

**MOBILE***Mobile Industries Limited
Annual Report 2002*

67	<i>Corporate governance</i>
69	<i>Annual financial statements</i>
84	<i>Corporate information</i>
84	<i>Analysis of share and debenture holders</i>
85	<i>Directorate: Brief résumés</i>
85	<i>Diary</i>
86	<i>Notice to shareholders</i>
89	<i>Forms of proxy</i>

Directors

C Jowell *Chairman*
H A Gorvy *Independent*
N I Jowell
D M Nurek *Independent*

All directors are non-executive. Brief résumés of the directors are presented on page 85.

*The current reporting period is for the year ended 31 December 2002.
Following a change in the financial year-end from 30 June to 31 December
in 2001, the previous reporting period was for 18 months.*

Ten year review

	02	01*	00	99	98	97	96	95	94	93
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<i>(Loss)/Income after taxation</i>	(174,8)	383,2	(26,5)	32,9	168,9	113,9	130,4	45,1	18,2	120,6
<i>Headline (loss)/earnings of associate company</i>	(163,7)	344,2	145,6	9,3	125,0	76,9	94,5	64,5	47,8	57,2
<i>Headline (loss)/ income attributable to shareholders</i>	(163,6)	344,8	121,1	32,0	160,3	112,2	128,9	89,7	66,8	75,4
<i>Number of issued shares (million)</i>	898	898	898	898	898	891	873	855	852	852
<i>Equity book value per share (cents)</i>	91,6	122,9	71,8	74,8	72,1	59,2	48,1	35,3	33,0	31,9
<i>Headline (loss)/earnings per share (cents) – undiluted</i>	(18,2)	38,4	13,5	3,6	17,9	12,6	14,9	10,5	7,8	8,8
<i>Dividends per share (cents)</i>	–	–	–	2,34	3,92	3,67	3,6	2,9	2,1	2,1
<i>Dividend cover (times)</i>	–	–	–	1,5	4,6	3,4	4,1	3,7	3,8	4,5

** 18 months*

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

Although the recommendations set out in the King II Report only apply in respect of financial years commencing on or after 1 March 2002, the board has resolved to more fully formalise its corporate governance policies in advance of the prescribed implementation date.

It must be noted that Mobile is an investment holding company, has no employees and is classified as the pyramid company of Trecor Ltd in terms of the Listings Requirements of the JSE Securities Exchange South Africa.

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

Board of directors

Composition

The board currently comprises four non-executive directors (Messrs C Jowell (Chairman), H A Gorvy, N I Jowell and D M Nurek). There are no 'shadow' directors and Messrs H A Gorvy and D M Nurek qualify as independent non-executive directors in terms of the King II Report.

The directors have considerable experience and an excellent understanding of the group's business and all serve on the board of Trecor Ltd (Messrs C Jowell and N I Jowell as executive directors and Messrs H A Gorvy and D M Nurek as independent non-executive directors).

The board as a whole is satisfied that no one individual or block of individuals has undue power on decision-making.

Brief résumés of the directors are published on page 85.

Professional advice

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

Meetings

The board meets regularly on a scheduled bi-annual basis and at such other times as circumstances may require. During the year ended 31 December 2002, there were no unscheduled meetings and the two scheduled meetings were attended by all directors.

Board papers are timeously issued to all directors prior to each meeting and contain relevant detail to inform members of the financial position of the group.

Directors' service contracts

None of the directors are bound by any service contracts. In terms of the articles of association, not less than one-third of the directors are required to retire by rotation at each annual general meeting of the company and may offer themselves for re-election. The appointment of new directors during the year is required to be confirmed at the next annual general meeting and such new directors are required to retire at such annual general meeting, subject to offering themselves for re-election.

Directors' remuneration

No remuneration was paid to the directors during the year ended

31 December 2002 (18 months to 31 December 2001: R500 in aggregate).

Directors' interests

The number of securities held by the directors in the issued securities of the company were as follows:

	BENEFICIAL		NON-BENEFICIAL		TOTAL
	DIRECT	INDIRECT	DIRECT	INDIRECT	
31 DECEMBER 2002					
<i>Ordinary shares</i>					
<i>H A Gorvy</i>	105 000	247	-	-	105 247
<i>C Jowell</i>	482 806	46 461 862	-	88 148	47 032 816
<i>N I Jowell</i>	24 553	50 370 649	-	-	50 395 202
<i>D M Nurek</i>	-	-	-	-	-
	612 359	96 832 758	-	88 148	97 533 265
<i>'N' ordinary shares</i>					
<i>H A Gorvy</i>	-	10 939	-	-	10 939
<i>C Jowell</i>	967 987	79 448 068	-	176 380	80 592 435
<i>N I Jowell</i>	49 128	79 436 695	-	-	79 485 823
<i>D M Nurek</i>	-	-	-	-	-
	1 017 115	158 895 702	-	176 380	160 089 197
<i>6% convertible debentures</i>					
<i>H A Gorvy</i>	-	-	-	-	-
<i>C Jowell</i>	3 532	43 637	-	640	47 809
<i>N I Jowell</i>	178	42 562	-	-	42 740
<i>D M Nurek</i>	-	-	-	-	-
	3 710	86 199	-	640	90 549
31 DECEMBER 2001					
<i>Ordinary shares</i>					
<i>H A Gorvy</i>	105 000	247	-	-	105 247
<i>C Jowell</i>	482 806	41 461 862	-	88 148	42 032 816
<i>N I Jowell</i>	24 553	41 456 242	-	-	41 480 795
<i>D M Nurek</i>	-	-	-	-	-
	612 359	82 918 351	-	88 148	83 618 858
<i>'N' ordinary shares</i>					
<i>H A Gorvy</i>	-	10 939	-	-	10 939
<i>C Jowell</i>	967 987	79 448 068	-	176 380	80 592 435
<i>N I Jowell</i>	49 128	79 436 695	-	-	79 485 823
<i>D M Nurek</i>	-	-	-	-	-
	1 017 115	158 895 702	-	176 380	160 089 197
<i>6% convertible debentures</i>					
<i>H A Gorvy</i>	-	-	-	-	-
<i>C Jowell</i>	3 532	43 637	-	640	47 809
<i>N I Jowell</i>	178	42 562	-	-	42 740
<i>D M Nurek</i>	-	-	-	-	-
	3 710	86 199	-	640	90 549

Sub-committees of the board

There are no sub-committees of the board. All matters are considered by the full board and the functions of the audit committee are conducted by the audit committee of Trecor Ltd.

