

HIGHLIGHTS

GROUP

- **Trading profit** after net financing costs decreased by 20% from R2 001 million in 2014 (restated*) to R1 608 million.
- **Headline earnings per share** (including the effect of net realised and unrealised foreign exchange translation gains) were 512,6 cents (2014: 547,9 cents – restated*).
- **Adjusted headline earnings per share** (which excludes the effect of net unrealised foreign exchange translation gains) were 443,3 cents (2014: 520,7 cents – restated*).
- Net unrealised foreign exchange gains arising on translation of net dollar receivables and the related valuation adjustments, not included in adjusted headline earnings, were R123 million or 69,3 cents per share (2014: R48 million or 27,2 cents per share).
- These various earnings are better reflected in tabular form:

	2015	2014 Restated*
	Cents per share	Cents per share
Basic (loss)/earnings per share	(82,7)	543,2
Headline earnings per share	512,6	547,9
Deduct:		
Net unrealised foreign exchange translation gains	69,3	27,2
Adjusted headline earnings per share	443,3	520,7
Year-end rate of exchange: SA rand to US dollar	15,53	11,54
Average rate of exchange for the year: SA rand to US dollar	12,75	10,78

* Refer note 9.

- Consolidated gearing ratio at 31 December 2015 was 224% (2014: 210%).
- Based on the spot exchange rate of US\$1 = R15,53 and the price of Textainer's shares listed on the NYSE on 31 December 2015 (US\$14,11), the net asset value of Trencor at that date was as follows:

	R million	R per share
Beneficiary interest in Textainer	5 977,6	33,75
Beneficiary interest in TAC	577,1	3,26
Net interest in long-term receivables	555,3	3,14
Cash	2 399,1	13,55
Net liabilities	(86,3)	(0,49)
	9 422,8	53,21

- Final dividend of 220 cents per share declared, making a total of 300 cents per share for the year (2014: total 267 cents per share), an increase of 12% over the previous year.

TEXTAINER: 48,25% beneficiary interest at 31 December 2015 (2014: 47,97%)

- Net profit for the year in US GAAP was US\$106,9 million (2014: US\$189,4 million). Adjusted to conform with International Financial Reporting Standards ("IFRS"), Textainer's net profit (before the impairment provision) was US\$107,3 million (2014: US\$171,1 million).
- Average fleet utilisation for the year was 96,8%, compared with 96,1% for 2014.
- Total expenditure for both the owned and managed fleets for lease-out in 2015 was US\$600 million for the year, and US\$215 million invested year-to-date in 2016.
- At 31 December 2015, Textainer owned 80,1% of the total fleet of 3 147 690 TEU; at 31 December 2014, it owned 78,9% of the then fleet of 3 233 364 TEU.
- Declared dividends totaling US\$1,65 per share in 2015 (2014: US\$1,88 per share).
- Textainer's results may be viewed on its website www.textainer.com.

REPORTING RESULTS OF TEXTAINER AND TAC UNDER IFRS

The results of Textainer and TAC, reporting under US GAAP, are converted to IFRS for inclusion in the results of Trencor, which is required to report under IFRS. Historically, limited adjustments were necessary in so converting from US GAAP to IFRS. However, in the year to 31 December 2015 a decline in market conditions meant that 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, caused significant differences in financial results reported under the respective accounting conventions. The complex and time-consuming calculations required to make the necessary IFRS adjustments for the large owned container fleets resulted in a delay in the issuance of these results.

Details of the different requirements under US GAAP and IFRS and their materially different impact on the reported results of Textainer and TAC and those of Trencor are as follows:

- Impairment testing – under US GAAP the container fleets are required to be impaired to fair value where the undiscounted expected future cash flows are less than the carrying value of the container fleet. As this was not the case, no impairment was necessary at 31 December 2015 under US GAAP. IFRS on the other hand requires that, where there is an indicator of impairment, expected future cash flows should be discounted to present value. Applying this methodology results in a non-cash impairment of US\$114 million

(R1 770 million) in Trencor's 2015 financial statements, which has been recorded in profit or loss but excluded from headline earnings, as required in respect of all such impairment losses. The impact on earnings, after tax and non-controlling interests, is a net charge of R1 034 million or 584 cents per share).

