Unaudited Interim Results

for the six months ended 30 June 2018

TRENCOR

Trencor Limited
(Incorporated in the Republic of South Africa)

Registration number 1955/002869/06 | Share code: TRE | ISIN: ZAE000007506 | ("Trencor" or "the company")

COMMENTARY

GROUP

- Textainer Group Holdings Ltd ("Textainer") and Halco Holdings Inc ("Halco") entered into a Voting Limitation Deed ("VLD") on 1 January 2018, with Trencor assuming the rights and obligations of Halco under the VLD on the registration of transfer to Trencor of Halco's shareholding in Textainer in May 2018. The VLD has the effect for IFRS purposes of Trencor being regarded as neither in control of nor having significant influence over Textainer.
- Accordingly, as from 1 January 2018, the financial results of Textainer, reporting under US GAAP, are no longer required to be converted into IFRS for inclusion in the results of Trencor. Textainer is now accounted for by Trencor as an investment measured at fair value through profit or loss.
- The deconsolidation of Textainer at 1 January 2018 resulted in a basic earnings gain of R2,6 billion and a recycling of the accumulated foreign currency translation gains in other comprehensive income to profit or loss of R3,2 billion. Neither of these effects have any impact on headline earnings or cash flow.
- The period-end SA rand to US dollar exchange rate was R13,66 (2017: R12,99). The average SA rand to US dollar exchange rate for the period was R12,19 (2017: R13,28).
- Earnings in tabular form:

	Six months ended 30 June		Year ended 31 December
	2018	2017	2017
	Cents per share	Cents per share	Cents per share
Basic earnings/(loss)	**2 478**	(487)	(182)
Headline (loss)/earnings	**(724)**	(145)	149

- Based on the relevant spot exchange rate and the listed share price of Textainer, the net asset value ("NAV") of Trencor at the dates below were as follows:

	25 September 2018	**30 June 2018**	31 December 2017
Textainer share price	US$13,25	**US$15,90**	US$21,50
Spot exchange rate US$1 equals	R14,35	**R13,66**	R12,37
	R million	**R million**	R million
Textainer	5 187	**5 925**	7 255
TAC (US GAAP NAV)	1 749	**1 664**	1 004
Cash (excluding in Textainer and TAC)	1 019	**1 022**	1 095
Other net (liabilities)/assets	(398)	**(380)**	273
Total NAV	7 557	**8 231**	9 627
	Cents per share	**Cents per share**	Cents per share
Textainer	29,29	**33,46**	40,97
TAC (US GAAP NAV)	9,88	**9,40**	5,67
Cash (excluding in Textainer and TAC)	5,76	**5,77**	6,19
Other net (liabilities)/assets	(2,25)	**(2,15)**	1,54
Total NAV	42,68	**46,48**	54,37

Notes:

1. *The values at a reporting period end are actuals converted at the applicable exchange rate. At 25 September 2018, other than for Textainer and the cash outside of Textainer and TAC which are recorded at actual, all other components of the NAV are at the actual values prevailing at the end of the previous reporting date adjusted for the current exchange rate where applicable.*
2. *On 19 February 2018, TAC issued one million ordinary shares to Halco in exchange for the settlement of all outstanding Halco loans of US$36,8 million. This is the main reason for the significant increase in the NAV of TAC at 30 June 2018 when compared to 31 December 2017. An identical reduction in Other net (liabilities)/assets has been recorded.*

TEXTAINER (NYSE: TGH): 47,74% interest at 30 June 2018 (2017: beneficiary interest 48,00%)

(Note: Trencor now owns the shares in Textainer, whereas it previously had a beneficiary interest in such shares).

US GAAP RESULTS

- Net income attributable to common shareholders for the six months ended 30 June 2018 was US$36,2 million (2017: loss US$16,3 million).
- Average fleet utilisation for the six months ended 30 June 2018 was 97,9% (2017: 95,7%).
- New container investments totalling US$700 million ordered and or received to 30 June 2018.
- Total fleet under management at 30 June was 3 354 085 (2017: 2 992 040) twenty foot equivalent units ("TEU") of which Textainer itself owned 80,0% (2017: 81,3%).
- Dividend declared nil (2017: nil).
- Textainer's results may be viewed on its website: http://investor.textainer.com/quarterly-results

TAC: 100% interest at 30 June 2018 (2017: beneficiary interest 100%)

(Note: Trencor now owns the shares in TAC, whereas it previously had a beneficiary interest in such shares.)

