(2,0)	(0,4)			
Discontinued operations	(2,1)	7,3	14,1			
Reversal of impairment of plant	-	-	2,7			
Profit on sale of investment property	0,6	-	-			
Impairment of available for sale investment	-	-	(20,6)			
	(1,7)	5,3	(16,3)			
Headline loss						
Loss attributable to shareholders	(142,7)	(212,6)	(370,0)	(67,0)	(100,2)	(175
Amortisation of goodwill in respect of associate company	2,7	_	3,6	_	_	
Loss/(profit) on sale of property, plant and equipment	3,7	0,7	(6,3)	-	_	
Exceptional items (net of taxation)	1,1	(3,1)	20,5	_	_	
Attributable share of headline earnings adjustments of associate comp	any –	-	_	3,5	3,6	11
Headline loss	(135,2)	(215,0)	(352,2)	(63,5)	(96,6)	(163
Weighted average number of shares in issue (million)	153,0	152,8	152,9	897,8	897,8	897
Headline loss per share (cents)	(88,4)	(140,7)	(230,3)	(7,1)	(10.8)	(18

The dilution arises as a result of any future conversion of foreseeable future and therefore no dilution is anticipated this would be anti-dilutive.						
5. Segmental reporting						
Revenue						
Container – sales and finance	(481,6)	(534,4)	(1 068,3)			
Container - owning, leasing-out and management	567,6	636,9	1 299,9			
Container – manufacturing	33,0	38,0	81,8			
Supply chain management services	167,1	124,9	274,2			
Other	2,7	2,5	1,4			
	288,8	267,9	589,0			
Loss from operations						
Container – sales and finance	(222,2)	(270,3)	(545,0)			
Container - owning, leasing-out and management	231,5	188,6	469,0			
Container – manufacturing	(12,0)	(6,6)	(16,5)			
Supply chain management services	(8,4)	(8,7)	(43,0)			
Other	(6,8)	(35,5)	27,0			
	(17,9)	(132,5)	(108,5)			
Exceptional items	(1,7)	5,3	(16,3)			
	(19,6)	(127,2)	(124,8)			
6. Current assets						
Inventories	53,1	89,5	51,3	-	-	_
Accounts receivable	521,8	650,1	612,3	8,1	22,0	13,8
Current portion of long-term loans	5,0	-	11,6	-	-	-
Amount owing by affiliated company	_	_	-	1,8	3,8	2,3
Cash and cash equivalents	341,5	337,0	368,6	0,8	-	5,1
	921,4	1 076,6	1 043,8	10,7	25,8	21,2
7. Current liabilities						
Accounts payable	337,9	384,1	439,2	0,9	0,5	0,9
Provisions	76,8	75,3	75,8	_	-	-
Taxation	115,7	10,6	90,5	1,9	1,3	1,6
Bank overdrafts and short-term loans	-	2,9	_	-	0,1	-
Current portion of interest-bearing borrowings	488,7	610,9	537,5	1,6	23,1	8,6