

Unaudited interim results  
for the six months ended 30 June 2012  
and declaration of cash dividend

COMMENTARY

GROUP

- **Trading profit**, which is earned mainly in US dollars, after net financing costs, increased by 2% from R763 million in 2011 to R777 million during the period under review. Excluding the non-cash gain realised on the sale of containers last year by Textainer following the restructuring of TMCL (see below), the increase was 23,5% from R629 million in 2011 to R777 million (in dollar terms this increased by 5,7%).
- **Headline earnings per share** (including the effect of realised and unrealised foreign exchange translation gains and losses and gains on the sale of containers referred to above) were 262,3 cents (2011: 219,3 cents), an increase of 19,6%.
- **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) were 256,7 cents (2011: 209,7 cents), an increase of 22,4%.
- These various earnings are better presented in tabular form:

	6 months ended 30 June 2012 Cents per share	2011 Cents per share	Year ended 31 December 2011 Cents per share
<b>Headline earnings</b> including gains on containers sold pursuant to TMCL restructuring in 2011 (32,9 cents per share)	<b>262,3</b>	219,3	559,8
Deduct: Unrealised foreign exchange translation gains	<b>5,6</b>	9,6	76,9
<b>Adjusted headline earnings</b>	<b>256,7</b>	209,7	482,9

- Based on the spot exchange rate of US\$1 = R8,24 and the price of Textainer's shares listed on the NYSE on 29 June 2012 (US\$36,90), the net asset value of Trencor at that date was as follows:

Condensed consolidated statement of financial position  
at 30 June 2012

	Unaudited 30 June 2012	Unaudited 30 June 2011	Audited 31 December 2011
R Million			
ASSETS			
Property, plant and equipment	19 120	12 517	15 600
Intangible assets	361	335	380
Investment in equity accounted investee	16	–	3
Investments	14	14	14
Long-term receivables	678	796	756
Net investment in finance leases	474	343	444
Derivative financial instruments	–	3	–
Deferred tax assets	20	67	22
Restricted cash	376	243	370
Total non-current assets	21 059	14 318	17 589
Inventories	200	34	169
Trade and other receivables	820	586	773
Current portion of long-term receivables	256	143	285
Current portion of net investment in finance leases	168	139	167
Current tax assets	–	2	2
Cash and cash equivalents	1 468	1 020	1 333
Current assets	2 912	1 924	2 729
Total assets	23 971	16 242	20 318
EQUITY			
Share capital and premium	44	40	44
Reserves	5 069	3 621	4 750
Equity attributable to equity holders of the company	5 113	3 661	4 794
Non-controlling interest	2 493	1 650	2 188
Total equity	7 606	5 311	6 982
LIABILITIES			
Interest-bearing borrowings	11 453	8 364	11 031
Amounts attributable to third parties in respect of long-term receivables	158	214	173
Derivative financial instruments	114	100	131
Deferred revenue	1	11	9
Deferred tax liabilities	208	210	224
Total non-current liabilities	11 934	8 899	11 568
Trade and other payables	2 158	1 257	510
Current tax liabilities	103	76	78
Current portion of interest-bearing borrowings	2 101	619	1 076
Current portion of amounts attributable to third parties in respect of long-term receivables	48	23	53
Current portion of deferred revenue	21	57	51
Current liabilities	4 431	2 032	1 768
Total liabilities	16 365	10 931	13 336
Total equity and liabilities	23 971	16 242	20 318
Capital expenditure incurred during the period	3 875	3 989	5 396
Capital expenditure committed and authorised, but not yet incurred	1 503	129	277
Directors' valuation of other unlisted investments	14	14	14
Ratio to total equity:			
Total liabilities (%)	215,2	205,8	191,0
Interest-bearing debt (%)	178,2	169,1	173,4

Condensed consolidated statement of cash flows  
for the six months ended 30 June 2012