US GAAP RESULTS

- Net income attributable to shareholder US$3,8 million (2017: US$0,2 million).
- Average fleet utilisation for the six months ended 30 June 2018 was 97,8% (2017: 96,5%).
- Fleet size at 30 June 2018 was 184 059 TEU (2017: 173 902 TEU).
- Ordered US$30 million of new containers in the six months ended 30 June 2018.

CONVERTING US GAAP RESULTS OF TAC TO IFRS

The results of TAC, reporting under US GAAP, are converted to IFRS for inclusion in the results of Trencor, which is required to report under IFRS. Differences in accounting treatment between US GAAP and IFRS, in the areas of impairment testing and a revision of the residual values of the container fleets, cause significant differences in financial results reported under the respective accounting conventions.

Reconciliation of TAC US GAAP results to IFRS for the six months ended 30 June:

	2018 US$ million	2017 US$ million
US GAAP profit attributable to shareholder	**3,8**	0,2
Adjustments:		
Non-cash IFRS impairment gain/(loss)	**1,7**	(5,2)
IFRS reduction/(increase) in depreciation	**4,2**	(1,0)
IFRS tax effect of the above, and other	**(0,7)**	–
IFRS profit/(loss) attributable to shareholder	**9,0**	(6,0)

PREPARATION OF FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements have been prepared by management under the supervision of the financial director, Ric Sieni (CA)SA, and have not been audited or reviewed by Trencor's external auditors. The directors take full responsibility for the preparation of the interim results and that the financial information has been correctly extracted from the underlying condensed consolidated financial statements.

POTENTIAL SHARE REPURCHASE

In view of the current substantial discount in Trencor's listed share price compared to its NAV per share, the board has determined that it may be appropriate for Trencor to consider a repurchase of its shares. The terms of such a potential share repurchase will be within the parameters of the share repurchase authority approved by shareholders at Trencor's annual general meeting on 14 August 2018 and as determined by the board, and the implementation thereof will be effected in terms of the Listings Requirements of the JSE Limited.

INTERIM DIVIDEND

In view of the above, the board has not declared an interim dividend (2017: 50 cents per share). Payment of an ordinary dividend will again be considered in the normal course on finalisation of the reviewed results for the year ending 31 December 2018.

On behalf of the board
Hennie van der Merwe
Chief Executive Officer

28 September 2018

Directors: David Nurek (Chairman), Jimmy McQueen, Eddy Oblowitz, Ric Sieni* (Financial), Roddy Sparks, Hennie van der Merwe* (CEO), Herman Wessels (*Executive)
Secretaries: Trencor Services Proprietary Limited
Registered office: 13th Floor, The Towers South, Heerengracht, Cape Town 8001
Transfer Secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107)
Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2018

