

### MOBILE INDUSTRIES LIMITED Annual Report

Profile	73
Five year review	73
Directors	73
Corporate governance	74
Annual financial statements	76
Corporate information	92
Analysis of shareholders	92
Directorate: Brief résumés	93
Diary	93
Notice to shareholders	94
Form of proxy	97

Mobile Industries Limited is an investment holding company listed on the JSE and is the pyramid company of Trecor Limited.

The company's main investment is a holding of 46,26% (2007: 46,29%) of the issued share capital of Trecor, an investment holding company listed on the JSE. Trecor's core business focus is owning, leasing, managing and reselling marine cargo containers worldwide, and finance related activities.

Members are directed to the Chairman's statement and results of Trecor which are fully reported on in the accompanying annual report.

## five year review

	2008 Rm	2007 Rm	2006 Rm	2005 Rm	2004 Rm
Profit attributable to equity holders	305,0	303,2	252,8	272,8	90,4
Attributable headline earnings of associate	333,1	184,6	177,2	186,4	53,6
Headline earnings	332,1	183,5	292,6	258,0	106,7
<b>Statistics</b>					
Number of issued shares (million)	1 068,0	1 068,0	897,9	897,9	897,9
Equity book value per share (cents)	219,9	163,0	150,9	119,6	85,9
Headline earnings per share (cents)*	31,1	17,2	27,9	24,7	10,8
Dividends per share (cents)	8,9	6,45	4,55	3,00	0,90
Dividend cover (times)	3,5	2,7	6,1	8,2	12,0

\* 2004 to 2006: headline earnings, diluted to recognise the conversion of debentures into shares effective 1 January 2007.

## directors

C Jowell (Chairman); H A Gorvy<sup>1</sup> (Independent); N I Jowell; E Oblowitz (Independent); D M Nurek<sup>2</sup> (Independent)

### Audit Committee

E Oblowitz (Chairman); H A Gorvy<sup>1</sup>; D M Nurek<sup>2</sup>

<sup>1</sup> Resigned 31 March 2009.

<sup>2</sup> Appointed 31 March 2009.

All directors are non-executive.

Brief résumés of the directors are presented on page 93.

Mobile 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 good practical corporate governance and add value to the group's business activities.

It must be noted that Mobile is an investment holding company, has no employees and is classified as the pyramid company of Trencor Ltd ('Trencor') in terms of the Listings Requirements of the JSE Ltd ('JSE').

The board is of the opinion that the group has, in all material respects and where relevant, complied with the Code during the year under review.

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

## Board of directors

### Composition

The names and brief résumés of the directors appear on page 93. The board currently comprises four non-executive directors, two of whom qualify as independent non-executive directors in terms of the King II Report.

There is a procedure for appointments to the board and such appointments are formal and transparent and a matter for the board as a whole.

A board effectiveness review was conducted in 2008 and the board is satisfied with the outcome of the process.

The directors have considerable experience and an excellent understanding of the group's business and all serve on the board of Trencor.

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

### 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.

## Meetings

The board meets regularly on a scheduled quarterly basis and at such other times as circumstances may require. During the year ended 31 December 2008, five meetings were held and these 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 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, but may offer themselves for re-election.

## Directors' remuneration

No remuneration is paid to the directors and, accordingly, no remuneration committee has been established.

## Directors' interests

The number of shares held by the directors in the issued share capital of the company at 31 December 2008 and 2007 were as follows:

	Direct	Beneficial	
		Indirect	Total
H A Gorvy	105 000	11 186	116 186
C Jowell	1 461 389	131 040 841	132 502 230
N I Jowell	74 215	134 933 030	135 007 245
E Oblowitz	-	-	-
	1 640 604	265 985 057	267 625 661

## Sub-committees of the board

### Audit committee

The audit committee consists of two independent non-executive directors and normally meets at least twice a year, prior to the finalisation of the group's interim results and reviewed annual results, and at such other times as may be required. The committee is primarily responsible for assisting the board in carrying out its duties in regard to accounting policies, internal controls and audit, financial reporting, identification and monitoring of risk, and the relationship with the external auditors.

In addition to the committee members, the chairman of the board and certain Trecor group executives are normally invited to attend meetings of the committee as observers. The external auditors attend all meetings and have direct and unrestricted access to the audit committee at all times.

During the year, the committee met on three occasions. The meetings were attended by both members.

In addition, the committee chairman meets separately with the external auditors on an ad-hoc basis.

The audit committee is satisfied that the external auditors are independent in the discharge of their duties. The use of the services of the external auditors for non-audit services requires prior approval by the committee.

The audit committee has reviewed the group annual financial statements and annual financial statements for the year ended 31 December 2008 and recommended that the said financial statements be approved.

### Other

There are no other sub-committees of the board. All other matters are considered by the full board.

### Board and audit committee terms of reference

The board is ultimately accountable and responsible for the performance and affairs of the group. In essence, it provides strategic direction to the group, monitors and evaluates performance and management of its subsidiaries and associate company, 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.

Formal detailed terms of reference for the audit committee have been approved and implemented and will be reviewed by the board on a regular basis.

### Risk management

Responsibility for managing the group'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 is signed by all directors at least every three years.

Any transgression of the code is required to be brought to the attention of the audit committee. There was no transgression in the year under review.

### Restriction on trading in shares

A formal policy prohibits directors and officers from dealing in the company's shares, and those of Trecor, 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 reviewed annual results have been published. Directors and officers are reminded of this policy prior to the commencement of any restricted period.

In addition, no dealing in the company's shares is permitted by any director or officer whilst in possession of information which could affect the price of the company's shares 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 (and in the case of the chairman, or in the absence of the chairman, from the chairman of the audit committee) prior to dealing in the company's shares, and to timeously disclose to the company full details of any transaction for notification to and publication by the JSE.

### 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.

Shareholders 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. Mobile also publishes a trading update in respect of the quarters ending March and September each year, in addition to the interim results and reviewed results announcements for the periods ending June and December respectively. 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, reviewed and annual results. The site has links to the website of Trecor and to its major entities.

# mobile industries limited and subsidiaries annual financial statements

## Audit committee report

The audit committee has fulfilled all of its functions in terms of the Companies Act of South Africa, as described in the corporate governance report.

## Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of Mobile Industries Limited, comprising the balance sheets at 31 December 2008, and the income statements, the statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the group and company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group annual financial statements and annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

## Approval of group annual financial statements and annual financial statements

The group annual financial statements and annual financial statements of Mobile Industries Limited, as identified in the first paragraph, which have been approved by the board of directors, are attached:

Page	
77	Directors' report
78	Balance sheets
79	Income statements
80	Statements of changes in equity
81	Statements of cash flows
82	Notes to the financial statements

Signed on behalf of the board

**C Jowell** Chairman  
Cape Town  
31 March 2009

**E Obowitz** Director and chairman of the audit committee  
Cape Town  
31 March 2009

## independent auditor's report

### To the members of Mobile Industries Limited

We have audited the group annual financial statements and the annual financial statements of Mobile Industries Limited, which comprise the balance sheets at 31 December 2008, and the income statements, the statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 77 to 91.

### Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order

to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Mobile Industries Limited at 31 December 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

**KPMG Inc**  
Registered Auditor

**Per L P Smith**  
Chartered Accountant (SA)  
Registered Auditor  
Director  
Cape Town  
31 March 2009

## declaration by the company secretary

It is hereby certified that for the year ended 31 December 2008, the company has lodged with the Registrar of Companies all returns as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

Trencor Services (Pty) Ltd  
Secretaries  
**Per G W Norval**  
Cape Town  
31 March 2009

## General review

The nature of the company's business is described on page 73. The financial results are reflected in the financial statements on pages 78 to 91.

The estimated proportion of income after tax attributable to the various classes of business of the group is as follows:

	2008 %	2007 %
Loss on dilution of investment in associate	<b>(0,2)</b>	(0,4)
Share of profit of associate	<b>100,5</b>	100,8
Other	<b>(0,3)</b>	(0,4)
	<b>100,0</b>	100,0

## Directors and secretary

The names of the directors appear on page 73 and that of the secretary on page 92. Mr H A Gorvy resigned as a director on 31 March 2009 and, on that date, Mr D M Nurek was appointed in his stead.

In terms of the articles of association Messrs C Jowell and N I Jowell retire by rotation at the forthcoming annual general meeting and Mr D M Nurek, who was appointed after the preceding annual general meeting, also retires. These retiring directors are eligible and offer themselves for re-election.

Brief résumés of the directors are presented on page 93.

## Directors' interests

The aggregate of the direct and indirect beneficial interests of the directors in the issued shares of the company at 31 December 2008 was 25,1% (2007: 25,1%).

The direct and indirect beneficial interests of each director who held in excess of 1% of the issued shares at 31 December 2008 and 2007 were as follows:

	2008 %	2007 %
C Jowell	<b>12,4</b>	12,4
N I Jowell	<b>12,6</b>	12,6

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

## Cash dividends

	Payment number	Record date	Payment date	Cents per share	Total Rm
<b>2007</b>					
Interim	68	21/09/07	25/09/07	1,75	18,7
Final	69	04/04/08	07/04/08	4,70	50,2
<b>2008</b>					
Interim	<b>70</b>	<b>05/09/08</b>	<b>08/09/08</b>	<b>2,80</b>	<b>29,9</b>
Final	<b>71</b>	<b>03/04/09</b>	<b>06/04/09</b>	<b>6,05</b>	<b>64,6</b>

## Corporate governance

The report on corporate governance is presented on pages 74 and 75.

## Subsidiaries

The company holds 100% (2007: 100%) of the 700 000 (2007: 700 000) issued shares of Mobile Acceptances (Pty) Ltd. Details of this investment are as follows:

	2008 Rm	2007 Rm
Shares at cost	<b>2,4</b>	2,2
Profit for the year	<b>0,4</b>	0,3

Mobile Acceptances (Pty) Ltd, in turn, holds 100% (2007: 100%) of the 100 (2007: 100) issued shares of Transport Acceptances (Pty) Ltd. These subsidiaries are incorporated in the Republic of South Africa and are partners in export partnerships.

## Special resolutions

At the annual general meeting held on 19 May 2008, shareholders passed a special resolution, which was registered on 29 May 2008, to grant the company a general authority for the acquisition by the company or any of its subsidiaries of shares issued by the company. This 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, provided that it shall not extend beyond fifteen months from the date of passing of the resolution.

## Special resolutions of subsidiaries

No special resolutions were passed by the company's subsidiaries during the year under review.

## Interest in Trecor

During the year under review, the number of shares in issue in Trecor increased by 103 000 shares as a result of the exercise of options in terms of The Trecor Share Option Plan. At 31 December 2008 the company had a 46,26% interest (2007: 46,29%) in the issued share capital of Trecor.

## Analysis of shareholders

An analysis of shareholders and of holders who held 3% or more of the issued shares at 24 December 2008 is presented on page 92.

# balance sheets

at 31 December 2008

	Notes	Group		Company	
		2008 Rm	2007 Rm	2008 Rm	2007 Rm
<b>Assets</b>					
Goodwill		0,2	–	–	–
Investment in associate	4	2 342,2	1 734,2	463,9	463,9
Investment in subsidiaries	5	–	–	2,4	2,2
Participation in export partnerships	6	2,2	2,6	–	–
<b>Total non-current assets</b>		<b>2 344,6</b>	<b>1 736,8</b>	<b>466,3</b>	<b>466,1</b>
Trade and other receivables	7	0,5	0,2	0,5	0,2
Cash and cash equivalents	16.3	8,0	9,3	8,0	9,2
<b>Total current assets</b>		<b>8,5</b>	<b>9,5</b>	<b>8,5</b>	<b>9,4</b>
<b>Total assets</b>		<b>2 353,1</b>	<b>1 746,3</b>	<b>474,8</b>	<b>475,5</b>
<b>Equity</b>					
Issued capital	8	0,1	0,1	0,1	0,1
Share premium	8	192,6	192,6	192,6	192,6
Reserves	9	2 156,0	1 548,5	273,9	274,7
<b>Total equity attributable to equity holders of the company</b>		<b>2 348,7</b>	<b>1 741,2</b>	<b>466,6</b>	<b>467,4</b>
<b>Liabilities</b>					
Deferred tax	10	2,2	2,6	–	–
<b>Total non-current liabilities</b>		<b>2,2</b>	<b>2,6</b>	<b>–</b>	<b>–</b>
Trade and other payables	11	0,7	2,2	0,6	2,1
Amounts due to subsidiaries	5	–	–	6,3	5,9
Amount due to subsidiary of associate		1,2	–	1,2	–
Income tax payable	16.2	0,3	0,3	0,1	0,1
<b>Total current liabilities</b>		<b>2,2</b>	<b>2,5</b>	<b>8,2</b>	<b>8,1</b>
<b>Total liabilities</b>		<b>4,4</b>	<b>5,1</b>	<b>8,2</b>	<b>8,1</b>
<b>Total equity and liabilities</b>		<b>2 353,1</b>	<b>1 746,3</b>	<b>474,8</b>	<b>475,5</b>

