

**MOBILE INDUSTRIES LIMITED ANNUAL REPORT 2001  
FOR THE 18 MONTH PERIOD 1 JULY 2000 TO 31 DECEMBER 2001**

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 DIARY

**DIRECTORS**

C Jowell <small>CHAIRMAN</small>
H A Gorvy
N I Jowell
D M Nurek

**Note:** Following a change in the financial year-end from 30 June to 31 December, the current reporting period is for the 18 months to 31 December 2001 and the comparative figures should be viewed accordingly.

<b>TENYEAR REVIEW</b>	<b>01</b>	<b>00</b>	<b>99</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>95</b>	<b>94</b>	<b>93</b>	<b>92</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<i>Income/(Loss) after taxation</i>	<b>383,2</b>	(26,5)	32,9	168,9	113,9	130,4	45,1	18,2	120,6	63,8
<i>Headline earnings of associate company</i>	<b>344,2</b>	145,6	9,3	125,0	76,9	94,5	64,5	47,8	57,2	48,0
<i>Headline income attributable to shareholders</i>	<b>344,8</b>	121,1	32,0	160,3	112,2	128,9	89,7	66,8	75,4	62,7
<i>Number of issued shares (million)</i>	<b>898</b>	898	898	898	891	873	855	852	852	852
<i>Equity book value per share (cents)</i>	<b>122,9</b>	71,8	74,8	72,1	59,2	48,1	35,3	33,0	31,9	23,5
<i>Headline earnings per share (cents) – undiluted</i>	<b>38,4</b>	13,5	3,6	17,9	12,6	14,9	10,5	7,8	8,8	7,4
<i>Dividends per share (cents)</i>	–	–	2,34	3,92	3,67	3,6	2,9	2,1	2,1	1,7
<i>Dividend cover (times)</i>	–	–	1,5	4,6	3,4	4,1	3,7	3,8	4,5	4,5

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the thirty-second annual general meeting of shareholders of Mobile Industries Limited will be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on 11 July 2002 at 16h15, or as soon as the annual general meeting of Trecor Limited convened to be held at 16h00 has been concluded, for the following purposes:

1. To consider and adopt the annual financial statements of the company and the group for the eighteen months ended 31 December 2001.
2. To consider, and if deemed fit, to re-elect by way of a single resolution the directors who retire by rotation in terms of the articles of association.
3. To re-elect Messrs H A Gorvy and N I Jowell who retire by rotation but, being eligible, offer themselves for re-election.
4. To renew the directors' general authority over the unissued share capital of the company until the next annual general meeting.
5. To confirm, in terms of the articles of association of the company, the directors' fees payable for the eighteen months ended 31 December 2001.
6. To transact such other business as may be transacted at an annual general meeting.

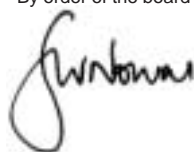
A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and on a poll to vote in his stead. A proxy need not be a member of the company.

Shareholders which are companies, close corporations or other bodies corporate may in terms of section 188 of the Companies Act, No 61 of 1973 (as amended), authorise any person to act as its representative.

A proxy form, for completion only by shareholders holding shares in certificated form or shareholders recorded on the sub-register in electronic form in 'own name', is bound in at the end of this document. In order to be effective the proxy form and the power of attorney or other authority, if any, under which it is signed, must be received by the transfer secretaries of the company not less than 24 hours before the time appointed for the holding of the meeting, or any adjournment thereof, as the case may be, at which the proxy proposes to vote.

Beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ('CSDP') or broker, other than those in 'own name', must provide the CSDP or broker with their voting instruction in terms of the custody agreement between the beneficial owner and the CSDP or broker. Alternatively, they must request the CSDP or broker to provide them with a letter of representation should they wish to attend the meeting in person in terms of the custody agreement.

By order of the board



TRENCOR SERVICES (PTY) LTD  
SECRETARIES  
PER: G W NORVAL  
CAPE TOWN 6 MARCH 2002

Note: The adoption of new articles of association is being proposed by way of a separate leaflet, inserted with this document, for consideration at a general meeting of shareholders to be held after the annual general meetings of Mobile and Trecor Limited on 11 July 2002.

## DECLARATION BY THE COMPANY SECRETARY

It is hereby certified that for the eighteen months ended 31 December 2001, the company has lodged, with the Registrar of Companies, all returns required in terms of the Companies Act and that such returns are true, correct and up to date.



TRENCOR SERVICES (PTY) LTD  
SECRETARIES  
PER: G W NORVAL  
CAPE TOWN 6 MARCH 2002

## MOBILE INDUSTRIES LIMITED AND SUBSIDIARY

### 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 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. In the opinion of the directors, the company and the group will continue as a going concern for the foreseeable future.

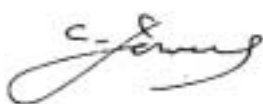
The functions of the audit committee are conducted by the audit committee of Trecor Limited.