	Unaudited 6 months ended 30 June 2012	Unaudited 6 months ended 30 June 2011	Audited year ended 31 December 2011
R Million			
Cash generated from operations	1 521	1 206	2 485
Increase in container leasing equipment	(2 229)	(3 741)	(5 912)
Finance income received	6	2	5
Finance expenses paid	(241)	(125)	(335)
Dividends paid to equity holders of the company	(221)	(177)	(265)
Dividends paid to non-controlling interest	(121)	(80)	(187)
Income tax paid	(27)	(41)	(43)
Net cash outflow from operating activities	(1 312)	(2 956)	(4 252)
Cash inflow from investing activities	97	189	236
Cash inflow from financing activities	1 334	2 719	4 075
Net increase/(decrease) in cash and cash equivalents before exchange rate fluctuations	119	(48)	59
Net cash and cash equivalents at the beginning of the period	1 333	1 029	1 029
Effects of exchange rate fluctuations on cash and cash equivalents	16	39	245
Net cash and cash equivalents at the end of the period	1 468	1 020	1 333

	R million	R per share
Net interest in Textainer	9 054,4	51,15
Net interest in long-term receivables	722,6	4,08
Cash	795,9	4,49
Net liabilities (mainly deferred tax)	(159,1)	(0,90)
	10 413,8	58,82

- Consolidated gearing ratio at 30 June 2012 was 178% (2011: 169%).
- Interim dividend of 65 cents per share declared (2011: 50 cents per share).

TEXTAINER (60,09% beneficiary interest)

- Net profit for the half year in US GAAP was US\$95,7 million (2011: US\$88,9 million). Adjusted to conform with International Financial Reporting Standards, Textainer's net profit was US\$97,3 million (2011: US\$92,1 million). Amounts in 2011 included a non-cash gain of US\$14,8 million arising on the sale of containers to the prior non-controlling interest as a result of restructuring the company's primary asset-owning subsidiary Textainer Marine Containers Ltd ('TMCL').
- Fleet utilisation at 30 June 2012 was 98,1% (2011: 99,0%).
- Textainer invested more than US\$760 million in new and used containers as well as purchases from its managed fleet since the beginning of the year. Approximately 25% of the new container purchases were in refrigerated containers as the company continues to expand market share in the refrigerated container market.
- Total fleet under management at 30 June 2012 was 2 615 000 (2011: 2 442 000) twenty foot equivalent units of which Textainer itself owned 60,4% (2011: 57,3%). 80% of the fleet is committed to long-term operating, financing and sales-type leases, compared to 78% a year ago.
- In April 2012, one of Textainer's subsidiaries issued US\$400 million 10-year, container-backed notes at a fixed interest rate, payable monthly, of 4,21% p.a. Textainer also restructured its securitisation facility, increasing its size from US\$850 million to US\$1,2 billion. The interest rate on the new facility is 2,625% over one-month LIBOR during the initial two-year revolving period.
- Textainer declared dividends of US\$0,40 and US\$0,42 per share in respect of quarters 1 and 2 of 2012 respectively.
- Textainer's results may be viewed on its website [www.textainer.com](http://www.textainer.com).

PREPARATION OF FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements have been prepared by management under the supervision of the Financial Director and have not been audited or reviewed by Trencor's independent auditors.

DECLARATION OF CASH DIVIDEND

The board has declared an interim cash dividend (number 93) of 65 cents per share out of distributable reserves in respect of the six months ended 30 June 2012.

The salient dates pertaining to the dividend payment are as follows:

Last day to trade cum the dividend	Friday, 7 September 2012
Trading commences ex the dividend	Monday, 10 September 2012
Record date	Friday, 14 September 2012
Payment date	Monday, 17 September 2012

Share certificates may not be dematerialised or rematerialised between Monday, 10 September 2012 and Friday, 14 September 2012, both days inclusive.

Note that:

- As no secondary tax on companies' credits are available, dividend withholding tax at the rate of 15% will be applicable to shareholders who are not exempt, which will result in a net dividend of 55,25000 cents per share;
- Trencor's tax reference number is 9676002711; and
- Trencor's issued share capital at the declaration date is R885 340 (177 068 011 ordinary shares of 0,5 cent each).