# income statements

for the year ended 31 December 2008

	Notes	Group		Company	
		2008 Rm	2007 Rm	2008 Rm	2007 Rm
Revenue	3,6, 12	<b>0,9</b>	0,8	<b>81,5</b>	46,9
Administration expenses		<b>(1,8)</b>	(1,7)	<b>(1,5)</b>	(1,7)
Operating (loss)/profit before interest		<b>(0,9)</b>	(0,9)	<b>80,0</b>	45,2
Interest expense	13	-	-	<b>(0,6)</b>	(0,5)
Share of profit of associate		<b>306,6</b>	305,6	-	-
Loss on dilution of interest in associate		<b>(0,6)</b>	(1,3)	-	-
Profit before tax	13	<b>305,1</b>	303,4	<b>79,4</b>	44,7
Income tax expense	14	<b>(0,1)</b>	(0,2)	<b>(0,1)</b>	(0,1)
Profit for the year attributable to equity holders of the company		<b>305,0</b>	303,2	<b>79,3</b>	44,6
Basic earnings per share (cents)	15	<b>28,6</b>	28,4		
Diluted earnings per share (cents)	15	<b>28,6</b>	28,4		

# statements of changes in equity

for the year ended 31 December 2008

GROUP	Share capital Rm	Share premium Rm	Non-distributable reserve Rm	Revaluation reserve Rm	Retained income Rm	Total Rm
Balance at 31 December 2006	1,5	65,0	107,2	262,2	918,7	1 354,6
Changes in equity for 2007						
Share of increase in non-distributable reserve of associate	-	-	2,8	-	-	2,8
Profit for the year	-	-	-	-	303,2	303,2
Total recognised income and expense for the year	-	-	2,8	-	303,2	306,0
Loss on dilution of investment in associate transferred to non-distributable reserve	-	-	(1,3)	-	1,3	-
Attributable share of associate's gain on dilution of investment in subsidiary transferred to non-distributable reserve*	-	-	91,4	-	(91,4)	-
Repayment of share capital	(1,4)	-	-	-	-	(1,4)
Shares issued on conversion of debentures	-	127,6	-	-	-	127,6
Dividends paid to equity holders	-	-	-	-	(45,6)	(45,6)
Balance at 31 December 2007	0,1	192,6	200,1	262,2	1 086,2	1 741,2
Changes in equity for 2008						
Share of increase in non-distributable reserve of associate	-	-	382,6	-	-	382,6
Profit for the year	-	-	-	-	305,0	305,0
Total recognised income and expense for the year	-	-	382,6	-	305,0	687,6
Loss on dilution of investment in associate transferred to non-distributable reserve	-	-	(0,6)	-	0,6	-
Dividends paid to equity holders	-	-	-	-	(80,1)	(80,1)
Balance at 31 December 2008	0,1	192,6	582,1	262,2	1 311,7	2 348,7
<b>COMPANY</b>						
Balance at 31 December 2006	1,5	65,0	0,1	262,2	13,4	342,2
Changes in equity for 2007						
Profit for the year	-	-	-	-	44,6	44,6
Repayment of capital	(1,4)	-	-	-	-	(1,4)
Shares issued on conversion of debentures	-	127,6	-	-	-	127,6
Dividends paid to equity holders	-	-	-	-	(45,6)	(45,6)
Balance at 31 December 2007	0,1	192,6	0,1	262,2	12,4	467,4
Changes in equity for 2008						
Profit for the year	-	-	-	-	79,3	79,3
Dividends paid to equity holders	-	-	-	-	(80,1)	(80,1)
Balance at 31 December 2008	0,1	192,6	0,1	262,2	11,6	466,6

\* A transfer of R91,4 million from retained income to non-distributable reserves was not reflected in the statement of changes in equity for the year ended 31 December 2007. This transfer has been appropriately reflected in the comparative statement of changes in equity for the year ended 31 December 2007.

# statements of cash flows

for the year ended 31 December 2008

	Notes	Group		Company	
		2008 Rm	2007 Rm	2008 Rm	2007 Rm
<b>Cash flows from operating activities</b>					
Cash (utilised by)/generated from operations	16.1	(2,0)	(1,0)	(1,7)	0,1
Interest received		0,9	0,8	0,9	0,8
Interest paid		–	–	(0,6)	(0,5)
Dividends received		80,6	46,1	80,6	46,1
Dividends paid		(80,1)	(45,6)	(80,1)	(45,6)
Income tax paid	16.2	(0,5)	(0,6)	(0,1)	–
Net cash (outflow)/inflow from operating activities		(1,1)	(0,3)	(1,0)	0,9
<b>Cash flows from investing activities</b>					
Additional amount paid for shares in subsidiary		(0,2)	–	(0,2)	–
Repayment of share capital		–	(1,4)	–	(1,4)
Net cash outflow from investing activities		(0,2)	(1,4)	(0,2)	(1,4)
Decrease in cash and cash equivalents		(1,3)	(1,7)	(1,2)	(0,5)
Cash and cash equivalents at the beginning of the year		9,3	11,0	9,2	9,7
Cash and cash equivalents at the end of the year	16.3	8,0	9,3	8,0	9,2

## 1. Reporting entity

Mobile Industries Limited (the 'company') is a company registered in the Republic of South Africa. The address of the company's registered office is 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town, 8001. The consolidated financial statements of the company as at and for the year ended 31 December 2008 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in an associate entity. The company is an investment holding company.