#### BOARD APPROVAL

The annual financial statements and group annual financial statements for the eighteen months ended 31 December 2001, which have been approved by the board of directors, are attached:

- Page 58 Directors' report
- 60 Balance sheets
- 61 Income statements
- 62 Statements of changes in shareholders' equity
- 63 Cash flow statements
- 64 Notes to the financial statements

Signed on behalf of the board



C JOWELL CHAIRMAN



D M NUREK DIRECTOR  
CAPE TOWN 6 MARCH 2002

## REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF MOBILE INDUSTRIES LIMITED

We have audited the annual financial statements and group annual financial statements of Mobile Industries Limited, as set out on pages 58 to 71, for the eighteen months ended 31 December 2001. 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 2001 and the results of their operations and cash flows for the period 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 6 MARCH 2002



# Directors' report

## NATURE OF BUSINESS

The company is an investment holding company listed in the Industrial Transportation sector of the JSE Securities Exchange South Africa. The company's interests comprise a holding of 47% in Trencor Ltd and 74% in Mobile Acceptances (Pty) Ltd.

### TRENCOR

The company's main investment is a holding of 47,36% (2000: 47,36%) of the issued share capital and 47,96% (2000: 47,96%) of the 6% convertible debentures of Trencor Ltd, a holding company listed in the Industrial Transportation sector of the JSE Securities Exchange South Africa. Trencor's core business is 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, mainly in the transportation industry. Its other interests are in the manufacture and export of tank containers for international markets and trailer manufacturing.

In view of the fact that Mobile derives most of its income from its investment in Trencor, members are directed to the Chairman's

Statement and financial statements of Trencor which are fully reported on in the accompanying annual report.

### MOBILE ACCEPTANCES

Your company's 74% subsidiary, Mobile Acceptances (Pty) Ltd, and its wholly-owned subsidiary Transport Acceptances (Pty) Ltd, provide instalment credit and leasing facilities to transport operators. The remaining 26% in Mobile Acceptances is held by Wesbank, a division of FirstRand Bank Ltd. This company's performance was closely allied to the turnover of the trailer division of Henred-Fruehauf Trailers (Pty) Ltd and the availability of competitive funding. It had a satisfactory result for the period under review.

Effective 1 December 2001, the trailer division of Henred-Fruehauf Trailers (Pty) Ltd was merged with the businesses of ADF Holdings (Pty) Ltd and its subsidiaries (commonly known as SA Truck Bodies Group) into a single new entity, Madikor Drie (Pty) Ltd. Following this merger, Mobile Acceptances and Transport Acceptances ceased writing new business and the administration and collection of the debtors is now being carried out by Wesbank.

## GENERAL REVIEW

The financial results are reflected in the financial statements on pages 60 to 71. The estimated proportion of income after taxation attributable to the various classes of business of the group is as follows:

	18 MONTHS 31/12/01	YEAR 30/06/00
	%	%
ATTRIBUTABLE EARNINGS/(LOSS) OF ASSOCIATE COMPANY	99,0	(105,6)
FINANCE INCOME	1,0	5,6
	100,0	(100,0)

## DIRECTORS AND SECRETARY

The names of the directors appear on page 56 and that of the secretary on page 72. Mr G M C Ryan resigned as a director effective 6 March 2002.

In terms of the articles of association Messrs H A Gorvy and N I Jowell retire by rotation at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

## DIRECTORS' INTERESTS

The aggregate of the direct and indirect interests of the directors in the issued share capital of the company were as follows:

	ORDINARY		'N' ORDINARY	
	31/12/01	30/06/00	31/12/01	30/06/00
BENEFICIAL %	3,1	0,3	3,0	0,3
NON-BENEFICIAL %	28,0	27,7	26,3	26,2
	31,1	28,0	29,3	26,5

The direct and indirect interests of each director who held in excess of 1% of the issued share capital were as follows:

	ORDINARY		'N' ORDINARY	
	31/12/01	30/06/00	31/12/01	30/06/00
BENEFICIAL %				
G M C RYAN	3,1	1,3	2,9	1,3
NON-BENEFICIAL %				
C JOWELL	14,0	13,2	13,2	13,1
N I JOWELL	14,0	13,2	13,2	13,1

## AUDITORS

The board appointed KPMG Inc as auditors to the company and to the group in the place of Andersen (formerly known as Arthur Andersen & Co) effective 29 June 2001. KPMG Inc were auditors to the majority of Trencor's overseas subsidiaries and associates, whilst Andersen provided

audit services to the Mobile and Trencor groups locally. It became necessary to appoint a single firm as auditors to the groups and both firms submitted bids for the appointment, which was awarded to KPMG Inc.

## DIVIDENDS

As Mobile's net income is almost entirely dependent upon the receipt of dividends from Trencor, any decision to declare dividends depends on

the declaration of a dividend by Trencor. The board of Trencor has decided not to declare a dividend at this time and therefore Mobile, in turn, has not declared a dividend.

