

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Mobile Climate Control Industries Inc.
80 Kincort Street
Toronto, ON M6M 5G1

Item 2 Date of Material Change

July 8, 2004

Item 3 News Release

Mobile Climate Control Industries Inc. ("MCC" or the "Company") issued a press release relating to the material change on July 12, 2004, through CCN Matthews's Timely Disclosure Network..

Item 4 Summary of Material Change

On July 12, 2004, MCC announced the acquisition of UWE Verken AB, a Swedish manufacturer of convention-based venting systems.

Item 5 Full Description of Material Change

On July 8, 2004 MCC's Swedish operating subsidiary (MCC Europe AB) completed the acquisition of all the shares of UWE Verken AB ("UWE"). UWE is a Swedish manufacturer of convection-based heating systems and related electronic products with operations in Sweden, Germany and Poland. UWE's business is similar to MCC's bus business and MCC has several customers in common with UWE. Synergies in the combined MCC Europe AB and UWE operations will start to be realized immediately and will increase as the two businesses are integrated.

UWE has revenue of approximately \$29 million and a strong EBITDA. The impact on MCC's earnings per share and cash flow per share is expected to be accretive in the current fiscal year.

The purchase price of \$6.5 million was made up of a \$3.8 million down payment and \$2.7 million due over 3 years. The down payment was financed with Swedish

bank debt. The future payment of the purchase price and the repayment of the Swedish bank debt will be financed with cash flow from UWE.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7 Omitted Information

Not Applicable.

Item 8 Executive Officer

The name and business telephone number of an executive officer of MCC who is knowledgeable about the material change and this report are as follows:

Allen Holmes, Chief Financial Officer
(416) 242-5858

Item 9 Date of Report

July 12,2004