## 2. Basis of preparation

### 2.1 Statement of compliance

The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the requirements of the Companies Act of South Africa.

The financial statements were approved by the board of directors on 31 March 2009.

### 2.2 Basis of measurement

The separate and consolidated financial statements are prepared on the historical cost basis except as otherwise stated below.

### 2.3 Functional and presentation currency

These separate and consolidated financial statements are produced in South African rand, which is the company's functional currency. All financial information presented in rand has been rounded to the nearest one hundred thousand.

### 2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these separate and consolidated financial statements, and have been applied consistently by the group entities.

### 3.1 Basis of consolidation

#### 3.1.1 *Subsidiaries*

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that

currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

Gains or losses arising on the dilution of investments in subsidiaries are recognised in profit or loss and the net gain or loss attributable to the group is transferred to a separate reserve in equity.

In the case of the company, investments in subsidiaries are carried at cost, less accumulated impairment losses.

#### 3.1.2 *Associates*

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 per cent of the voting power of another entity. Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the group's share of the income and expenses of associates, after adjustment to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and recognition of further losses is discontinued except to the extent that the group has an obligation or made payments on behalf of the investee.

Gains or losses arising on the dilution of investments in associates are recognised in profit or loss and the net gain or loss attributable to the group is transferred to a separate reserve in equity.

In the case of the company, investments in associate companies are carried at cost, less accumulated impairment losses.

#### 3.1.3 *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted

investees are eliminated against the investment to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### 3.2 Impairment

At each balance sheet date the group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

### 3.3 Goodwill

Goodwill/Negative goodwill arises on the acquisition of subsidiaries and associates.

In respect of acquisitions prior to 1 January 2004, goodwill is included at its carrying amount, which represents the amount recorded under the group's previous accounting framework (South African Statements of Generally Accepted Accounting Practice), at the date of transition to IFRS.

For acquisitions on or after 1 January 2004, goodwill represents the excess of the cost of the acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When negative goodwill arises, it is recognised immediately in profit or loss.

#### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

### 3.4. Financial instruments

Non-derivative financial instruments comprise trade and other receivables, participation in export partnerships, cash and cash equivalents, trade and other payables, amounts due to subsidiaries and amounts due to subsidiary of associate. Non-derivative financial instruments are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost.

Regarding the company's participation in export partnerships, amortised cost is 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 partnership.

A financial instrument is recognised on the trade date at which the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial asset to another party without retaining control or substantially all risks and rewards of ownership of the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

#### 3.4.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### 3.4.2 *Share capital*

##### *Shares*

Incremental costs directly attributable to the issue of shares and share options are recognised as a deduction from equity, net of any tax effects.

##### *Dividends*

Dividends (treated as distributions within equity) are recognised as a liability in the period in which they are declared.

#### 3.4.3 *Offsetting*

Financial assets and liabilities are off-set and the net amount presented in the balance sheet when the group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

### 3.5 Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation (which can be estimated reliably) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

## 3.6 Revenue

### *Investment income*

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective interest rate over the periods to maturity, where it is possible such income will accrue to the group. Dividend income is recognised when the right to receive payment is established.

## 3.7 Interest expense

Interest expense comprises the effective interest expense of financial liabilities measured at amortised cost.

## 3.8 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates to the extent that the company controls the timing of the reversal of such differences and that it is probable that they will not reverse in the foreseeable future. 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.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset 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.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Secondary tax on companies ('STC') is recognised as part of the current tax charge in the income statement when the net dividend is declared, except where the group exemption has been elected, resulting in no STC consequences for the company. When dividends received in the current year can be off-set against future dividend payments to reduce the

STC liability, a deferred tax asset is recognised to the extent of probable future reductions in STC.

## 3.9 Earnings per share

The group presents basic and diluted earnings per share data for its shares. Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of the company by the weighted average number of shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all potential dilutive instruments.

## 3.10 Segment reporting

The group has no distinguishable segments and consequently no segmental report is prepared.

#### 4. Investment in associate

	Group		Company		
	2008 Rm	2007 Rm	2008 Rm	2007 Rm	
TRENCOR					
Listed shares held at cost	463,9	463,9	463,9	463,9	
Number of shares: 86 695 758 (2007: 86 695 758)					
Market value: R1 699,2 million (2007: R2 427,5 million)					
Attributable reserves and profit net of dividends received	1 878,3	1 270,3	–	–	
	<b>2 342,2</b>	<b>1 734,2</b>	<b>463,9</b>	<b>463,9</b>	
Mobile Industries holds 46,3% of the issued share capital of Trencor Limited (2007: 46,3%)					
Share of (loss)/profit of discontinued operations of Trencor	(22,1)	43,6			
Summary financial information of Trencor – 100%					
	<b>Assets Rm</b>	<b>Liabilities Rm</b>	<b>Equity Rm</b>	<b>Revenue Rm</b>	<b>Profit Rm</b>
<b>2008</b>	<b>14 464,2</b>	<b>7 845,1</b>	<b>6 619,1</b>	<b>2 804,1</b>	<b>662,6</b>
2007 (Refer note 2.5 of the audited financial statements of Trencor Ltd)	10 066,6	5 452,1	4 614,5	1 697,9	659,9

#### 5. Investment in subsidiaries

	Group		Company	
	2008 Rm	2007 Rm	2008 Rm	2007 Rm
Unlisted shares held at cost	–	–	2,4	2,2
Amounts due to subsidiaries	–	–	(6,3)	(5,9)
	–	–	(3,9)	(3,7)

The amounts due to subsidiaries represent short-term cash deposited with the holding company. Interest is paid to the subsidiaries at a rate based on bank call deposit rates.

#### 6. Participation in export partnerships

The subsidiaries 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.