Board charter

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

Risk management

Responsibility for managing the company's risk lies with the board of directors. However, shareholders are referred to the report on corporate governance published in the accompanying Trecor annual report relating to its significant risk exposures which could have an effect on Mobile.

Code of ethics

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

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

Restriction on trading in securities

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

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

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

Stakeholder communication

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

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

Access to information

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

Declaration by the company secretary

It is hereby certified that for the year ended 31 December 2002, the company has lodged, with the Registrar of Companies, all returns required in terms of the Companies Act in South Africa and that such returns are true, correct and up to date.



TRENCOR SERVICES (PTY) LTD
SECRETARIES
PER: G W NORVAL
CAPE TOWN 11 APRIL 2003

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 South African Companies Act and the Listings Requirements of the JSE Securities Exchange South Africa.

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

GOING CONCERN STATEMENT

The annual financial statements of the company and of the group for the year ended 31 December 2002 are prepared on the going concern basis. In the opinion of the directors, the company and the group will continue as a going concern for the foreseeable future.

BOARD APPROVAL

The annual financial statements and group annual financial statements for the year ended 31 December 2002, which have been approved by the board of directors, are attached:

- Page 70 Directors' report
- 72 Balance sheets
- 73 Income statements
- 74 Statements of changes in shareholders' equity
- 75 Cash flow statements
- 76 Notes to the financial statements

Signed on behalf of the board



C JOWELL CHAIRMAN



D M NUREK DIRECTOR
CAPE TOWN 11 APRIL 2003

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 70 to 83, for the year ended 31 December 2002. 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 2002 and the results of their operations and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



KPMG INC
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (SA)
CAPE TOWN 11 APRIL 2003

Comparative figures

The current reporting period is for the year ended 31 December 2002. Following a change in the financial year-end from 30 June to

31 December in 2001, the previous reporting period was for the eighteen months to 31 December 2001.

Nature of business

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

TRENCOR

The company's main investment is a holding of 47,30% (2001: 47,36%) of the issued share capital and 47,96% (2001: 47,96%) of the 6% convertible debentures of Trenchor Ltd, a holding company listed on the JSE Securities Exchange South Africa. Trenchor'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. Its other interests are in the manufacture and export of tank containers

for international markets, and road trailer manufacturing and retailing.

In view of the fact that Mobile derives most of its income from its investment in Trenchor, members are directed to the Chairman's Statement and results of Trenchor 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, provided instalment credit and leasing facilities to transport operators.

In December 2001, Mobile Acceptances and Transport Acceptances ceased writing new business and the administration and collection of the debtors was transferred to Wesbank, a division of FirstRand Bank Ltd, which holds the remaining 26% in Mobile Acceptances.

General review

The financial results are reflected in the financial statements on pages 72 to 83. The estimated proportion of income after taxation attributable to the various classes of business of the group is as follows:

	YEAR 31/12/02	18 MONTHS 31/12/01
	%	%
Attributable (loss)/earnings of associate company	(100,1)	99,7
Finance income	0,1	0,3
	100,0	100,0

Directors and secretary

The names of the directors appear on page 66 and that of the secretary on page 84. Mr G M C Ryan resigned as a director effective 6 March 2002.

In terms of the articles of association Messrs C Jowell and D M Nurek retire by rotation at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

Brief résumés of the directors are presented on page 85.

Directors' interests

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

Beneficial %	ORDINARY		'N' ORDINARY		6% CONVERTIBLE DEBENTURES	
	31/12/02	31/12/01	31/12/02	31/12/01	31/12/02	31/12/01
	32,9	28,2	26,6	26,6	0,2	0,2

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

Beneficial %	ORDINARY		'N' ORDINARY	
	31/12/02	31/12/01	31/12/02	31/12/01
C Jowell	15,8	14,1	13,4	13,4
N I Jowell	17,0	14,0	13,2	13,2

There have been no changes in these interests between the financial year-end and the date of this report.

Dividends

As Mobile's net income is almost entirely dependent upon the receipt of dividends from Trenchor, any decision to declare dividends depends on the declaration of a dividend by Trenchor. The board of Trenchor 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	RECORD DATE	PAYMENT DATE	AMOUNT PER DEBENTURE TOTAL	
			CENTS	R'000
21	20/06/02	28/06/02	6,75	3 829
22	20/12/02	31/12/02	6,75	3 829

STRATE

The company transferred to the STRATE (share transactions totally electronic) system of electronic settlement on the JSE Securities Exchange South Africa on 12 November 2001 and trading for electronic settlement commenced on 3 December 2001. Paper certificates are no longer good for delivery.

Holders of securities who have not yet dematerialised their

certificates are urged to surrender their paper certificates to a selected Central Securities Depository Participant, bank or qualifying stockbroker for conversion into an electronic record, to render them eligible for settlement in the STRATE environment. The insurance provided by the Dispossessed Member's Fund to cover loss or claims arising from any tainted certificates terminated on 29 September 2002.

Corporate governance

The report on corporate governance is presented on pages 67 to 68.

Voting arrangements

The agreement between entities of the families of Messrs C Jowell and N I Jowell and two significant individual shareholders to pool their votes in respect of their shareholdings expired on 7 November 2002.

Subsidiary

The company holds 74% (2001: 74%) of the 700 000 (2001: 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:

	YEAR 31/12/02	18 MONTHS 31/12/01
	R'000	R'000
Shares at valuation	1 184	1 184
Amount owing	1 500	1 500
Total interest in subsidiary	2 684	2 684
Net income	653	1 684

Special resolutions

On 11 July 2002, shareholders in general meeting passed the following special resolutions which were registered on 19 July 2002:

- * To adopt an entirely new set of articles of association to substitute the existing articles with a new set which consolidates all previous amendments to the articles and to provide for recent amendments to the Companies Act in South Africa, the Listings Requirements of the JSE Securities Exchange South Africa, the electronic share trading environment ('STRATE') and other trends such as the electronic

dissemination of shareholder communications; and

- * To grant the company a general authority for the acquisition by the company or any of its subsidiaries of securities issued by the company or its holding company, which authority is valid until the earlier of the next annual general meeting or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company.

