Chairman's Statement

Trencor's results for 2012 are most satisfactory and again reflect the outstanding performance of Textainer, the container leasing business listed on the New York Stock Exchange ('NYSE'), operating worldwide and headquartered in Bermuda, in which Trencor currently has a 48,5% beneficiary interest.

Trading profit after net financing costs from continuing operations increased by 7% from R1 529 million in 2011 to R1 636 million.

Headline earnings per share (including the effect of net realised and unrealised foreign exchange translation gains) were 559,6 cents (2011: 559,3 cents).

Adjusted headline earnings per share (which excludes the effect of net unrealised foreign exchange translation gains) at 546,1 cents (2011: 482,4 cents) were up by 13,2%.

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 R33 million or 13,5 cents per share (2011: gain R191 million or 76,9 cents per share).

These various earnings are better reflected in tabular form:

	2012 Cents per share	2011 Cents per share
Headline earnings (including, in 2011, 35,7 cents per share in gains on containers sold pursuant to TMCL restructuring)	**559,6**	559,3
Deduct: Unrealised foreign exchange translation gains	**13,5**	76,9
Adjusted headline earnings	**546,1**	482,4

It should be noted that these results were achieved while maintaining a conservative consolidated gearing ratio of 165% (173% last year).

TEXTAINER

The beneficiary interest in Textainer remains the core of Trencor and its future and I am including a direct quote of the annual letter from the President & CEO of Textainer and me, as Chairman, to the shareholders of Textainer:

"To Our Shareholders:

One year ago, we started this letter by noting that during 2011 we set many new records, including revenue, net income, EBITDA, fleet size, percentage of fleet owned and capital expenditures. As impressive as those records were, they did not last. Each of those 2011 records was surpassed by our strong performance during 2012. Of all the records set during 2012, perhaps the most impressive is that for the first time in our history we invested more than $1 billion in containers. Last year we purchased almost two times more new containers than we purchased on average during each of the last nine years. Textainer's fleet now totals 2.8 million Twenty-Foot Equivalent Units ('TEU') or 1.9 million units.

2012: CONTINUED RECORD BREAKING PERFORMANCE OVERVIEW

2012 saw a more consistent level of container investment spread throughout the year compared to 2011 when most of our capital expenditure occurred during the first six months of the year. We purchased containers every month and while our investment varied month to month, it was almost evenly split between the first and second halves of the year.

Total industry production for 2012 was estimated to be 2.5 million TEU of dry freight containers. We estimate that container leasing companies purchased approximately 65% of total output, continuing the trend of the last few years of leasing companies purchasing more than half of all containers produced worldwide. Indeed, we believe it is likely that more containers will be produced in 2013 than last year and that lessors will continue to purchase more than half of the total produced. These are two of the reasons we are optimistic about our prospects in 2013.

Utilization averaged 97.2% for the year. While this is below the record level of 98.3% averaged in 2011, it is the second best year in our history and evidence that the demand for containers remains strong. We expect utilization to be slightly lower on average during 2013 than last year. However, with 82% of our fleet under long-term and finance leases, we do not expect any decline to be dramatic.

Similar to 2011, container prices in 2012 increased over the first half of the year. Prices peaked at slightly more than $2,700 for a 20′ standard dry freight container which was more than $200 below the peak reached in 2011. Used container prices were below their highs of 18 months ago but remained at historically attractive levels. Due to the overall high level of utilization and limited supply of containers being disposed of during most of the year, used container prices averaged $1,500-$1,600 for a 20′ container during 2012.

We continued to grow our refrigerated container fleet, purchasing more than 21,000 TEU of refrigerated containers in 2012, an 18% increase over 2011. Refrigerated containers today account for 10% of our fleet on a Cost Equivalent Unit ('CEU') basis. Unlike dry freight containers, we purchased significantly more refrigerated containers during the first half of the year than the second half. We now operate a fleet of approximately 65,000 TEU of refrigerated containers with an average age of 2.5 years.

Record Performance

It is worth repeating that the following records set during 2012 bettered 2011 results that were impressive records at the time they were set.