#### 7. Trade and other receivables

Accrued income	0,5	0,2	0,5	0,2
	<b>0,5</b>	<b>0,2</b>	<b>0,5</b>	<b>0,2</b>

8. Capital and share premium

	Group		Company	
	2008 Rm	2007 Rm	2008 Rm	2007 Rm
<b>Share capital</b>				
<b>Authorised</b>				
Ordinary shares of 0,005 cent each 10 633 160 542 (2007: 10 633 160 542 )	0,5	0,5	0,5	0,5
<b>Issued</b>				
Ordinary shares 1 068 039 676 (2007: 1 068 039 676)	0,1	0,1	0,1	0,1
Share premium	192,6	192,6	192,6	192,6
	<b>192,7</b>	192,7	<b>192,7</b>	192,7

Shareholders have not been requested to place the unissued shares of the company under the control of the directors.

9. Reserves

**Non-distributable**

Reserves of associate attributable to the group	581,9	199,9	–	–
Revenue profits of the subsidiary company attributable to the holding company, converted into capitalisation shares by the subsidiary	0,1	0,1	0,1	0,1
Revaluation reserve – fair value adjustments transferred from retained income	262,2	262,2	262,2	262,2
Post acquisition non-distributable reserve of subsidiary	0,1	0,1	–	–
	<b>844,3</b>	462,3	<b>262,3</b>	262,3

**Distributable**

Retained income	1 311,7	1 086,2	11,6	12,4
Company and subsidiaries	15,3	15,8	11,6	12,4
Associate	1 296,4	1 070,4	–	–

Total reserves **2 156,0** 1 548,5 **273,9** 274,7

**Dividends**

Dividends declared and paid during the year are as follows:

Final dividend in respect of financial year 2007

– 4,7 cents per share (2006: 3,0 cents) **50,2** 26,9 **50,2** 26,9

Interim dividend in respect of financial year 2008

– 2,8 cents per share (2007: 1,75 cents) **29,9** 18,7 **29,9** 18,7

**80,1** 45,6 **80,1** 45,6

A final dividend of 6,05 cents per share in respect of financial year 2008 (2007: 3,0 cents per share) was declared by the board on 19 February 2009. This dividend will not be subject to STC as the company has sufficient unutilised STC credits (refer note 10).

The distributable reserves of the company would not attract STC if distributed by way of dividends as the company has sufficient unutilised STC credits.

**10. Deferred tax**

	Group		Company	
	2008 Rm	2007 Rm	2008 Rm	2007 Rm
Deferred tax liability				
Balance at the beginning of the year	2,6	2,9	–	–
Adjustment due to change in tax rate	(0,1)	–	–	–
Current – temporary differences	(0,3)	(0,3)	–	–
Balance at the end of the year	2,2	2,6	–	–
Comprising:				
Participation in export partnerships	2,2	2,6	–	–
	2,2	2,6	–	–

Deferred tax is provided at the current SA normal tax rate, currently 28% (2007: 29%).

There were no temporary differences associated with investments in subsidiary and associate companies for which deferred tax liabilities have not been recognised (2007: nil).

The company has an unutilised STC credit of R17,8 million (2007: R17,3 million) in respect of which a deferred tax asset has not been raised, as it is not considered probable that dividend payments will exceed dividend receipts for the foreseeable future.

**11. Trade and other payables**

Trade payable	–	1,5	–	1,5
Accrued expenses	0,2	0,2	0,1	0,1
Unclaimed debenture interest and dividends	0,5	0,5	0,5	0,5
	0,7	2,2	0,6	2,1

**12. Revenue**

Dividends received from associate	–	–	80,6	46,1
Interest received				
Bank	0,9	0,8	0,9	0,8
	0,9	0,8	81,5	46,9

**13. Profit before tax**

Profit before tax has been arrived at after taking into account:

Auditor's remuneration				
Audit fee – current year	0,2	0,2	0,1	0,1
Interest expense				
Subsidiaries	–	–	0,6	0,5

14. Income tax expense

	Group		Company	
	2008 Rm	2007 Rm	2008 Rm	2007 Rm
South African normal				
Current	0,5	0,5	0,1	0,1
South African deferred	(0,4)	(0,3)	-	-
Credit for the year	(0,3)	(0,3)	-	-
Reduction in tax rate	(0,1)	-	-	-
	0,1	0,2	0,1	0,1
The effective tax rate is reconciled as follows:	%	%	%	%
Statutory tax rate	28,0	29,0	28,0	29,0
Non-taxable income	-	(4,4)	(28,5)	(29,9)
Non-deductible expenditure	0,1	0,2	0,6	0,9
Dilution of investment in associate	0,1	0,1	-	-
Profit of associate	(28,2)	(24,8)	-	-
Effective tax rate	-	0,1	0,1	-

15. Earnings and headline earnings per share

	Rm	Rm	Rm	Rm
<b>Basic earnings per share</b>				
Profit for the year attributable to equity holders of the company	305,0	303,2	-	-
Weighted average number of shares in issue (millions)	1 068,0	1 068,0	-	-
Earnings per share (cents)	28,6	28,4	-	-
Diluted earnings per share is equal to basic earnings per share				
<b>Headline earnings per share</b>				
<i>Undiluted</i>				
Profit for the year attributable to equity holders of the company	305,0	303,2	-	-
Loss on dilution of interest in associate	0,6	1,3	-	-
Attributable share of headline earnings adjustments of associate	26,5	(121,0)	-	-
Headline earnings attributable to equity holders of the company	332,1	183,5	-	-
Weighted average number of shares in issue (million)	1 068,0	1 068,0	-	-
Headline earnings per share (cents)	31,1	17,2	-	-
Diluted headline earnings per share is equal to undiluted headline earnings per share.				