R million	**Unaudited 30 June 2018**	Unaudited 30 June 2017	Audited 31 December 2017
ASSETS			
Property, plant and equipment	**3 115**	43 312	44 793
Intangible assets and goodwill	**–**	323	282
Investment in equity accounted investee	**–**	112	114
Investment (note 3)	**5 925**	–	–
Net investment in finance leases	**22**	785	496
Derivative financial instruments	**21**	65	100
Deferred tax assets	**–**	18	19
Restricted cash	**–**	1 065	1 105
Total non-current assets	**9 083**	45 680	46 909
Inventories	**13**	444	403
Trade and other receivables	**124**	1 535	1 440
Current portion of net investment in finance leases	**12**	408	427
Current tax asset	**–**	14	–
Cash and cash equivalents	**1 285**	3 384	3 134
Total current assets	**1 434**	5 785	5 404
Total assets	**10 517**	51 465	52 313
EQUITY			
Share capital and premium	**44**	44	44
Reserves	**8 261**	6 899	7 004
Total equity attributable to equity holders of the company	**8 305**	6 943	7 048
Non-controlling interests	**–**	5 124	5 387
Total equity	**8 305**	12 067	12 435
LIABILITIES			
Interest-bearing borrowings	**2 021**	33 457	35 008
Derivative financial instruments	**–**	5	–
Deferred revenue	**–**	28	25
Deferred tax liabilities	**12**	66	28
Total non-current liabilities	**2 033**	33 556	35 061
Trade and other payables	**165**	548	2 080
Current tax liabilities	**12**	140	123
Current portion of interest-bearing borrowings	**2**	5 146	2 611
Current portion of amounts attributable to third parties in respect of long-term receivables	**–**	5	–
Current portion of deferred revenue	**–**	3	3
Total current liabilities	**179**	5 842	4 817
Total liabilities	**2 212**	39 398	39 878
Total equity and liabilities	**10 517**	51 465	52 313
Capital expenditure incurred during the period	**342**	283	5 750
Capital expenditure committed and authorised, but not yet incurred	**–**	2 430	3 030
Ratio to total equity:			
Total liabilities (%)	**26,6**	326,5	320,7
Interest-bearing borrowings (%)	**24,4**	319,9	302,5

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2018

R million	**Unaudited Six months ended 30 June 2018**	Unaudited Six months ended 30 June 2017	Audited Year ended 31 December 2017
Revenue (note 4)	**249**	4 052	8 344
Other operating income	**17**	–	2
Gain on deconsolidation of subsidiary (note 3)	**5 767**	–	–
Cost of containers sold	**(52)**	(778)	(1 489)
Direct leasing expenses	**(41)**	(444)	(794)
Employee benefits expense	**(11)**	(180)	(369)
Depreciation	**(34)**	(1 991)	(3 048)
Impairment recovery/(Impairment) of property, plant and equipment (note 5)	**24**	(1 272)	(1 222)
Impairment of goodwill	**(137)**	–	–
Other operating expenses	**(51)**	(190)	(407)
Net long-term receivables fair value adjustment	**–**	(10)	(15)
Loss on revaluation of investment (note 3)	**(1 330)**	–	–
Operating profit/(loss) before net finance income/(expenses)	**4 401**	(813)	1 002
Net finance income/(expenses)	**5**	(853)	(1 586)
Finance expenses: Interest expense	**(38)**	(884)	(1 704)
Realised and unrealised gains/(losses) on derivative financial instruments	**12**	(4)	50
Finance income: Interest income	**31**	35	68
Share of (loss)/profit of equity accounted investee (net of tax)	**–**	(4)	4
Profit/(Loss) before tax	**4 406**	(1 670)	(580)
Income tax expense	**17**	40	30
Profit/(Loss) for the period	**4 389**	(1 710)	(610)
Other comprehensive income/(loss)			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation gains/(losses)	**144**	(584)	(1 239)
Accumulated foreign currency translation gains recycled from other comprehensive income on deconsolidation of subsidiary (note 3)	**(3 188)**	–	–
Total comprehensive income/(loss) for the period	**1 345**	(2 294)	(1 849)
Total comprehensive income/(loss) attributable to:			
Equity holders of the company	**1 345**	(1 180)	(983)
Non-controlling interests	**–**	(1 114)	(866)
	1 345	(2 294)	(1 849)
Profit/(Loss) attributable to:			
Equity holders of the company	**4 389**	(862)	(321)
Non-controlling interests	**–**	(848)	(289)
	4 389	(1 710)	(610)
Basic earnings/(loss) per share (cents)	**2 478,2**	(486,7)	(181,5)
Diluted earnings/(loss) per share (cents)	**2 478,2**	(486,7)	(181,5)
Number of shares in issue (million)	**177,1**	177,1	177,1
Weighted average number of shares in issue (million)	**177,1**	177,1	177,1
Period-end rate of exchange:			
SA rand to US dollar	**13,66**	12,99	12,37
Average rate of exchange for the period:			
SA rand to US dollar	**12,19**	13,28	13,29

