



TRENCOR LIMITED 2011

(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 2011 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
60,8%*	Textainer	Listed on the New York Stock Exchange, the Textainer group owns, leases, manages and resells marine cargo containers worldwide
100%	Trencor Services	Corporate administration and financing
100%	Trencor Containers	Collection of long-term receivables
44,3%	TAC	Owning of marine cargo containers

* Reduced to 60,1% subsequent to the year-end following the issue by Textainer of restricted share units and share options exercised

Highlights

Group

- **Trading profit** from operations after net financing costs increased by 53% from R1 002 million in 2010 to R1 529 million.
- Profit for the period included a non-cash gain of R64 million arising on the sale of containers to the prior non-controlling interest in Textainer's primary asset-owning subsidiary, Textainer Marine Containers Limited ('TMCL') – see comments under Textainer.
- **Headline earnings per share** (which includes the effect of net realised and unrealised foreign exchange translation gains and losses) were 559,3 cents (2010: 335,5 cents).
- **Adjusted headline earnings per share** (which excludes the effect of net unrealised foreign exchange translation gains and losses, but includes gains on the sale of containers referred to above), at 482,4 cents (2010: 369,4 cents), were up by 30,6%.
- 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 R191 million or 76,9 cents per share (2010: losses of R88 million or 33,9 cents per share).
- These various earnings are better reflected in tabular form:

	2011	2010
	Cents per share	Cents per share
Headline earnings including gains on containers sold pursuant to TMCL's restructuring in the current year (35,7 cents per share)	559,3	335,5
Deduct/(Add): Unrealised foreign exchange translation gains/(losses)	76,9	(33,9)
Adjusted headline earnings	482,4	369,4

- Consolidated gearing ratio at 31 December 2011 was 173% (2010: 98%). This increase is mainly a result of the expansion of Textainer's container fleet. All of the interest-bearing debt is in Textainer, without recourse to Trencor.
- Based on the spot exchange rate of US\$1 = R8,12 and the price of Textainer's shares listed on the NYSE on 30 December 2011 (US\$29,12 per share), the net asset value of Trencor at that date was as follows:

	R million	R per share
Net beneficiary interest in Textainer	7 041,3	39,76
Net interest in long-term receivables	815,2	4,60
Cash	727,2	4,11
Net liabilities	(145,7)	(0,82)
	8 438,0	47,65

- Trencor repurchased 10,8 million of its own shares for a total consideration of R417 million in March 2011.
- The total dividend in respect of the year was 175 cents per share (2010: total 140 cents per share), an increase of 25% over the previous year.

Textainer

- Net profit for the year in US GAAP was US\$189,6 million (2010: US\$120,0 million). Adjusted to conform with International Financial Reporting Standards, Textainer's net profit was US\$194,0 million (2010: US\$128,0 million). Current period amounts include a non-cash gain of US\$15,5 million arising on the sale of containers to the prior non-controlling interest (see below).
- Average fleet utilisation for the whole year was 98,3% (2010: 95,4%). 78% of the fleet is committed to long-term and direct financing leases.
- Total capital expenditure for both the owned and managed fleets was US\$904 million for the year, used to purchase 215 000 TEU (twenty-foot equivalent units) of new standard dry-freight containers, 18 000 TEU of new refrigerated units and 215 000 TEU of used containers, all new records for the company.

- Completed a capital restructuring of the primary asset-owning subsidiary, TMCL, effective 30 June 2011, following which, Textainer now owns 100% of TMCL. The restructuring resulted in a US\$20,4 million gross gain on sale of containers to the prior non-controlling interest. The gain was the result of recognising the fair value of containers and direct finance leases in excess of their book value exchanged for TMCL's common shares at the time of the transaction. This was a non-cash transaction.
- Issued US\$400 million in asset-backed notes at a fixed interest rate of 4,7% p.a.
- The total dividend in respect of the year was US\$1,36 per share (2010: total US\$1,05 per share), an increase of 30% over the previous year.
- 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 2011

	2011 Rm	2010 Rm	2011 US\$m	2010 US\$m
Trading profit from continuing operations before items listed below	1 944	1 226	271	167
Foreign exchange gains/(losses) on translation of long-term receivables	276	(149)	5	(4)
Net long-term receivable fair value adjustment	(40)	250	6	29
Other	(20)	(12)	(2)	(1)
Profit from operating activities	2 160	1 315	280	191
Net finance expenses	(415)	(224)	(58)	(31)
Profit before tax	1 745	1 091	222	160
Profit after tax	1 645	1 082	214	155
Net profit for the year attributable to equity holders of the company	991	624	123	93
Basic earnings per share (cents)	554,3	332,5	68,6	49,5
Headline earnings per share (cents)	559,3	335,5	69,2	49,9
Adjusted headline earnings per share (cents)	482,4	369,4	66,6	51,5
Year-end rate of exchange: SA rand to US dollar	8,12	6,61	8,12	6,61

Condensed statements of financial position as at 31 December 2011

	2011 Rm	2010 Rm	2011 US\$m	2010 US\$m
Assets				
Property, plant and equipment	15 600	9 604	1 921	1 453
Long-term receivables	756	828	93	125
Other non-current assets	1 233	924	152	140
Current assets	2 729	2 008	336	304
Total assets	20 318	13 364	2 502	2 022
Equity and liabilities				
Total equity	6 982	5 951	860	900
Interest-bearing borrowings	11 031	5 475	1 358	828
Other non-current liabilities	537	556	66	85
Current liabilities	1 768	1 382	218	209
Total equity and liabilities	20 318	13 364	2 502	2 022
Net asset value per share (cents)	2 707	2 078	334	314
Ratio of interest-bearing borrowings to total equity	173%	98%	173%	98%

Profit attributable to equity holders of the company from the various classes of business

for the year ended 31 December 2011

	2011 Rm	2010 Rm
Container operations		
Container finance	15	17
Textainer	845	581
Exchange translation gains/(losses)	147	(63)
Net long-term receivable adjustment	23	136
Interest and other corporate items	(39)	(47)
	991	624

Analysis of shareholders at 31 December 2011

	Number of holders	% holding
Corporates	430	68
Retirement funds	144	21
Individuals	2 538	9
Other	400	2
Total	3 512	100

Share information

Share code: TRE

ISIN: ZAE000007506

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

Price (cents)	2011	2010
High	3 900	4 000
Low	3 146	2 625
Close	3 800	3 200

Annual general meeting

The annual general meeting will be held on Tuesday, 12 June 2012 at 15:00 at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

Directors

Executive: N I Jowell ¹ (Chairman) C Jowell ¹⁷ J E McQueen ¹⁷ 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

30 April 2012

www.trencor.net