## 6% CONVERTIBLE DEBENTURE INTEREST PAYMENTS

PAYMENT NUMBER	REGISTRATION/ RECORD DATE	PAYMENT DATE	AMOUNT PER DEBENTURE	
			CENTS	R000
18	08/12/00	31/12/00	6,75	3 829
19	08/06/01	29/06/01	6,75	3 829
20	28/12/01	31/12/01	6,75	3 829

## CHANGE IN FINANCIAL YEAR-END

Textainer Group Holdings Ltd, a 74% subsidiary of Trencor, is required to end its financial year at 31 December. In view of its increasing materiality in relation to Trencor, audited accounts for Textainer at its half-year were required for purposes of consolidation into Trencor at 30 June. Trencor therefore decided that the year-ends of the groups should be co-terminous.

Accordingly, the board of Mobile resolved to change the financial year-end from 30 June to 31 December. The current financial period is therefore for the eighteen months from 1 July 2000 to 31 December 2001.

**STRATE**

The company transferred to the STRATE (share transactions totally electronic) system of electronic settlement on the JSE Securities Exchange South Africa with effect from 12 November 2001.

Trading for electronic settlement commenced on 3 December 2001 and, from that date, paper certificates are no longer good for

delivery. Holders of securities who have not yet dematerialised their certificates are urged to submit their certificates to a selected Central Securities Depository Participant or qualifying stockbroker for conversion into an electronic record, to render them eligible for settlement in the STRATE environment.

**CORPORATE GOVERNANCE**

The board of directors endorses the Code of Corporate Practices and Governance recommended in the King Report on Corporate

Governance and, in this regard, adheres to the Corporate Governance principles adopted by Trecor as reported in the directors' report of the accompanying Trecor annual report.

**VOTING ARRANGEMENTS**

Entities of the families of Messrs C and N I Jowell have agreed with two

significant individual shareholders to pool their votes in respect of their shareholdings until 7 November 2002.

**SUBSIDIARY**

The company holds 74% (2000: 74%) of the 700 000 (2000: 700 000) issued ordinary shares of Mobile Acceptances (Pty) Ltd, a company incorporated in the Republic of South Africa. Details of this investment are as follows:

	18 MONTHS 31/12/01	YEAR 30/06/00
	R'000	R'000
SHARES AT VALUATION	<b>1 184</b>	1 184
AMOUNT OWING	<b>1 500</b>	1 500
TOTAL INTEREST IN SUBSIDIARY	<b>2 684</b>	2 684
NET INCOME	<b>1 684</b>	1 596

**SPECIAL RESOLUTIONS OF SUBSIDIARY**

No special resolutions were passed by the company's subsidiary during the period under review.

**ANALYSIS OF SHAREHOLDERS**

An analysis of shareholders and of holders who held 5% or more of the issued securities at 31 December 2001 is presented on pages 52 to 54.



## Balance sheets

AT 31 DECEMBER 2001

	NOTES	GROUP		COMPANY	
		31 DECEMBER 2001 R'000	30 JUNE 2000 R'000	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000
<b>ASSETS</b>					
NON-CURRENT ASSETS					
EQUIPMENT	2	25	38	-	-
INVESTMENTS IN ASSOCIATE COMPANY	3	1 217 845	760 728	195 109	195 109
INTEREST IN SUBSIDIARY		-	-	2 684	2 684
PARTICIPATION IN EXPORT PARTNERSHIPS	4	6 996	9 745	-	-
LONG-TERM RECEIVABLES	5	57 185	110 432	-	-
		1 282 051	880 943	197 793	197 793
CURRENT ASSETS					
ACCOUNTS RECEIVABLE		58 232	85 873	-	3 748
AMOUNT OWING BY AFFILIATED COMPANY		8 642	12 948	2 279	2 537
TAXATION PREPAID		-	-	73	73
CASH AND CASH EQUIVALENTS		8 647	-	1 662	-
		75 521	98 821	4 014	6 358
<b>TOTAL ASSETS</b>		<b>1 357 572</b>	<b>979 764</b>	<b>201 807</b>	<b>204 151</b>
<b>EQUITY AND LIABILITIES</b>					
CAPITAL AND RESERVES					
SHARE CAPITAL AND PREMIUM	6	66 537	66 537	66 537	66 537
RESERVES	7	1 036 937	578 533	5 524	5 920
SHAREHOLDERS' EQUITY		1 103 474	645 070	72 061	72 457
INTEREST OF OUTSIDE SHAREHOLDER IN SUBSIDIARY		3 464	2 872	-	-
TOTAL SHAREHOLDERS' FUNDS		1 106 938	647 942	72 061	72 457
CONVERTIBLE DEBENTURES	8	127 634	127 634	127 634	127 634
OTHER NON-CURRENT LIABILITIES					
DEFERRED TAXATION	9	6 169	8 938	-	-
INTEREST-BEARING BORROWINGS	10	51 881	101 036	-	-
		1 292 622	885 550	199 695	200 091
CURRENT LIABILITIES					
ACCOUNTS PAYABLE		4 471	1 154	2 112	578
UNSECURED LOAN		-	45	-	-
TAXATION		6 670	2 700	-	-
BANK OVERDRAFTS		-	1 784	-	3 482
CURRENT PORTION OF INTEREST-BEARING BORROWINGS	10	53 809	88 531	-	-
		64 950	94 214	2 112	4 060
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 357 572</b>	<b>979 764</b>	<b>201 807</b>	<b>204 151</b>