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2018

	Attributable to equity holders of the company								
Unaudited R million	Share capital	Share premium	Foreign currency translation reserve	Share-based payment reserve	Gain/(Loss) on changes in ownership interests in subsidiaries	Retained income	Total	Non-controlling interests	Total equity
Six months ended 30 June 2018									
Balance at 1 January 2018	**1**	**43**	**3 821**	**439**	**482**	**2 262**	**7 048**	**5 387**	**12 435**
Total comprehensive loss for the period									
Profit for the period	**–**	**–**	**–**	**–**	**–**	**4 389**	**4 389**	**–**	**4 389**
Other comprehensive income/(loss) for the period									
Foreign currency translation gains	**–**	**–**	**144**	**–**	**–**	**–**	**144**	**–**	**144**
Accumulated foreign currency translation gains recycled to profit or loss (note 3)	**–**	**–**	**(3 188)**	**–**	**–**	**–**	**(3 188)**	**–**	**(3 188)**
Total other comprehensive loss for the period	**–**	**–**	**(3 044)**	**–**	**–**	**–**	**(3 044)**	**–**	**(3 044)**
Total comprehensive (loss)/income for the period	**–**	**–**	**(3 044)**	**–**	**–**	**4 389**	**1 345**	**–**	**1 345**
Transactions with owners, recorded directly in equity									
Distributions to owners									
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(88)**	**(88)**	**–**	**(88)**
Total distributions to owners	**–**	**–**	**–**	**–**	**–**	**(88)**	**(88)**	**–**	**(88)**
Change due to deconsolidation of subsidiary (note 3)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5 387)**	**(5 387)**
Total transactions with owners	**–**	**–**	**–**	**–**	**–**	**(88)**	**(88)**	**(5 387)**	**(5 475)**
Transfer of reserves									
Transfer to retained income	**–**	**–**	**–**	**(439)**	**(482)**	**921**	**–**	**–**	**–**
Balance at 30 June 2018	**1**	**43**	**777**	**–**	**–**	**7 484**	**8 305**	**–**	**8 305**
Six months ended 30 June 2017									
Balance at 1 January 2017	1	43	4 483	408	504	2 760	8 199	6 218	14 417
Total comprehensive loss for the period									
Loss for the period	–	–	–	–	–	(862)	(862)	(848)	(1 710)
Other comprehensive loss for the period									
Foreign currency translation losses	–	–	(318)	–	–	–	(318)	(266)	(584)
Total other comprehensive loss for the period	–	–	(318)	–	–	–	(318)	(266)	(584)
Total comprehensive loss for the period	–	–	(318)	–	–	(862)	(1 180)	(1 114)	(2 294)
Transactions with owners, recorded directly in equity									
Contributions by/(Distributions to) owners									
Share-based payments	–	–	–	15	–	–	15	17	32
Dividends paid	–	–	–	–	–	(88)	(88)	–	(88)
Total contributions by/(distributions to) owners	–	–	–	15	–	(88)	(73)	17	(56)
Changes in ownership interests in subsidiaries	–	–	–	–	(3)	–	(3)	3	–
Total transactions with owners	–	–	–	15	(3)	(88)	(76)	20	(56)
Balance at 30 June 2017	1	43	4 165	423	501	1 810	6 943	5 124	12 067

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2018

R million	**Unaudited** **Six months ended** **30 June 2018**	Unaudited 30 June 2017	Audited Year ended 31 December 2017
Cash flows from operating activities			
Cash generated from operations	**150**	3 455	6 920
Increase in container leasing equipment	**(271)**	(371)	(4 156)
Finance income received	**31**	35	68
Finance lease income received	**2**	50	94
Finance expenses paid	**(35)**	(710)	(1 430)
Decrease in finance leases	**7**	195	430
Payments to third parties in respect of long-term receivables	**–**	(36)	(36)
Dividends paid to equity holders of the company	**(88)**	(88)	(177)
Dividends paid to non-controlling interests	**–**	–	(34)
Income tax paid	**(4)**	(31)	(62)
Net cash (outflow)/inflow from operating activities	**(208)**	2 499	1 617
Cash flows from investing activities			
Acquisition of property, plant and equipment	**–**	(2)	(14)
Proceeds on disposal of property, plant and equipment	**24**	–	–
Decrease in cash on deconsolidation of subsidiary (note 3)	**(1 701)**	–	–
Increase in restricted cash	**–**	(368)	(466)
Net cash outflow from investing activities	**(1 677)**	(370)	(480)