- Residual values of containers – IFRS requires the reassessment of the residual values of containers, which are then used to determine the amount by which containers are depreciated. In accordance with IFRS, residual values are determined using current market conditions and are therefore likely to fluctuate over time as market prices fluctuate (i.e. will reflect market volatility). IFRS defines the residual value of a container as the estimated amount that would currently be obtained from the disposal of a container, after deducting the estimated costs of disposal, if the container were already of the age and in the condition expected at the end of its useful life. This requirement necessitated a reassessment of the residual values of the container fleets at 31 December 2015. This is in contrast to US GAAP which takes a long-term view of the value to be realised on disposal of each container up to 12 to 13 years in the future (i.e. market fluctuations in price are not taken into account in the reassessment of residual values unless they persist for extended periods of time).

The resale values of containers can vary significantly depending on, among other factors, location at time of sale, the condition of the container and customer demand. Recent average sales prices for containers were considered by major asset type and the residual values were adjusted accordingly at year-end. The consequence of this reassessment is an estimated increase of R1 448 million in the depreciation charge to be recorded prospectively in the 2016 financial year under IFRS over what it would have been had the residual values not been revised (the impact on earnings and headline earnings, after tax and non-controlling interests, is estimated to be a net charge of R635 million or 359 cents per share). This depreciation charge is calculated after adjusting the carrying value of the container fleet for impairment at year-end. This estimate presumes no material changes to the composition of the container fleets and no significant changes during 2016 to market factors prevailing at 31 December 2015. Changes in these factors will influence the depreciation actually to be charged in future periods.

DECLARATION OF CASH DIVIDEND

The board has declared a final gross cash dividend (number 101) of 220 cents per share out of distributable reserves in respect of the year ended 31 December 2015.

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

Last day to trade <i>cum</i> the dividend	Friday, 20 May 2016
Trading commences <i>ex</i> the dividend	Monday, 23 May 2016
Record date	Friday, 27 May 2016
Payment date	Monday, 30 May 2016

Share certificates may not be dematerialised or rematerialised between Monday, 23 May 2016 and Friday, 27 May 2016, both days inclusive.

Note that:

- In terms of the company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques will no longer be mailed. If you have in the past received dividend cheques, please contact the Transfer Secretaries to provide them with confirmation of your banking details. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout;
- Dividend withholding tax at the rate of 15% will be applicable to shareholders who are not exempt from this tax, which will result in a net dividend of 187 cents per share to these shareholders;
- 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).

PREPARATION OF FINANCIAL STATEMENTS

These reviewed provisional results have been prepared by management under the supervision of the financial director, Mr RA Sieni CA(SA).

REVIEW REPORT

These results, other than the figures stated in US dollars, have been reviewed by the independent auditors, KPMG Inc, and their unmodified review report is available for inspection at the registered office.

DIRECTORATE

As announced on 25 February 2016, with effect from 1 March 2016:

- Mr JE McQueen (previously financial director) was appointed as chief executive officer; and
- Mr RA Sieni (previously financial manager) was appointed as financial director in the place of Mr McQueen. Mr Sieni was also appointed to the executive committee.

On behalf of the board

Ni Jowell Chairman

22 April 2016

Directors: Ni Jowell* (Chairman), JE Hoelter (USA), C Jowell*, JE McQueen* (CEO), DM Nurek, E Oblowitz, RA Sieni* (Financial), RJA Sparks, HR van der Merwe*, H 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, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107)

Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2015

R million	Reviewed 31 December 2015	Restated 31 December 2014	Restated 1 January 2014
ASSETS			
Property, plant and equipment	59 636	44 911	36 505
Intangible assets and goodwill	486	416	421
Investment in equity accounted investees	145	92	57
Other investments	45	66	66
Long-term receivables	506	498	637
Net investment in finance leases	1 465	1 662	1 305
Derivative financial instruments	10	14	12
Deferred tax assets	19	24	16
Restricted cash	450	646	629
Total non-current assets	62 762	48 329	39 648
Inventories	766	375	471
Trade and other receivables	1 930	1 360	1 201
Current portion of long-term receivables	134	181	230
Current portion of net investment in finance leases	758	652	447
Current tax assets	-	-	3
Cash and cash equivalents	4 241	3 160	2 744
Total current assets	7 829	5 728	5 096
Total assets	70 591	54 057	44 744
EQUITY			
Share capital and premium	44	44	44
Reserves	11 736	9 160	7 808
Total equity attributable to equity holders of the company	11 780	9 204	7 852
Non-controlling interests	9 479	7 712	6 426
Total equity	21 259	16 916	14 278
LIABILITIES			
Interest-bearing borrowings	46 006	32 373	27 298
Amounts attributable to third parties in respect of long-term receivables	71	85	119
Derivative financial instruments	40	20	43
Deferred revenue	40	33	34
Deferred tax liabilities	271	235	284
Total non-current liabilities	46 428	32 746	27 778
Trade and other payables	1 170	1 105	594
Current tax liabilities	144	92	76
Current portion of interest-bearing borrowings	1 571	3 164	1 978
Current portion of amounts attributable to third parties in respect of long-term receivables	14	30	36
Current portion of deferred revenue	5	4	4
Total current liabilities	2 904	4 395	2 688
Total liabilities	49 332	37 141	30 466
Total equity and liabilities	70 591	54 057	44 744
Capital expenditure incurred during the year	6 095	8 653	6 928
Capital expenditure committed and authorised, but not yet incurred	166	1 018	643
Directors' valuation of unlisted investments	45	66	66
Ratio to total equity:			
Total liabilities (%)	232,1	219,6	213,4
Interest-bearing debt (%)	223,8	210,0	205,0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

R million	Reviewed 2015	Restated 2014
Revenue (note 2)	9 277	8 055
Trading profit before items listed below	2 784	3 063
Realised and unrealised exchange gains on translation of long-term receivables, excluding fair value adjustment	278	98
Fair value adjustment on net long-term receivables	(77)	(36)
Impairment of property, plant and equipment (note 6)	(1 912)	(18)
Compensation receivable from third party in respect of impairment of property, plant and equipment	98	-
Operating profit before net finance expenses	1 171	3 107
Net finance expenses (note 3)	(1 176)	(1 062)
Finance expenses	(1 025)	(990)
Interest expense		
Realised and unrealised losses on derivative financial instruments	(174)	(85)
Finance income	23	13
Share of profit of equity accounted investees (net of tax)	9	4
Profit before tax	4	2 049
Income tax expense	61	22
(Loss)/Profit for the year	(57)	2 027
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences	5 695	1 487
Impairment of available-for-sale financial asset	(21)	-
Income tax expense on other comprehensive income	4	-
Total comprehensive income for the year	5 621	3 514
Total comprehensive income for the year attributable to:		
Equity holders of the company	2 832	1 747
Non-controlling interests	2 789	1 767
	5 621	3 514
(Loss)/Profit for the year attributable to:		
Equity holders of the company	(146)	962
Non-controlling interests	89	1 065
	(57)	2 027
Basic (loss)/earnings per share (cents)	(82,7)	543,2
Diluted (loss)/earnings per share (cents)	(82,7)	543,2
Number of shares in issue (million)	177,1	177,1
Weighted average number of shares in issue (million)	177,1	177,1
Year-end rate of exchange: SA rand to US dollar	15,53	11,54
Average rate of exchange for the year: SA rand to US dollar	12,75	10,78

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

R million	Reviewed 2015	Restated 2014
Cash generated from operations (before items listed below)	7 561	6 534
Increase in container leasing equipment	(6 277)	(8 283)
Finance income received	23	13
Finance lease income received	184	187
Finance expenses paid	(1 037)	(873)
Decrease in finance leases	823	563
Receipts from long-term receivables	257	272
Payments to third parties in respect of long-term receivables	(39)	(40)
Dividends paid to equity holders of the company	(487)	(407)
Dividends paid to non-controlling interests	(665)	(606)
Income tax paid	(57)	(60)
Net cash inflow/(outflow) from operating activities	286	(2 700)
Cash inflow from investing activities	321	17
Cash (outflow)/inflow from financing activities	(556)	2 826
Net increase in cash and cash equivalents before exchange rate fluctuations	51	143
Cash and cash equivalents at the beginning of the year	3 160	2 744
Effects of exchange rate fluctuations on cash and cash equivalents	1 030	273
Cash and cash equivalents at the end of the year	4 241	3 160