MOBILE INDUSTRIES LIMITED  
AND SUBSIDIARY**Income statements**FOR THE 18 MONTHS ENDED  
31 DECEMBER 2001

	NOTES	GROUP		COMPANY	
		18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000
REVENUE	1,11	49 497	38 896	11 974	7 942
OPERATING INCOME		42 492	33 130	11 091	7 590
INTEREST EXPENSE		38 739	30 133	11 487	7 658
		3 753	2 997	(396)	(68)
ATTRIBUTABLE INCOME/(LOSS) OF ASSOCIATE COMPANY		345 162	(28 597)	-	-
FROM CONTINUING OPERATIONS		344 234	145 599	-	-
FROM DISCONTINUING OPERATIONS		928	(174 196)	-	-
INCOME/(LOSS) BEFORE TAXATION AND ABNORMAL ITEMS		348 915	(25 600)	(396)	(68)
ATTRIBUTABLE SHARE OF ABNORMAL ITEMS OF ASSOCIATE COMPANY		36 121	-	-	-
INCOME/(LOSS) BEFORE TAXATION	12	385 036	(25 600)	(396)	(68)
TAXATION	13	1 874	909	-	-
INCOME/(LOSS) AFTER TAXATION		383 162	(26 509)	(396)	(68)
INCOME ATTRIBUTABLE TO OUTSIDE SHAREHOLDER IN SUBSIDIARY		592	560	-	-
NET INCOME/(LOSS) FOR THE PERIOD		382 570	(27 069)	(396)	(68)
EARNINGS/(LOSS) PER SHARE (CENTS)	14				
UNDILUTED		42,6	(3,0)		
DILUTED		36,6	-		
HEADLINE EARNINGS PER SHARE (CENTS)	14				
UNDILUTED		38,4	13,5		
DILUTED		33,0	11,8		



## Statements of changes in shareholders' equity

FOR THE 18 MONTHS ENDED  
31 DECEMBER 2001

	SHARE CAPITAL	SHARE PREMIUM	NON- DISTRIBUTABLE RESERVE	RETAINED INCOME	TOTAL
	R'000	R'000	R'000	R'000	R'000
<b>GROUP</b>					
BALANCE AT 30 JUNE 1999	1 513	65 024	593 773	11 186	671 496
SHARE OF INCREASE IN NON-DISTRIBUTABLE RESERVE OF ASSOCIATE COMPANY			2 349		2 349
RESERVES OF ASSOCIATE COMPANY – CURRENT YEAR LOSS			(30 303)	30 303	–
ATTRIBUTABLE SHARE OF GOODWILL WRITTEN-OFF BY ASSOCIATE COMPANY				(1 706)	(1 706)
NET LOSS FOR THE YEAR				(27 069)	(27 069)
BALANCE AT 30 JUNE 2000	1 513	65 024	565 819	12 714	645 070
SHARE OF INCREASE IN NON-DISTRIBUTABLE RESERVE OF ASSOCIATE COMPANY			97 568		97 568
EFFECT OF CHANGE IN ACCOUNTING POLICIES – ASSOCIATE COMPANY			(21 734)		(21 734)
NET INCOME FOR THE PERIOD				382 570	382 570
BALANCE AT 31 DECEMBER 2001	1 513	65 024	641 653	395 284	1 103 474
<b>COMPANY</b>					
BALANCE AT 30 JUNE 1999	1 513	65 024	120	5 868	72 525
NET LOSS FOR THE YEAR				(68)	(68)
BALANCE AT 30 JUNE 2000	1 513	65 024	120	5 800	72 457
NET LOSS FOR THE PERIOD				(396)	(396)
BALANCE AT 31 DECEMBER 2001	1 513	65 024	120	5 404	72 061

MOBILE INDUSTRIES LIMITED  
AND SUBSIDIARY**Cash flow statements**FOR THE 18 MONTHS ENDED  
31 DECEMBER 2001

	NOTES	GROUP		COMPANY	
		18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
CASH GENERATED FROM/(UTILISED BY) OPERATIONS	15.1	119 109	(24 316)	909	(2 384)
INTEREST RECEIVED		14 669	10 043	11 974	7 942
INTEREST PAID		(38 739)	(30 133)	(11 487)	(7 658)
DIVIDENDS RECEIVED	15.2	-	10 134	3 748	9 050
DIVIDENDS PAID	15.3	-	(10 505)	-	(10 505)
TAXATION PAID	15.4	(673)	(1 090)	-	(47)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		94 366	(45 867)	5 144	(3 602)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
ADDITIONS TO EQUIPMENT		(13)	(25)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(13)	(25)	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
(DECREASE)/INCREASE IN BORROWINGS		(83 877)	45 090	-	-
DECREASE IN UNSECURED LOAN		(45)	(12)	-	-
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES		(83 922)	45 078	-	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10 431	(814)	5 144	(3 602)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		(1 784)	(970)	(3 482)	120
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15.5	8 647	(1 784)	1 662	(3 482)



## I ACCOUNTING POLICIES

### A. GENERAL

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year, except as referred to in note 4. 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. Accounting Statement AC 133, Financial Instruments: Recognition and Measurement, has been adopted in the consolidated financial statements prior to its implementation date to conform with the accounting policy of the associate company.