16. Notes to the cash flow statements

16.1 Reconciliation of profit for the year to cash (utilised by)/generated from operations

Profit for the year	305,0	303,2	79,3	44,6
Attributable profit of associate	(306,6)	(305,6)	-	-
Adjusted for:				
Interest paid	-	-	0,6	0,5
Investment income	(0,9)	(0,8)	(81,5)	(46,9)
Loss on dilution of interest in associate	0,6	1,3	-	-
Income tax expense	0,1	0,2	0,1	0,1
Operating loss before working capital changes	(1,8)	(1,7)	(1,5)	(1,7)
Working capital changes	(0,6)	0,4	(0,2)	1,8
(Increase)/Decrease in trade and other receivables	(0,3)	0,3	(0,3)	0,4
Increase/(Decrease) in amounts due to subsidiary of associate	1,2	(0,2)	1,2	(0,2)
Increase in amount due to subsidiary	-	-	0,4	1,3
(Decrease)/Increase in trade and other payables	(1,5)	0,3	(1,5)	0,3
Receipt from export partnerships	0,4	0,3	-	-
Cash (utilised by)/generated from operations	(2,0)	(1,0)	(1,7)	0,1

## 16. Notes to the cash flow statements (continued)

	Group		Company	
	2008 Rm	2007 Rm	2008 Rm	2007 Rm
<b>16.2 Tax paid</b>				
Amounts unpaid at the beginning of the year	0,3	0,4	0,1	–
Charge per income statement	0,5	0,5	0,1	0,1
Amounts unpaid at the end of the year	(0,3)	(0,3)	(0,1)	(0,1)
	<b>0,5</b>	<b>0,6</b>	<b>0,1</b>	<b>–</b>
<b>16.3 Cash and cash equivalents</b>				
Bank balances	0,1	0,2	0,1	0,1
Call and term deposits	7,9	9,1	7,9	9,1
	<b>8,0</b>	<b>9,3</b>	<b>8,0</b>	<b>9,2</b>

## 17. Financial instruments

### 17.1 Categories of financial assets and liabilities

The carrying amounts of each category of financial assets and liabilities are as follows:

Investment in subsidiaries	–	–	2,4	2,2
Loans and receivables				
Participation in export partnerships	2,2	2,6	–	–
Trade and other receivables	0,5	0,2	0,5	0,2
Cash and cash equivalents	8,0	9,3	8,0	9,2
	<b>10,7</b>	<b>12,1</b>	<b>10,9</b>	<b>11,6</b>
Financial liabilities measured at amortised cost				
Amounts due to subsidiaries	–	–	6,3	5,9
Amount due to subsidiary of associate	1,2	–	1,2	–
Trade and other payables	0,7	2,2	0,6	2,1
	<b>1,9</b>	<b>2,2</b>	<b>8,1</b>	<b>8,0</b>

### 17.2 Overview

The group's activities exposed it to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

The directors have overall responsibility for the establishment and oversight of the group's risk management framework. Risk management is carried out by the board. The board provides written principles for the overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

The group's risk management policies are established to identify and analyse the risks faced by the group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk policies and system are reviewed regularly to reflect changes in market conditions and the group's activities.

The group audit committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

17. Financial instruments (continued)

	Group		Company	
	2008 Rm	2007 Rm	2008 Rm	2007 Rm
17.3 Credit risk				
Credit risk is the risk of financial loss to the group if a counterparty to a financial instrument fails to meet its contractual obligations.				
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December was:				
Loans and receivables				
Participation in export partnerships	2,2	2,6	–	–
Trade and other receivables	0,5	0,2	0,5	0,2
Cash and cash equivalents	8,0	9,3	8,0	9,2
	10,7	12,1	8,5	9,4

The group's cash and cash equivalents are placed only with financial institutions having acceptable credit ratings.

17.4 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The risk is managed through cash flow forecasts. In terms of the company's articles of association, its borrowing powers are unlimited.

The contractual cash flows on all financial liabilities are the same as their carrying amounts and are all contractually due within one year.

17.5 Market risk

Market risk is the risk that changes in market prices, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

17.6 Interest rate risk

The group is exposed to interest rate risk as it places funds on the money market. This risk is managed by maintaining an appropriate mix of fixed and daily call placements with registered financial institutions which are subject to compliance with the relevant regulatory bodies.

*Cash flow sensitivity analysis for variable rate instruments*

An increase/decrease of 100 basis points in interest rates at the reporting date would have increased/decreased profit or loss by R0,1 million (2007: R0,1 million). This analysis assumes that all other variables remain constant.

17.7 Capital management

Capital is regarded as total equity.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors also determines the level of dividends paid to shareholders.

The group may purchase its own shares on the market, if the resources of the company are in excess of its requirements or there are other good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure, the long-term cash needs and the interests of the company.

There were no changes in the group's approach to capital management during the year.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

17.8 Fair values

The fair values of all financial instruments are substantially similar to carrying amounts reflected in the balance sheet.

18. Related party transactions

18.1 Identity of related parties

The group has a related party relationship with its subsidiaries, its associate and key management personnel of the company, which comprises the directors (refer directors' report).

## 18. Related party transactions (continued)

### 18.2 Intra-group transactions

Amounts due to subsidiaries (refer note 5).

Investment in associate (refer note 4).

Interest paid to subsidiaries (refer note 13).

### 18.3 Participation in export partnerships

The subsidiaries are partners in export partnerships. The managing partner of these partnerships is Trenchor Services (Pty) Ltd, a subsidiary of the associate (refer note 6).

### 18.4 Transactions with key management personnel

#### *Directors' interest in share capital*

The number of shares held by the directors in the issued share capital of the company at 31 December 2008 and 2007 were as follows:

	Beneficial		Non-beneficial		Total
	Direct	Indirect	Direct	Indirect	
H A Gorvy	105 000	11 186	–	–	116 186
C Jowell	1 461 389	131 040 841	–	266 448	132 768 678
N I Jowell	74 215	134 933 030	–	–	135 007 245
E Oblowitz	–	–	–	–	–
	1 640 604	265 985 057	–	266 448	267 892 109

There were no other transactions with key management personnel during the year (2007: none).

## 19. Accounting standards and interpretations in issue but not yet effective

A number of new standards, amendments to standards and interpretations are relevant to the group and are not yet effective for the year ended 31 December 2008, and have not yet been applied in preparing these financial statements:

19.1 Revised IAS 1 *Presentation of Financial Statements* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for the group's 2009 consolidated financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The group plans to provide total comprehensive income in a single statement of comprehensive income for its 2009 consolidated financial statements.

19.2 Revised IFRS 3 *Business Combinations* incorporates the following changes that are likely to be relevant to the group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised IFRS 3, which becomes mandatory for the group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the group's 2010 consolidated financial statements.

19.3 Amended IAS 27 *Consolidated and Separate Financial Statements* requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

19.4 The amendments to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments* introduces additional fair value disclosure requirements and certain changes to current liquidity risk disclosure requirements. These amendments will be mandatory for the company's and the group's 2009 financial statements. Additional financial instrument disclosure will be provided accordingly by the company and the group.