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

R million	Equity holders of the company									
	Share capital	Share premium	Fair value reserve	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
Balance at 1 January 2014	1	43	52	1 983	281	383	5 169	7 912	6 647	14 559
Restatement (note 9)	-	-	-	(3)	-	-	(57)	(60)	(221)	(281)
Restated balance at 1 January 2014	1	43	52	1 980	281	383	5 112	7 852	6 426	14 278
Total comprehensive income for the year (restated)										
Profit for the year	-	-	-	-	-	-	962	962	1 065	2 027
Other comprehensive income for the year										
Foreign currency translation differences	-	-	-	785	-	-	-	785	702	1 487
Total comprehensive income for the year (restated)	-	-	-	785	-	-	962	1 747	1 767	3 514
Transactions with owners, recorded directly in equity										
Contributions by/(distributions to) owners										
Share-based payments	-	-	-	-	53	-	-	53	57	110
Share options exercised	-	-	-	-	-	-	-	-	27	27
Dividends paid to equity holders (restated)	-	-	-	-	-	-	(407)	(407)	(606)	(1 013)
Total contributions by/(distributions to) owners (restated)	-	-	-	-	53	-	(407)	(354)	(522)	(876)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(41)	-	(41)	41	-
Total transactions with owners (restated)	-	-	-	-	53	(41)	(407)	(395)	(481)	(876)
Restated balance at 31 December 2014	1	43	52	2 765	334	342	5 667	9 204	7 712	16 916
Total comprehensive income for the year										
(Loss)/Profit for the year	-	-	-	-	-	-	(146)	(146)	89	(57)
Other comprehensive income for the year										
Foreign currency translation differences	-	-	-	2 995	-	-	-	2 995	2 700	5 695
Impairment of available for sale financial asset	-	-	(17)	-	-	-	-	(17)	-	(17)
Total comprehensive income for the year	-	-	(17)	2 995	-	-	(146)	2 832	2 789	5 621
Transactions with owners, recorded directly in equity										
Contributions by/(distributions to) owners										
Share-based payments	-	-	-	-	40	-	-	40	43	83
Share options exercised	-	-	-	-	-	-	-	-	4	4
Shares bought back by subsidiary	-	-	-	-	-	-	-	-	(131)	(131)
Dividends paid to equity holders	-	-	-	-	-	-	(487)	(487)	(665)	(1 152)
Total contributions by/(distributions to) owners	-	-	-	-	40	-	(487)	(447)	(749)	(1 196)
Changes in ownership interests										
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	204	204	(286)	(82)
Other changes in ownership interests in subsidiaries	-	-	-	-	-	(13)	-	(13)	13	-
Total changes in ownership interests	-	-	-	-	-	(13)	204	191	(273)	(82)
Total transactions with owners	-	-	-	-	40	(13)	(283)	(256)	(1 022)	(1 278)
Balance at 31 December 2015	1	43	35	5 760	374	329	5 238	11 780	9 479	21 259

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2015

1. These condensed consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited's Listings Requirements for provisional results and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of these condensed consolidated financial statements comply with IFRS and are consistent with those used in the annual financial statements for the year ended 31 December 2014.