#### *Basis of preparation*

The financial statements and group financial statements are prepared on the historical cost basis.

### B. 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 subsidiary. The results of subsidiaries acquired and disposed of during a financial period are included from the effective dates of acquisition and to the effective dates of disposal.

#### *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.

The share of associated retained earnings and reserves is generally determined from the latest audited financial statements of the associate. Dividends received from associates are included in income from investments.

#### *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.

### C. EQUIPMENT

Equipment is stated at historical cost less accumulated depreciation. Depreciation is provided on the straight-line basis, at rates calculated to amortise the assets over their estimated useful lives. Surpluses/(deficits) on the disposal of equipment are credited/(charged) to income. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

### D. PARTICIPATION IN EXPORT PARTNERSHIPS

The participation in export partnerships is recorded at the group companies' cost of the original participation plus their share of the gross profit less their share of the subsequent net amounts received as partners in the partnerships. A corresponding deferred tax liability has been raised.

### E. ASSETS SUBJECT TO HIRE PURCHASE AND LEASE AGREEMENTS

Assets subject to finance leases, which include other suspensive sale agreements in which the risks and rewards of ownership are substantially transferred to the lessee, are treated as receivables and classified as current or non-current according to the conditions of the lease. The investment is recorded at the net amount invested in the leased asset.

### F. FINANCE CHARGES EARNED

These income items are calculated on the principal amount due on the date the agreements are entered into and are credited to income over the period of the agreements using the net present value method.

### G. FINANCIAL INSTRUMENTS

#### *Measurement*

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

#### *Trade and other receivables*

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

#### *Cash and cash equivalents*

Cash and cash equivalents are measured at fair value.

#### *Financial liabilities*

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

#### H. REVENUE

Revenue comprises investment income and financing 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. Dividend income is recognised when the right to receive payment is established.

#### I. 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 base. 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.

#### J. EMPLOYEE BENEFITS

##### *Short-term employee benefits*

The cost of all short-term employee benefits is recognised during the period 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 wage and salary rates.

##### *Retirement benefits*

The group contributes to a defined contribution pension plan. Contributions to defined contribution funds are charged against income as incurred.

#### K. CASH AND CASH EQUIVALENTS

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

#### L. EARNINGS PER SHARE

Earnings per share is based on earnings attributable to shareholders and calculated on the weighted average number of shares issued during the financial period. Headline earnings per share is based on earnings attributable to shareholders, adjusted for non-trading items and the tax effect thereon, and calculated as above.

#### M. PRESENTATION

Comparative figures are regrouped or restated where necessary in accordance with current period classifications.



## 2 EQUIPMENT

OFFICE FURNITURE, FITTINGS AND EQUIPMENT

COST

	GROUP		COMPANY	
	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000
Balance at the beginning of the period	153	128	-	-
Additions	13	25	-	-
<b>Balance at the end of the period</b>	<b>166</b>	<b>153</b>	<b>-</b>	<b>-</b>
ACCUMULATED DEPRECIATION				
Balance at the beginning of the period	115	93	-	-
Depreciation	26	22	-	-
<b>Balance at the end of the period</b>	<b>141</b>	<b>115</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>	<b>25</b>	<b>38</b>	<b>-</b>	<b>-</b>

## 3 INVESTMENTS IN ASSOCIATE COMPANY

TRENCOR LIMITED

Listed shares at cost	70 159	70 159	70 159	70 159
Number of shares: 72 386 836 (2000: 72 386 836)				
Market value: R738 345 727 (2000: R231 637 875)				
Attributable reserves and income net of dividends	1 022 736	565 619	-	-
	1 092 895	635 778	70 159	70 159
Listed 6% convertible debentures at cost	124 950	124 950	124 950	124 950
Number of debentures: 13 730 780 (2000: 13 730 780)				
Market value: R143 486 651 (2000: R52 863 503)				
	1 217 845	760 728	195 109	195 109

3.1 The directors are currently of the opinion that the diminution in market value of this investment is not of a permanent nature and therefore no provision has been made against the carrying value.

3.2 Trenchor Ltd is the only associate company in the group. No summarised financial information has been included as the financial statements of Trenchor Ltd are separately disclosed in this document.

## 4 PARTICIPATION IN EXPORT PARTNERSHIPS

Certain group companies participated in various export partnerships, whose business is the purchase and export sale of containers. The partnerships bought and sold the containers in terms of long-term suspensive purchase and credit sale agreements, with repayment terms usually over a 10 to 15 year period.