R million	**Unaudited** **Six months ended** **30 June 2018**	Unaudited 30 June 2017	Audited Year ended 31 December 2017
Cash flows from financing activities			
Interest-bearing borrowings repaid	**–**	(19 201)	(23 244)
Interest-bearing borrowings raised	**–**	18 008	22 988
Debt issuance costs incurred	**–**	(284)	(393)
Proceeds on issue of shares by subsidiary	**–**	–	13
Net cash outflow from financing activities	**–**	(1 477)	(636)
Net (decrease)/increase in cash and cash equivalents before exchange rate fluctuations	**(1 885)**	652	501
Cash and cash equivalents at the beginning of the period	**3 134**	2 837	2 837
Effects of exchange rate fluctuations on cash and cash equivalents	**36**	(105)	(204)
Cash and cash equivalents at the end of the period	**1 285**	3 384	3 134

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2018

1. The condensed consolidated interim financial statements are prepared in accordance with IFRS, IAS 34 *Interim Financial Reporting*, the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee, the *Financial Pronouncements* as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS and except for the implementation of IFRS 9 *Financial Instruments* (replacing IAS 39) and IFRS 15 *Revenue from Contracts with Customers* (replacing IAS 18), are consistent with those applied in the previous consolidated annual financial statements. The implementation of IFRS 9 had no material impact on the financial statements. The implementation of IFRS 15 had no effect on the financial statements as revenue recognition under the new standard is the same as IAS 18 for the group.

2. Comparability of financial periods

As a consequence of the events reported below, the results in the current period are not comparable to previous financial periods.

At 31 December 2017, Trencor had a 47,8% beneficiary interest in Textainer Group Holdings Limited ("Textainer") through Halco Holdings Inc ("Halco") under the Halco Trust ("Trust"). At Halco's request, Textainer and Halco entered into a Voting Limitation Deed ("VLD"), on 1 January 2018, whereby Halco agreed to limit or restrict its shareholder voting rights in Textainer, solely in respect of the appointment and/or removal of directors and then only to the extent necessary to ensure that Trencor would be regarded for purposes of IFRS as being neither in control of nor having significant influence over Textainer. All Halco's voting rights, save for the said limitation or restriction, were unaffected by the VLD.

Following the entering into of the VLD, the financial results of Textainer, reporting under US GAAP, are no longer required to be converted into IFRS for inclusion in the results of Trencor. Textainer is now accounted for by Trencor as an investment measured at fair value through profit or loss (refer to note 3). The results of Textainer were previously included in the segment Containers – owning, leasing, management and trading (refer to note 7).

On 20 February 2018, Trencor, as a nominated beneficiary of the Trust, received a vesting and distribution from the Trust of the entire issued share capital of Halco. At that date, Halco was the holder of 47,8% of the shares in Textainer and 100% of the shares in TAC. This vesting and distribution have had no financial consequences on the consolidated financial statements of Trencor.

Before the vesting and distribution were effected, as is customary in the Trust's jurisdiction, Trencor had to provide an indemnity to, *inter alia*, the trustee of the Trust. The indemnity terminates on 31 December 2024. The maximum exposure under such indemnity is US$62 million.

On 11 May 2018, Halco declared to its sole shareholder, Trencor, three dividends, namely 47,8% of the shares in Textainer, 100% of the shares in TAC (these dividends constituting the entirety of Halco's shareholdings in Textainer and TAC) and a cash amount of US$8 million. As a result, Trencor now owns 47,8% of Textainer and 100% of TAC. These dividends have had no financial consequences on the consolidated financial statements of Trencor.