R million	Reviewed 2015	Restated 2014
2. Revenue		
Goods sold	1 930	1 976
Leasing income	6 905	5 819
Management fees	156	149
Finance income	8	13
	8 999	7 957
Realised and unrealised exchange differences	278	98
	9 277	8 055
3. Net finance expenses		
Finance expenses	1 199	1 075
Interest expense – Textainer	922	890
Interest expense – TAC	103	100
Realised and unrealised losses on derivative financial instruments	174	85
Finance income		
Interest income – cash and cash equivalents	(23)	(13)
	1 176	1 062



R million	Reviewed 2015	Restated 2014
4. Headline earnings		
(Loss)/Profit attributable to equity holders of the company	(146)	962
Impairment of property, plant and equipment	1 912	18
Compensation receivable from third party in respect of impairment of property, plant and equipment	(98)	–
Total tax effects of adjustments	(24)	(1)
Total non-controlling interests' share of adjustments	(736)	(9)
Headline earnings	908	970
Weighted average number of shares in issue (million)	177,1	177,1
Headline earnings per share (cents)	512,6	547,9
Diluted headline earnings per share (cents)	512,6	547,9
Adjusted headline earnings		
Headline earnings (as above)	908	970
Net unrealised foreign exchange gains on translation of long-term receivables	(171)	(67)
Total tax effects of adjustments	48	19
Adjusted headline earnings	785	922
Undiluted adjusted headline earnings per share (cents)	443,3	520,7
Diluted adjusted headline earnings per share (cents)	443,3	520,7
5. Segmental reporting		
Revenue		
Reportable segments		
Containers – finance (including exchange differences)	288	113
Containers – owning, leasing, management and trading	8 989	7 942
	9 277	8 055
Profit from operations		
Reportable segments		
Containers – finance	200	66
Containers – owning, leasing, management and trading	1 004	3 083
	1 204	3 149
Unallocated	(33)	(42)
	1 171	3 107
Profit before tax		
Reportable segments		
Containers – finance	200	66
Containers – owning, leasing, management and trading	(185)	2 013
	15	2 079
Unallocated	(11)	(30)
	4	2 049
Assets		
Capital expenditure incurred by the container owning, leasing, management and trading segment	6 095	8 653
6. Impairment of property, plant and equipment		
Container leasing equipment		
Impairment recognised at 31 December	1 770	–
Impairment recognised in respect of containers on operating leases not recovered from defaulting customers	142	18
	1 912	18

Due to a decline in market conditions in 2015, an impairment has been recognised at 31 December 2015, reducing the carrying value of container leasing equipment to its recoverable amount. For the purposes of calculating the impairment loss, Cash Generating Units ("CGU's") have been defined as containers grouped by container type. The recoverable amount of the CGU's is its value in use, which has been calculated based on estimated future cash flows over the remaining useful life of the container leasing equipment, discounted at rates ranging between 4,8% and 5,7%. Contractually stipulated *per diem* rates have been used in estimating future cash flows, with *per diem* rates on renewal based on current market rates.

7. Change in estimate

Residual values of the container fleets have been reassessed due to a significant decline in container prices during 2015. In accordance with IAS16 *Property, Plant and Equipment* residual values are the estimated amounts that the group would currently obtain at the financial reporting date from the disposal of containers, after deducting the estimated costs of disposal, if the containers were already of the age and in the condition expected of at the end of their useful lives. The reassessment of residual values is accounted for prospectively as a change in accounting estimate from the date of change of estimate, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The residual

values for certain container types were revised at 30 June 2015 for the purposes of reporting the results of Textainer and TAC under US GAAP. These changes to residual values were also made at 30 June 2015 for the purposes of reporting the results of Trenchor under IFRS and has resulted in additional depreciation of R150 million in 2015. Due to a further decline in container prices, residual values were revised again in accordance with IFRS at 31 December 2015 and will result in additional estimated depreciation in 2016 of R1 448 million over what it would have been had the residual values not been revised. This estimate presumes no material changes to the composition of the container fleets and no significant changes to market factors prevailing at 31 December 2015. Changes in these factors will influence the depreciation actually charged in future periods.

