



## TRENCOR LIMITED 2012

(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 2012 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

<b>Trencor</b>		Investment holding company listed on the JSE
48,9%*	Textainer	Listed on the New York Stock Exchange, the Textainer group owns, leases, manages and trades 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 48,5% subsequent to the year-end following the issue by Textainer of restricted share units and share options exercised.

## Highlights

### Group

- **Trading profit** from continuing operations after net financing costs 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 different earnings are better reflected in tabular form:

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

- Consolidated gearing ratio at 31 December 2012 was 165% (2011: 173%). All of the interest-bearing debt is in Textainer.
- Based on the spot exchange rate of US\$1 = R8,92 and the price of Textainer's shares listed on the NYSE on 9 April 2013 (US\$40,89 per share), the net asset value of Trencor at that date was as follows:

	R million	R per share
Net beneficiary interest in Textainer	9 950	56,19
Net interest in long-term receivables	690	3,89
Cash	1 855	10,48
Net liabilities	(114)	(0,64)
	<b>12 381</b>	<b>69,92</b>

- Final gross cash dividend of 150 cents per share declared, making a total of 215 cents per share for the year (2011: total 175 cents per share), an increase of 23% over the previous year.
- Special gross cash dividend of 360 cents per share declared on 25 March 2013, payable on 29 April 2013.

### Textainer (48,9% interest at 31 December 2012 (2011: 60,8%))

- Net profit for the year in US GAAP was US\$197,5\* million (2011: US\$189,6\* million). Adjusted to conform with International Financial Reporting Standards, Textainer's net profit was US\$200,2\* million (2011: US\$194,0\* million). \*Excludes bargain purchase gain of US\$9,4 million and in 2011 included a non-cash gain of US\$15,5 million arising on the sale of containers to the prior non-controlling interest in Textainer Marine Containers Ltd.
- Average fleet utilisation for the year was 97,2%, compared with 98,3% for 2011. 82% of the fleet is subject to long-term and direct financing leases.
- Total capital expenditure for both the owned and managed fleets was US\$1,2 billion for the year, used to purchase new and used containers.

- At 31 December 2012, Textainer owned 72,7% of the total fleet of 2 775 000 TEU; at 31 December 2011, it owned 58,6% of the then fleet of 2 469 000 TEU.
- Declared dividends totalling US\$1,63 per share in 2012 (2011: US\$1,28 per share).
- Raised a net US\$185,2 million of new equity through the issue of 6 125 000 shares during September 2012. At the same time, Halco Holdings Inc sold 2,5 million shares in Textainer, realising net proceeds of US\$75,6 million.
- On 20 December 2012, Textainer acquired a 50,1% interest in TAP Funding Ltd ('TAP'), a container owning company whose containers are managed by Textainer, for US\$20 million. The acquisition resulted in a bargain purchase gain which has been recorded in the statement of comprehensive income. The bargain purchase gain arose due to Textainer's particular ability to accommodate the transaction needs of TAP's selling shareholders. Specifically, the transaction allows approximately half of TAP's existing shareholders to continue their investment in TAP and allows TAP to continue to buy containers that will be managed by Textainer on TAP's behalf, thus enabling TAP to maintain a young fleet of containers that can be readily financed. The transaction also allowed TAP's other shareholders immediate liquidity in cash. As Textainer was already managing TAP's assets, Textainer was able to complete the transaction in an expedited manner without the need for due diligence.
- Ended the year with a debt-to-equity ratio of 2,16:1. In 2012 Textainer completed approximately US\$2,4 billion of financing in the debt and equity markets, resulting in over US\$1,3 billion in net incremental funding.
- Textainer's results may be viewed on its website [www.textainer.com](http://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 2012