3. Investment

Following the entering into the VLD (refer to note 2) a gain on deconsolidation of Textainer as at 1 January 2018 was recorded. At 30 June 2018 a loss on the fair value revaluation of Textainer was recorded. These recordals are detailed as follows:

Gain on deconsolidation of subsidiary:

R million	
Property, plant and equipment	**42 237**
Intangible assets and goodwill	**145**
Investment in equity accounted investee	**114**
Net investment in finance leases	**481**
Derivative financial instruments	**93**
Deferred tax assets	**19**
Restricted cash	**1 104**
Current assets (including cash and cash equivalents R1 701 million)	**3 832**
Total assets	**48 025**
Interest-bearing borrowings	**(33 180)**
Deferred tax liabilities	**(31)**
Deferred revenue	**(25)**
Current liabilities	**(4 726)**
Total liabilities	**(37 962)**
Subsidiary net asset value	**10 063**
Non-controlling interests	**(5 387)**
Subsidiary net asset value attributable to Trencor's equity holders	**4 676**
Investment at fair value through profit or loss	**7 255**
Gain on deconsolidation of subsidiary before recycling accumulated foreign currency translation gains	**2 579**
Accumulated foreign currency translation gains transferred from other comprehensive income to profit or loss	**3 188**
Gain on deconsolidation of subsidiary	**5 767**

Loss on revaluation of investment:

R million	
Fair value at 1 January 2018	**7 255**
Fair value at 30 June 2018	**5 925**
Loss on revaluation of investment	**(1 330)**

R million	**Unaudited Six months ended 30 June 2018**	Unaudited Six months ended 30 June 2017	Audited Year ended 31 December 2017
4. Revenue			
Goods sold	**57**	956	1 959
Leasing income	**192**	3 024	6 224
Management fees	**–**	72	161
	249	4 052	8 344
5. (Impairment recovery)/impairment of property, plant and equipment			
Container leasing equipment:			
(Impairment recovery)/impairment recognised at end of reporting period	**(24)**	1 234	1 209
Impairment recognised in respect of containers on operating leases not recovered from defaulting customers	**–**	38	33
Reversal of impairment provided on containers on operating leases with defaulting customers	**–**	(87)	(109)
Reversal of compensation from third party in respect of additional containers recovered from defaulting customers	**–**	87	89
	(24)	1 272	1 222

An impairment recovery has been recognised for the six months ended 30 June 2018 (2017: impairment loss), increasing the carrying value of container leasing equipment to its recoverable amount. For the purposes of calculating the impairment recovery/loss, the container fleets were grouped by cash-generating units ("CGUs"). CGUs were defined as containers grouped by container type, as cash flows for the same type of containers are independent of cash flows of different container types, and are interchangeable with any other container of the same type within the container fleet. The recoverable amount of a CGU has been calculated based on its value in use. The pre-tax discount rate used to discount the future estimated cash flows of TAC Limited ("TAC") was 7,86% (2017: 6,20%).

Projected future cash flows were estimated using the assumptions that are part of the long-term planning forecasts for TAC. These projected future cash flow assumptions have strengthened during the period as a result of further improvements in market conditions. Some of the significant estimates and assumptions used to determine future expected cash flows were: expected future lease rates, expected utilisation, remaining useful lives, remaining on-hire periods for expired fixed-term leases, expected future lease rates, direct container expenses and expected disposal prices of containers. In performing the impairment analysis, assumptions used reflected the contractually stipulated *per diem* rates, with renewal based on current market rates.

The recoverable amounts and (impairment recovery)/impairment amounts of the CGUs are as follows:

	Unaudited Six months ended 30 June 2018		Unaudited Six months ended 30 June 2017		Audited Year ended 31 December 2017	
R million	**Recoverable amount**	**Impairment recovery**	Recoverable amount	Impairment	Recoverable amount	Impairment
Container type:						
Non-refrigerated containers other than open top and flatrack containers:						
20' Dry freight	**–**	**–**	13 219	120	14 189	48
40' Hi cube	**1 490**	**(13)**	16 339	175	17 613	16
40' Dry freight	**–**	**–**	–	–	1 902	(14)
45' Hi cube	**10**	**(1)**	–	–	240	18
Refrigerated containers:						
20' Refrigerated	**–**	**–**	218	27	204	23
40' Refrigerated	**191**	**(10)**	9 490	911	8 390	1 120
Open top and flatrack containers:						
20' Flatrack	**–**	**–**	196	(3)	177	(2)
40' Flatrack	**–**	**–**	26	4	–	–
	1 691	**(24)**	39 488	1 234	42 715	1 209