8. Financial instruments

The carrying amounts and fair values of financial assets and financial liabilities are as follows:

R million	Reviewed 2015		Restated 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Equity securities – available-for-sale:				
Other investments	45	45	66	66
Designated at fair value through profit or loss:				
Long-term receivables	640	640	679	679
Held for trading:				
Derivative financial instruments	10	10	14	14
Loans and receivables:				
Restricted cash	450	450	646	646
Trade and other receivables	1 793	1 793	1 237	1 237
Cash and cash equivalents	4 241	4 241	3 160	3 160
Other:				
Net investment in finance leases	2 223	2 203	2 314	2 291
	9 402	9 382	8 116	8 093
Liabilities				
Liabilities at amortised cost:				
Interest-bearing borrowings (excluding debt issuance costs)	47 935	47 711	35 816	35 789
Trade and other payables	1 170	1 170	1 105	1 105
Designated at fair value through profit or loss:				
Amounts attributable to third parties in respect of long-term receivables	85	85	115	115
Held for trading:				
Derivative financial instruments	40	40	20	20
	49 230	49 006	37 056	37 029

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses the recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

R million	Level 1	Level 2	Level 3	Total
2015				
Assets				
Other investments	–	45	–	45
Long-term receivables	–	–	640	640
Derivative financial instruments	–	10	–	10
	–	55	640	695
Liabilities				
Amounts attributable to third parties in respect of long-term receivables	–	–	85	85
Derivative financial instruments	–	40	–	40
	–	40	85	125

2014

Assets

Other investments	–	66	–	66
Long-term receivables	–	–	679	679
Derivative financial instruments	–	14	–	14
	–	80	679	759

Liabilities

Amounts attributable to third parties in respect of long-term receivables	–	–	115	115
Derivative financial instruments	–	20	–	20
	–	20	115	135



8. Financial instruments (continued)

Details of the determination of Level 3 fair value measurements during the year ended 31 December 2015 are set out below:

Long-term receivables and attributable to third parties in respect of long-term receivables are valued by discounting future cash flows. The discount rate applied to the long-term receivables (denominated in US\$) is 8,5% per annum (2014: 8,5%), and amounts attributable to third parties in respect of long-term receivables is 10% per annum (2014: 10%). An appropriate fair value adjustment is made to the net investment for the estimated timing of receipt and the possible non-collectability of these receivables, and the related effect on the payment to third parties. The net present value of the long-term receivables and the related fair value adjustment were translated into SA rand at US\$1=R15,53 (2014: US\$1=R11,54).

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

R million	Long-term receivables	Amounts attributable to third parties in respect of long-term receivables	Total
2014			
Balance at the beginning of the year	867	(155)	712
Total gains in profit or loss	84	–	84
Settlements	(272)	40	(232)
Balance at the end of the year	679	(115)	564
2015			
Total gains/(losses) in profit or loss	218	(9)	209
Settlements	(257)	39	(218)
Balance at the end of the year	640	(85)	555
Total gains/(losses) included in profit or loss for the year in the above table are presented in the statement of comprehensive income as follows:			
2015			
Total gains/(losses) included in profit or loss for the year			
Operating profit	218	(11)	207
Associate tax credit	–	2	2
Total unrealised gains for the year included in profit or loss for assets and liabilities held at the end of the year			
Operating profit	150	(2)	148
2014			
Total gains/(losses) included in profit or loss for the year			
Operating profit	84	(3)	81
Associate tax credit	–	3	3
Total unrealised gains for the year included in profit or loss for assets and liabilities held at the end of the year			
Operating profit	32	4	36

Although the estimates of fair value are considered to be appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurement in Level 3 of the fair value hierarchy, changing one or more of the unobservable inputs used, to reasonably possible alternative assumptions, would have the following effects:

R million	Reviewed		Audited 2014
	Increase/(decrease) in unobservable inputs	Favourable/(unfavourable) impact on profit or loss	
Interest rates – discount rate			
Long-term receivables	100 basis points	(21)	(19)
	(100) basis points	21	19
Amounts attributable to third parties in respect of long-term receivables			
	100 basis points	2	3
	(100) basis points	(2)	(3)
Exchange rates (SA rand = US\$1)			
Long-term receivables	1%	6	4
	(1%)	(6)	(4)

9. Restatement

During 2015, it came to light that in converting the financial statements of TAC from US GAAP to IFRS and in calculating the fair values of the assets and liabilities of TAC on step up to control at 1 July 2013, a constructive obligation existing in TAC had not been taken into account. As a result of this, at 1 July 2013, interest-bearing borrowings were understated by R371 million, non-controlling interests were overstated by R207 million and this gave rise to goodwill of R110 million and the bargain purchase gain of R54 million recognised at the time has been reversed. The effect on profit attributable to equity holders in 2014 was immaterial.