During the period the group changed its accounting policy with regard to its participation in export trade through partnerships, to reflect the substance of the transaction in accordance with South African Statements of Generally Accepted Accounting Practice. The participation in export partnerships is recorded at the group companies' cost of the original participation plus their share of the gross profit less their share of the subsequent net amounts received as partners in the partnerships. A corresponding deferred tax liability has been raised. In previous years the related deferred taxation liability was set off against the participation in export partnerships and was not separately disclosed. Prior year comparative figures have been restated. The change in accounting policy has no income statement impact.

## 5 LONG-TERM RECEIVABLES

Amounts due in respect of goods sold under instalment credit agreements and finance leases where substantially all risks and rewards of ownership are transferred to the lessee	131 563	214 922	-	-
Unearned finance charges	16 345	22 888	-	-
	115 218	192 034	-	-
Current portion included in accounts receivable	58 033	81 602	-	-
	57 185	110 432	-	-

The above receivables have been pledged as security for the subsidiary company's interest-bearing borrowings (refer note 10).

## 6 SHARE CAPITAL AND PREMIUM

	GROUP		COMPANY	
	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000
SHARE CAPITAL				
AUTHORISED				
Ordinary shares of 0,5 cent each 390 000 000 (2000: 390 000 000)	1 950	1 950	1 950	1 950
'N' ordinary shares of 0,005 cent each 1 000 000 000 (2000: 1 000 000 000)	50	50	50	50
	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>
ISSUED				
Ordinary shares 296 634 742 (2000: 296 634 742)	1 483	1 483	1 483	1 483
'N' ordinary shares 601 226 334 (2000: 601 226 334)	30	30	30	30
	<b>1 513</b>	<b>1 513</b>	<b>1 513</b>	<b>1 513</b>
SHARE PREMIUM				
	<b>65 024</b>	<b>65 024</b>	<b>65 024</b>	<b>65 024</b>
	<b>66 537</b>	<b>66 537</b>	<b>66 537</b>	<b>66 537</b>

6.1 No shares (2000: no shares) were issued by the company during the period.

6.2 In terms of the Executive Share Purchase Scheme, 13 672 800 unissued ordinary shares were placed at the disposal of the directors. At 31 December 2001, 3 497 800 ordinary shares (2000: 3 497 800 ordinary shares) reserved for the Scheme remained unissued and available for sale by the trustees.

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

## 7 RESERVES

### A. NON-DISTRIBUTABLE

Reserves of associate company attributable to the group	641 453	565 619	-	-
Revenue profits of the subsidiary company attributable to the holding company, converted into capitalisation shares by the subsidiary company	120	120	120	120
Non-distributable reserve arising on acquisition of subsidiary company	80	80	-	-
	<b>641 653</b>	<b>565 819</b>	<b>120</b>	<b>120</b>

### B. DISTRIBUTABLE

Retained income	395 284	12 714	5 404	5 800
Company and subsidiary Associate company	14 001	12 714	5 404	5 800
	<b>381 283</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total reserves	<b>1 036 937</b>	<b>578 533</b>	<b>5 524</b>	<b>5 920</b>

## 8 CONVERTIBLE DEBENTURES

56 726 200 unsecured automatically convertible subordinated debentures of R2,25 each	127 634	127 634	127 634	127 634
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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 ordinary share and two 'N' ordinary shares 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 the annual interest paid in cents per debenture. The directors are currently of the opinion that the debentures are unlikely to automatically convert in the foreseeable future.



## 9 DEFERRED TAXATION

### LIABILITY

	GROUP		COMPANY	
	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000
Balance at the beginning of the period	8 938	10 731	-	-
Current	(2 769)	(1 793)	-	-
Balance at the end of the period	6 169	8 938	-	-
Deferred taxation balance consists of:				
Participation in export partnerships	6 996	9 745	-	-
Provision for doubtful debts	(827)	(807)	-	-
	6 169	8 938	-	-

## 10 INTEREST-BEARING BORROWINGS

### SECURED LOAN

	GROUP	COMPANY		
FirstRand Bank Ltd.	105 690	189 567	-	-
No fixed date of repayment has been determined. However, should the company give notice of its intention to repay the loan, it is repayable in equal monthly instalments over a period equal to the average book life of instalment credit agreements and finance leases entered into with third parties.				
Average interest rate for the period: 11,0% p.a. (2000: 12,0% p.a.)				
Less short-term portion	53 809	88 531	-	-
	51 881	101 036	-	-

The loan is secured by a pledge of receivables (refer note 5).