Special resolutions of subsidiaries

The following special resolutions were passed by the company's subsidiaries during the year under review:

PASSED BY	SUBJECT	DATE REGISTERED
Transport Acceptances (Pty) Ltd	Amendment to the articles of association to provide for directors' meetings to be held by way of electronic media	21 July 2002
Mobile Acceptances (Pty) Ltd	Amendment to the articles of association to provide for directors' meetings to be held by way of electronic media	5 August 2002

Termination of the Executive Share Purchase Scheme

In terms of the Executive Share Purchase Scheme established in 1981, 3 497 800 ordinary shares reserved for the Scheme remained unissued and available for sale by the Trustees. The Scheme has not had any participants for many years and, in the event of Mobile's shareholding in Trenchor falling below 49,28% (currently 47,30%), then no further

Scheme shares may be issued.

In view of the fact that the Trust had no assets or liabilities, Mobile has no employees, holds less than the prescribed interest in Trenchor and that the Scheme was no longer required, the Trust was terminated during the year.

Analysis of share and debenture holders

An analysis of share and debenture holders and of holders who held 5% or more of the issued securities at 27 December 2002 is presented on page 84.

Mobile Industries Limited and subsidiary

Balance sheets at 31 December 2002

	NOTES	GROUP		COMPANY	
		2002 R'000	2001 R'000	2002 R'000	2001 R'000
ASSETS					
<i>Non-current assets</i>					
Equipment	2	8	25	-	-
Investment in associate company	3	936 371	1 217 845	195 109	195 109
Interest in subsidiary		-	-	2 684	2 684
Participation in export partnerships	4	6 583	6 996	-	-
Long-term receivables	5	24 409	57 185	-	-
		967 371	1 282 051	197 793	197 793
<i>Current assets</i>					
Accounts receivable		126	199	-	-
Current portion of long-term receivables	5	13 658	58 033	-	-
Amounts owing by affiliated companies		2 296	8 642	1 671	2 279
Taxation prepaid		81	73	81	73
Cash and cash equivalents		5 075	8 647	25	1 662
		21 236	75 594	1 777	4 014
TOTAL ASSETS		988 607	1 357 645	199 570	201 807
EQUITY AND LIABILITIES					
<i>Capital and reserves</i>					
Share capital and premium	6	66 537	66 537	66 537	66 537
Reserves	7	755 612	1 036 937	5 020	5 524
Shareholders' equity		822 149	1 103 474	71 557	72 061
Interest of outside shareholder in subsidiary		3 694	3 464	-	-
Total shareholders' funds		825 843	1 106 938	71 557	72 061
Convertible debentures	8	127 634	127 634	127 634	127 634
<i>Other non-current liabilities</i>					
Deferred taxation	9	5 776	6 169	-	-
Interest-bearing borrowings	10	18 297	51 881	-	-
		977 550	1 292 622	199 191	199 695
<i>Current liabilities</i>					
Accounts payable		927	4 471	379	2 112
Taxation		1 571	6 743	-	-
Current portion of interest-bearing borrowings	10	8 559	53 809	-	-
		11 057	65 023	379	2 112
TOTAL EQUITY AND LIABILITIES		988 607	1 357 645	199 570	201 807

Income statements for the year ended 31 December 2002

	NOTES	GROUP		COMPANY	
		12 MONTHS 2002 R'000	18 MONTHS 2001 R'000	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000
REVENUE	1,11	19 655	49 497	7 951	11 974
OPERATING INCOME		15 386	42 492	7 154	11 091
Interest expense		14 492	38 739	7 658	11 487
		894	3 753	(504)	(396)
Attributable (loss)/income of associate company		(163 747)	344 234	-	-
(Loss)/Income before taxation and abnormal item		(162 853)	347 987	(504)	(396)
Attributable share of abnormal items of associate company		(11 437)	37 049	-	-
(LOSS)/INCOME BEFORE TAXATION	12	(174 290)	385 036	(504)	(396)
Income tax expense	13	515	1 874	-	-
(LOSS)/INCOME AFTER TAXATION		(174 805)	383 162	(504)	(396)
Income attributable to outside shareholder in subsidiary		230	592	-	-
NET (LOSS)/INCOME FOR THE PERIOD		(175 035)	382 570	(504)	(396)
(LOSS)/EARNINGS PER SHARE (CENTS)	14				
Undiluted		(19,5)	42,6		
Diluted		(19,5)	36,6		
HEADLINE (LOSS)/EARNINGS PER SHARE (CENTS)	14				
Undiluted		(18,2)	38,4		
Diluted		(18,2)	33,0		

Statements of changes in shareholders' equity for the year ended 31 December 2002

	SHARE CAPITAL	SHARE PREMIUM	NON- DISTRIBUTABLE RESERVE	RETAINED INCOME	TOTAL
	R'000	R'000	R'000	R'000	R'000
GROUP					
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 policy of 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
Share of decrease in non-distributable reserve of associate company			(105 221)		(105 221)
Change in effective holding in associate company			(562)	(507)	(1 069)
Net loss for the year				(175 035)	(175 035)
Balance at 31 December 2002	1 513	65 024	535 870	219 742	822 149
COMPANY					
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
Net loss for the year				(504)	(504)
Balance at 31 December 2002	1 513	65 024	120	4 900	71 557

Cash flow statements for the year ended 31 December 2002

	NOTES	GROUP		COMPANY	
		12 MONTHS 2002 R'000	18 MONTHS 2001 R'000	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from/(utilised by) operations	15.1	87 413	119 109	(1 922)	909
Interest received		8 418	14 669	7 951	11 974
Interest paid		(14 492)	(38 739)	(7 658)	(11 487)
Dividends received	15.2	-	-	-	3 748
Taxation paid	15.3	(6 088)	(673)	(8)	-
Net cash inflow/(outflow) from operating activities		75 251	94 366	(1 637)	5 144
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to equipment		-	(13)	-	-
Proceeds from disposal of equipment		11	-	-	-
Net cash inflow/(outflow) from investing activities		11	(13)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in borrowings		(78 834)	(83 877)	-	-
Decrease in unsecured loans		-	(45)	-	-
Net cash outflow from financing activities		(78 834)	(83 922)	-	-
(Decrease)/Increase in cash and cash equivalents		(3 572)	10 431	(1 637)	5 144
Cash and cash equivalents at the beginning of the period		8 647	(1 784)	1 662	(3 482)
Cash and cash equivalents at the end of the period	15.4	5 075	8 647	25	1 662

1 Accounting policies

1.1 GENERAL

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial period. 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, was adopted in the consolidated financial statements in 2001 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.