On behalf of the board

**NI Jowell Chairman**  
15 August 2012

Directors:

NI Jowell\* (Chairman), JE Hoelter (USA), C Jowell\*, JE McQueen\* (Financial), DM Nurek, E Oblowitz, RJA Sparks, HR van der Merwe\*, H Wessels (\* executive)

**Secretaries:** Trencor Services (Pty) Ltd

**Registered Office:** 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town 8001

**Transfer Secretaries:** Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107)

**Sponsor:** Rand Merchant Bank (A division of FirstRand Bank Ltd)

[www.trencor.net](http://www.trencor.net)

Condensed consolidated statement of comprehensive income  
for the six months ended 30 June 2012

	Unaudited 6 months ended 30 June 2012	Unaudited 6 months ended 30 June 2011	Audited year ended 31 December 2011
R Million			
Revenue (Note 2)	2 138	2 430	4 649
Trading profit before items listed below	1 043	925	1 944
Realised and unrealised exchange gains on translation of long-term receivables, excluding fair value adjustment	18	32	276
Net long-term receivable fair value adjustment	30	6	(40)
Impairment of plant and equipment	(3)	(5)	(18)
Profit from operations	1 088	958	2 162
Net finance (expenses)/income (Note 3)	(266)	(162)	(415)
Finance expenses – Interest expense	(250)	(112)	(315)
– Losses on derivative financial instruments	(22)	(52)	(105)
Finance income – Interest income	6	2	5
Loss from equity accounted investee (net of tax)	(1)	–	(2)
Profit before tax	821	796	1 745
Income tax expense	(53)	(52)	(100)
Profit for the period	768	744	1 645
Other comprehensive income			
Foreign currency translation differences	111	137	1 120
Total comprehensive income for the period	879	881	2 765
Total comprehensive income for the period attributable to:			
Equity holders of the company	529	485	1 720
Non-controlling interest	350	396	1 045
	879	881	2 765
Profit attributable to:			
Equity holders of the company	463	394	991
Non-controlling interest	305	350	654
	768	744	1 645
Basic earnings per share (cents)	261,5	217,9	554,3
Diluted earnings per share (cents)	261,5	217,3	554,3
Number of shares in issue (million)	177,1	176,7	177,1
Weighted average number of shares in issue (million)	177,1	181,0	178,8
Period-end rate of exchange: SA rand to US dollar	8,24	6,76	8,12
Average rate of exchange for the period: SA rand to US dollar	7,89	6,84	7,20

Condensed consolidated statement of changes in equity  
for the six months ended 30 June 2012

	Unaudited 6 months ended 30 June 2012	Unaudited 6 months ended 30 June 2011	Audited year ended 31 December 2011
R Million			
Balance at the beginning of the period	4 794	3 895	3 895
Total comprehensive income for the period	529	485	1 720
Profit for the period	463	394	991
Foreign currency translation differences	66	91	729
Dividends paid	(221)	(177)	(265)
Share-based payments	35	27	42
Changes in ownership interests in subsidiary	(24)	(8)	(8)
Repurchase of own shares from owners	–	(417)	(417)
Share options exercised	–	–	5
Acquisition of non-controlling interest without a change in control	–	(144)	(178)
Shareholders' interest	5 113	3 661	4 794
Non-controlling interest in subsidiaries	2 493	1 650	2 188
Balance at the beginning of the period	2 188	2 056	2 056
Total comprehensive income for the period	350	396	1 045
Profit for the period	305	350	654
Foreign currency translation differences	45	46	391
Dividends paid to non-controlling interest	(121)	(86)	(187)
Share-based payments	23	16	25
Shares issued by subsidiary	29	39	42
Acquisition of non-controlling interest without a change in control	–	(779)	(801)
Changes in ownership interests in subsidiary	24	8	8
Equity	7 606	5 311	6 982





Notes to the condensed consolidated annual financial statements  
for the six months ended 30 June 2012

1. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including IAS 34 Interim Financial Reporting, South African Statements and Interpretations of Statements of Generally Accepted Accounting Practice (AC 500 Series), the Companies Act of South Africa and the JSE Listings Requirements. The accounting policies applied in the preparation of these consolidated condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2011.

