



TRENCOR LIMITED 2013

(Incorporated in the Republic of South Africa – Registration No 1955/002869/06)

To meet the many requirements of regulatory authorities, integrated annual reports have become lengthy, complex and very technical. To provide a convenient overview of the 2013 integrated annual report of Trencor, this insert contains highlights from that report. It is not in substitution of the report, nor does it form part thereof. For a fully detailed appreciation of the company's activities and results, you are advised to read the integrated annual report.

Group chart

Trencor		Investment holding company listed on the JSE
48,3%*	Textainer	Listed on the New York Stock Exchange, the Textainer group owns, leases, manages and trades marine cargo containers worldwide
44,3%	TAC	Owning of marine cargo containers
100%	Trencor Services	Corporate administration and financing
100%	Trencor Containers	Collection of long-term receivables

*Reduced to 48,2% subsequent to the year-end following the issue of restricted share units.

Highlights

Group

- **Trading profit** after net financing costs increased by 25% from R1 636 million in 2012 to R2 038 million.
- **Headline earnings per share** (including the effect of net realised and unrealised foreign exchange translation gains) were 792,6 cents (2012: 559,6 cents).
- **Adjusted headline earnings per share** (which excludes the effect of net unrealised foreign exchange translation gains and the gain arising from the modification of debt terms), at 630,7 cents (2012: 546,1 cents), were up by 15,5%.
- The option held by Halco Holdings to acquire the remaining 55,7% of TAC which it does not already own, for approximately US\$5 million, became exercisable with effect from 1 July 2013 and, in accordance with International Financial Reporting Standards, TAC has been consolidated in Trencor's results for the first time, notwithstanding that Halco has not yet exercised the option. Earnings include:
 - o R29,5 million (16,7 cents per share), being 44,3% of TAC's profit for the six months to 31 December 2013;
 - o R146,8 million (82,9 cents per share), being the value of the option at that date;
 - o R172,2 million (97,2 cents per share) gain arising from the modification of debt terms.
- Net unrealised foreign exchange gains arising on translation of net dollar receivables and the related valuation adjustments, not included in adjusted headline earnings per share, were R159 million or 64,7 cents per share (2012: R33 million or 13,5 cents per share).
- These various earnings are better reflected in tabular form:

	2013	2012
	Cents per share	Cents per share
Headline earnings including, in 2013, the value placed on the option to purchase the remaining 55,7% of the shares in TAC (82,9 cents per share)	792,6	559,6
Deduct: Net unrealised foreign exchange translation gains	64,7	13,5
Deduct: Gain on modification of debt terms	97,2	–
Adjusted headline earnings	630,7	546,1

- Consolidated gearing ratio at 31 December 2013 was 198% (2012: 165%).
- Based on the spot exchange rate of US\$1 = R10,46 and the price of Textainer's shares listed on the NYSE on 31 December 2013 (US\$40,22), the net asset value of Trencor at that date was as follows:

	R million	R per share
Net beneficiary interest in Textainer	11 476,2	64,80
Net beneficiary interest in TAC	254,0	1,43
Net interest in long-term receivables	711,7	4,02
Cash	1 465,4	8,28
Net liabilities	(132,3)	(0,75)
	13 775,0	77,78

- Final dividend of 158 cents per share declared, making a total of 230 cents per share for the year (2012: total 215 cents per share), an increase of 7% over the previous year.

Textainer: 48,3% beneficiary interest at 31 December 2013 (2012: 48,9%)

- Net profit for the year in US GAAP was US\$182,8 million (2012: US\$197,5 million*). Adjusted to conform with International Financial Reporting Standards, Textainer's net profit was US\$186,2 million (2012: US\$200,2 million). (*Excludes bargain purchase gain of US\$9,4 million).
- Average fleet utilisation for the year was 94,5%, compared with 97,2% for 2012. 83,5% of the owned on-hire fleet is subject to long-term and direct financing leases (2012: 82,2%).
- Total expenditure for both the owned and managed fleets was US\$752 million for the year, used to purchase new and used containers.
- At 31 December 2013, Textainer owned 75,7% of the total fleet of 3 040 000 TEU; at 31 December 2012, it owned 72,7% of the then fleet of 2 775 000 TEU.
- Declared dividends totalling US\$1,85 per share in 2013 (2012: US\$1,63 per share).
- Textainer's results may be viewed on its website www.textainer.com.