- *Record Capex:* We invested a record of almost $1.2 billion, an increase of more than 25% over 2011, for 548,000 TEU of owned and managed, new and used containers, including $192 million for purchases from our managed fleet. Purchases of managed containers are especially attractive as they are already on-lease and are immediately accretive to earnings;
- *Record Topline:* Revenues of $487 million, an increase of 15% over 2011. Rental billings on both our owned and managed fleets totaled $591 million;
- *Record Bottomline:* Net income attributable to common shareholders was $207 million*, an increase of 9% over the prior year;
- *Record Asset Ownership:* We own 73% of our fleet today compared to 59% one year ago. 91% of our 2012 capital expenditure was for our own fleet. Owning a container is generally more profitable than managing a container; and
- *Record Percentages of Long-Term and Finance Leases:* 82% of our fleet is subject to long-term and finance leases, reducing utilization volatility and providing greater stability to our cash flow.

*US GAAP amount

These record results are the reason why our return on equity for 2012 was 26%. Indeed, each year since 2010 our financial results have set records that were then broken the subsequent year. This is one of the primary reasons why Textainer's annual return on equity has averaged 23% since we went public in 2007. Our return on equity is even more impressive when you consider that we are the least levered of all of our public competitors.

Liquidity

In order to remain the most reliable supplier of new containers and to have the flexibility to take advantage of investment opportunities when they arise, such as the purchase of a managed fleet or the acquisition of another container lessor, we maintain a liquid and flexible balance sheet. Our strong financial results and limited leverage, a debt-to-equity ratio of 2.2:1, have facilitated our access to the capital markets when and as needed and at very competitive terms.

In September we accessed the equity markets for the first time since our 2007 initial public offering ('IPO'), raising a total of $272 million via the sale of $193 million of primary and $79 million of secondary shares.

A portion of the proceeds we received were used for $309 million of fourth-quarter investments in new containers, purchases from our managed fleet and purchase lease-back transactions. Our ability to rapidly invest part of the proceeds benefited all shareholders.

During 2012, we executed $2.2 billion in debt financings providing $1.1 billion of incremental borrowing capacity. The debt markets were favorable throughout the year and financing rates continued to improve.

Dividends

Textainer paid a total of $1.63 per share in dividends in 2012, an increase of 27% over the $1.28 per share paid in 2011, and declared a $0.45 per share dividend in the first quarter of 2013. This is Textainer's twelfth consecutive quarterly dividend increase. Since our IPO in October 2007, we are the only public container lessor to have maintained a stable or increasing dividend every quarter. We have paid dividends for 24 consecutive years. Dividends have averaged 44% of adjusted net income since the IPO, rewarding our shareholders while enabling Textainer to retain capital for growth. We consider dividends to be an important part of the return we provide to our shareholders.

OUTLOOK FOR 2013

There are many reasons to be optimistic about 2013.

- Manufacturers expect to produce 2.7 million TEU during 2013 compared to an estimated 2.5 million TEU produced during 2012.
- Lessors expect to continue to purchase more than half of the total production.
- 20' container prices are currently between $2,300-$2,400 and are projected by many to increase over the first half of the year. Prices at these levels not only encourage shipping lines to lease instead of buy but also help support residual values and higher fleet utilization.
- Sales prices for older containers are projected to be similar to 2012 levels which, although lower than 2011, are very attractive compared to average prices achieved over the last five years.
- World trade is projected to grow 4-6%. There is optimism that certain trade lanes, such as Intra-Asia, Asia-Africa, and Asia-Latin America, could be stronger than expected and result in even higher growth.
- In general the financial performance of shipping lines was stronger during 2012 than 2011. 2013 is expected to be at least as good as 2012 but achieving consistent profitability remains a challenge and capital available for investment in containers may be limited.
- We saw a marked increase during the last half of 2012 in shipping line disposals of old containers. This increased level of disposals has continued in 2013, not only providing opportunities for purchase lease-back and trading deals but also creating demand for replacement containers.

While the overall outlook for our industry is compelling, we cannot ignore areas of potential concern.

- Yields on new container investments remain under pressure given the liquidity available to almost all container lessors. As a result, we are being selective in determining which deals to pursue.
- We believe the overall credit risk of container shipping lines has improved materially over the past several years. However, if trade growth this year is significantly worse than expected or if one or several shipping lines' focus on profits reverts to a focus on market share, the credit profile of the industry could decline.

The outlook for achieving increases in freight rates is mixed. Idle vessel inventory is currently at 4-5%. New vessel capacity scheduled for delivery in 2013 is estimated to equal 10% of the existing fleet. Given a projected growth in trade of 4-6%, effective capacity management will be critical if shipping lines are to achieve freight rate increases this year. Higher freight rates improve the credit quality of the industry and help ensure shipping lines pay invoices on time.