1.2 BASIS OF CONSOLIDATION

Investment in subsidiaries

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

The group financial statements incorporate the assets, liabilities and results of the operations of the company and its 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.

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

Investment in associates

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

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

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.

In the case of the company, investment in the associate is carried at cost less amounts written off.

Transactions eliminated on consolidation

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

1.3 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. Profits/Losses on the disposal of equipment are credited/charged to income. The profit or loss is the difference between the net disposal proceeds and the carrying amount of the asset.

1.4 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 partner in the partnerships.

1.5 LONG-TERM RECEIVABLES

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.

1.6 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.

1.7 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.

Offset

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

1.8 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.

1.9 TAXATION

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

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

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

1.10 CASH AND CASH EQUIVALENTS

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

1.11 EARNINGS PER SHARE

Earnings/Loss per share is based on earnings/losses attributable to shareholders and is calculated on the weighted average number of shares in issue during the financial period. Headline earnings/loss per share is based on earnings/losses attributable to shareholders, adjusted for non-trading items and the tax effects thereon, and calculated as above.

1.12 PRESENTATION

Where necessary, comparative figures have been reclassified to conform with current year presentation.

2 Equipment

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
OFFICE EQUIPMENT, FURNITURE AND FITTINGS				
COST				
<i>Balance at the beginning of the period</i>	166	153	-	-
<i>Additions</i>	-	13	-	-
<i>Disposals</i>	(104)	-	-	-
<i>Balance at the end of the period</i>	62	166	-	-
ACCUMULATED DEPRECIATION				
<i>Balance at the beginning of the period</i>	141	115	-	-
<i>Depreciation</i>	5	26	-	-
<i>Disposals</i>	(92)	-	-	-
<i>Balance at the end of the period</i>	54	141	-	-
<i>Net book value</i>	8	25	-	-

3 Investment in associate company

TRENCOR LIMITED				
<i>Listed shares at cost</i>	70 159	70 159	70 159	70 159
<i>Number of shares: 72 386 836 (2001: 72 386 836)</i>				
<i>Market value: R626 146 131 (2001: R738 345 727)</i>				
<i>Attributable reserves and income net of dividends</i>	741 262	1 022 736	-	-
	811 421	1 092 895	70 159	70 159
<i>Listed 6% convertible debentures at cost</i>	124 950	124 950	124 950	124 950
<i>Number of debentures: 13 730 780 (2001: 13 730 780)</i>				
<i>Market value: R123 577 020 (2001: R143 486 651)</i>				
	936 371	1 217 845	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 Trencor Ltd is the only associate company investment held by the group. No summarised financial information or segment report for the group has been included as the financial statements of Trencor Ltd are separately disclosed in this document.

4 Participation in export partnerships

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

The South African Revenue Service 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, Trencor 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	
	2002 R'000	2001 R'000
<i>Participation in export partnerships with financial years ended after 1 March 1996</i>	4 429	4 801

5 Long-term receivables

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<i>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</i>	43 840	131 563	-	-
<i>Unearned finance charges</i>	5 773	16 345	-	-
	38 067	115 218	-	-
<i>Current portion included in accounts receivable</i>	13 658	58 033	-	-
	24 409	57 185	-	-

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

6 Share capital and premium

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

6.1 No shares (2001: no shares) were issued by the company during the year.

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

6.3 The ordinary shares and the 'N' ordinary shares rank *pari passu* in all respect, save that upon a poll each ordinary share entitles the holder thereof to 100 votes and each 'N' ordinary share entitles the holder thereof to one vote.

7 Reserves

NON-DISTRIBUTABLE				
<i>Reserves of associate company attributable to the group</i>	535 670	641 453	-	-
<i>Revenue profits of the subsidiary company attributable to the holding company, converted into capitalisation shares by the subsidiary company</i>	120	120	120	120
<i>Post acquisition non-distributable reserve of subsidiary company</i>	80	80	-	-
	535 870	641 653	120	120
DISTRIBUTABLE				
<i>Retained income</i>	219 742	395 284	4 900	5 404
<i>Company and subsidiary</i>	14 150	14 001	4 900	5 404
<i>Associate company</i>	205 592	381 283	-	-
<i>Total reserves</i>	755 612	1 036 937	5 020	5 524

8 Convertible debentures

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
56 726 200 unsecured automatically convertible subordinated debentures of R2,25 each	127 634	127 634	127 634	127 634

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 13,5 cents. The directors are currently of the opinion that the debentures are unlikely to automatically convert in the foreseeable future.

9 Deferred taxation

Liability				
Balance at the beginning of the period	6 169	8 938	-	-
Current – temporary differences	(393)	(2 769)	-	-
Balance at the end of the period	5 776	6 169	-	-
Deferred taxation balance consists of:				
Participation in export partnerships	6 583	6 996	-	-
Provision for doubtful debts	(807)	(827)	-	-
	5 776	6 169	-	-

10 Interest-bearing borrowings

Secured loan				
FirstRand Bank Ltd	26 856	105 690	-	-
No fixed date of repayment has been determined. However, should the company or the bank give notice of the 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: 12,94% p.a. (2001: 11,0% p.a.)				
Current portion	8 559	53 809	-	-
	18 297	51 881	-	-

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

11 Revenue

	GROUP		COMPANY	
	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000
Lease rentals and finance charges	11 237	34 828	-	-
Interest received	8 418	14 669	7 951	11 974
Associate company	7 731	11 690	7 731	11 690
Subsidiary company	-	-	212	284
Other	687	2 979	8	-
	19 655	49 497	7 951	11 974

12 (Loss)/Income before taxation

(Loss)/Income before taxation has been arrived at after taking into account:				
Auditor's remuneration	311	290	131	17
Audit fee current period	234	188	63	17
Prior period	77	102	68	-
Depreciation	5	26	-	-
Leasing charges	13	16	-	-
Loss on sale of equipment	1	-	-	-
Directors' emoluments:				
Fees for services as directors	-	1	-	1

13 Income tax expense

	GROUP		COMPANY	
	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000
South African normal	908	4 643	-	-
Current	865	4 115	-	-
Adjustment in respect of prior period	43	528	-	-
South African deferred – credit for the period	(393)	(2 769)	-	-
	515	1 874	-	-
<i>The effective tax rate is reconciled as follows:</i>				
	%	%	%	%
Statutory tax rate	30,0	30,0	30,0	30,0
Utilisation of assessable losses	(0,1)	0,1	(30,0)	(30,0)
Adjustment in respect of prior period	-	0,1	-	-
Attributable income/loss of associate	(30,2)	(29,7)	-	-
Effective tax rate	(0,3)	0,5	-	-