## 11 REVENUE

	GROUP		COMPANY	
	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000
Lease rentals and finance charges	34 828	28 853	-	-
Interest received	14 669	10 043	11 974	7 942
Associate company	11 690	7 727	11 690	7 727
Subsidiary company	-	-	284	208
Other	2 979	2 316	-	7
	49 497	38 896	11 974	7 942

## 12 INCOME/(LOSS) BEFORE TAXATION

Income/(Loss) before taxation has been arrived at after taking into account:

Auditor's remuneration	290	164	17	18
Audit fee current period	188	164	17	18
Audit fee prior period	102	-	-	-
Depreciation	26	22	-	-
Leasing charges	16	9	-	-
Directors' emoluments:				
Fees for services as directors	1	1	1	1

## I3 TAXATION

	GROUP		COMPANY	
	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000
South African Normal	4 643	2 702	-	-
Current	4 115	2 710	-	-
Adjustment in respect of prior year	528	(8)	-	-
South African Deferred – credit for the period	(2 769)	(1 793)	-	-
	1 874	909	-	-
The effective tax rate is reconciled as follows:				
	%	%	%	%
Statutory tax rate	30,0	(30,0)	30,0	30,0
Permanent differences	0,1	-	(30,0)	(30,0)
Adjustment in respect of prior year	0,1	0,1	-	-
Attributable (income)/loss of associate	(29,7)	33,5	-	-
Effective tax rate	0,5	3,6	-	-

## I4 EARNINGS/(LOSS) AND HEADLINE EARNINGS PER SHARE

## EARNINGS/(LOSS) PER SHARE

## UNDILUTED

Earnings/(Loss) attributable to shareholders	382 570	(27 069)
Weighted average number of shares in issue ('000)	897 861	897 861
Earnings/(Loss) per share (cents)	42,6	(3,0)

## DILUTED

Earnings attributable to shareholders	382 570	-
Interest not payable on debentures to be converted	8 041	-

Diluted earnings attributable to shareholders	390 611	-
Number of shares in issue for diluted earnings per share ('000)	1 068 040	-

Number of shares in issue for undiluted earnings per share ('000)	897 861	-
Shares to be issued on conversion of debentures ('000)	170 179	-
Diluted earnings per share (cents)	36,6	-
Dilution per share (cents)	6,0	-

## HEADLINE EARNINGS PER SHARE

## UNDILUTED

Earnings/(Loss) attributable to shareholders	382 570	(27 069)
Share of associate company's:		
Discontinuing operations	(928)	174 196
Losses incurred up to date of discontinuance	(756)	(26 016)
Abnormal items	(36 121)	-

Headline earnings	344 765	121 111
Weighted average number of shares in issue ('000)	897 861	897 861
Headline earnings per share (cents)	38,4	13,5



	GROUP		COMPANY	
	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000
DILUTED				
Earnings/(Loss) attributable to shareholders	382 570	(27 069)		
Interest not payable on debentures to be converted	8 041	5 361		
Diluted earnings/(loss) attributable to shareholders	390 611	(21 708)		
Share of associate company's:				
Discontinuing operations	(928)	174 196		
Losses incurred up to date of discontinuance	(756)	(26 016)		
Abnormal items	(36 121)	-		
Diluted headline earnings	352 806	126 472		
Number of shares in issue for diluted earnings per share ('000)	1 068 040	1 068 040		
Number of shares in issue for undiluted earnings per share ('000)	897 861	897 861		
Shares to be issued on conversion of debentures ('000)	170 179	170 179		
Diluted headline earnings per share (cents)	33,0	11,8		
Dilution per share (cents)	5,4	1,7		

The dilution would arise as a result of any future conversion of debentures referred to in note 8. 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. For the year ended 30 June 2000, no dilutive effect has been presented in respect of the loss per share as this would have been anti-dilutive.

## I5 NOTES TO THE CASH FLOW STATEMENTS

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

Income/(Loss) before taxation	385 036	(25 600)	(396)	(68)
Attributable (income)/loss of associate company	(381 283)	28 597	-	-
Adjusted for: Interest paid	38 739	30 133	11 487	7 658
Depreciation	26	22	-	-
Interest received	(14 669)	(10 043)	(11 974)	(7 942)
Operating profit/(loss) before working capital changes	27 849	23 109	(883)	(352)
Working capital changes	35 264	(25 318)	1 792	(2 032)
Decrease/(Increase) in accounts receivable	27 641	(19 699)	-	-
Decrease/(Increase) in amounts owing by affiliated company	4 306	(1 402)	258	(2 206)
Increase/(Decrease) in accounts payable	3 317	(4 217)	1 534	174
Decrease/(Increase) in long-term receivables	53 247	(23 907)	-	-
Receipt from export partnerships	2 749	1 800	-	-
Cash generated from/(utilised by) operations	119 109	(24 316)	909	(2 384)
15.2 Dividends received				
Amounts unpaid at the beginning of the period	-	10 134	3 748	12 798
Dividend income per income statement	-	-	-	-
Amounts unpaid at the end of the period	-	-	-	(3 748)
	-	10 134	3 748	9 050
15.3 Dividends paid				
Amounts unpaid at the beginning of the period	-	10 505	-	10 505
Charge per income statement	-	-	-	-
Amounts unpaid at the end of the period	-	-	-	-
	-	10 505	-	10 505
15.4 Taxation paid				
Amounts unpaid/(prepaid) at the beginning of the period	2 700	1 088	(73)	(26)
Charge per income statement	4 643	2 702	-	-
Amounts (unpaid)/prepaid at the end of the period	(6 670)	(2 700)	73	73
	673	1 090	-	47