	2012 Rm	2011 Rm	2012 US\$m	2011 US\$m
Trading profit from continuing operations before items listed below	2 225	1 944	273	271
Foreign exchange gains on translation of long-term receivables	54	276	–	5
Net long-term receivable fair value adjustment	68	(40)	11	6
Other	76	(20)	9	(2)
<b>Profit from operating activities</b>	<b>2 423</b>	<b>2 160</b>	<b>293</b>	<b>280</b>
Net finance expenses	(589)	(415)	(72)	(58)
Profit before tax	1 834	1 745	221	222
Profit after tax	1 773	1 645	214	214
<b>Net profit for the year attributable to equity holders of the company</b>	<b>1 027</b>	<b>991</b>	<b>123</b>	<b>123</b>
Basic earnings per share (cents)	579,9	554,3	69,6	68,6
Headline earnings per share (cents)	559,6	559,3	67,3	69,2
Adjusted headline earnings per share (cents)	546,1	482,4	67,0	66,6
Year-end rate of exchange: SA rand to US dollar	8,48	8,12	8,48	8,12

### Condensed statements of financial position as at 31 December 2012

	2012 Rm	2011 Rm	2012 US\$m	2011 US\$m
<b>Assets</b>				
Property, plant and equipment	24 798	15 600	2 924	1 921
Long-term receivables	699	756	82	93
Other non-current assets	1 484	1 233	175	152
Current assets	3 929	2 729	464	336
<b>Total assets</b>	<b>30 910</b>	<b>20 318</b>	<b>3 645</b>	<b>2 502</b>
<b>Equity and liabilities</b>				
Total equity	11 042	6 982	1 302	860
Interest-bearing borrowings	17 107	11 031	2 017	1 358
Other non-current liabilities	490	537	58	66
Current liabilities	2 271	1 768	268	218
<b>Total equity and liabilities</b>	<b>30 910</b>	<b>20 318</b>	<b>3 645</b>	<b>2 502</b>
Net asset value per share (cents)	3 622	2 707	427	334
Ratio of interest-bearing borrowings to total equity	165%	173%	165%	173%

**Profit attributable to equity holders of the company from the various classes of business**  
for the year ended 31 December 2012

	<b>2012</b> <b>Rm</b>	2011 Rm
Container operations		
Container finance	<b>15</b>	15
Textainer	<b>968</b>	845
Exchange translation gains	<b>48</b>	147
Net long-term receivable adjustment	<b>39</b>	23
Interest and other corporate items	<b>(43)</b>	(39)
	<b>1 027</b>	991

**Analysis of shareholders** at 28 December 2012

	Number of holders	% holding
Corporates	538	61
Retirement funds	155	27
Individuals	3 120	10
Other	521	2
Total	4 334	100

**Share information**

Share code: TRE

ISIN: ZAE000007506

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

Price (cents)	<b>2012</b>	2011
High	<b>6 382</b>	3 900
Low	<b>3 700</b>	3 146
Close	<b>5 477</b>	3 800

**Annual general meeting**

The annual general meeting will be held on Monday, 10 June 2013 at 15:00 at 1313 Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

**Directors**

Executive: N I Jowell <sup>1</sup> (Chairman) C Jowell <sup>1 7</sup> J E McQueen <sup>1 7</sup> H R van der Merwe <sup>1</sup>

Non-Executive: J E Hoelter <sup>5</sup> (USA)

Independent Non-Executive: D M Nurek (Lead) <sup>2 3 4 5 6 7</sup> E Oblowitz <sup>2 5</sup> R J A Sparks <sup>2 3 4 5 6</sup> H Wessels <sup>2 5</sup>

<sup>1</sup> Executive Committee <sup>2</sup> Audit Committee <sup>3</sup> Remuneration Committee <sup>4</sup> Nomination Committee

<sup>5</sup> Risk Committee <sup>6</sup> Governance Committee <sup>7</sup> Social and Ethics Committee

**On behalf of the board**

N I Jowell Chairman  
J E McQueen Financial Director

26 April 2013

www.trencor.net