R million	Unaudited Six months ended 30 June 2018	Unaudited Six months ended 30 June 2017	Audited Year ended 31 December 2017
6. Headline (loss)/earnings			
Profit/(Loss) attributable to equity holders of the company	**4 389**	(862)	(321)
(Impairment recovery)/Impairment of property, plant and equipment	**(24)**	1 185	1 133
Compensation reversal from third party in respect of impairment of property, plant and equipment	**–**	87	89
Gain on deconsolidation of subsidiary (note 3)	**(5 767)**	–	–
Impairment of goodwill	**137**	–	–
Profit on sale of property, plant and equipment	**(17)**	–	–
Total tax effects of adjustments	**–**	(21)	(19)
Total non-controlling interests' share of adjustments	**–**	(645)	(617)
Headline (loss)/earnings	**(1 282)**	(256)	265
Weighted average number of shares in issue (million)	**177,1**	177,1	177,1
Headline (loss)/earnings per share (cents)	**(723,8)**	(144,5)	149,4
Diluted headline (loss)/earnings per share (cents)	**(723,8)**	(144,5)	149,4

R million	Unaudited Six months ended 30 June 2018	Unaudited Six months ended 30 June 2017	Audited Year ended 31 December 2017
7. Segmental reporting			
Revenue			
Reportable segments			
Containers – owning, leasing, management and trading	**249**	4 052	8 344
	249	4 052	8 344
Loss before tax			
Reportable segments			
Containers – owning, leasing, management and trading	**(24)**	(1 614)	(451)
Containers – finance	**–**	(14)	(23)
	(24)	(1 628)	(474)
Gain on deconsolidation of subsidiary (note 3)	**5 767**	–	–
Loss on revaluation of investment (note 3)	**(1 330)**	–	–
Unallocated	**(7)**	(42)	(106)
	4 406	(1 670)	(580)
Assets			
Capital expenditure incurred by the container owning, leasing, management and trading segment	**342**	283	5 750

R million	**Unaudited Six months ended 30 June 2018 Carrying amount**	**Unaudited Six months ended 30 June 2018 Fair value**	Unaudited Six months ended 30 June 2017 Carrying amount	Unaudited Six months ended 30 June 2017 Fair value	Audited Year ended 31 December 2017 Carrying amount	Audited Year ended 31 December 2017 Fair value
8. Financial instruments						
The carrying amounts and fair values of financial assets and financial liabilities are as follows:						
Assets						
Financial assets carried at fair value through profit or loss:						
Investment [1]	**5 925**	**5 925**	–	–	–	–
Derivative financial instruments [2]	**21**	**21**	65	65	100	100
Financial assets carried at amortised cost:						
Restricted cash	**–**	**–**	1 065	1 065	1 105	1 105
Trade and other receivables	**118**	**118**	1 365	1 365	1 282	1 282
Cash and cash equivalents	**1 285**	**1 285**	3 384	3 384	3 134	3 134
Net investment in finance leases	**34**	**34**	1 193	1 202	923	938
	7 383	**7 383**	7 072	7 081	6 544	6 559
Liabilities						
Liabilities at amortised cost:						
Interest-bearing borrowings (excluding debt issuance costs)	**2 060**	**2 060**	38 268	38 917	37 952	38 013
Trade and other payables	**165**	**165**	548	548	2 080	2 080
Financial liabilities carried at fair value through profit or loss:						
Derivative financial instruments [2]	**–**	**–**	5	5	–	–
Amounts attributable to third parties in respect of long-term receivables [3]	**–**	**–**	5	5	–	–
	2 225	**2 225**	38 826	39 475	40 032	40 093

[1] Level 1, [2] level 2 or [3] level 3 of the fair value hierarchy.