	GROUP		COMPANY	
	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000	18 MONTHS 31 DECEMBER 2001 R'000	12 MONTHS 30 JUNE 2000 R'000
<b>15.5 Cash and cash equivalents</b>				
Cash and cash equivalents consist of bank balances and cash on hand. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:				
Bank balances and cash	8 647	1 698	1 662	-
Bank overdrafts	-	(3 482)	-	(3 482)
<b>Cash and cash equivalents</b>	<b>8 647</b>	<b>(1 784)</b>	<b>1 662</b>	<b>(3 482)</b>

## I6 CONTINGENT LIABILITIES

### PARTICIPATION IN EXPORT PARTNERSHIPS

The South African Revenue Service ('SARS') is making enquiries regarding the tax treatment of the participation of companies in export partnerships with financial years ended after 1 March 1996. Legal advice, obtained by the managing partner in the export partnerships, has confirmed that the tax treatment adopted in relation to participation in these partnerships has been appropriate. In any event, Trecor Ltd has warranted certain important aspects of the group companies' participation. The company's directors have considered the credit risk relating to these aspects warranted and have satisfied themselves as to the creditworthiness of the warrantor company.

	GROUP	
	31 DECEMBER 2001 R'000	30 JUNE 2000 R'000
Participation in export partnerships with financial years ending after 1 March 1996	3 047	4 164

## I7 FINANCIAL INSTRUMENTS

### 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 articles of association, the group's borrowing powers are unlimited.

Total borrowing facilities granted by financial institutions	107 500	192 000
Actual borrowings at period end	105 690	191 351
<b>Unutilised borrowing facilities</b>	<b>1 810</b>	<b>649</b>

### 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.

### CREDIT RISK MANAGEMENT

Financial assets which potentially subject the group to concentrations of credit risk consist principally of long-term receivables. Credit risk with respect to long-term receivables is concentrated in the road transport industry. The risk arising on long-term receivables and accounts receivable is managed through a group policy on the granting of credit limits and continual review and monitoring of these limits. Long-term receivables are presented net of a general doubtful debt provision.

Trecor Ltd has warranted certain important cash flow aspects of the group's participation in export partnerships (refer note 16). The company's directors have considered the credit risk relating to these aspects warranted and have satisfied themselves as to the creditworthiness of Trecor Limited.

### FAIR VALUES

The fair values of all financial instruments are substantially similar to carrying amounts reflected in the balance sheet, except for the participation in export partnerships. The cash flows from the participation in export partnerships (refer note 4) which will be received by the group over the next 10 to 15 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 group.

## I8 RELATED PARTY TRANSACTIONS

All of the directors of the company are also directors of Trecor Ltd. Refer to note 29 to the financial statements on page 44 of the accompanying Trecor Ltd annual report for disclosure of relevant related party transactions.



## CORPORATE INFORMATION

COMPANY REGISTRATION	MOBILE INDUSTRIES LIMITED INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA ON 9 DECEMBER 1968 REGISTRATION NUMBER 1968/014997/06
YEAR LISTED	1969
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	<a href="http://www.mobile-industries.net">http://www.mobile-industries.net</a>
E-MAIL	<a href="mailto:info@mobile-industries.net">info@mobile-industries.net</a> <a href="mailto:investorrelations@mobile-industries.net">investorrelations@mobile-industries.net</a>
TRANSFER SECRETARIES	COMPUTERSHARE INVESTOR SERVICES LTD EDURA 41 FOX STREET JOHANNESBURG 2001 P O BOX 61051 MARSHALLTOWN 2107 TEL 011 370 7700 FAX 011 836 0792 INTERNATIONAL +27 11 CALL CENTRE 0861 100950 (WITHIN RSA) OR +27 11 722 2277 (OUTSIDE RSA) <a href="http://www.computershare.com">http://www.computershare.com</a>
PRINCIPAL BANKERS	FIRSTRAND BANK LTD
AUDITORS	KPMG INC
ATTORNEYS	SONNENBERG HOFFMANN GALOMBIK
SPONSORS	HSBC INVESTMENT SERVICES (AFRICA) (PTY) LTD
JSE SECTOR	INDUSTRIAL – TRANSPORTATION (CHANGING TO TRANSPORT – SHIPPING & PORTS)
MARKET NAME	MOBILE
JSE SHARE CODES	
– ORDINARY SHARES	MOB ISIN: ZAE000004602
– 'N' ORDINARY SHARES	MBN ISIN: ZAE000012274
– 6% CONVERTIBLE DEBENTURES	MOBD ISIN: ZAE000004610

## DIARY

	<b>11 JULY 2002</b>	<b>ANNUAL GENERAL MEETING</b>
	<b>31 DECEMBER</b>	<b>FINANCIAL YEAR-END</b>
<b>ANNOUNCEMENTS</b>	<b>AUGUST</b>	<b>INTERIM REPORT</b>
	<b>FEBRUARY</b>	<b>PROVISIONAL RESULTS</b>
	<b>MARCH</b>	<b>ANNUAL FINANCIAL STATEMENTS</b>
<b>6% CONVERTIBLE DEBENTURES</b>	<b>JUNE AND DECEMBER</b>	<b>INTEREST PAID</b>