14 (Loss)/Earnings and headline (loss)/earnings per share

<i>(LOSS)/EARNINGS PER SHARE</i>	
<i>UNDILUTED</i>	
(Loss)/Earnings attributable to shareholders	(175 035) 382 570
Weighted average number of shares in issue ('000)	897 861 897 861
(Loss)/Earnings per share (cents)	(19,5) 42,6
<i>DILUTED</i>	
(Loss)/Earnings attributable to shareholders	(175 035) 382 570
Interest not payable on debentures to be converted	5 361 8 041
Diluted (loss)/earnings attributable to shareholders	(169 674) 390 611
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 earnings per share (cents)	(19,5) 36,6
Dilution (cents)	- 6,0
<i>HEADLINE (LOSS)/EARNINGS PER SHARE</i>	
<i>UNDILUTED</i>	
(Loss)/Earnings attributable to shareholders	(175 035) 382 570
Attributable share of headline earnings adjustments of associate company	11 437 (37 805)
Headline (loss)/earnings	(163 598) 344 765
Weighted average number of shares in issue ('000)	897 861 897 861
Headline (loss)/earnings per share (cents)	(18,2) 38,4

14 continued

	GROUP		COMPANY	
	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000	12 MONTHS 2002 R'000	18 MONTHS 2001 R'000
DILUTED				
Undiluted headline (loss)/earnings attributable to shareholders as above	(163 598)	344 765		
Interest not payable on debentures to be converted	5 361	8 041		
Diluted headline (loss)/earnings	(158 237)	352 806		
Number of shares in issue for diluted earnings per share ('000) as above	1 068 040	1 068 040		
Diluted headline earnings per share (cents) (note 14.1)	(18,2)	33,0		
Dilution (cents)	-	5,4		

The dilution arises 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 in the foreseeable future. No dilutive effect has been presented in respect of the loss per share and headline loss per share in the current year as this would be anti-dilutive.

15 Notes to the cash flow statements

15.1 Reconciliation of (loss)/income before taxation to cash generated from/(utilised by) operations				
(Loss)/Income before taxation	(174 290)	385 036	(504)	(396)
Attributable (loss)/(income) of associate company	175 184	(381 283)	-	-
Adjusted for: Interest paid	14 492	38 739	7 658	11 487
Depreciation	5	26	-	-
Interest received	(8 418)	(14 669)	(7 951)	(11 974)
Loss on sale of equipment	1	-	-	-
Operating profit/(loss) before working capital changes	6 974	27 849	(797)	(883)
Working capital changes	2 875	35 264	(1 125)	1 792
Decrease in accounts receivable	73	27 641	-	-
Decrease in amounts owing by affiliated companies	6 346	4 306	608	258
(Decrease)/Increase in accounts payable	(3 544)	3 317	(1 733)	1 534
Decrease in long-term receivables	77 151	53 247	-	-
Receipt from export partnerships	413	2 749	-	-
Cash generated from/(utilised by) operations	87 413	119 109	(1 922)	909
15.2 Dividends received				
Amounts unpaid at the beginning of the period	-	-	-	3 748
Charge per income statement	-	-	-	-
Amounts unpaid at the end of the period	-	-	-	-
	-	-	-	3 748
15.3 Taxation paid				
Amounts unpaid/(prepaid) at the beginning of the period	6 670	2 700	(73)	(73)
Charge per income statement	908	4 643	-	-
Amounts (unpaid)/prepaid at the end of the period	(1 490)	(6 670)	81	73
	6 088	673	8	-
15.4 Cash and cash equivalents				
Cash and cash equivalents consist of bank balances and cash on hand. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:				
Bank balances and cash	5 075	8 647	25	1 662
	5 075	8 647	25	1 662

16 *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 company's articles of association, its borrowing powers are unlimited.

	GROUP	
	2002 R'000	2001 R'000
<i>Total borrowing facilities granted by financial institutions</i>	27 000	107 500
<i>Actual borrowings at year end</i>	26 856	105 690
<i>Unutilised borrowing facilities</i>	144	1 810

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.

Trencor Ltd has warranted certain important cash flow aspects of the group's participation in export partnerships (refer note 4). The company's directors have considered the credit risk relating to these aspects warranted and have satisfied themselves as to the creditworthiness of Trencor Ltd.

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 13 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.

17 *Related party transactions*

All of the directors of the company are also directors of Trencor Ltd. Refer to note 29 to the financial statements on page 49 of the accompanying Trencor Ltd annual report for disclosure of relevant related party transactions.

18 *Comparative figures*

The comparative figures are for the eighteen months ended 31 December 2001.

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
 Tël 021 421 7310 Fax 021 419 3692
 International +27 21

* **Secretary:**
 Trencor Services (Pty) Ltd
 * **Internet address:**
<http://www.mobile-industries.net>
 * **E-mail:**
info@mobile-industries.net
investorrelations@mobile-industries.net

* **Transfer secretaries:**
 Computershare Investor Services Ltd
 70 Marshall Street
 Johannesburg 2001
 PO Box 61051 Marshalltown 2107
 Tël 011 377 5000 Fax 011 688 7721
 Call centre 0861 100950 (within RSA)
 or +27 11 377 5000 (outside RSA)
<http://www.computershare.com>

* **South African commercial bank:**
 FirstRand Bank Ltd
 * **Auditors:**
 KPMG Inc
 * **Attorneys:**
 Sonnenberg Hoffmann Galombik
 * **Sponsors:**
 HSBC Investment Services (Africa) (Pty) Ltd

* **FTSE/JSE sector classification:**
 Cyclical Services, Transport – Shipping & Ports
 * **Market name:** Mobile
 * **JSE share codes:**
 – ordinary shares MOB ISIN: ZAE000004602
 – 'N' ordinary shares MBN ISIN: ZAE000012274
 – 6% convertible debentures MOBD ISIN: ZAE000004610