	Unaudited 6 months ended 30 June 2012	Unaudited 6 months ended 30 June 2011	Audited year ended 31 December 2011
R Million			
2. <b>Revenue</b>			
Goods sold and services rendered	580	1 213*	1 765*
Leasing income	1 420	1 070	2 378
Management fees	114	105	212
Finance income	6	10	18
	2 120	2 398	4 373
Realised and unrealised exchange differences	18	32	276
	2 138	2 430	4 649
* Includes R899 million in respect of containers sold to non-controlling interests			
3. <b>Net finance expenses/(income)</b>			
Finance expenses	272	164	420
Interest expense – Textainer	250	112	315
Losses on derivative financial instruments	22	52	105
Finance income			
Interest income – cash and cash equivalents	(6)	(2)	(5)
	266	162	415
4. <b>Headline earnings</b>			
Profit attributable to equity holders of the company	463	394	991
Impairment of property, plant and equipment	3	5	18
Gain on disposal of property, plant and equipment	–	–	(1)
Total non-controlling interests' share of adjustments	(1)	(2)	(7)
Headline earnings	465	397	1 001
Weighted average number of shares in issue (million)	177,1	181,0	178,8
Headline earnings per share (cents)	262,3	219,3	559,3
Diluted headline earnings per share (cents)	262,3	218,8	559,3
Adjusted headline earnings			
Headline earnings (as above)	465	397	1 001
Net gain on translation of net US dollar receivables	(14)	(24)	(191)
Total tax effects of adjustments	4	7	53
Adjusted headline earnings	455	380	863
Undiluted adjusted headline earnings per share (cents)	256,7	209,7	482,4
Diluted adjusted headline earnings per share (cents)	256,7	209,3	482,4
5. <b>Segmental reporting</b>			
Revenue			
Reportable segments			
Containers – finance (including exchange differences)	25	43	296
Containers – owning, leasing, management and reselling	2 113	2 387 <sup>1</sup>	4 353 <sup>1</sup>
	2 138	2 430	4 649
Profit from operations			
Reportable segments			
Containers – finance	50	44	248
Containers – owning, leasing, management and reselling, including gain on disposal of containers to non-controlling interest in 2011	1 058	922 <sup>2</sup>	1 934 <sup>2</sup>
	1 108	966	2 182
Unallocated	(20)	(8)	(20)
	1 088	958	2 162
Profit before taxation			
Reportable segments			
Containers – finance	50	44	248
Containers – owning, leasing, management and reselling, including gain on disposal of containers to non-controlling interest in 2011	786	758 <sup>2</sup>	1 512 <sup>2</sup>
	836	802	1 760
Unallocated	(15)	(6)	(15)
	821	796	1 745
<sup>1</sup> Includes R899 million revenue in respect of containers sold to non-controlling interest			
<sup>2</sup> Includes R134 million gain in respect of containers sold to non-controlling interest			
Assets			
Capital expenditure incurred by the container owning, leasing, management and reselling segment	3 875	3 989	5 396

In order to provide a better appreciation of the results of the group's activities, a condensed consolidated income statement and a statement of financial position are also presented in US dollars, as virtually all of the group's revenue and assets and much of its expenditure are denominated in that currency. The amounts stated in US dollars have been prepared by management and are unaudited.