R million	Amount previously reported	Change	Restated amount
Consolidated statement of financial position 1 January 2014			
Intangible assets and goodwill	305	116	421
Others	44 323	–	44 323
Total assets	44 628	116	44 744
Interest-bearing liabilities	(26 936)	(362)	(27 298)
Current portion of interest-bearing borrowings	(1 943)	(35)	(1 978)
Others	(1 190)	–	(1 190)
Total liabilities	(30 069)	(397)	(30 466)
Retained earnings	(5 169)	57	(5 112)
Foreign currency translation reserve	(1 983)	3	(1 980)
Non-controlling interests	(6 647)	221	(6 426)
Others	(760)	–	(760)
Total equity	(14 559)	281	(14 278)
Total equity and liabilities	(44 628)	(116)	(44 744)
31 December 2014			
Intangible assets and goodwill	288	128	416
Others	53 641	–	53 641
Total assets	53 929	128	54 057
Interest-bearing liabilities	(31 976)	(397)	(32 373)
Current portion of interest-bearing borrowings	(3 128)	(36)	(3 164)
Others	(1 604)	–	(1 604)
Total liabilities	(36 708)	(433)	(37 141)
Retained earnings	(5 722)	55	(5 667)
Foreign currency translation reserve	(2 774)	9	(2 765)
Non-controlling interests	(7 953)	241	(7 712)
Others	(772)	–	(772)
Total equity	(17 221)	305	(16 916)
Total equity and liabilities	(53 929)	(128)	(54 057)

R million	Amount previously reported	Change	Restated amount
Consolidated statement of comprehensive income for the year ended 31 December 2014			
Interest expense	(970)	(20)	(990)
Others	3 017	–	3 017
Profit for the year	2 047	(20)	2 027
Other comprehensive income			
Foreign currency translation differences	1 516	(29)	1 487
Total comprehensive income for the year	3 563	(49)	3 514
Total comprehensive income for the year attributable to:			
Equity holders of the company	1 751	(4)	1 747
Non-controlling interests	1 812	(45)	1 767
	3 563	(49)	3 514
Profit for the year attributable to:			
Equity holders of the company	960	2	962
Non-controlling interests	1 087	(22)	1 065
	2 047	(20)	2 027
Basic earnings per share (cents)	542,0	1,2	543,2
Headline earnings per share (cents)	546,6	1,3	547,9
Adjusted earnings per share (cents)	519,4	1,3	520,7



9. Restatement (continued)

R million	Amount previously reported	Change	Restated amount
Consolidated statement of cash flows for the year ended 31 December 2014			
Cash generated from operations	6 534	–	6 534
Dividends paid to non-controlling interests	(631)	25	(606)
Others	(8 628)	–	(8 628)
Net cash outflow from operating activities	(2 725)	25	(2 700)
Cash inflow from investing activities	17	–	17
Cash inflow from financing activities	2 851	(25)	2 826
Net increase in cash and cash equivalents before exchange rate fluctuations	143	–	143
Cash and cash equivalents at the beginning of the year	2 744	–	2 744
Effects of exchange rate fluctuations on cash and cash equivalents	273	–	273
Cash and cash equivalents at the end of the year	3 160	–	3 160

In order to provide a better appreciation of the results of the group's activities, a condensed consolidated income statement and a condensed consolidated statement of financial position are also presented in US dollars, as virtually all of the group's consolidated 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 have been calculated by translating the assets and liabilities at the closing rate, income statement items at the average rate with the difference allocated to the foreign currency translation reserve included in equity. These amounts below are unaudited.