Analysis of share and debenture holders at 27 December 2002

	ORDINARY SHARES				'N' ORDINARY SHARES				6% CONVERTIBLE DEBENTURES			
	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES	INTEREST %	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES	INTEREST %	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF DEBENTURES	INTEREST %
<i>Jowell family</i>	3	0,1	97 428 018	32,8	3	0,1	160 078 258	26,6	3	0,1	90 549	0,1
<i>Banks</i>	36	1,3	9 857 117	3,3	28	1,0	33 792 441	5,6	25	1,2	906 688	1,6
<i>Individuals</i>	2 239	83,2	33 135 905	11,2	2 288	82,7	59 892 193	10,0	1 759	80,3	7 421 983	13,1
<i>Insurance companies</i>	15	0,6	60 135 289	20,3	11	0,4	152 892 636	25,4	10	0,5	21 759 250	38,4
<i>Investment companies</i>	33	1,2	45 459 815	15,3	66	2,4	110 701 253	18,4	53	2,4	12 925 781	22,8
<i>Nominee companies or trusts</i>	214	8,0	5 565 853	1,9	235	8,5	18 393 717	3,1	249	11,4	3 890 969	6,9
<i>Other corporate bodies</i>	105	3,9	6 643 243	2,2	80	2,9	9 448 787	1,6	55	2,5	2 349 588	4,1
<i>Retirement funds</i>	46	1,7	38 409 502	13,0	54	2,0	56 027 049	9,3	36	1,6	7 381 392	13,0
TOTAL	2 691	100,0	296 634 742	100,0	2 765	100,0	601 226 334	100,0	2 190	100,0	56 726 200	100,0
SHAREHOLDER SPREAD												
PUBLIC SHAREHOLDERS	2 686	99,8	150 197 332	50,6	2 760	99,8	323 912 203	53,9	2 186	99,8	39 528 318	69,7
NON-PUBLIC SHAREHOLDERS	5	0,2	146 437 410	49,4	5	0,2	277 314 131	46,1	4	0,2	17 197 882	30,3
<i>Directors and associates</i>	4	0,1	97 533 265	32,9	4	0,1	160 089 197	26,6	3	0,1	90 549	0,1
<i>Persons interested, directly or indirectly, in 10% or more</i>	1	0,1	48 904 145	16,5	1	0,1	117 224 934	19,5	1	0,1	17 107 333	30,2
TOTAL	2 691	100,0	296 634 742	100,0	2 765	100,0	601 226 334	100,0	2 190	100,0	56 726 200	100,0

Major share and debenture holders

The direct and indirect interests of ordinary and 'N' ordinary shareholders and holders of 6% convertible debentures who, in so far as is known, held 5% or more of the issued securities at 27 December 2002 were as follows:

	ORDINARY SHARES	'N' ORDINARY SHARES	6% CONVERTIBLE DEBENTURES
	DIRECT %	DIRECT %	DIRECT %
<i>Jowell family</i>	32,9	26,6	
<i>Old Mutual</i>	20,0	25,0	38,2
<i>Allan Gray</i>		5,6	
<i>Standard Bank Namibia</i>		5,3	
<i>Coronation Group</i>			8,1
<i>Public Investment Commissioner</i>			5,7
	52,9	62,5	52,0

NON-EXECUTIVE

- Cecil Jowell (67)* B Com LLB (UCT) is chairman. He is the younger son of Trecor's founder, Joe Jowell, and was appointed as a director of Mobile on 27 January 1969. He joined Trecor on 1 November 1958 and has been an executive director of that company since 2 October 1962 and assumed a part-time executive role from 15 March 2002. In 1991 he was voted as one of Business Times' Top Five Businessmen.
- Neil Ian Jowell (69)* B Com LLB (UCT) MBA (Columbia) has been a director since 27 January 1969. He is the elder son of Trecor's founder and joined that company on 1 January 1956. He was appointed to the Trecor board on 30 December 1966 and, following the death of his father in 1973, was appointed as executive chairman/CEO of Trecor. He is also a member of Trecor's remuneration and nomination committees. In 1987 he was voted Cape Times Business Man of the Year and in 1991 as one of Business Times' Top Five Businessmen.

INDEPENDENT NON-EXECUTIVE

- Harold Aubrey Gorzy (75)* B Com (UCT) CA (SA) FCA was appointed to the boards of Mobile and Trecor on 18 April 1984. He is an executive director of Stonehage Ltd, a UK-based international financial services group and was previously chairman of Andersens in South Africa until relocating to the UK in 1987. He is a member of Trecor's audit and nomination committees and serves as an executive and non-executive director on the boards of several unlisted companies.
- David Morris Nurek (53)* Dip Law (UCT) Grad Dip Company Law (UCT) is an executive director of Investec Bank Ltd. He was appointed as a director of Mobile on 24 July 1995. He served as an alternate director of Trecor from 30 November 1992 until his appointment as a full director of that company on 24 July 1995. Prior to joining Investec in June 2000, he practised as an attorney at law with Sonnenberg Hoffmann Galombik for 32 years. He is chairman of Trecor's audit, remuneration and nomination committees and serves on the boards of numerous listed and unlisted companies in a non-executive capacity.

Diary

	23 May 2003	Annual general meeting
	31 December	Financial year-end
<i>Announcements</i>	August	Interim report
	March	Provisional results
	March/April	Annual financial statements
<i>6% convertible debentures</i>	June and December	Interest paid

Notice is hereby given that the thirty-third annual general meeting of shareholders of Mobile Industries Limited (‘the company’) will be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Friday, 23 May 2003 at 12:15 (or as soon as the annual general meeting of Trencor Limited convened to be held on Friday, 23 May 2003 at 12:00 has been concluded) for the following purposes:

1. To consider and adopt the annual financial statements of the company and the Mobile group for the year ended 31 December 2002.
2. To consider, and if deemed fit, to re-elect, on an individual basis, Messrs C Jowell and D M Nurek who retire by rotation as directors in terms of the articles of association but, being eligible, offer themselves for re-election. (Brief résumés of the directors are presented on page 85.)
3. To place the unissued shares of the company under the control of the directors subject to the provisions of the Companies Act, No 61 of 1973 (as amended) (the ‘Act’) and the Listings Requirements of the JSE Securities Exchange South Africa (‘JSE’) until the next annual general meeting, on the basis that no issue of these shares is contemplated at the present time and that no issue will be made that could effectively transfer the control of the company without prior approval of shareholders in general meeting.
4. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:
“Resolved that the company hereby approves, as a general approval contemplated in sections 85(2) and 85(3) of the Companies Act, No 61 of 1973 (as amended) (‘the Act’), the acquisition by the company or any of its subsidiaries from time to time of the issued ordinary and ‘N’ ordinary shares (‘securities’) of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the articles of association of the company, the provisions of the Act and the Listings Requirements of the JSE Securities Exchange South Africa (‘JSE’) as presently constituted and which may be amended from time to time, and provided that:
 - 4.1 any such acquisition of securities shall be implemented on the open market on the JSE;
 - 4.2 this general authority shall only be valid until the company’s next annual general meeting, provided that it shall not extend beyond fifteen months from the date of passing of this special resolution;
 - 4.3 an announcement will be published as soon as the company or its subsidiaries has/have acquired securities constituting, on a cumulative basis, 3% of the number of securities of the class of shares repurchased in issue prior to the acquisition pursuant to which the 3% threshold is reached, which announcement shall contain full details of such acquisitions;
 - 4.4 acquisitions by the company and its subsidiaries of securities in the share capital of the company in any one financial year may not exceed 20% (or 10% where in the aggregate such acquisition relates to the acquisition by a subsidiary) of the company’s issued share capital of the class of repurchased securities from the date of the grant of this general authority;
 - 4.5 in determining the price at which the company’s securities are acquired by the company or its subsidiaries in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% of