Unaudited Tencor condensed consolidated income statement in US dollars  
for the six months ended 30 June 2012

US\$ Million	Unaudited 6 months ended 30 June 2012	Unaudited 6 months ended 30 June 2011	Unaudited year ended 31 December 2011
Revenue	269,2	352,3	620,5
Trading profit before items listed below	132,1	135,7	271,3
Realised and unrealised exchange gains arising on translation of long-term receivables	0,6	–	4,7
Net long-term receivable fair value adjustment	4,6	2,8	6,1
Impairment of plant and equipment	(0,3)	(0,8)	(2,4)
Profit from operations	137,0	137,7	279,7
Net finance (expenses)/income	(33,8)	(23,7)	(57,8)
Finance expense – Interest expense	(31,7)	(16,4)	(43,7)
– Losses on derivative financial instruments	(2,8)	(7,6)	(14,7)
Finance income – Interest income	0,7	0,3	0,6
Loss from equity accounted investee (net of tax)	(0,1)	–	(0,2)
Profit before tax	103,1	114,0	221,7
Income tax expense	(6,5)	(7,0)	(7,8)
Profit for the period	96,6	107,0	213,9
Attributable to:			
Equity holders of the company	57,9	55,7	122,7
Non-controlling interest	38,7	51,3	91,2
	96,6	107,0	213,9
Number of shares in issue (million)	177,1	176,7	177,1
Weighted average number of shares in issue (million)	177,1	181,0	178,8
Basic earnings per share (US cents)	32,7	30,8	68,6
Diluted earnings per share (US cents)	32,7	30,7	68,6
Headline earnings per share (US cents)	32,8	31,0	69,2
Diluted headline earnings per share (US cents)	32,8	30,9	69,2
Adjusted headline earnings per share (US cents)	32,7	31,0	66,6
Diluted adjusted headline earnings per share (US cents)	32,7	30,9	66,6
Period-end rate of exchange: SA rand to US dollar	8,24	6,76	8,12
Average rate of exchange for the period: SA rand to US dollar	7,89	6,84	7,20
Trading profit from operations comprises:			
Textainer	134,4	116,1	251,8
Textainer – gain on sale of containers to non-controlling interest	–	19,8	20,4
Other	(2,3)	(0,2)	(0,9)
	132,1	135,7	271,3

Unaudited Tencor condensed consolidated statement of financial position in US dollars  
at 30 June 2012

US\$ Million	Unaudited 30 June 2012	Unaudited 30 June 2011	Unaudited 31 December 2011
ASSETS			
Property, plant and equipment	2 320,4	1 851,7	1 921,2
Long-term receivables	82,3	117,8	93,1
Other non-current assets	153,0	148,6	151,8
Non-current assets	2 555,7	2 118,1	2 166,1
Current assets	353,4	284,5	336,1
Inventories	24,3	5,0	20,8
Trade and other receivables	100,0	86,5	95,3
Current portion of long-term receivables	31,0	21,2	35,1
Current portion of net investment in finance leases	20,0	20,6	20,6
Current tax assets	–	0,3	0,2
Cash and cash equivalents	178,1	150,9	164,1
Total assets	2 909,1	2 402,6	2 502,2
Equity and liabilities			
Equity attributable to equity holders of the company	620,4	541,4	590,6
Non-controlling interest	302,6	244,1	269,4
Total equity	923,0	785,5	860,0
LIABILITIES			
Interest-bearing borrowings	1 389,9	1 237,3	1 358,5
Amounts attributable to third parties in respect of long-term receivables	19,2	31,7	21,3
Derivative financial instruments	13,9	14,9	16,1
Deferred revenue	0,1	1,6	1,1
Deferred tax liabilities	25,2	31,0	27,6
Total non-current liabilities	1 448,3	1 316,5	1 424,6
Current liabilities	537,8	300,6	217,6
Trade and other payables	261,9	186,1	62,8
Current tax liability	12,4	11,2	9,6
Current portion of amounts attributable to third parties in respect of long-term receivables	5,9	3,4	6,5
Current portion of interest-bearing borrowings	255,0	91,5	132,5
Current portion of deferred revenue	2,6	8,4	6,2
Total liabilities	1 986,1	1 617,1	1 642,2
Total equity and liabilities	2 909,1	2 402,6	2 502,2
Ratio to total equity:			
Total liabilities (%)	215,2	205,9	191,0
Interest-bearing debt (%)	178,2	169,2	173,4