Condensed financial statements

As virtually all of the group's revenue and assets and much of its expenditure are denominated in US dollars, condensed consolidated income statements and condensed consolidated statements of financial position are also presented in US dollars in order to provide a fuller appreciation of the group's results and financial position. The rand values have been extracted from the audited financial statements. The dollar statements have not been audited.

Condensed income statements for the year ended 31 December 2013

	2013 Rm	2012 Rm	2013 US\$m	2012 US\$m
Trading profit from continuing operations before items listed below	2 855	2 225	295	273
Foreign exchange gains on translation of long-term receivables	226	54	–	–
Fair value adjustment on net long-term receivable	(49)	68	4	11
Other	89	74	9	9
Operating profit before net finance expenses	3 121	2 421	308	293
Net finance expenses	(817)	(589)	(84)	(72)
Share of profit of equity accounted investees	182	2	18	–
Profit before tax	2 486	1 834	242	221
Profit after tax	2 403	1 773	237	214
Net profit for the year attributable to equity holders of the company	1 391	1 027	133	123
Basic earnings per share (cents)	785,7	579,9	74,9	69,6
Headline earnings per share (cents)	792,6	559,6	75,6	67,3
Adjusted headline earnings per share (cents)	630,7	546,1	64,5	67,0
Year-end rate of exchange: SA rand to US dollar	10,46	8,48	10,46	8,48

Condensed statements of financial position at 31 December 2013

	2013 Rm	2012 Rm	2013 US\$m	2012 US\$m
Assets				
Property, plant and equipment	36 505	24 798	3 490	2 924
Long-term receivables	637	699	61	82
Other non-current assets	2 390	1 484	229	175
Current assets	5 096	3 929	487	464
Total assets	44 628	30 910	4 267	3 645
Equity and liabilities				
Total equity	14 559	11 042	1 392	1 302
Interest-bearing borrowings	26 936	17 107	2 575	2 017
Other non-current liabilities	480	490	46	58
Current liabilities	2 653	2 271	254	268
Total equity and liabilities	44 628	30 910	4 267	3 645
Net asset value per share (cents)	4 469	3 622	427	427
Ratio of interest-bearing borrowings to total equity	198%	165%	198%	165%

Profit attributable to equity holders of the company from the various classes of business
for the year ended 31 December 2013

	2013	2012
	Rm	Rm
Container operations		
Container finance	23	15
Textainer/TAC	1 113	968
Exchange translation gains	121	48
Net long-term receivable adjustment	6	39
Interest and other corporate items	128	(43)
	1 391	1 027

Analysis of shareholders at 27 December 2013

	Number	%
	of holders	holding
Corporates	694	60
Retirement funds	225	28
Individuals	3 893	10
Other	699	2
Total	5 511	100

Share information

Share code: TRE

ISIN: ZAE000007506

Industry Classification Benchmark (ICB): Industrial/Industrial Goods & Services/Industrial Transportation/Transportation Services

Price (cents)	2013	2012
High	7 989	6 382
Low	5 310	3 700
Close	6 900	5 477

Annual general meeting

The annual general meeting will be held on Tuesday, 10 June 2014 at 15:00 at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

Directors

Executive: N I Jowell ¹ (Chairman) C Jowell ^{1 7} J E McQueen ^{1 7} H R van der Merwe ¹

Non-Executive: J E Hoelter ⁵ (USA)

Independent Non-Executive: D M Nurek (Lead) ^{2 3 4 5 6 7} E Oblowitz ^{2 5} R J A Sparks ^{2 3 4 5 6} H Wessels ^{2 5}

¹ Executive Committee ² Audit Committee ³ Remuneration Committee ⁴ Nomination Committee

⁵ Risk Committee ⁶ Governance Committee ⁷ Social and Ethics Committee

On behalf of the board

N I Jowell Chairman
J E McQueen Financial Director

24 April 2014
www.trencor.net