the weighted average of the market price at which such securities are traded on the JSE, as determined over the five business days immediately preceding the date of repurchase of such securities by the company or its subsidiaries.”

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

Statement by the board of directors of the company

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

- a. the intention of the directors of the company is to utilise the authority if at some future date the cash resources of the company are in excess of its requirements. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company;
- b. in determining the method by which the company intends to repurchase its securities, the maximum number of shares to be repurchased and the date on which such repurchase will take place, the directors of the company will only make repurchases if at the time of the repurchase they are of the opinion that:
 - the company and any acquiring subsidiary will, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next twelve months after the date of this notice of the annual general meeting;
 - the consolidated assets of the company and its subsidiaries, fairly valued in accordance with South African Statements of Generally Accepted Accounting Practice will, after the repurchase, be in excess of the consolidated liabilities of the company and its subsidiaries for the next twelve months after the date of this notice of the annual general meeting;
 - the issued share capital and reserves of the company or any acquiring subsidiary will, after the repurchase, be adequate for the purposes of the business of the company or any acquiring subsidiary for the next twelve months after the date of this notice of the annual general meeting;
 - the working capital available to the company or any acquiring subsidiary will, after the repurchase, be sufficient for its requirements for the next twelve months after the date of this notice of the annual general meeting; and
 - a working capital statement will be obtained from the company’s sponsors as and when any such repurchase of securities is contemplated.
5. To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:
“Resolved that, subject to not less than 75% of the votes cast by those shareholders of the company present in person or represented by proxy at this annual general meeting voting in favour of this ordinary resolution, the directors of the company be and are hereby authorised by way of general

authority to issue all or any of the authorised but unissued shares in the capital of the company for cash, as and when they in their discretion deem fit, subject to the Companies Act, No 61 of 1973 (as amended), the articles of association of the company, the Listings Requirements of the JSE Securities Exchange South Africa ('JSE') as presently constituted and which may be amended from time to time and the following limitations:

- 5.1 that this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond fifteen months from the date of passing of this ordinary resolution;
 - 5.2 that an announcement be published giving full details, including the expected effect on the net asset value and earnings per share, at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of securities in issue prior to the issue;
 - 5.3 that issues in the aggregate in any one financial year may not exceed 15% of the number of securities in the company's issued share capital of the class of shares issued before such issue;
 - 5.4 that in determining the price at which an issue of securities may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price on the JSE of those securities over the thirty business days prior to the date that the price of the issue is determined or agreed by the directors of the company; and
 - 5.5 that any such issue will only be made to 'public shareholders' as defined by the Listings Requirements of the JSE, and not to related parties."
6. To transact such other business as may be transacted at an annual general meeting.

General instructions

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

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an own name dematerialised shareholder, then:

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

If you own dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Share Transactions Totally Electronic ('STRATE')) and are not registered as an 'own name dematerialised shareholder' (i.e. specifically instructed your Central Securities Depository Participant ('CSDP') to hold your shares in your own name on the company's sub-register), then:

- * if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- * if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your

voting instructions in respect of the annual general meeting in accordance with the mandate between yourself and the CSDP or broker, as the case may be. You should not complete the attached form of proxy. If your CSDP or broker does not obtain voting instructions from you in respect of the annual general meeting, it will be obliged to act in terms of your mandate. The instructions must be provided within the time period required by your CSDP or broker, as the case may be.

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

By order of the board



TRENCOR SERVICES (PTY) LTD
SECRETARIES
PER: G W NORVAL
CAPE TOWN 11 APRIL 2003

Annual general meeting 23 May 2003

Mobile Industries Limited. Form of proxy: Ordinary shares

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

Only for use by certificated shareholders (not dematerialised), own name dematerialised shareholders and CSDP nominees or broker nominees recorded in the company's sub-register as the holder of dematerialised ordinary shares.

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

Refer to notes on reverse of proxy.

To be returned to *The Transfer Secretaries Mobile Industries Limited
Computershare Investor Services Limited
70 Marshall Street Johannesburg 2001
PO Box 61051 Marshalltown 2107* as soon as possible and
not later than 24 hours
before the meeting.

I/We (Full names)

of (Address)

Telephone: Work ()

Telephone: Home ()

being a member(s) of Mobile Industries Limited, holding

ordinary shares in the company

hereby appoint (refer note 1):

or failing him/her

or failing him/her

or failing him/her the chairperson of the annual general meeting as my/our proxy to act for me/us on my/our behalf at the annual general meeting of shareholders of the company to be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Friday, 23 May 2003 at 12:15 (or as soon as the annual general meeting of Tencor Limited convened to be held on Friday, 23 May 2003 at 12:00 has been concluded) and at any adjournment thereof in accordance with the following instructions:

Insert an 'X' in the relevant spaces according to how you wish all your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the company, then (instead of an 'X') insert the number of shares held in respect of which you desire to vote (one hundred votes per ordinary share) (see note 2). Unless otherwise instructed above my/our proxy can vote as he/she deems fit.

	FOR	AGAINST	ABSTAIN
1. Approval of the adoption of annual financial statements.			
2. Re-election of directors:			
3. Placing the unissued shares of the company under the control of the directors.			
4. Proposed special resolution granting a general authority to the company to acquire the issued shares of the company upon such terms and conditions and in such amounts as the directors may from time to time determine.			
5. Granting a general authority to the directors to issue shares for cash.			