## 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

<http://www.mobile-industries.net>

### E-mail

[info@mobile-industries.net](mailto:info@mobile-industries.net)  
[investorrelations@mobile-industries.net](mailto:investorrelations@mobile-industries.net)

### Transfer secretaries

Computershare Investor Services (Pty) Ltd  
70 Marshall Street, Johannesburg 2001  
PO Box 61051 Marshalltown 2107  
Tel 011 370 5000 Fax 011 688 7721  
Call centre 0861 100 950 (within RSA)  
or +27 11 370 5000 (outside RSA)

### Auditor

KPMG Inc  
MSC House  
1 Mediterranean Street  
Foreshore Cape Town 8001  
PO Box 4609 Cape Town 8000

### Designated auditor

L P Smith

### Attorneys

Edward Nathan Sonnenbergs

### Sponsors

Rand Merchant Bank (A division of FirstRand Bank Ltd)

### Industry classification benchmark (ICB)

Industry: Industrial  
Supersector: Industrial goods & services  
Sector: Industrial transportation  
Subsector: Transportation services

### Market name

Mobile

### JSE share code

MOB

### ISIN

ZAE000091435

## analysis of shareholders

at 24 December 2008

	Number of holders	% of holders	Number of shares	% interest
Mutual funds	104	3,3	401 770 219	37,6
Jowell family	2	0,1	267 777 923	25,1
Other corporate bodies	218	6,9	23 302 918	2,2
Nominee companies or trusts	332	10,5	79 228 182	7,4
Retirement funds	93	2,9	120 658 838	11,3
Investment companies	3	0,1	15 318 550	1,4
Individuals	2 355	74,6	30 670 185	2,9
Banks and insurance companies	50	1,6	129 312 861	12,1
<b>Total</b>	<b>3 157</b>	<b>100,0</b>	<b>1 068 039 676</b>	<b>100,0</b>
Shareholder spread				
Public shareholders	3 153	99,9	689 914 700	64,6
Non-public shareholders	4	0,1	378 124 976	35,4
Directors and associates	3	0,1	267 894 109	25,1
Old Mutual Life Assurance Company (Pty) Ltd	1	0,0	110 230 867	10,3
<b>Total</b>	<b>3 157</b>	<b>100,0</b>	<b>1 068 039 676</b>	<b>100,0</b>

## major shareholders

The direct and indirect beneficial interests of shareholders who, in so far as is known, held 3% or more of the issued shares at 24 December 2008 were as follows:

	%
Jowell family	25,1
Corolife Special Opportunities Portfolio Fund	7,7
Old Mutual Life Assurance Company (Pty) Ltd	10,3
D L Barnes (Gabriel Trust)	5,2
Nedcor Rainmaker Equity Fund	4,9
<b>Total</b>	<b>53,2</b>

## Non-executive

### CECIL JOWELL (73)

B Com LLB (UCT) is chairman. The younger son of Trenchor's founder, Joe Jowell, was appointed as a director of Mobile on 27 January 1969. He joined Trenchor 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. Effective 23 December 2003, his Trenchor board status changed to that of a non-executive. He serves on Trenchor's executive committee in an advisory capacity and is a member of its nomination committee. In 1991 he was voted as one of Business Times' Top Five Businessmen.

### NEIL IAN JOWELL (75)

B Com LLB (UCT) MBA (Columbia) has been a director since 27 January 1969. He is the elder son of Trenchor's founder and joined that company on 1 January 1956. He was appointed to the Trenchor board on 30 December 1966 and, following the death of his father in 1973, as chairman of Trenchor. He is chairman of Trenchor's executive committee and is also a member of Trenchor's remuneration committee. 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 GORVY (81) – resigned 31 March 2009

B Com (UCT) CA (SA) FCA was appointed to the boards of Mobile and Trenchor on 18 April 1984. He is a non-executive director of Stonehage Group, an international financial services group and was previously chairman of Andersens in South Africa. He relocated to the UK in 1987. He is a member of the audit committee and of Trenchor's audit and nomination committees and serves as an executive and non-executive director on the boards of several unlisted companies.

### DAVID MORRIS NUREK (58)

Dip Law (UCT) Grad Dip Company Law (UCT) is an executive of Investec Bank Ltd. He was appointed as an alternate director of Trenchor on 30 November 1992 and as a full director on 24 July 1995 and was appointed to the Mobile board and audit committee on 31 March 2009. Prior to joining Investec in June 2000, he practised as an attorney at law with Sonnenberg Hoffmann Galombik for 32 years. He is Trenchor's lead non-executive director and chairman of the remuneration and nomination committees and a member of the audit committee. He serves on the boards of numerous listed and unlisted companies in a non-executive capacity.

### EDWIN (EDDY) OBLowitz (51)

B Com (UCT) CA (SA) CPA (Isr) was appointed as a non-executive director of Mobile and Trenchor on 3 March 2004 and is chairman of the Mobile and Trenchor audit committees. He was previously an international partner of Andersens in South Africa and now serves as the Chief Executive Officer of the Stonehage Group's operations in South Africa. He is a director of various listed and unlisted companies in a non-executive capacity and serves as a trustee of various trusts.

Ages at 31 December 2008

## diary

11 June 2009	Annual general meeting
31 December	Financial year-end
Announcements	February: Reviewed annual results March/April: Annual financial statements May: First quarter update August: Interim report November: Third quarter update
Dividends	April and October: Dividend paid

Notice is hereby given that the thirty-ninth 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 Thursday 11 June 2009 at 15:15 (or as soon as the annual general meeting of Trecor Limited convened to be held on Thursday, 11 June 2009 at 15:00 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 2008.
2. To consider, and if deemed fit, to re-elect, on an individual basis, the following directors who retire in terms of the articles of association but, being eligible, offer themselves for re-election: Messrs C Jowell and N I Jowell who retire by rotation; and Mr D M Nurek, who was appointed as a director after the preceding annual general meeting, retires as a new appointee. (Brief résumés of the directors are presented on page 93 of the annual report.)
3. To reappoint KPMG Inc as independent auditor of the company and to appoint Mr L P Smith as the designated auditor to hold office for the ensuing year.
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 and 89 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 shares 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 Limited ('JSE') as presently constituted and which may be amended from time to time, and provided that:

- 4.1 any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- 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 a paid press announcement containing full details of the acquisitions will be published as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% of the number of shares of that class in issue at the time of granting of this general authority, and for each 3% in aggregate of the initial number of that class acquired thereafter;

- 4.4 acquisitions by the company and its subsidiaries of shares in the share capital of the company may not, in the aggregate, exceed in any one financial year 20% (or 10% where such acquisitions relate to the acquisition by a subsidiary) of the company's issued share capital of that class from the date of the grant of this general authority;
- 4.5 in determining the price at which the company's shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% above the weighted average of the market price at which such shares are traded on the JSE, as determined over the five business days immediately preceding the date of the acquisition of such shares by the company or its subsidiaries;
- 4.6 after such acquisitions by the company or its subsidiaries, the company will still comply with the Listings Requirements of the JSE concerning shareholder spread requirements;
- 4.7 the company or its subsidiaries are not acquiring shares during a prohibited period as defined in the Listings Requirements of the JSE unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period; and
- 4.8 the company only appoints one agent to effect any acquisition/s on its behalf."

### Reason and effect

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 shares 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 effect of the passing and registration of this special resolution will be to authorise the company or any of its subsidiaries to acquire shares 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 general authority to acquire shares in the company if at some

future date the cash resources of the company are in excess of its requirements or there are other good grounds for doing so. 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 acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the company will only make the acquisition if at the time of the acquisition they are of the opinion that:

- the company and the group will, after the acquisition of the shares, 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 general repurchase;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and recognised and measured in accordance with the accounting policies used in the latest audited financial statements will be in excess of the liabilities of the company and the group for the next twelve months after the date of the general repurchase;
- the issued share capital and reserves of the company and the group will be adequate for ordinary business purposes of the company or any acquiring subsidiary for the next twelve months after the date of the general repurchase;
- the working capital available to the company and the group will be sufficient for ordinary business purposes for the next twelve months after the date of the general repurchase; and
- a working capital statement will be obtained from the company's sponsors as and when any acquisition of its shares is contemplated.

5. To transact such other business as may be transacted at an annual general meeting.

### **Other disclosures in terms of section 11.26 of the JSE Listings Requirements**

The annual report to which this notice of this annual general meeting is attached provides details of:

- the directors and secretary of the company on pages 73 and 92 respectively;
- the major shareholders of the company on page 92;
- the directors' interests in shares in the company on page 74; and
- the share capital of the company in note 8 on page 86, and an analysis of the shareholders on page 92.

There have been no material changes to the company and the group's financial or trading position (other than as disclosed in the accompanying annual report) nor are there any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had, a material effect on the financial position of the group between 31 March 2008 and the reporting date.

The directors, whose names are given on page 73 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice contains all information required by law and the JSE Listings Requirements.

### **General instructions and information**

All shareholders are encouraged to attend, speak and vote at the annual general meeting. On a show of hands, every shareholder of the company present in person or represented shall have one vote only. On a poll, every shareholder shall have one vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ('CSDP') to hold your shares in your own name on the company's sub-register), 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 office of the company's transfer secretaries to be received not less than 24 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

Please note that if you are the owner of 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 operated by Strate Limited ('Strate') held through a CSDP or broker (or its nominee) and are not registered as an 'own name' dematerialised shareholder, then you are not a registered shareholder of the company, but appear as the holder of a beneficial interest on the relevant sub-register of the company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- 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 them; 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 them with your voting instructions in respect of the annual general meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate 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 to be received not less than 24 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

By order of the board



Trencor Services (Pty) Ltd  
Secretaries  
**Per G W Norval**  
Cape Town  
31 March 2009

Mobile Industries Limited Annual General Meeting 11 June 2009

For use at the annual general meeting of shareholders of the company to be held at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town on Thursday, 11 June 2009 at 15:15 (or as soon as the annual general meeting of Trecor Limited convened to be held on Thursday, 11 June 2009 at 15:00 has been concluded).

**Not to be used by beneficial owners of shares who have dematerialised their shares ('dematerialised shares') through a Central Securities Depository Participant ('CSDP') or broker, as the case may be, unless they 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, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered**

**in the company's sub-register as the holder of dematerialised shares.**

**Each shareholder 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 side hereof.**

To be returned to: The Transfer Secretaries  
 Mobile Industries Limited  
 Computershare Investor Services (Pty) Limited  
 70 Marshall Street Johannesburg 2001  
 PO Box 61051 Marshalltown 2107

As soon as possible to be received not later than 24 hours before the meeting.

I/We (full names)  
 of (address)

Telephone: Work ( ) Home ( )  
 being a member(s) of the company, holding 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 aforementioned annual general meeting of shareholders of the company and at any adjournment thereof in accordance with the following instructions:

Insert an 'X' in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of votes in respect of which you desire to vote (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

1. Approval of the adoption of annual financial statements.
2. Election of directors:
3. Reappointment of independent auditor and appointment of designated auditor.
3. Proposed special resolution granting a general authority to the company or its subsidiaries 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.

	For	Against	Abstain
C Jowell			
N I Jowell			
D M Nurek			

Signed at on this day of 2009  
 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)

1. A certificated or own name dematerialised shareholder or nominee of a CSDP or broker registered as a shareholder 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.
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 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 or posted to Computershare Investor Services (Pty) Limited, PO Box 61051, Marshalltown, 2107. Forms of proxy must be received or lodged by no later than 24 hours (excluding Saturdays, Sundays and public holidays) before the annual general meeting (i.e. 15:15 on Wednesday, 10 June 2009).
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. CSDPs or brokers registered as shareholders in the company's sub-register voting on instructions from owners of shares registered in the company's sub-sub-register, are requested that they identify the owner in the sub-sub-register on whose behalf they are voting 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, but may not be accepted by the chairperson.
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. Certificated 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 the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised shareholder, then you are not a shareholder of the company, but appear as the holder of a beneficial interest on the relevant sub-register of the company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:
  - 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 them; 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 them with your voting instructions in respect of the annual general meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, 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 to be received not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).