We are optimistic that 2013 will be another good year for the industry in general and Textainer in particular. We invested $1.2 billion over the course of last year in new and used containers. We expect to continue our focus on organic growth during 2013.

Investments in new and managed containers, purchase lease-backs of shipping line containers, trading deals and acquisitions of unrelated container fleets will all be pursued during 2013. Indeed, we are already off to a good start with over $160 million invested year-to-date. Furthermore, we will have the benefit of a full year of cash flow from the new and managed containers we purchased late last year.

We would like to thank our shareholders for their commitment, our customers for their trust, our suppliers for their service and our employees for their dedication. Without the support of all of you, we could not have achieved these results."

CASH FLOW AND DIVIDEND

As reported during the year, the favourable trading conditions have boosted our profits and cash flow as well as the collection of our long-term receivables, and given the sound prospects for 2013, we have declared a final dividend of 150 cents per share, making a total distribution of 215 cents per share for the year – an increase of 23% over 2011.

However, it should be noted that the increase in worldwide liquidity and the availability of low cost funding has, of course, also affected the container leasing industry resulting in increased competition and pressure on margins.

EQUITY RAISE IN TEXTAINER AND SALE OF SHARES BY HALCO

At mid-year, Textainer's strong growth and prospects of opportunities requiring considerable capital expenditure indicated the desirability of expanding its capital base by raising additional equity.

Since the successful listing of Textainer on the NYSE in 2007, we had been advised that the 60% shareholding of Halco together with the small 'free-float' in the Textainer share caused a significant lack of liquidity in the market and limited the interest of institutional investors, and that a larger 'free float' could improve the rating of the share. A moderate dilution in Halco's shareholding in Textainer would also have benefits for Trencor and Halco from a corporate governance and regulatory perspective.

Accordingly, the Textainer and Halco boards decided on related transactions in which Textainer completed an underwritten public offer in aggregate of 8 625 000 shares at a price of US$31,50 per share to the public; of these Textainer issued 6 125 000 new shares and Halco sold 2 500 000 of its then existing shareholding in Textainer.

The effects of the transactions were that Textainer received a net US$184,8 million to employ in its business and that Halco's interest in Textainer was reduced from 60,8% to 48,9% and it received US$75,1 million after all underwriting and offering expenses.

For Trencor, it is yet another step in our process over a long period of time to restructure the group with the ultimate objective of maximizing shareholder value. It is thus worth noting that, based on the spot exchange rate of US$1,00 = R9,16 and the price of Textainer's shares on the NYSE (US$40,05) on 24 April 2013, the net asset value of Trencor at that date was as follows:

	R million	R per share
Net beneficiary interest in Textainer	10 007	56,52
Net interest in long-term receivables	713	4,03
Cash	1 634	9,23
Net liabilities	(114)	(0,64)
	12 240	69,14

Following the transaction, Trencor is fully confident of the future potential of Textainer and remains a strategic and committed beneficiary shareholder in Textainer. It is our desire that our interest should be maintained at about the current level and that cash resources will be managed accordingly.

Pursuant to the above sale of Textainer shares by Halco, Trencor as beneficiary under the Halco Trust received a distribution of US$95 million from the Halco Trust, which enabled the board to declare a special dividend of 360 cents per share payable on 29 April 2013.

STRATEGY

Our strategy remains unchanged – to invest in businesses that are involved in the movement of goods. This is pursued by Textainer and TAC. Accordingly, our core business is owning, leasing, managing and trading marine cargo containers worldwide, as well as related financing activities.

Textainer continues to successfully pursue organic growth through investment in containers for long-term leases, purchase leasebacks, used container trading contracts, container management contracts and the purchase of containers already managed by it. The expansion by Textainer into refrigerated containers is proving successful and the company plans to further build on this success. All of these activities have offered good room for growth, whilst at the same time rendering better and quicker returns than acquisitions of competitors and/or similar companies might have done. Nevertheless, it remains part of Textainer's growth plan to remain on the lookout for suitable and realistically priced deals to grow through the acquisition of existing businesses in its industry.

APPRECIATION

I wish to record my appreciation to the small and efficient Trencor staff who, under the leadership of our financial director, Jimmy McQueen, deal with the complexity of multiple exchange rates, different financial reporting standards and NYSE and JSE listing rules, together with the ever increasing regulatory requirements.

On top of all sits the board of directors – I thank them for their continued support and the total responsibility they assume for the conduct of Trencor's affairs.

N I Jowell

26 April 2013