Signed at _____ on this _____ day of _____ 2003

Signature _____ Assisted by (where applicable) Signature _____

Name of signatory: _____ Name of assistant: _____

Capacity: _____ Capacity: _____

(Authority of signatory to be attached if applicable – see note 6)

NOTES:

1. A certificated or own name dematerialised shareholder or CSDP nominee or broker nominee recorded in the company's sub-register may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting 'the chairperson of the annual general meeting', but any such deletion must be initialled by the shareholder. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairperson shall be deemed to be appointed as the proxy to vote or abstain as the chairperson deems fit.
 2. A shareholder's instructions to the proxy must be indicated in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the shareholder.
 3. Proxy forms must be lodged with the company's transfer secretaries, Computershare Investor Services Limited, 70 Marshall Street, Johannesburg, 2001 or posted to Computershare Investor Services Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy must be received or lodged by no later than 12:15 on Thursday, 22 May 2003.
 4. The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.
 5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
 6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company's transfer secretaries or waived by the chairperson of the annual general meeting. CSDP nominees or broker nominees recorded in the company's sub-register voting in terms of their mandate or on instructions from owners of shares on behalf of whom they hold dematerialised shares in the company, are requested that they identify the owner and return a copy of the instruction from such owner to the company's transfer secretaries together with this form of proxy.
 7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies.
 8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.
 9. Shareholders which are a company or body corporate may by resolution of their directors, or other governing body, in terms of section 188 of the Companies Act, No 61 of 1973 (as amended), authorise any person to act as their representative.
 10. The chairperson of the annual general meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
 11. If required, additional forms of proxy are available from the company's transfer secretaries or the registered office of the company.
 12. If you are a dematerialised shareholder and are not an own name dematerialised shareholder, do NOT complete this proxy form:
 - * if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it. The letter of representation must be obtained within the time period required by your CSDP or broker, as the case may be, and allow it sufficient time to also provide such letter to the company's transfer secretaries prior to the annual general meeting; alternatively
 - * if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting in accordance with the mandate between yourself and the CSDP or broker, as the case may be. You should not complete the attached form of proxy. The instructions must be provided within the time period required by your CSDP or broker, as the case may be.
- Subject to the agreed mandate, CSDP nominees or broker nominees recorded in the company's sub-register should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the meeting.

Annual general meeting 23 May 2003

Mobile Industries Limited. Form of proxy: 'N' ordinary shares

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

Only for use by certificated shareholders (not dematerialised), own name dematerialised shareholders and CSDP nominees or broker nominees recorded in the company's sub-register as the holder of dematerialised 'N' ordinary shares.

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

Refer to notes on reverse of proxy.

To be returned to *The Transfer Secretaries Mobile Industries Limited
Computershare Investor Services Limited
70 Marshall Street Johannesburg 2001
PO Box 61051 Marshalltown 2107* as soon as possible and
not later than 24 hours
before the meeting.

I/We (Full names)

of (Address)

Telephone: Work ()

Telephone: Home ()

being a member(s) of Mobile Industries Limited, holding

'N' ordinary shares in the company

hereby appoint (refer note 1):

or failing him/her

or failing him/her

or failing him/her the chairperson of the annual general meeting as my/our proxy to act for me/us on my/our behalf at the annual general meeting of shareholders of the company to be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Friday, 23 May 2003 at 12:15 (or as soon as the annual general meeting of Tencor Limited convened to be held on Friday, 23 May 2003 at 12:00 has been concluded) and at any adjournment thereof in accordance with the following instructions:

Insert an 'X' in the relevant spaces according to how you wish all your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the company, then (instead of an 'X') insert the number of shares held in respect of which you desire to vote (one vote per 'N' ordinary share) (see note 2). Unless otherwise instructed above my/our proxy can vote as he/she deems fit.

	FOR	AGAINST	ABSTAIN
1. Approval of the adoption of annual financial statements.			
2. Re-election of directors:			
C Jowell			
D M Nurek			
3. Placing the unissued shares of the company under the control of the directors.			
4. Proposed special resolution granting a general authority to the company to acquire the issued shares of the company upon such terms and conditions and in such amounts as the directors may from time to time determine.			
5. Granting a general authority to the directors to issue shares for cash.			

Signed at _____ on this _____ day of _____ 2003

Signature _____ Assisted by (where applicable) Signature _____

Name of signatory: _____ Name of assistant: _____

Capacity: _____ Capacity: _____

(Authority of signatory to be attached if applicable – see note 6)

NOTES:

1. A certificated or own name dematerialised shareholder or CSDP nominee or broker nominee recorded in the company's sub-register may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting 'the chairperson of the annual general meeting', but any such deletion must be initialled by the shareholder. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairperson shall be deemed to be appointed as the proxy to vote or abstain as the chairperson deems fit.
 2. A shareholder's instructions to the proxy must be indicated in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the shareholder.
 3. Proxy forms must be lodged with the company's transfer secretaries, Computershare Investor Services Limited, 70 Marshall Street, Johannesburg, 2001 or posted to Computershare Investor Services Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy must be received or lodged by no later than 12:15 on Thursday, 22 May 2003.
 4. The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.
 5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
 6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company's transfer secretaries or waived by the chairperson of the annual general meeting. CSDP nominees or broker nominees recorded in the company's sub-register voting in terms of their mandate or on instructions from owners of shares on behalf of whom they hold dematerialised shares in the company, are requested that they identify the owner and return a copy of the instruction from such owner to the company's transfer secretaries together with this form of proxy.
 7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies.
 8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.
 9. Shareholders which are a company or body corporate may by resolution of their directors, or other governing body, in terms of section 188 of the Companies Act, No 61 of 1973 (as amended), authorise any person to act as their representative.
 10. The chairperson of the annual general meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
 11. If required, additional forms of proxy are available from the company's transfer secretaries or the registered office of the company.
 12. If you are a dematerialised shareholder and are not an own name dematerialised shareholder, do NOT complete this proxy form:
 - * if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it. The letter of representation must be obtained within the time period required by your CSDP or broker, as the case may be, and allow it sufficient time to also provide such letter to the company's transfer secretaries prior to the annual general meeting; alternatively
 - * if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting in accordance with the mandate between yourself and the CSDP or broker, as the case may be. You should not complete the attached form of proxy. The instructions must be provided within the time period required by your CSDP or broker, as the case may be.
- Subject to the agreed mandate, CSDP nominees or broker nominees recorded in the company's sub-register should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the meeting.