

Directors' Report

General review

The nature of the company's interests is described on page 3. The financial results are reflected in the financial statements on pages 27 to 69.

The profit attributable to equity holders of the company from the various classes of businesses was as follows:

	2014 Rm	2013 Rm
Container operations		
Container finance	9	23
Textainer/TAC	932	1 113
Exchange translation gains	52	121
Net long-term receivable adjustment	(7)	6
Interest and other corporate items	(26)	128
	960	1 391

Directors and secretary

The names of the directors appear on page 2 and that of the secretary on page 80.

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

Brief résumés of the directors are presented on page 71.

Directors' interests

The aggregate of the direct and indirect beneficial interests of the directors in the issued shares of the company at 31 December 2014 was 6,4% (2013: 6,4%).

The direct and indirect beneficial interests of each director who held in excess of 1% of the issued shares at 31 December 2014 and 2013 were as follows:

	2014 %	2013 %
C Jowell	3,1	3,1
N I Jowell	3,2	3,2

Subsequent to the financial year-end, Mr N I Jowell acquired an additional 86 200 shares for an aggregate consideration of R5 million, thereby increasing his indirect beneficial interest by 0,05%.

There have been no other 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 (gross)	Total Rm
2013					
Special*	95	26/04/13	29/04/13	360	637
Interim	96	13/09/13	16/09/13	72	128
Final	97	28/03/14	31/03/14	158	279
2014					
Interim	98	12/09/14	15/09/14	72	128
Final	99	27/03/15	30/03/15	195	345

* On 19 September 2012, Halco Holdings Inc ('Halco') sold 2,5 million shares in Textainer, realising net proceeds of approximately US\$75 million. Subsequent to the end of the 2012 financial year, Halco declared and paid a dividend of US\$95 million, the proceeds of which were distributed by the trustee of the Halco Trust to Trencor. On 25 March 2013, the board of Trencor declared a special gross cash dividend.

The Trencor Share Option Plan

In terms of The Trencor Share Option Plan, options were previously granted to certain executive directors and employees amounting in aggregate to 6 740 000 shares (2013: 6 740 000 shares) in the unissued share capital of the company. The maximum number of shares available for utilisation under the Plan was 8 884 209 (2013: 8 884 209). All of the options have been exercised and there are no options currently outstanding.

There is currently no intention to grant further options but the Plan is being maintained in its current dormant state in order that options may be granted in future should the need arise. Accordingly, no authority is sought from shareholders at this stage to place the unissued shares reserved for the Plan under the control of the directors and to authorise the directors to issue such shares.

Interest in significant subsidiaries

	Currency	Share capital and premium	Effective interest		Shares at cost		Amount owing to company	
			2014 %	2013 %	2014 Rm	2013 Rm	2014 Rm	2013 Rm
Indirect beneficiary:								
Textainer Group Holdings Ltd ¹ (Incorporated in Bermuda) Owning, leasing, managing and trading of marine cargo containers	US\$m	369	48,0 ²	48,3	-	-	-	-
TAC Ltd ¹ (Incorporated in Bermuda) Owning of marine cargo containers	US\$000	69	44,3	44,3	-	-	-	-
Halco Holdings Inc ¹ (Incorporated in the British Virgin Islands) Shareholder in Textainer and TAC	US\$	500	100	100	-	-	-	-
Indirect:								
Leasecon International Inc (Incorporated in the British Virgin Islands) Container financing	US\$	500	100	100	-	-	-	-
Direct:								
Trencor Container Holdings (Pty) Ltd (Incorporated in the Republic of South Africa) Collection of long-term receivables	Rm	4	100	100	51	51	-	-
Trencor Services (Pty) Ltd (Incorporated in the Republic of South Africa) Corporate administration and financing	Rm	1 012	100	100	1 017	1 017	(768)	(672)
					1 068	1 068	(768)	(672)
Aggregate of all other subsidiaries					353	353	-	-
					1 421	1 421	(768)	(672)
Less impairment loss					(351)	(351)	-	-
					1 070	1 070	(768)	(672)

¹ 48,0% of the issued shares of Textainer and 44,3% of the shares in TAC at 31 December 2014 were owned by Halco Holdings Inc ('Halco'). Halco is wholly-owned by the Halco Trust, a trust resident in Liechtenstein. Trencor and certain of its wholly-owned South African subsidiaries are the nominated sole beneficiaries of the Halco Trust. The protectors of the Halco Trust are Messrs C Jowell, N I Jowell, J E McQueen, D M Nurek and E Oblowitz.

² Reduced to 47,9% subsequent to the year-end following the issue of restricted share units.

A complete list of subsidiary companies is available on request. The interest of the company in their aggregate profits and losses after tax is as follows:

	2014 Rm	2013 Rm
Profits	978	1 403
Losses	(3)	(3)
	975	1 400

Special resolutions

At the annual general meeting held on 10 June 2014, shareholders passed special resolutions to approve the following:

- the provision of financial assistance, as contemplated in section 45 of the Companies Act, by the company to related or inter-related companies and others;
- the non-executive directors' remuneration, in their capacities as directors of the company, from 1 July 2013 until the next annual general meeting of the company; and

- general authority granted to the company 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

During the period under review, no special resolutions were passed by the company's South African subsidiaries and no shareholder resolutions of material interest were passed by the company's non-South African subsidiaries.

Analysis of shareholders

An analysis of shareholders and of holders who held 5% or more of the issued shares at 24 December 2014 is presented on page 70.