UNAUDITED TRENOR CONDENSED CONSOLIDATED INCOME STATEMENT IN US DOLLARS

for the year ended 31 December 2015

US\$ million	Unaudited 2015	Unaudited Restated* 2014
Revenue	707,5	738,0
Trading profit before items listed below	217,7	284,0
Realised and unrealised exchange gains/(losses) on translation of long-term receivables	1,5	(0,2)
Fair value adjustment on net long-term receivables	2,4	0,5
Impairment of property, plant and equipment	(125,2)	(1,6)
Compensation receivable from third party in respect of impairment of property, plant and equipment	7,7	–
Operating profit before net finance expenses	104,1	282,7
Net finance expenses	(92,1)	(98,4)
Finance expense	(80,4)	(91,8)
Interest expense		
Realised and unrealised losses on derivative financial instruments	(13,6)	(7,8)
Finance income	1,9	1,2
Interest income		
Share of profit of equity accounted investees (net of tax)	0,7	0,4
Profit before tax	12,7	184,7
Income tax expense/(credit)	1,9	0,5
Profit for the year	10,8	184,2
Attributable to:		
Equity holders of the company	(6,3)	85,4
Non-controlling interests	17,1	98,8
	10,8	184,2
Number of shares in issue (million)	177,1	177,1
Weighted average number of shares in issue (million)	177,1	177,1
Basic (loss)/earnings per share (US cents)	(3,6)	48,2
Diluted (loss)/earnings per share (US cents)	(3,6)	48,2
Headline earnings per share (US cents)	35,0	48,6
Diluted headline earnings per share (US cents)	35,0	48,6
Adjusted headline earnings per share (US cents)	34,2	48,3
Diluted adjusted headline earnings per share (US cents)	34,2	48,3
Year-end rate of exchange: SA rand to US dollar	15,53	11,54
Average rate of exchange for the year: SA rand to US dollar	12,75	10,78
Trading profit from operations comprises:		
Textainer and TAC	221,0	287,5
Other	(3,3)	(3,5)
	217,7	284,0

UNAUDITED TRENOR CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN US DOLLARS

at 31 December 2015

US\$ million	Unaudited 31 December 2015	Unaudited Restated* 31 December 2014	Unaudited Restated* 1 January 2014
ASSETS			
Property, plant and equipment	3 840,1	3 891,8	3 489,9
Long-term receivables	36,0	43,2	60,9
Other non-current assets	165,3	253,1	239,6
Total non-current assets	4 041,4	4 188,1	3 790,4
Total current assets	504,1	496,3	487,2
Inventories	49,3	32,5	45,1
Trade and other receivables	124,3	117,8	117,5
Current portion of long-term receivables	8,6	15,7	21,6
Current portion of net investment in finance leases	48,8	56,5	40,4
Current tax asset	–	–	0,3
Cash and cash equivalents	273,1	273,8	262,3
Total assets	4 545,5	4 684,4	4 277,6
Equity and liabilities			
Equity attributable to equity holders of the company	758,6	797,4	750,9
Non-controlling interests	610,4	668,0	614,7
Total equity	1 369,0	1 465,4	1 365,6
LIABILITIES			
Interest-bearing borrowings	2 962,4	2 805,7	2 609,0
Amounts attributable to third parties in respect of long-term receivables	4,5	7,4	11,4
Derivative financial instruments	2,6	1,7	4,2
Deferred revenue	2,5	2,9	3,3
Deferred tax liabilities	17,5	20,4	27,1
Total non-current liabilities	2 989,5	2 838,1	2 655,0
Total current liabilities	187,0	380,9	257,0
Trade and other payables	75,3	95,8	57,0
Current tax liability	9,3	8,0	7,1
Current portion of amounts attributable to third parties in respect of long-term receivables	0,9	2,6	3,4
Current portion of interest-bearing borrowings	101,2	274,2	189,2
Current portion of deferred revenue	0,3	0,3	0,3
Total liabilities	3 176,5	3 219,0	2 912,0
Total equity and liabilities	4 545,5	4 684,4	4 277,6
Ratio to total equity:			
Total liabilities (%)	232,1	219,6	213,4
Interest-bearing debt (%)	223,8	210,1	205,0

* Refer note 9 for details of the restatement. The restatements have been reflected in US dollars in line with the basis of preparation above.